

Stock Code: 603195

Stock Name: Goneo Group

**公牛集团股份有限公司**  
**GONEO GROUP CO., LTD.**



**Annual Report 2023**

## Important Notes

**1. The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Goneo Group Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.**

**2. All the directors of the Company attended the board meeting for the review of this Report.**

**3. Pan-China Certified Public Accountants LLP has issued an independent auditor’s report with unmodified unqualified opinion for the Company.**

**4. Ruan Liping, the Company’s legal representative, Liu Shengsong, the Company’s Chief Financial Officer, and Shen Kewei, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are true, accurate and complete.**

### **5. Final dividend plan approved by the Board of Directors**

As audited by Pan-China Certified Public Accountants LLP, net profit attributable to shareholders of the Company as the parent stood at RMB3,870,135,376.47 for 2023, and the cumulative distributable profit of the Company as the parent was RMB5,044,894,263.44 as at 31 December 2023. The 2023 final dividend plan is as follows: Based on the total share capital (exclusive of the shares in the Company’s repurchased share account) at the record date of the dividend payout, the Company intends to pay a cash dividend of RMB31 (tax inclusive) per 10 shares to shareholders, with a bonus issue of 4.5 additional shares for every 10 shares held by shareholders from capital reserves.

According to the total share capital of 891,540,875 shares minus the 46 shares in the repurchased share account at the date when this Report was authorized for issue, the total cash dividend amount is RMB2,763,776,569.90 (tax inclusive), and the total share capital will increase to 1,292,734,248 shares upon the bonus issue (share capital subject to the number registered with the Shanghai branch of China Securities Depository and Clearing Co., Ltd., with tail difference, if any, due to rounding).

Where any change occurs to the total share capital before the record date of the dividend payout, the cash dividend and bonus issue per share shall remain the same while the total payout and bonus issue amount shall be adjusted accordingly.

The final dividend plan is subject to final approval by the 2023 Annual General Meeting of Shareholders.

### **6. Risk warning regarding forward-looking statements**

Applicable  Not applicable

Any plans, development strategies and other forward-looking statements mentioned in this Report shall not be considered as promises to investors. Investors and those concerned shall be sufficiently aware of the risks and understand the differences between plans and forecasts and promises.

**7. Indicate whether any of the controlling shareholder or other related parties occupied the Company's capital for non-operating purpose.**

N/A

**8. Indicate whether the Company provided any guarantee for any external party in violation of the prescribed decision-making procedure.**

N/A

**9. Indicate whether over half of the directors refused to guarantee the truthfulness, accuracy and completeness of this Report.**

N/A

**10. Major risk warning**

The Company has described the possible risks in this Report. For further information, please refer to the contents under the heading "Possible risks" under Item VI (IV) in "Part III Management Discussion and Analysis".

**11. Other information**

Applicable  Not applicable

## Taking the Long Way

### ——To Our Shareholders

In 2023, we embraced change and innovation amidst a complex economic landscape both at home and abroad. Thanks to our unwavering dedication, we achieved commendable results, with our operating revenue and profit soaring to record highs as we attained robust growth across economic cycles. During the year, we recorded operating revenue of RMB15.695 billion, up 11.46% year on year; and a net profit attributable to our shareholders of RMB3.87 billion, representing an increase of 21.37% from the year earlier. We further fortified our strengths in the electric connection business. Despite profound adjustments in the real estate sector, we still managed to secure rapid growth in the smart electrical lighting business. And, riding tailwinds, we achieved leapfrog development in the new energy business. As a result, the visibility and reputation of our brand—Goneo—have been further enhanced.

In 2023, we were committed to **innovation-driven** development. Based on customer needs, we unveiled a range of highly recognised new products, such as the Master Track Socket, the Butterfly Wing Ultra-thin Switch, the Bladeless Fan Lamp, the “Mini Power Cabin” Socket, the Safe Charging Point, and the Smart No-main-lamp Lighting. These inventions have elevated Goneo to new heights in terms of smart, high-end and trendy products. Throughout the year, the Company won more than ten Chinese and international design awards, including iF, Red Dot, IDEA, and Gmark.

In 2023, we vigorously promoted **channel reform** as well, converting existing store-in-stores into flagship stores carrying comprehensive Goneo products. This has elevated both the stature of our outlets and the image of Goneo as a provider of comprehensive products. Furthermore, we also introduced a new retail model to achieve collaborative growth between our online and offline channels.

In 2023, we drove comprehensive **brand upgrades**. We joined forces with globally acclaimed light designer Roger Narboni to launch “Murora”, an industry-pioneering no-main-lamp lighting brand that has garnered widespread interest. Furthermore, we secured the endorsement of international supermodel Liu Wen, who subsequently agreed to become the face of Goneo. We also collaborated with esteemed supercar designer Fabrizio Giugiaro in crafting our Master Track Socket. Through a range of branding and digital marketing activities, such as celebrity endorsements and KOL promotions, we have reinforced Goneo's image as a leading trendsetter in safe electrical products.

In 2023, we pursued excellence with determination, arranging our businesses, markets, and core capabilities from **a forward-looking perspective**. We also established our International Business Department, marking our comprehensive entry into the global market. Moreover, we founded our Process Optimisation and Digitalisation Centre and joined forces with Huawei Cloud to officially release Goneo's blueprint for digitalisation. Additionally, construction officially began on our smart lighting industrial base in the city of Huizhou in Guangdong Province. These arrangements have laid a solid foundation for the Company's long-term sustainable development.

In 2023, we also deepened our **environmental, social, and governance (ESG) practices**, vigorously promoting the utilisation of green energy and innovation in low-carbon products. We also advanced modern corporate governance in line with international standards. Meanwhile, we proactively fulfilled our social responsibilities, donating a cumulative total of RMB193 million in the year to various causes such as cultural education, healthcare, disaster relief, and poverty alleviation.

Looking ahead, we will remain committed to our three major strategies: a smart ecosystem, new energy, and internationalisation. These efforts are guided by our principles of “taking the long way with professionalism and devotion, and striving for No. 1”. We will also forge ahead with determination towards our goal of RMB100 billion operating revenue, as well as our vision of “becoming a leader in the international civil electrical industry”.

The Board of Directors of Goneo Group Co., Ltd.

April 2024

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Documents available for reference	The financial statements for the year ended 31 December 2023 signed and stamped by the legal representative, the Chief Financial Officer, and the head of the financial department
	The Independent Auditor’s Report for the year ended 31 December 2023 stamped by the CPA firm, as well as signed and stamped by the relevant certified public accountants
	The originals of all the Company’s documents and announcements disclosed on newspapers and websites designated by CSRC during the Reporting Period

## Part I Definitions

### I Definitions

The expressions in the left column in the table below refer to the contents in the right column unless otherwise specified.

Definitions of frequently used terms		
The “Company”, “Goneo Group”, “Goneo”, or “we”	refers to	Goneo Group Co., Ltd.
Reporting Period	refers to	The period from 1 January 2023 to 31 December 2023
Liangji Industrial	refers to	Ningbo Liangji Industrial Co., Ltd., the Company’s controlling shareholder
Ninghui Investment	refers to	Ningbo Ninghui Investment Management Partnership (Limited Partnership), the Company’s shareholder
Suiyuan Investment	refers to	Xiamen Suiyuan Investment Partnership (Limited Partnership), the Company’s shareholder
Qiyuanbao	refers to	Ningbo Qiyuanbao Investment Management Partnership (Limited Partnership), the Company’s shareholder
Cixi Goneo	refers to	Cixi Goneo Electrics Co., Ltd., a wholly-owned subsidiary of the Company
Shanghai Goneo	refers to	Shanghai Goneo Electrics Co., Ltd., a wholly-owned subsidiary of the Company
Ningbo Goneo	refers to	Ningbo Goneo Electrics Co., Ltd., a wholly-owned subsidiary of the Company
Banmen Electric Appliance	refers to	Ningbo Banmen Electric Appliance Co., Ltd., a wholly-owned subsidiary of the Company
Goneo Photoelectric	refers to	Ningbo Goneo Photoelectric Technology Co., Ltd., a wholly-owned subsidiary of the Company
Goneo Precision	refers to	Ningbo Goneo Precision Manufacturing Co., Ltd., a wholly-owned subsidiary of the Company
Goneo Digital	refers to	Ningbo Goneo Digital Technology Co., Ltd., a wholly-owned subsidiary of the Company
Goneo International Trading	refers to	Ningbo Goneo International Trading Co., Ltd., a wholly-owned subsidiary of the Company
Xingluo Trading	refers to	Ningbo Xingluo Trading Co., Ltd., a wholly-owned subsidiary of the Company
Electric Sales	refers to	Ningbo Goneo Electric Sales Co., Ltd., a wholly-owned subsidiary of the Company
Goneo HK	refers to	Goneo International Trading (HK) Limited, a wholly-owned subsidiary of the Company
Goneo Low Voltage	refers to	Ningbo Goneo Low Voltage Electric Co., Ltd., a wholly-owned subsidiary of the Company
Hainan Dacheng	refers to	Hainan Dacheng Supply Chain Management Co., Ltd., a wholly-owned subsidiary of the Company
Murora Intelligent	refers to	Guangdong Murora Intelligent Lighting Co., Ltd., a wholly-owned subsidiary of the Company
Goneo New Energy	refers to	Ningbo Goneo New Energy Technology Co., Ltd., a wholly-owned subsidiary of the Company
Information Technology	refers to	Shanghai Goneo Information Technology Co., Ltd., a wholly-owned subsidiary of the Company
Intelligent Technology	refers to	Ningbo Goneo Intelligent Technology Co., Ltd.
Shenzhen Intelligent	refers to	Shenzhen Goneo Intelligent Information Co., Ltd., a wholly-owned subsidiary of the Company
Domestic Electrical	refers to	Ningbo Goneo Domestic Electrical Appliance Co., Ltd.,

Appliance		a wholly-owned subsidiary of the Company
Goneo Marketing	refers to	Ningbo Goneo Marketing Co., Ltd., a wholly-owned subsidiary of the Company
Hangniu Hardware	refers to	Hangzhou Hangniu Hardware and Electrical Co., Ltd.
Dalitek	refers to	Dalitek Intelligent Technology (Shanghai) Inc., a majority-owned subsidiary of the Company
Liangniu Hardware	refers to	Hangzhou Liangniu Hardware and Electrical Co., Ltd.
Feiniu Hardware	refers to	Hangzhou Feiniu Hardware and Electrical Co., Ltd.
Niuweiwang Trading	refers to	Suzhou Niuweiwang Trading Co., Ltd.
Cixi Libo	refers to	Cixi Libo Electric Co., Ltd.
Yaoyang Trading	refers to	Yichang Yaoyang Trading Co., Ltd.
Huantian Technology	refers to	Hubei Huantian Technology Co., Ltd.
Jianke Trading	refers to	Changde Jianke Trading Co., Ltd.
Chenhao Electronic	refers to	Beijing Chenhao Electronic Technology Co., Ltd.
Guoxin Trading	refers to	Changde Guoxin Trading Co., Ltd.
Qiudi Trading	refers to	Hebei Qiudi Trading Co., Ltd.
The “Articles of Association”	refers to	The Articles of Association of Goneo Group Co., Ltd.
The “Company Law”	refers to	The Company Law of the People’s Republic of China
The “Securities Law”	refers to	The Securities Law of the People’s Republic of China
A-stock	refers to	RMB-denominated ordinary stock
CSRC	refers to	China Securities Regulatory Commission
The Ministry of Finance	refers to	The Ministry of Finance of the People’s Republic of China
Sinolink Securities	refers to	Sinolink Securities Co., Ltd.
SSE	refers to	The Shanghai Stock Exchange
PCCPA or the “Independent Auditor”	refers to	Pan-China Certified Public Accountants LLP
RMB RMB’000 RMB’0,000 RMB’00,000,000	refers to	Expressed in the Chinese currency of Renminbi Expressed in thousands of Renminbi Expressed in tens of thousands of Renminbi Expressed in hundreds of millions of Renminbi

## II Terminology

Civil electrical appliances	refers to	Products that are typically purchased at the discretion of consumers and are suitable for use at home, in the office and on other occasions for power connection, transmission, storage, conversion, control and other functions, such as adaptors, wall switches and sockets, circuit breakers, distribution boxes, LED lamps, etc.
Adaptors	refers to	Products that are produced in accordance with GB/T 2099.3-2015 Plugs and Socket-outlets for Household and Similar Purposes -- Parts 2-5: Particular Requirements for Adaptors, GB/T 2099.7-2015 Plugs and Socket-outlets for Household and Similar Purposes -- Parts 2-7: Particular Requirements for Extension-cord Sockets and GB/T 2099.1-2008 Plugs and Socket-outlets for Household and Similar Purposes -- Part 1: General Requirements, as well as similar foreign standards, and are commonly referred to as adaptors in the Company. Consumers or peer companies often call adaptors socket-outlets, power strips, portable sockets, extension-cord sockets, or power converters.
PDU	refers to	Power Distribution Unit. PDU is an electric connection product suitable for power distribution at the data center end that can make power distribution more orderly, reliable, safe, professional and



		beautiful and make power supply maintenance more convenient and reliable.
Wall switches and sockets	refers to	Wall switches and wall sockets. Specifically, a wall switch refers to a device mounted on the wall for switching on/off the current of one or more circuits and is commonly used to control the on/off status of lighting lamps. A wall socket, also known as a fixed socket, is an electrical accessory mounted on the wall, with a socket inserted with a pin of a plug and installed with terminals for connecting soft cables and hard wires, and is often used to provide a power supply interface for electrical products.
Smart ecosystem	refers to	A novel, intelligent household appliance network that builds an interconnected smart home ecosystem.
LED lighting	refers to	Light sources that are produced using light-emitting diodes (such as LED bulb lamps), or luminaries that are produced using LED as a light source.
No-main-lamp lighting	refers to	A lighting design style and lighting without the main light source, that is, a lighting design technique through which downlights, spotlights, light belts, track lights and other luminaries are used to create a light (light and shadow) atmosphere in a point-line-surface combination manner.
Charging plugs	refers to	Portable chargers that are suitable for AC charging of new energy vehicles and special protectors used to connect household sockets and electric vehicles, with such functions as over-voltage and under-voltage protection, over-current protection and leakage protection.
Charging points	refers to	Fixed charging devices for AC charging of new energy vehicles that often require special wiring and installation in garages and special parking spaces, with such functions as over-voltage and under-voltage protection, over-current protection, leakage protection, insulation detection, electricity billing, timed charging and reserved charging.
Circuit breakers	refers to	A mechanical switching device that can connect, carry and disconnect the current both under normal circuit conditions and under specified abnormal circuit conditions. They are also known as automatic switches and are widely used in households, factories and other distribution circuits.
Distribution, delivery, visit and sales	refers to	A sales model in which specialized vehicles are used to provide retail stores with goods distribution, goods delivery, visit services and door-to-door sales on a regular basis along a fixed planned route.
BBS	refers to	Bull Business System

## Part II General Information of the Company and Key Financial Indicators

### I Corporate Information

Company name in Chinese	公牛集团股份有限公司
Abbr.	公牛集团
Company name in English	GONEO GROUP CO., LTD.
Abbr.	GONEO
Legal representative	Ruan Liping

### II Contact Information

	Board Secretary	Securities Representative
Name	Liu Shengsong	Jin Xiaoxue
Address	Tower A7, 3888 Yinggang East Road, Qingpu District, Shanghai	Tower A7, 3888 Yinggang East Road, Qingpu District, Shanghai
Tel.	021-33561091	021-33561091
Fax	021-33561091	021-33561091
E-mail address	liushengsong@gongniu.cn	jinxx@gongniu.cn

### III General Company Information

Registered address	East Zone of Guanhaiwei Town Industrial Park, Cixi City, Zhejiang Province
Changes of registered address	N/A
Office address	Tower A7, 3888 Yinggang East Road, Qingpu District, Shanghai
Zip code	201703
Company website	<a href="http://www.gongniu.cn">http://www.gongniu.cn</a>
Email address	ir@gongniu.cn

### IV Media for Information Disclosure and Place where this Report Is Lodged

Media and websites where this Report is disclosed	China Securities Journal, Shanghai Securities News, Securities Daily, and Securities Times
Stock exchange website where this Report is disclosed	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Place where this Report is lodged	The Securities Department of the Company

### V Stock Profile

Stock profile				
Class of stock	Stock exchange	Stock name	Stock code	Formerly used stock name
A-stock	Shanghai Stock exchange	Goneo Group	603195	/

### VI Other Information

Domestic CPA firm appointed by the Company	Name	Pan-China Certified Public Accountants LLP
	Office address	Block B, China Resources Building, 1366 Qianjiang Road, Jianggan District, Hangzhou
	Accountants writing signatures	Yao Benxia, and Chen Zhuoyan

## VII Key Financial Information for the Past Three Years

### (I) Key accounting information

Unit: RMB

Key accounting information	2023	2022		2023-over-2022 change (%)	2021	
		Restated	Before		Restated	Before
Operating revenue	15,694,755,606.24	14,081,373,030.94	14,081,373,030.94	11.46	12,384,916,337.51	12,384,916,337.51
Net profit attributable to the listed company's shareholders	3,870,135,376.47	3,188,709,584.89	3,188,619,359.56	21.37	2,780,180,761.75	2,780,360,732.66
Net profit attributable to the listed company's shareholders before exceptional gains and losses	3,703,188,544.28	2,904,238,642.83	2,904,148,417.50	27.51	2,632,296,518.65	2,632,476,489.56
Net cash generated from/used in operating activities	4,827,282,098.55	3,057,914,218.16	3,057,914,218.16	57.86	3,014,326,741.14	3,014,326,741.14
	31 December 2023	31 December 2022		Change of 31 December 2023 over 31 December 2022 (%)	31 December 2021	
		Restated	Before		Restated	Before
Equity attributable to the listed company's shareholders	14,445,921,963.84	12,398,775,930.17	12,398,865,675.75	16.51	10,755,571,605.72	10,755,751,576.63
Total assets	19,762,205,724.93	16,651,920,835.06	16,650,497,198.32	18.68	15,477,458,023.79	15,473,904,666.62

### (II) Key financial indicators

Key financial indicator	2023	2022		2023-over-2022 change (%)	2021	
		Restated	Before		Restated	Before
Basic earnings per share (RMB/share)	4.36	3.59	3.59	21.45	3.13	3.13
Diluted earnings per share (RMB/share)	4.36	3.59	3.59	21.45	3.13	3.13
Basic earnings per share before exceptional gains and losses (RMB/share)	4.18	3.27	3.27	27.83	2.96	2.96
Weighted average return on equity (%)	29.20	27.88	27.88	Up by 1.32 percentage points	28.28	28.28
Basic earnings per share (RMB/share)	27.94	25.39	25.39	Up by 2.55 percentage points	26.76	26.76

Explanations about the key accounting and financial information for the past three years:

√ Applicable □ Not applicable

The Company implemented the 2022 final dividend payout on 8 June 2023. Based on the total share capital of 601,077,590 shares minus the shares in the repurchased share account at the record date, a bonus issue of 0.48 additional share per existing share was carried out, and the total share capital increased to 889,594,811 shares upon the bonus issue. To ensure the comparability of basic and diluted earnings per share, data during the prior year have been adjusted accordingly.

Net cash generated from operating activities increased by RMB1,769.3679 million during 2023 compared with last year, primarily driven by the decreased material costs and inventories.

### VIII Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

#### (I) Differences in net profit and equity attributable to the listed company's shareholders under CAS and IFRS

Applicable  Not applicable

#### (II) Differences in net profit and equity attributable to the listed company's shareholders under CAS and foreign accounting standards

Applicable  Not applicable

#### (III) Reasons for accounting data differences above

Applicable  Not applicable

### IX Key Financial Information for 2023 by Quarter

Unit: RMB

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating revenue	3,334,141,811.90	4,258,286,219.83	4,014,398,938.17	4,087,928,636.34
Net profit attributable to the listed company's shareholders	735,953,763.11	1,085,963,185.80	991,319,113.45	1,056,899,314.11
Net profit attributable to the listed company's shareholders before exceptional gains and losses	645,437,841.61	1,020,193,181.61	957,161,316.24	1,080,396,204.82
Net cash generated from/used in operating activities	1,439,163,828.60	1,539,850,319.44	1,041,360,458.80	806,907,491.71

Indicate whether any of the quarterly financial data in the table above differs from what have been disclosed in the Company's past periodic reports.

Applicable  Not applicable

### X Exceptional Gains and Losses

Applicable  Not applicable

Unit: RMB

Item	2023	Notes (if applicable)	2022	2021
Gain or loss on disposal of	-5,614,733.30		-3,980,890.27	-9,714,625.18

non-current assets (inclusive of impairment allowance write-offs)				
Government grants recognised in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	191,833,723.62		130,991,587.24	388,196,973.94
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	7,786,015.00		-7,385,680.00	11,107,836.63
Capital occupation charges on a non-financial enterprise that are recognised in profit or loss	331,702.44		590,062.34	8,121,324.51
Gain or loss on assets entrusted to other entities for investment or management	190,904,769.99		279,374,491.92	171,623,256.63
Gain or loss on loan entrustments				
Asset losses due to acts of God such as natural disasters				
Reversed portions of impairment allowances for receivables which are tested individually for impairment				
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments				
Current profit or loss on subsidiaries obtained in				

business combinations involving entities under common control from the period-begin to combination dates, net				
Gain or loss on non-monetary asset swaps				
Gain or loss on debt restructuring				
One-off costs incurred by the Company as a result of discontinued operations, such as expenses for employee arrangements				
One-time effect on profit or loss due to adjustments in tax, accounting and other laws and regulations				
One-time share-based payments recognized due to cancellation and modification of equity incentive plans				
Gain or loss on changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payments				
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using the fair value method				
Income from transactions with distinctly unfair prices				
Gain or loss on contingencies that are unrelated to the Company's normal business operations				
Income from charges on entrusted management				
Non-operating income and expense other than the above	-172,631,226.63		-58,763,095.61	-
Other gains and losses that meet the definition of exceptional gain/loss			1,712,485.52	2,739,167.53
Less: Income tax effects	45,407,663.66		57,894,123.94	96,291,397.10
Non-controlling interests effects (net of tax)	255,755.27		173,895.14	
Total	166,946,832.19		284,470,942.06	147,884,243.10

Items unlisted in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items are identified as exceptional and the items are of a significant amount, and exceptional gain/loss items listed in the Explanatory

Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items are identified as recurrent.

Applicable  Not applicable

#### XI Items Measured at Fair Value

Applicable  Not applicable

Item	Opening balance	Closing balance	Change in the period	Unit: RMB
				Effect on current profit
Held-for-trading financial assets	6,949,000,000.00	9,727,000,000.00	2,778,000,000.00	
Derivative financial assets	643,100.00	8,263,755.00	7,620,655.00	
Receivables financing	1,036,801.70	5,359,014.96	4,322,213.26	
Held-for-trading financial liabilities	18,200,000.00		-18,200,000.00	18,200,000.00
Other current assets	283,755,939.73	50,265,479.45	-233,490,460.28	
Total	6,968,879,901.70	9,740,622,769.96	2,771,742,868.26	18,200,000.00

#### XII Other Information

Applicable  Not applicable

## Part III Management Discussion and Analysis

### I Discussion and Analysis on Operations

In 2023, we embraced change and innovation amidst a complex economic landscape both at home and abroad. Thanks to our unwavering dedication, we achieved commendable results, with our operating revenue and profit soaring to record highs as we attained robust growth across economic cycles. During the year, we recorded operating revenue of RMB15.695 billion, up 11.46% year on year; and a net profit attributable to our shareholders of RMB3.87 billion, representing an increase of 21.37% from the year earlier. We further fortified our strengths in the electric connection business. Despite profound adjustments in the real estate sector, we still managed to secure rapid growth in the smart electrical lighting business. And, riding tailwinds, we achieved leapfrog development in the new energy business. As a result, the visibility and reputation of our brand—Goneo—have been further enhanced.

In 2023, the Company's brand value reached a new high, ranking 351st among World Brand Lab China's 500 Most Valuable Brands 2023 with a brand value of RMB24.567 billion. The Company's subsidiaries, Goneo Low Voltage and Intelligent Technology, were recognised for the first time as high-tech enterprises. The project "Pilot Demonstration of Electrical Products and Appliances Supply Chain Collaboration Based on Industrial Internet Platform" was successfully selected to be on the list of "National Pilot Demonstration of Industrial Internet" by the Ministry of Industry and Information Technology of China. In addition, the Company was named one of the "Top 100 Manufacturing Enterprises of Zhejiang Province", one of the second batch of Zhejiang's "Cloud-based Enterprises", and a Zhejiang "Eagle Enterprise" (Technology Leadership Type), among other honours.

In 2023, the Company achieved remarkable results as follows:

**(I) The electric connection business continued to drive product upgrades, and strengthened Goneo as a trendy and high-end brand.**

In 2023, the electric connection business adhered to its positioning as an "Expert in Safe Electricity Use", continually innovating and upgrading products around consumer demands. It led the trends towards younger, more upscale, and smarter industry developments. Over the year, this business achieved revenue of RMB7.387 billion, marking a 4.77% increase compared to the previous year.

1. Product side:

(1) Adaptors

In 2023, our adaptors focused on innovation in three key directions: addressing the upgraded needs of users, pinpointing requirements in niche scenarios, and catering to distinctive demands in international markets.

Regarding user upgrade demands, aligned with trends towards younger demographics, premium offerings, and smart technology, the adaptors underwent significant enhancements



including the launch of highly popular product series such as the Track Socket, the High-aesthetic Socket, the Global Travel Converter, and the Generation Z Socket Series. In 2023, we collaborated with esteemed supercar designer Fabrizio Giugiaro in crafting our Master Track Socket, featuring mechanical safety shutters and an intelligent LCD display. This industry-first smart design reaffirms Goneo's leadership in niche markets. Our High-aesthetic Socket breaks the mould of traditional designs by combining stunning looks with high performance, and incorporating gallium nitride fast-charging technology to redefine the aesthetic appeal of desktop sockets. In response to the explosive travel demands in the post-pandemic era, we systematically upgraded our travel converter series to compact, multifunctional Fast-charging Travel Converter Series, bolstering our presence in the rapidly growing business travel segment. Addressing the trend towards a younger consumer base, this year also saw the launch of the cost-effective, stylish Generation Z Socket Series, invigorating the youthful brand image of our adaptors with their vibrant product designs.

For niche scenario pain points, based on user research, the Company introduced a series of innovative products in 2023. Addressing specific needs such as overcharging protection for electric bikes, accessing power in tight spaces, and powering high-capacity devices, the Company launched products including the overcharge protection socket for electric bikes, extension cord, and a 16A adaptor plug, continuously refining the electrical experience in segmented user scenarios. Our products like PDUs and industrial connectors, targeting B2B sectors such as data centre power distribution and factory production, have also been well-received in the market. For electricians seeking ultimate safety and value for money, our economical multi-outlet adaptors, professional-grade, and electrical accessory products further solidified our industry-leading position.

To better advance our internationalisation strategy, in 2023, the adaptor business leveraged local market research and consumer insights to innovate products tailored for the Southeast Asian market. We planned and launched several locally adapted innovative products, offering competitive and differentiated user experiences to international consumers, effectively enhancing our brand recognition and reputation abroad.

## (2) Digital accessories

In 2023, Goneo Digital continued to pursue a strategy of third-party premium offerings. Based on a deep exploration of all-scenario electricity needs and keen market insights, a series of innovative products were launched. For multi-scenario, small-volume socket needs, the Company broke through industry technological barriers with innovative structural and industrial designs to introduce the "Mini Power Cabin" Socket, meeting dual demands for functionality and performance. For desktop electricity usage scenarios, the Company introduced a vertical smart display socket that features all-around power access, safety, and space-saving benefits, making it a preferred choice for digital product setups. Addressing fast-charging scenarios, the Company combined its proprietary "Automatic Power-Off When Full" technology to introduce gallium nitride overcharge protection chargers, enhancing the battery health of digital devices. For wireless charging scenarios, Goneo

launched a new magnetic suction wireless portable charger, significantly improving the charging experience in mobile settings.

## 2. Channel side

Electric connection products are primarily sold through the Company's traditional strengths in offline hardware channels, digital channels, and e-commerce. Currently, the Company has over 750,000 hardware channel outlets and over 250,000 digital channel outlets, with a widely distributed network of end points that can provide consumers with quality products and services promptly and conveniently.

In 2023, the hardware channels continued to deepen the "Distribution, delivery, visit and sales" system, strengthening channel capabilities. Centred around adaptors and leveraging synergies with electrical tape, dry batteries, and power tools, measures such as improving store displays and creating dedicated sales areas enhanced per-store efficiency and output, effectively driving sales across various products while increasing the loyalty between end-point sales locations and customer groups. Additionally, the Company actively developed new channel outlets like boutique stores, trendy toy shops, stationery stores, and high-end supermarkets to promote an upgrade in store formats and enhance the brand image. The operational capabilities of the Company's hardware channels have continuously improved through lean product planning, market strategies, empowering distributor teams, supporting weaker markets, upgrading customer management systems, and new media marketing tools, effectively enhancing operational efficiency and reducing business risks.

Digital channels continued to diversify, including mobile repair shops, digital accessory stores, small convenience stores, points malls, and gift channels, using mobile batteries and similar categories to drive store upgrades towards service-oriented directions, offering consumers integrated products and solutions. Channels also built lean marketing capabilities and short-video streaming for local marketing, enabling traffic for end-point stores and collaborating with online e-commerce channels to rapidly drive business growth.

In 2023, the online e-commerce channels continually consolidated the industry-leading position of the electric connection category, with track socket sales reaching new heights and market share continuing to climb on a high base, driving overall industry growth and consumer upgrades. The Company's e-commerce channel has progressively established a full-link, refined management from innovative product development to hit product creation, further strengthening the product innovation advantage, while also accelerating the construction of emerging platform channels, creating differentiated layouts based on the marketing characteristics of various e-commerce platforms, establishing a frontline communication with consumers, and steadily enhancing Goneo's electric connection category's market position across the online channels.

## 3. Supply chain side

The Company has established a comprehensive, vertically integrated supply chain in the electric connection manufacturing sector. Starting with the processing of raw materials such as

copper and plastic particles, we have moved towards in-house production. With ongoing enhancements in lean supply chain management, automation, and informatisation, the Company has developed significant competitive advantages in quality, cost, and efficiency.

In 2023, our adaptor factories utilised new-generation information technologies such as industrial internet and artificial intelligence to pioneer new delivery models like network collaboration and personalised customisation. This led to the initial realisation of digital design, intelligent production, smart management, collaborative manufacturing, and secure control with data interconnectivity. These advancements earned the factory accolades as Zhejiang Province's "Mobile Socket Smart Factory" and Ningbo's "Factory of the Future". Additionally, continuous innovation and optimisation in production processes, such as promoting modular and resistance welding techniques, have enabled the automated mass production of wireless products, significantly boosting production efficiency.

The digital factory, targeting "high flexibility and rapid delivery", has embraced lean factory transformation and piloted the "small and micro business entity" model with USB cable products, focusing on "increasing output and reducing input". This approach has driven a rapid closed loop in research, production, and sales, resulting in notable improvements in per capita output and inventory turnover rates. In automation applications, the continuous introduction of lean equipment and implementation of regional automation have led to the establishment of an automated benchmark line for surge-resistant products. In process development, the capability to produce "high power, small volume" product lines has been swiftly established, from surface treatments to production testing, and from lamination processes to high-precision welding, continuously enhancing our capabilities.

#### 4. Brand side

The Company firmly adheres to its brand positioning as an "Expert and Leader in Safe Electricity Use", aligning key projects with the brand. Through synchronised updates across online and offline endpoints, official websites, and new media at all consumer touchpoints, we have facilitated an enhancement of the brand value. In 2023, leveraging innovative products and employing media channels with high interactivity, wide coverage, and precise targeting, we assembled resources including celebrities, influencers, designers, and the media. We launched multiple rounds of brand communication campaigns around new products like the Master Track Socket and the "Mini Power Cabin" Socket. This elevated the profile and popularity of our representative electric connection categories, rejuvenating consumer perceptions of trendy, high-value and well-designed products, and receiving positive market feedback.

**(II) The smart electrical lighting business created a trendy and high-end product ecosystem, vigorously promoted the channel reform featuring "flagship stores + new retail model", and achieved sustained growth across economic cycles.**

In 2023, the Company was committed to creating an ecosystem of smart pre-decoration electrical products with smart no-main-lamp lighting as the core, and comprehensive pre-decoration

products have been covered, including wall switches and sockets, LED lighting, bathroom heaters, circuit breakers, smart door locks, and smart clothes drying racks. To adapt to the changes in consumption habits, new progress has been made in vigorously promoting the reform of the new retail pattern featuring "physical flagship stores + online traffic acquisition", meeting the consumers' needs for "one-stop shopping + experience", and tackling the challenges concerning in-depth adjustments in the real estate sector. In the year, the smart electrical lighting business achieved revenue of RMB7.902 billion, representing a year-on-year growth of 15.37%.

#### 1. Product side

##### (1) Wall switches and sockets

In 2023, the Company's wall switches and sockets strategy centred around "steadily establishing the foundation, targeting high-end markets, making insights into new opportunities, and promoting product innovation". This approach continued to optimise a tripartite combination of basic, high-end, and smart products, with strategic new products and innovative items progressing in parallel, enabling us to maintain a leading position in the competitive market.

In line with our brand upgrade strategy and consumer pursuit of home aesthetics, in 2023, the Company launched the Butterfly Wing Family of Ultra-thin Switches, which were well-received for their excellent industrial design and user experience, setting a new industry standard for ultra-thin profiles. The Company also introduced the Cream Style Switch and Socket, closely following popular home decor trends and meeting the aesthetic shifts and detailed preferences of the post-90s generation. Additionally, to cater to consumers' varied material preferences, we launched the Glass Switch and Socket, further strengthening the competitiveness of our mid-to-high-end products. Simultaneously, the Company delved deep into user needs research and identified pain points in various segment scenarios, resulting in the launch of several innovative products such as invisible sockets, flush-to-floor sockets, and voice-activated switches.

Furthermore, targeting overseas and B2B markets, the Company actively carried out the planning and development of wall switch products. Catering to the differentiated needs of various consumer groups and clients, we enhanced our platform-based, modular structural designs, improving product flexibility and expandability, and established an efficient product development process.

##### (2) LED lighting

Adhering to the positioning of "eye-caring", and oriented to meeting the needs for light in space and behaviour, the Company tapped into customer demand based on different customer groups and different application scenarios, and continued to push forward the research of "light" and the innovation and application of optical design. It made technological innovation in the directions of "anti-blue light", "visible flicker-free", "full spectrum", "high index", "anti-glare", "comfortable colour temperature", etc., and is committed to providing consumers with a comfortable, healthy light environment.

In 2023, the basic light source business was driven by high targets, focusing on exploiting new opportunities and developing major products. The Company actively innovated, developing and launching several new categories including second-level energy-efficient flat panel lights, high-brightness ceiling lights, tri-proof lights, and solar street lights. These efforts continually enriched and expanded the product line, gradually perfecting the space lighting solutions for small to medium-sized engineering projects and commercial users following our home lighting solutions.

The decorative lighting business prioritised "eye-caring technology", intelligent controls, platformisation, and standardisation as key directions for business development. In 2023, the Company completed a comprehensive upgrade of its decorative lighting products, covering a range of design styles including "modern and simple" and "understated luxury", and highlighting features such as "ultra-thin", offline voice control, and "quick-installation structures". To meet higher user expectations for the appearance, quality, and lighting effects of fixtures, we introduced the flagship eye-care product, the "Goneo Natural Light Series". This product uses a full-spectrum light source that closely mimics natural light, providing a comfortable lighting experience and an ultra-thin, minimalist design, which received positive market feedback. Furthermore, the competitiveness of our luminary products was comprehensively enhanced. The Company launched the new T02PLUS Downlight Series, which are noted for their high quality feel and deep anti-glare properties; and the T01PLUS Series, positioned as the ultimate cost-effective metal downlight, also showed strong market competitiveness.

The portable lighting business continued to focus on reading and supplementary lighting scenarios. For reading scenarios, we successfully launched the new generation of eye-caring desk lamps – the Xingyue Series. This series underwent a complete upgrade in optical technology, utilising honeycomb anti-glare technology to effectively reduce both direct and reflective glare, thus minimising eye damage. It innovatively employs dual three-dimensional lighting effects to achieve uniform and extensive lighting. This product has received the highest AAA-level certification from the SMQ Health Lighting Product Certification, the highest AA-level under the Performance Requirements for Table Lamps for Paper Task GB/T 9473-2017, and certification for Prevention and Control of Myopia in Children and Adolescents. For supplementary lighting scenarios, we introduced decorative lighting that fits user needs – the Cat Eye Cabinet Light. Its small hillock light shape adds different levels to the lighting arrangements in homes, greatly enriching consumers' lighting scenarios.

### (3) Smart no-main-lamp lighting

Focusing on consumers' upgraded demand for minimalist decoration style and intelligent light experience, the Company has made smart no-main-lamp lighting a key development direction for its lighting business and is committed to creating a healthy, comfortable and professional light environment and convenient control experience for users, better interpreting the lighting levels and light atmosphere of a space. The Company promotes the rapid development of its no-main-lamp lighting business through the dual-brand strategy of Goneo and Murora.

The Goneo brand focuses on high cost-performance no-main-lamp lighting. In 2023, the brand introduced several high-quality, cost-effective product series including the T04, T03 Plus, and P06 anti-glare downlight series; S04 ultra-narrow magnetic track light series; high Colour Rendering Index ("CRI") COB soft light strips, and SMD bright light strips. Among these, the P06 deep anti-glare "small hillock" wall washer light quickly gained market recognition as a successful example of product definition meeting user needs.

The Murora brand is dedicated to providing consumers with integrated smart lighting solutions. In 2023, Murora no-main-lamp lighting, in collaboration with international lighting masters, launched professional lighting packages that include downlight, rail light, strip light, ambient light, and Murora MOS system. The Master T200 and S100 series are industry leaders in design, user experience, and optical platforms, and quickly won the G-Mark award upon release. The proprietary Murora MoS system focuses on the core lighting needs of users, continuously optimising and iterating the user experience in dimensions such as mass appeal and quality experience. Together with smart screens and peripheral series ecosystem products, it enables linked home scenarios, providing users with a comfortable smart home experience.

#### (4) Ecosystem-based products

To meet consumers' needs for one-stop shopping during pre-decoration, the Company shifts from providing products to providing better scenario-based solutions, constantly iterating and innovating products such as bathroom heaters, smart door locks, smart clothes drying racks, smart curtain machines, fan lights and circuit breakers. A household pre-decoration intelligent ecosystem with smart no-main-lamp lighting as the core has been in shape.

In 2023, the Company's domestic electrical appliances business steadfastly adhered to a user-centric philosophy, attuning to trends in home decor, demographic characteristics, usage contexts, habits, and insights into consumer pain points to capture the differentiated demands for various spatial scenarios. In the bathroom scenario, the Company introduced the Y30 series of bathroom heaters, conceptualised around the "Heaven Round, Earth Square" design philosophy, the Y18 quick-heating bathroom heater utilising new materials and technologies, and the M02 electric warm air dryer, all notable for their aesthetically pleasing designs and superior performance. In the dining and bedroom scenarios, products such as the ultra-thin invisible fan lamp and the bladeless fan lamp were launched, which garnered multiple national and international design awards. The bladeless fan lamp broke industry conventions with its novel appearance, technology, and user experience, earning widespread acclaim from both the industry and consumers. For the balcony scenario, in 2023, the Company introduced the "Ultra-thin Cicada Wing" J04 series and the linear J06 series of clothes drying machines, aligning with the aesthetic preferences of younger consumers and meeting the evolving demands of home decor and aesthetic spatial arrangements.

In 2023, the circuit breaker business continued to innovate on its existing home decor product platform, focusing on "easy installation, ease of use, and superior service" to further enhance the home decor product line. It also developed and expanded products specifically for factory

engineering clients and niche new energy industry scenarios, adding a series of industry-specific products including high-voltage DC, miniaturisation, and smart technologies. Additionally, capitalising on market opportunities, the Company expanded its range in the instrumentation sector, launching several types of electric meters and progressively moving towards smart, platform-based solutions, helping to solidify its presence in the leading home decor market channels.

The smart door lock business in 2023 continued to explore and gain insights into the home entry scenario and deepened its in-house and platform-based strategies. By creating flagship products, the entire line was optimised for performance with a competitive strategy of standard "peephole + screen" configurations, effectively lowering the entry barriers for smart door locks and eliciting an excellent market response. The newly launched high-end flagship "Pianai" series featured a unique eccentric handle design, winning multiple international awards. Its in-house developed new generation Dynamic integrated drive not only enhanced the lock's performance stability and smoothness but also significantly improved battery life. In 2023, Goneo's safety smart locks Q04PF PRO and Q32P were among the first globally to receive the "TÜV Rheinland Certification" jointly issued by TÜV Rheinland and the Ministry of Public Security's Testing Center in China, as well as being among the first in the lock industry to be awarded the "CQC Certification" by the China Quality Certification Centre, providing users with smarter, safer, and more user-friendly smart door locks through high technology and quality.

## 2. Channel side

Smart electrical lighting products are primarily sold through the Company's traditional strengths in offline decorative channels and online e-commerce platforms. From 2023, we began building the Murora no-main-lamp lighting channel from scratch. Currently, the Company boasts over 120,000 decorative channel sales points. In recent years, the Company has actively aligned with consumer trends by expanding towards home decoration companies and by vigorously promoting comprehensive and specialised upgrades in stores to better serve the one-stop buying needs at the pre-decoration stage of home refurbishments.

In 2023, the decorative channels facilitated the market penetration of wall switches and sockets, LED lighting, domestic electrical appliances, Goneo no-main-lamp lighting, and smart door locks into county and town markets. This year also saw the initiation of a comprehensive flagship store construction plan, which significantly drove the development of all product categories. In line with industry trends, the decorative channels energetically expanded top-tier decoration enterprises to create home electrical solutions centred around no-main-lamp lighting, wall switches, and track sockets. Meanwhile, through the development of smaller decoration firms and small-to-medium projects, new strategic growth channels were established. In 2023, the decorative channels actively utilised the Bull Business System's methodological tools to empower channel partners, enhancing channel capabilities through lean market planning, value sales, and lean retail strategies.

The smart electrical lighting products saw sustained growth in online e-commerce channels in 2023. Wall switches led the brand's upgrade to high-end and stylish with the online ultra-thin large

panel series, achieving a breakthrough in overall online market share; the flagship store for the lighting category has become a benchmark in the industry; innovative products such as the bladeless fan lamp achieved breakthrough growth. The Company maintained robust growth on traditional strength e-commerce platforms like Tmall and JD.com, leading the industry, while simultaneously accelerating layouts on emerging platforms like Douyin and Pinduoduo. For the decorative channel's flagship stores, new retail models introduced are gradually utilizing digital methods to blend online and offline traffic, capturing consumer needs more accurately, driving product innovation and service upgrades, effectively integrating resources, and enhancing operational efficiency.

In 2023, the Murora no-main-lamp lighting professional channel completed a systematic construction of its marketing network, rapidly assembling a nearly 100-person professional team, forming an efficient channel structure of company-dealer-Murora experience store. Murora stores now broadly cover all provincial capitals, most prefecture-level cities, and economically developed regions across the country. To ensure smooth business development, the Company specifically established an empowerment team, creating an integrated training system of "tell, teach, practice, lead", combining online and offline elements, focused on empowering storefronts in customer acquisition, lighting design, and store operations. In 2023, nearly 300 marketing-oriented lighting designers and outstanding store sales management personnel were trained and certified, and digital tools were developed to assist storefronts in efficient operations, laying a solid channel foundation for the sustainable development of Murora no-main-lamp lighting.

B2B channels have actively explored engineering project businesses, becoming an important switch partner for construction projects in regions such as Beijing-Tianjin-Hebei, Chengdu-Chongqing Economic Circle, and the Guangdong-Hong Kong-Macao Greater Bay Area, and focusing on creating benchmark projects in affordable housing, education, hotels, and corporate infrastructure; continuing to focus on expanding the business of fully furnished properties, securing ongoing cooperation with top real estate companies like Taikang, Poly, and Longfor.

### 3. Supply chain side

Leveraging years of accumulated manufacturing management expertise, the Company has established a deeply integrated supply chain system around various categories of its smart electrical lighting business. Wall switches benefit from globally leading manufacturing bases in terms of scale and efficiency. The manufacturing strengths of basic light sources and decorative lighting are increasingly evident, while other ecosystem businesses focus on in-house research and production, actively promoting lean, automated, and digital supply chain developments. These initiatives have yielded substantial results in delivery achievement, quality assurance, and cost control.

In 2023, our wall switch factory pioneered the industry's first fully automated production line for switch panels, achieving complete automation from incoming materials to finished product packaging. Utilizing AI online analysis software integrated with a CCD imaging system, we conducted precise quality management in real-time. Through the optimisation of 5G base station



coverage, we significantly improved the accuracy and timeliness of equipment data collection, anomaly alerts, personnel deployment, and unmanned AGV scheduling, further ensuring production stability. Additionally, on the foundation of core business process digitalisation and factory digitisation, the wall switch factory has solidified its production and sales "hub" and supply chain "CPU" through the implementation of APS 3.0 and control tower structures, achieving "digital intelligence connectivity" from sales to delivery.

The light source factory increased its investment in production process innovation in 2023, leading the industry in multiple production efficiency and quality indicators. It developed the industry's first efficient man-machine combination line for spotlight production, the first unmanned assembly line for column lights, and the first integrated assembly and packaging line for light strips, greatly enhancing product competitiveness.

In 2023, the decorative lighting factory, recognising the characteristics of LED variety in small batches, primarily used automated and small-scale flexible production lines to ensure the flexibility of deliveries. Targeted lean improvements and upgrades were made to establish a benchmark factory with extremely low costs. In line with product upgrade and iteration needs, investments were made in bedroom lights, upgraded M32 ceiling lights, T32 downlights, and others, covering a full range of automated production lines that employ industry-leading technologies such as robotics, visual recognition, and automated testing. The use of TPM, DM, and other lean methodologies has created an integrated management approach to production technology, substantially improving overall production efficiency. On the digital implementation front, comprehensive deployment of APS (Automatic Scheduling System), AMS (Automated Material Management System), and WMS (Warehouse Management System) has achieved full-chain information management from the supplier side to finished goods warehousing. Building on the existing MES, we deeply integrated the DM process to establish a digital system for work order and anomaly management, further enhancing management and operational efficiency.

In 2023, the smart lighting (no-main-lamp lighting) factory pioneered within the industry by achieving 100% production testing of light sources, ensuring uniformity in light colour, and introducing an industry-first online ageing process through in-house developed equipment to guarantee product quality. The completion of capacity building in the injection moulding and SMT workshops enhanced mould improvement and electronic capabilities. The preliminary setup of the "Sparrow Factory" model has been achieved, enabling in-house production of certain key components. Looking towards long-term business development, the Company has initiated the construction of the intelligent no-main-lamp lighting industrial base in Huizhou Zhongkai Hi-tech Industrial Development Zone. This project has now entered a substantive construction phase and, once completed, will serve as the Company's research and intelligent manufacturing centre in the Guangdong-Hong Kong-Macao Greater Bay Area.

The domestic electrical appliances factory continued to implement lean improvements in 2023, developing a vertical supply chain and achieving 100% in-house production of core components

such as motors, PCBA, sheet metal parts, and injection moulded parts, thereby continually enhancing the core capabilities of the supply chain. The lean layout facilitated a production model that integrates the same base, building, floor, and area, highly integrating manufacturing units and utilising a BMS full value chain pull system. Improvements in purchasing loops and supplier direct JIT delivery ensure a stable supply-demand system. In terms of quality, immersive improvements empower suppliers to continuously enhance component yield rates, ensuring product quality. Additionally, the implementation of an automated production line for bathroom heaters has established a platform-based, functionally modular, and component-standardised production system, laying a solid foundation for long-term development of smart factories.

In 2023, the circuit breaker factory overcame several challenges, including silver spot non-destructive welding and integrated hot riveting welding processes, successfully achieving 100% automation coverage of critical micro-break processes. The introduction of integrated magnetic and thermal welding systems and automatic white pole assembly equipment has placed it at the forefront of industry manufacturing. On the digital implementation front, the comprehensive introduction of the BMS system effectively addresses issues such as material shortages, complex processes, process wastage, and inventory turnover. Combined with the establishment of the Sparrow Factory and the use of VSM tools to thoroughly review and adjust the product's full value chain, the factory has reduced discontinuities to achieve continuous flow, pushing for reductions in inventory, increased efficiency per square meter, and improved timeliness of deliveries. Automatic deployment of equipment parameter recipes and inter-process data error-proofing effectively track the full process data of product testing and optimise parameters, enhancing product consistency and supporting quality improvements.

In 2023, the smart door lock factory established fully automatic and semi-automatic production lines, achieving platform-based, functionally modular, and standardised component production, while striving to develop a vertical supply chain. Core components such as die-casting, PCBA, and injection moulded parts are now produced in-house, continually reducing product costs and enhancing product quality.

#### 4. Brand side

The Company has vigorously promoted the Goneo brand within the smart electrical lighting sector to enhance both its visibility and reputation. In 2023, we launched several brand promotion and new product campaigns, including the "Butterfly Wing Ultra-thin Switch High-End Fashion Campaign" and the "Bladeless Fan Lamp Innovative Category Breakthrough Campaign". These initiatives leveraged the partnership with the aerospace sector, the official announcement of the brand ambassador, and the cooperation with well-known home designers, generating lively discussions on platforms like Douyin, where keywords like "ultra-thin" and "butterfly wing" dominated the home renovation industry rankings. This significantly enhanced the fashion perception of Goneo switches among users and interior designers. Additionally, offline decorative

channel flagship stores also served as crucial media for brand promotion, where an appealing store image effectively strengthened consumer trust and enhanced the Goneo brand's reputation.

2023 marked the inaugural year for the "Murora" no-main-lamp lighting brand. The Company utilised various activities for an all-around brand introduction to the industry and consumers, including a brand launch event, the opening ceremony of the Murora flagship store in Zhongshan, Guangdong, the Guangzhou International Lighting Exhibition ("GILE"), and Dragon TV's "Dream Home". Murora collaborated with its chief lighting consultant, the founding president of the Association Des Concepteurs Eclairagistes ("ACE") and the lighting designer of Notre-Dame de Paris, to release a comprehensive home lighting solution and intelligent control systems, sparking industry discussions on the relationship between light and living spaces, and the layered needs for a healthy lighting environment in homes. The traction from the brand side and continually increasing consumer recognition have laid a solid foundation for the smooth development of the business.

**(III) The new energy business swiftly enriched product offerings, increased competitiveness across the board, such as technology, supply chain, and channels, and achieved leapfrog development.**

In an era marked by changes in energy structures, the Company's new energy business, leveraging on its electrical technologies and brand advantages accumulated over the past years, quickly completed the transition of product lines and channels from alternating current to direct current, from slow charging to fast charging, from single charging point to group charging, from charging to energy storage, and from business-to-consumer (To C) to business-to-business (To B), which enables users to enjoy products and services featuring safety, convenience and efficiency and ensures the rapid growth of this business. In 2023, the new energy business achieved revenue of RMB380 million, representing a year-on-year growth of 148.64%.

#### 1. Product side

##### (1) New energy vehicle charging plugs/points business

In 2023, our new energy business focused on enhancing the comprehensive scenario-based charging and discharging experience for electric vehicles, continually perfecting the product layout and engaging in ongoing personalisation and innovation.

For the consumer market ("C-end"), we met segmented user needs through trend-based user research by developing an innovative aluminium extruded integrated "portable charging points", which accommodates multiple charging scenarios including "fixed charge", "multi-point fast charge", and "portable charge". The technologically inspired design of this station received the German iF Design Award, garnering positive market feedback. To enrich user options, following the classic style charging point, the Company launched the Enjoy Smart Charging Point with power coverage of 7 kw/11 kw/21 kw, compatible with the majority of mainstream new energy vehicle models. These stations feature a 2.8-inch clear display screen that allows users to monitor charging status in real-time, which has been highly praised by users. As the use of electric vehicles in outdoor scenarios (such as camping, car washing, and vehicle rescue) increases, the Company innovatively

developed discharge adapters and surge-protected extension sockets, supporting high power and multiple types of electrical equipment.

For the operator market ("B-end"), the Company rapidly deployed fast-charging direct current points represented by group charging. By using a full matrix topology circuit and integrating with cloud platforms or mobile terminals, these charging points achieve true dynamic power distribution, making the charging system more intelligent and efficient. Through multi-module parallel design, these charging points prevent single-module failures from impacting usability, effectively enhancing equipment reliability. Additionally, group charging products can be power-scaled according to demand, support remote fault diagnostics, and remote OTA and USB-OTA updates on the operational platform, significantly improving the equipment's scalability and advanced applicability. In terms of core components, to enhance the overall stability and leading edge of the direct current charging points, the Company has independently developed a new core power module using the Vienna rectifier circuit design, achieving efficient power conversion and energy regulation. The Company's full potting process design enhances the sealing, moisture resistance, shock resistance, and heat dissipation of electronic products, significantly increasing the stability, reliability, and durability of the products.

## (2) Energy storage business

In 2023, the Company fully engaged in the energy storage sector, strategically positioning itself in the European market for residential energy storage and in the domestic market for commercial and industrial energy storage. Following initial consumer demand and industry pain point analysis, the residential energy storage solutions underwent differentiated design in several aspects including safety, ease of installation, system, and structure: these products feature an integrated fire safety module, dual-level active electrical protection, automatic battery module recognition, battery quick-connect terminals that require no wiring, support for up to 100 A high-current charging and discharging, and a pre-configured diesel generator interface. To better meet the needs of domestic small and medium-sized commercial and industrial users for new energy storage and the management of industrial electricity demand peaks, the Company launched a 125 kw, 230 kwh liquid-cooled commercial and industrial energy storage cabinet. The AC side supports installation of up to 32 units in parallel, with a one-way conversion efficiency that reaches industry-leading levels; the product includes a triple fire safety design, features transformer load tracking capability, and can intelligently adjust its power input; additionally, it has a full power backup supply functionality, capable of off-grid full power output, serving as a backup power source for commercial and industrial use, accommodating various corporate electricity scenarios.

Moreover, to continue building a competitive edge in new energy technologies for the future, the Company not only scans and tracks pioneering opportunities and technologies but has also established a close collaborative research and development partnership with well-known universities with strong research capabilities within the industry. This collaboration focuses on "integrated photovoltaic storage and charging" and thermal management. Additionally, the

Company actively participates in setting standards in the new energy electricity sector, working alongside relevant departments, professional associations, and leading industry participants to jointly promote the healthy and orderly development of the industry.

## 2. Channel side

In 2023, the Company vigorously expanded the domestic offline market for new energy charging points, focusing on the purchasing needs of individual consumers and operator clients. It innovated a "four-drive marketing" model to comprehensively boost sales growth. In terms of channel development, we continued to enhance the number and coverage of outlets nationwide, providing consumers with a more convenient purchasing experience. The C-end channels were specifically expanded into new energy automotive trade stores and car beautification shops among other professional distributors. By the end of the Reporting Period, the Company had developed over 17,000 terminal outlets, initially establishing a sales and service network that spans urban and rural areas. The B-end channels focused on covering government agencies, enterprises, properties, and charging station scenarios, developing clients through precise customer profiling, solidifying methodologies for government and enterprise project development, and refining Goneo's benchmark operational station integrated construction plans, significantly enhancing expansion efficiency. By the end of the Reporting Period, over 1,500 operator clients had been developed, actively responding to and effectively following the national policy guidance for the construction of public new energy vehicle charging infrastructure. Moreover, the Company has established strategic partnerships in product and technology areas with companies such as the China Tower, State Grid, Geely Farizon, and Seres. In terms of services, for C-end home charging points, a "one-stop installation" service system has been constructed. After two years of continuous effort, Goneo New Energy AC charging point installation after-sales service was awarded the Electric Vehicle Charging Facility Installation Service Provider Certificate by TÜV Rheinland, one of the top five global authoritative certification bodies and a leading authority in the domestic new energy charging point installation service sector. For B-end customer services, the Company offers a variety of models including charging points + commercial and industrial storage devices, integrated photovoltaic-storage-charging solutions, and operator ecosystem cooperation. These services empower partners in design planning, installation construction, operational lead generation, station maintenance, and resource integration, providing clients with high-quality products and rapid-response after-sales service.

Additionally, as an important purchasing channel for C-end consumers, the online e-commerce channel has been collaboratively developed. The Company has established an official flagship store for the car charging category and has progressively perfected the system of professional industry distributors and layouts across major e-commerce platforms, with the Company's products maintaining a leading market share among third-party brands.

In 2023, the Company actively explored and validated the commercial and industrial energy storage business sector through marketing models, financial cooperation methods, and industry

studies, as well as through pilot developments for dealers and factories. It summarised and accumulated marketing methodologies, accelerating the construction of marketing capabilities for the energy storage business.

### 3. Supply chain side

Since its establishment, the Company's new energy factory has made manufacturing technology innovation a core competency, gradually deepening the vertical supply chain layout from scratch and continuously enhancing quality, cost, and efficiency advantages. In 2023, guided by lean manufacturing principles, the new energy factory aimed to establish an automotive-grade supply chain system. Through lean product planning, BPD, and 3P improvement tools, the factory achieved in-house development and manufacturing of DC group charging products, power modules, European residential energy storage products, and commercial and industrial energy storage products. Particularly, the design production capacity of charging points made significant leaps, with production cycles achieving D+1 rapid agile delivery, effectively ensuring the smooth and rapid development of the business.

### 4. Brand side

As a significant part of Goneo's strategic positioning in the electricity sector, the new energy business aligns closely with Goneo's brand image rooted in "safety" within the consumer's mind, successfully extending this brand gene. The "Goneo Safe Charging Point", founded on excellent product strength, received high consumer recognition upon launch.

In 2023, to promote the new energy business, the Company actively participated in industry-leading exhibitions, enhancing Goneo's charging point industry influence through professional domain advocacy. At the "Second Shanghai International Charging Pile and Battery Swapping Station Exhibition" ("CPSE Exhibition"), which represents the authoritative and professional brand selection in China's charging industry, Goneo showcased its integrated DC charging points, AC charging points, charging plugs, and discharging plugs. Thanks to its focus on safe electricity technologies, quality assurance from lean production, and impressive sales performance, Goneo won two industry accolades: "2023 Top Ten Influential Brands in China's Charging Industry" and "2023 Top Ten Quality Excellence Award in China's Charging Industry". At CES, the largest and most influential consumer electronics industry event globally, Goneo introduced the new home charging point flagship model -- Wuji, leading the automotive charging industry into an era of visual interactive and seamless start charging. Making its debut at the event, Goneo clinched the "2023-2024 International Innovative Enterprise Brand Award", and the Company's outstanding performance during the exhibition also garnered extensive attention from international media such as the Associated Press News and Agence France-Presse. Additionally, the Company actively built a promotional matrix around online content, short videos, and interest-based e-commerce platforms, leading the industry in both internal and external search rankings for charging categories, effectively enhancing the Goneo charging point brand's influence.

**(IV) Internationalisation: Efforts have been made in seizing opportunities arising across the development cycles of the overseas markets to make the Company's operations more international.**

In 2023, the Company established the International Business Department, set up overseas subsidiaries in countries and regions such as Germany and Indonesia, accelerated the localisation of relevant organisations and teams, rapidly integrated internal and external resources, and fully set sail for the overseas markets. Now all operations are progressing in an orderly manner.

Embracing the new cycle of household electrification development in Southeast Asia and other regions, the Company seized growth opportunities with a focus on products such as electric connection and electrical lighting. In 2023, the Company took the lead in upgrading its distributor system in major Southeast Asian countries. Concurrently, it initiated deeper research and recruited distributors in emerging markets such as the Middle East and South America, swiftly expanding its business into target overseas markets. Focusing on long-term development, the Company adhered to the philosophy of product localisation, planning and developing specialised products tailored to local market demands and successfully implementing overseas product plans and arrangements. In terms of market expansion, the Company initiated localised innovation, upgrading the methodology of "distribution, delivery, visit and sales" for the domestic market to drive the meticulous development and management of overseas market channels. Meanwhile, the Company established overseas businesses in regional markets, efficiently driving the implementation of its overseas business.

Faced with the new cycle of new energy development in Europe and the US, the Company swiftly shifted its focus to new energy charging and home energy storage sectors. In terms of products, the Company accurately located market demands, swiftly and independently developed and made a range of energy storage products, and gradually integrated into the upstream supply chain. These efforts were aimed at bolstering its cost competitiveness. In terms of channels, leveraging extensive market exploration experience previously, the Company focused on establishing installer channels. It conducted pilot recruitment and trial sales in key countries such as Germany, preliminarily validating its business model. By establishing a distributed service system featuring local teams and a user-centric approach and rapidly building and promoting a professional brand image, the Company achieved a differentiated competitive edge in the European new energy market. In charging plug and point sectors, the Company initiated overseas market research, completing product planning and supply chain deployment in advance and laying the groundwork for business promotion.

**(V) Corporate operation: Continuously deepening organisational, process and digital reforms to promote high-quality development**

In 2023, the Company actively carried out organisational reforms and established the Process Optimisation and Digitalisation Centre, dedicated to advancing overall process optimisation, resource integration, and digital transformation. Through process optimisation, information

technology, and digital and intelligent means, the Company aimed to build core strength for its future high-quality development.

Actively learning from and catching up with industry leaders, in 2023, the Company benchmarked itself against excellent practices of digital transformation in the industry. It also collaborated with Huawei Cloud to jointly draw a blueprint for Goneo Group's digital transformation. Through a thorough analysis of the current status and strategic objectives for the future, the Company clarified the planning project outcome of its digital transformation blueprint. Specifically, regarding the digital strategic vision guided by "1-3-6-X", "1" represents a complete blueprint; "3" means three goals to be achieved: "Restructuring the decision-making pattern, optimising user experience, and enhancing operational efficiency;" and "6" refers to six measures: Product R&D standardisation, agile supply and procurement, integrated warehousing and logistics, platform-based marketing services, digital talent supply, and intelligent business management. Additionally, learning from Huawei's methods and practices regarding digital governance, the Company achieved process reengineering and management transformation, thus supporting the comprehensive development of its digital transformation and ultimately completing the transition from a functional organisation to a process-oriented organisation. This planning outcome is expected to guide the direction and path of the Company's digital transformation over the next three to five years, facilitating the fulfilment of the Company's vision of "becoming a leader in the international civil electrical industry".

After recent years of continuous enhancement and construction, the Bull Business System ("BBS") has evolved into an important operational system driving the Company's improvement of operational quality. In 2023, based on the guiding principle of "accompanying throughout the business and delivering results", BBS formed a full value chain empowerment system with a focus on strategic planning and deployment ("PD"). Through thinking elevation and decomposition for implementation, business flows were connected, forming a closed loop. This ensured improvements in BBS would be fully integrated into the entire value chain of production, research, sales, and functions, empowering each business to achieve continuous success.

In response to the demand for organisational skills and talent supply for future sustainable development, in 2023, the Company carried out a range of organisational and talent reforms guided by the principles of elite and efficient organisation and orderly talent filling. This aimed to promote rapid enhancement of cadres' capabilities and the natural formation of talent pools. Meanwhile, regarding human resources, the Company focused on the cultivation and development of various talented professionals, such as cadres, experts, skilled talent, and young talent, laying a solid talent foundation and providing robust support for the Company's development. Furthermore, according to changes in the external labour market, the Company further improved its remuneration management and incentive mechanism, enhancing the competitiveness of employee remuneration. To support the promotion of international business more effectively, special adjustments were made to the welfare and incentive policies for employees stationed overseas/overseas employees, fully



stimulating employees' creativity and enthusiasm and promoting the synchronous improvement of the Company's operating results, individual career development, and compensation and benefits.

## **II Introduction of the Industry where the Company Operates during the Reporting Period**

### **1. Development stage and periodic characteristics of the industry**

According to the Industry Classification of National Economy (GB/T 4754--2017) issued by the National Bureau of Statistics, the main type of the Company's business is assigned to "Manufacturing Industry of C38 Electric Machine and Equipment". Among them, adaptors, wall switches and sockets, and digital accessories are all assigned to the specific type of "3899 Other Not Classified Manufacture of Electric Machine and Equipment". LED lighting is assigned to the specific type of "3872 Manufacture of Lighting Devices". And new energy charging plugs/points fall in the specific type of "3829 Manufacture of Other Power Distribution and Control Facilities".

With the further improved economic structure as well as the continuous increase of the resident discretionary income and consumption level in China, industries such as household appliances, consumer electronics, real estate, home decoration, and new energy vehicles, grow continuously and rapidly, promoting the market demand for products in electric connection, smart electrical lighting and new energy charging and storage. Nowadays, China is the main producing base of adaptors across the world. The brands of wall switches and sockets in China's market are nationally leading as well as internationally famous. In the field of lighting, China has become the workshop of the world with products sold to around 220 countries and regions. In the field of new energy vehicles, China is the world's largest producer and consumer. In general, traditional electric connection products such as adaptors and digital accessories, as well as wall switches and sockets, LED lighting and electrical lighting products, have entered a mature period of development, but the sub-categories, such as smart ecosystem household products, and new energy products are in a growing period with increasing policy support.

Products of electric connection, smart electrical lighting and new energy all have close connection to people's lives with no obvious characteristics of industry cycle and regions. Among them, some products of electric connection and smart electrical lighting have been affected by some factors including cessation of business in major retail terminal end outlets (such as hardware stores, specialized markets and so on) and the reduction of housing fixtures during the Spring Festival. Therefore, the first quarter always has the fewer sales volume all over the year.

### **2. The Company's position in the industry**

The Company concentrates on the civil electric industry and always upholds the business philosophy of "Be Professional and Concentrated, and Go Further". Since its establishment in 1995, the Company has gradually formed three main businesses: electric connection, smart electrical lighting and new energy. Relying on excellent product quality and sound word of mouth, the reputation of the Goneo brand has increased constantly and its sales volume has always been leading. During the Reporting Period, the Company ranked 351st among World Brand Lab China's

500 Most Valuable Brands 2023 with a brand value of RMB24.567 billion. In addition, it was recognized as a “National Industrial Internet Pilot Demonstration Enterprise” by the Ministry of Industry and Information Technology of China, and named one of the “Top 100 Manufacturing Enterprises of Zhejiang Province”, among other honours.

According to the data provided by Info Master, in 2023, the Company’s products such as adaptors and wall switches and sockets had the No. 1 online sales volume on the e-commerce platform of Tmall; and its new energy vehicle charging plugs and charging points also led the way among third-party brands in terms of online sales volume on Tmall.

### III Principal Operations of the Company during the Reporting Period

#### 1. Principal operations

During the Reporting Period, the Company focused on the three major businesses of electric connection, smart electrical lighting and new energy towards its strategic objectives. The primary products of electric connection are adaptors (power strips), digital accessories, etc. The products of smart electrical lighting mainly include wall switches and sockets, LED lights (smart no-main-lamp lighting), safe circuit breakers, smart bathroom heaters, smart door locks, smart clothes drying racks, smart curtain machines and so on. The products of new energy mainly include new energy vehicle charging points/plugs, household chargers, industrial and commercial chargers, outdoor portable chargers, etc.



The Company adheres to the vision of “Becoming a Leader in the International Civil Electric Industry”, the mission of “providing safe and comfortable electricity experience for customers” and the development philosophy of “be professional, concentrated and go further”. Since its establishment in 1995, the Company has always adhered to the guidance of consumer demand and the base of product quality. The Company started to from the segmentation of power strips, constantly promoting the innovation of functions, technology and design, and developing batches

of new products popular among consumers. Focusing on innovation, the Company has the comprehensive advantages of product R&D, marketing, supply chain and branding. After years of developing and expanding, the Company has formed three major business segments: electric connection, smart electrical lighting and new energy. Besides, it has also formed sustainable business layout in the fields of civil electrical industry and lighting.

## **2. Business models**

(1) Procurement model: The procurement business of the Company mainly includes the procurement of operating supplies including copper, silver, aluminum, tin, plastic granule, paper pulp, etc., and the procurement of non-operating supplies such as IT materials, administrative supplies and so on. The Company has established a procurement strategy with quality as the core. It has selected the main supplier through the mechanism of strict supplier entrance and regular examination and inspection. Besides, the Company established strategic cooperating relationships with the main suppliers to ensure the quality and delivery. The Company has set up a procurement sharing platform with professional personnel at the group level. It improves the ability of negotiating prices, lowers procurement costs, and controls the quality of raw materials through centralised procurement, direct procurement from source suppliers, tendering, etc. Furthermore, the Company has optimized and improved the suppliers management system, ERP system, manufacturing and storage system, etc. Meanwhile, it has improved the management of procurement and constantly improved the procurement efficiency.

The Company has performed centralised procurement of bulk raw materials such as copper, silver, aluminum, tin, plastic granules, paper pulp and so on. In addition, the Company has locked the trading price through ways such as forward hedging to reduce the uncertain risk brought by the price fluctuation in spot market of raw materials.

(2) Production model: The Company has adopted the manufacturing model of “Market Forecast + Safe Inventory”. Products are mainly self-made. Some new products and supporting products have been made by adopting the OEM manufacturing mode. Every factory is responsible for the production of corresponding products and parts. They have ensured product quality, efficient management and on-time delivery at the same time. Meanwhile, the Company has constantly promoted the innovation of manufacturing model. By building a balanced production and sales system, continuously improving lean, automated and digital levels, and insisting on technical process innovation, the Company has gradually enhanced its "order-driven" flexible production model while ensuring product quality and reducing inventory slow moving losses.

(3) Sales model: The Company has established online and offline integrated sales model through omnichannel. The offline sales model is mainly based on distribution and partially based on direct selling. The Company has promoted the innovative offline sales mode of “distribution, delivery, visit and sales” in the field of civil electrical appliances and implemented refined management of channels. Through efficiently organizing and transferring dealer resources around the country, and long-term accumulation, the Company has established distribution network with

1.1 million retail stores covering national urban and rural areas. The online channel has covered the mainstream e-commerce platforms through direct selling + distribution, with which we have made every effort to build the flagship stores into a brand promotion window. The Company has actively implemented digital marketing to realize “diversion outside the online channel and sales inside the channel” with the help of each traffic inlet. Meanwhile, in terms of the smart electrical lighting products, the Company has beefed up development and sales in the B-end channels of decoration and engineering projects; and as for the new energy-related products, active efforts have been made to develop B-end operator customers. Additionally, the Company has actively explored emerging markets such as Southeast Asia and markets of developed countries and regions such as the U.S. and Europe to speed up the global business layout.

#### **IV Analysis on Core Competitiveness during the Reporting Period**

Applicable  Not applicable

The Company has always adhered to the core values of “Honest, Faithful, Professional and Concentrated”. With forward-looking strategies and the tactics of high-performance operation, it has built up a sustainable business portfolio and comprehensive competitive edges.

##### **(I) Product strength**

**(1) The Company has established an edge of innovative product development based on consumer demand.**

For long, the Company has attached great importance to research on consumer demand and the innovation of product planning and research. It has always viewed the promotion of consumer experience as the primary goal in product research. The Company has established an integrated innovation system and teams of forward research, product planning and research. It has created and applied all kinds of new technologies, materials and crafts. Through the constant superposition of micro innovation, the Company has promoted a batch of products of electric connection, smart electrical lighting and new energy with new and different characteristics in the aspects of design, performance, technology and function, which are popular among consumers. During 2023, the Company was granted 10 international design awards. By the end of the Reporting Period, it has cumulatively won 77 domestic and international design awards, including Red Dot (Germany), iF (Germany), G-Mark (Japan), IDEA, Red Star (China), AWE, DIA (China), etc. In addition, it has a National Industrial Design Centre recognized by the Ministry of Industry and Information Technology of China.

Each year, the Company formulates a three-year technical plan in a rolling manner, leveraging the organisational structure of the Future Research Institute to plan prospective technologies, key technologies, and product application technologies. It has developed a roadmap for achieving technical development and leadership goals. Concurrently, the Company has actively integrated internal and external resources, collaborating with top-notch universities and consulting firms in areas such as new energy-based electrical products, digital intelligent control, healthy lighting, and AI industrial applications. In 2023, the Company experienced a further boost in technological

capabilities, achieving 370 newly authorised patents and nine new software copyrights. By the end of the Reporting Period, the Company had accumulated a total of 2,686 valid patents authorised and 68 software copyrights, had been recognised as a national demonstration enterprise in intellectual property rights, and had been approved for establishing a national post-doctoral workstation.

In terms of promoting healthy development of the industry, for years, the Company has participated in drafting 132 national standards, industry standards and association standards. It is the vice chairman unit of the Electrical Accessories and Household Controller Branch of the China Electrical Equipment Industry Association. It is also the vice chairman unit of the National Technical Committee for Standardization of Electrical Accessories. What's more, it is the first electrical enterprise in the industry to draft the "Made in Zhejiang" standard and attain certification.

**(2) The Company has always adhered to the philosophy of winning through high quality and put in place an efficient quality control system.**

Since its founding, the Company has aimed to manufacture high-quality products. The idea of winning through high quality has gained support among all in the Company. The Company has established a good brand image and reputation on the market with reliable product quality.

In the aspects of selecting raw materials, procurement, research and production process control, product testing and after-sales service, the Company has established a comprehensive and perfect quality management system of product planning -- product design -- procurement -- production in batch quantity -- post-sale strictly in line with the national standards, related laws and regulations, and enterprise standards. To ensure the efficient operation of the quality management system, the Company has established a domestically leading quality test centre. Covering a building area of 12,189 square metres, the quality test centre is equipped with three nationally accredited laboratories, which have obtained certifications such as "UL Witness Laboratory," "CNAS Laboratory," "CCC On-site Laboratory", "WMT-certified Laboratory," "DEKRA Cooperative Laboratory," "HCT Cooperative Laboratory," and "TÜV Rheinland Authorised Laboratory" from professional institutions. By the end of the Reporting Period, the Company was outfitted with cutting-edge hardware and software research assets valued at over RMB39 million, including more than 1,940 sets of testing equipment. This has offered robust resource support for product quality control. Meanwhile, boasting an independent materials research institute, the Company has conducted pre-research and application verification of technologies to bolster material quality, thereby continually enhancing product reliability, durability, and sophistication. Additionally, leveraging information technology systems and software platforms such as the Quality Management System ("QMS"), Manufacturing Execution System ("MES"), System Applications and Products ("SAP"), and Product Lifecycle Management ("PLM"), the Company has put in place a comprehensive process monitoring and problem-solving information technology-based process that spans aspects such as customer quality feedback, new product quality risks, internal manufacturing quality, and supplier quality. This ensures effective implementation and execution of the Company's quality control system.

With long-term accumulation, the Company has formed an efficient and systematic quality management and control system. It has achieved the management system certification of ISO9001, ISO14001, OHSAS18001, and AS9100D. Besides, it has been successively awarded over 20 prizes related to quality such as “National Qualified Products of Stable Quality”, “Products with Reliable Quality”, “Demonstration Enterprise of Export Quality and Safety in China”, “Famous Brand Products in Zhejiang” and “Ningbo Mayor Quality Award”.

## **(II) Marketing strength**

### **(1) Always being responsive to changes in consumer demand and habits, the Company has been foresighted in promoting channel reforms.**

Supported by the offline marketing network of more than 1.1 million outlets covering urban and rural areas, as well as a professional online marketing network, the Company has established a marketing system featuring coordinative online and offline channels in the civil electrical industry. Over the years, with an innovative offline sales model featuring “distribution, delivery, visit and sales”, it has developed in China more than 750,000 hardware channel retailers (including hardware stores, grocery stores, office supplies stores, supermarkets and so on), more than 120,000 specialized decoration and lamp decoration retailers, and more than 250,000 digital accessories channel retailers. These channels have expanded the selling points to stores, large market places, professional markets in urban and rural areas, forming an offline marketing network hard to be duplicated. At the same time, the Company has established a professional e-commerce direct selling operational team and an online distributor system with strong ability. Nowadays, the Company has comprehensively entered the leading e-commerce platforms such as Tmall, Taobao, JD.com, Vipshop, Pinduoduo, and so on. It has dozens of authorized online distributors. On the basis of maintaining the sales on traditional e-commerce platforms, the Company also worked on hobby and content-oriented e-commerce channels to strengthen its brand presence while driving sales. According to the data provided by Info Master, in 2023, the Company’s products of adaptors and wall switches and sockets continued to maintain the first place in the Tmall online market share and continued to consolidate the leading position, while its new energy chargers led the way among third-party brands in terms of sales volume.

The high quality coordinated development between offline and online channels has helped the Company establish a comprehensive, multilevel and stereoscopic marketing network, which is the unique channel advantage of the Company to maintain competitiveness. With the changes in consumption trends and footfall structure, comprehensive flagship stores for the decoration channel and the new retail model of online and offline integration have been introduced and initially tested, which have become important directions for the Company’s channel development and innovation in the future. Simultaneously, the Company has always adhered to the refined management of channels for years, developing established systems in the aspects of development, management, operation, and so on. It has had the advantage of developing new channels swiftly. The systematic

channel layout of new energy and Murora products in a short period of time is an effective manifestation of this underlying capability.

**(2) With “Goneo” being widely recognized as a safe and reliable brand, the Company is now strengthening a trendy, high-end, and high-tech brand image.**

Through a branding model with selling point promotion as the foundation, over the past more than 20 years, the Company has made constant efforts to support the distributors to put the Goneo brand in retail stores and put advertising resources such as display inside and outside the stores, in so doing the Goneo brand has been disseminated to cities, towns and counties. It has formed a simple, efficient and unique branding model. Goneo has become a household name. Meanwhile, the Company has constantly enriched the brand connotation and improved the brand’s penetration and loyalty among different consumers with the help of diversified, intelligent and young new products and the Internet new media promotion. With the brand upgrading strategy, and based on continuous product innovation, the “Goneo” brand has gradually shifted from “safe and reliable” to “trendy, high-end and high-tech”. And the Company’s brand presence and reputation have been further enhanced.

### **(III) Operational strength**

**(1) The Company has a highly lean, automated and digitalized supply chain, helping it stay competitive with respect to quality, efficiency and cost.**

With products as the core, the Company deeply integrates the upstream supply chain, masters the key components and core technology, and establishes a vertically integrated supply chain system from basic raw materials to finished products. It has regarded manufacturing technology as the important carrier of core competitiveness in the supply chain. It is equipped with mold, hardware, electronic, spraying and other supporting factories. These factories design, develop and manufacture various high precision molds for the Company’s diverse products. With automated injection molding and molding integration, they have been developing and supplying sufficient precision electronic components for the Company. Meanwhile, by giving full play to synergies among them, the product quality, production efficiency and the product innovation competence have been greatly improved.

The Company has constantly improved the lean, automated and digitalised manufacturing capabilities and established an industrial automatic team of integrated research, design and manufacturing. The independent development and design, and the assembly application capability of automatic devices and smart assembly devices have constantly improved. The flexible production mode of “man-machine integration” has been promoted rapidly. With the help of a leading automatic stereoscopic warehouse and smart sorting shipment system, the Company has achieved the mechanization and automation of warehouse work, which greatly improves the speed of distribution and delivery, and the customer response ability. The automatic stereoscopic warehouse has efficiently connected the front-end automatic production. The smart manufacturing system for the whole process of feedstock -- production -- storage -- shipment has been established. Meanwhile,

by comprehensively upgrading the MES system and integrating ERP, QMS, PLM and other hardware and software systems, the Company has achieved digitalised whole-process information monitoring and management of “integrated design and manufacturing, automated production and processing, transparent production process, and precise logistics control”, providing solid support for the sustainable development of the Company’s business.

**(2) The Bull Business System (BBS) has become a powerful engine to drive the Company’s business development.**

As management reforms have been deepened over the past few years, BBS has become a pivotal methodology and operational system driving the Company’s improvement of operational quality and a robust catalyst for innovation-driven growth, cost reduction, and efficiency enhancement of the Company. Focusing on the Company’s strategic goals, BBS has fully capitalised on tools and methods to empower the organisation to continuously pursue excellence, consolidate the foundation of its advantageous business, and secure breakthroughs in new business, thereby attaining satisfactory operating results.

**V Major Operations during the Reporting Period**

For the Reporting Period, operating revenue increased 11.46% year on year to RMB15.695 billion and the net profit attributable to the Company’s shareholders amounted to RMB3.870 billion, up 21.37% from the previous year.

**(I) Analysis of Principal Operations**

**1. Changes in consolidated income statement and cash flow statement items**

Unit: RMB

Item	2023	2022	Change (%)
Operating revenue	15,694,755,606.24	14,081,373,030.94	11.46
Cost of sales	8,914,184,532.27	8,730,082,585.08	2.11
Selling expense	1,070,438,160.60	800,387,659.41	33.74
Administrative expense	626,198,552.51	500,596,373.88	25.09
Finance costs	-108,510,345.64	-107,993,300.96	Not applicable
R&D expense	673,427,386.61	588,296,080.11	14.47
Net cash generated from/used in operating activities	4,827,282,098.55	3,057,914,218.16	57.86
Net cash generated from/used in investing activities	-3,434,383,521.90	-1,746,083,657.48	Not applicable
Net cash generated from/used in financing activities	-1,987,046,180.27	-1,945,455,689.54	Not applicable

The change in operating revenue was primarily driven by the steady growth in the traditional core business and the fast growth in new businesses in the year.

The change in cost of sales was primarily driven by the increased costs along with the increased revenue and the efforts in cost reduction in the year.

The change in selling expense was primarily driven by the increased advertising and marketing expenses.

The change in administrative expense was primarily driven by the increased salaries and equity incentive expenditures for the management.

The change in finance costs was primarily driven by the decreased exchange losses.

The change in R&D expense was primarily driven by the increased R&D investments.



The change in net cash generated from/used in operating activities was primarily driven by the increased sales.

The change in net cash generated from/used in investing activities was primarily driven by the increased purchases of financial products in the year.

The change in net cash generated from/used in financing activities was primarily driven by the increased dividend payout.

Particulars about any significant change to the Company's business nature, profit composition or sources in the current period.

Applicable  Not applicable

## 2. Revenue and cost analysis

Applicable  Not applicable

In 2023, the electric connection business continued to drive product upgrades, strengthened Goneo as a trendy and high-end brand, and achieved solid growth. The smart electrical lighting business created a trendy and high-end product ecosystem, vigorously promoted the channel reform featuring "flagship stores + new retail model", and achieved sustained growth across economic cycles. The new energy business swiftly enriched product offerings, increased competitiveness across the board, such as technology, supply chain, and channels, and achieved leapfrog development.

### (1) Principal operations by operating division, product category, operating segment and sales model

Unit: RMB

Principal operations by operating division						
Operating division	Operating revenue	Cost of sales	Gross profit margin (%)	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
Civil electrical appliances	15,669,231,313.32	8,899,467,288.16	43.20	11.50	2.09	Up by 5.23 percentage points
Principal operations by product category						
Product category	Operating revenue	Cost of sales	Gross profit margin (%)	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
Electric connection products	7,387,125,686.25	4,366,868,543.35	40.89	4.77	-5.81	Up by 6.64 percentage points
Smart electrical lighting products	7,902,394,358.10	4,282,575,223.38	45.81	15.37	7.67	Up by 3.88 percentage points

New energy products	379,711,268.97	250,023,521.43	34.15	148.64	141.97	Up by 1.82 percentage points
Principal operations by operating segment						
Operating segment	Operating revenue	Cost of sales	Gross profit margin (%)	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
Domestic	15,494,120,354.44	8,772,144,247.50	43.38	12.35	3.37	Up by 4.91 percentage points
Overseas	175,110,958.88	127,323,040.66	27.29	-33.03	-44.79	Up by 15.50 percentage points

Notes:

1) During the year, the electric connection business recorded operating revenue of RMB7.387 billion, up 4.77% year on year; and a cost of sales of RMB4.367 billion, down 5.81% year on year. As the core of the Company, the electric connection business continued to drive product upgrades, strengthened Goneo as a trendy and high-end brand, and achieved solid growth.

2) During the year, the smart electrical lighting business recorded operating revenue of RMB7.902 billion, up 15.37% year on year; and a cost of sales of RMB4.283 billion, up 7.67% year on year. The smart electrical lighting business created a trendy and high-end product ecosystem, vigorously promoted the channel reform featuring "flagship stores + new retail model", and achieved sustained growth across economic cycles.

3) During the year, the new energy business recorded operating revenue of RMB380 million, up 148.64% year on year; and a cost of sales of RMB250 million, up 141.97% year on year. The new energy business swiftly enriched product offerings, increased competitiveness across the board, such as technology, supply chain, and channels, and achieved leapfrog development.

## (2) Output and unit sales analysis

√ Applicable □ Not applicable

Primary products	Unit	Output	Unit sales	Inventory	YoY change in output (%)	YoY change in unit sales (%)	YoY change in inventory (%)
Electricity connecting products	0,000 pieces	61,929.53	59,134.05	4,704.09	8.70	4.81	22.10
Smart electrical lighting products	0,000 pieces	94,593.22	91,353.88	6,162.88	17.71	22.27	1.98
New	0,000	64.34	57.48	5.84	150.82	140.49	17.79

energy products	pieces						
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Notes:

1) The inventory of electric connection products increased steadily in the current period compared with last year.

2) The inventory of smart electrical lighting products increased steadily in the current period compared with last year.

3) The unit sales of new energy products showed a significant increase compared with last year, mainly due to the strong sales of these products.

### (3) Execution of significant purchase or sales contracts

Applicable  Not applicable

### (4) Cost analysis

Unit: RMB

By operating division							
Operating division	Cost category	2023	As % of total costs in 2023 (%)	2022	As % of total costs in 2022 (%)	Change in amount (%)	Note
Civil electrical appliances	Direct materials	7,137,885,744.17	80.07	6,975,115,126.99	79.90	2.33	
	Direct labor cost	616,271,427.08	6.91	597,581,598.69	6.85	3.13	
	Manufacturing expense	1,145,310,116.91	12.85	1,144,233,978.87	13.11	0.09	

Notes:

The manufacturing expense took up a smaller percentage of the total costs in the current period compared with last year, primarily driven by the efforts in manufacturing cost reduction.

### (5) Changes to the consolidation scope due to changed ownership in principal subsidiaries in the Reporting Period

Applicable  Not applicable

For details, please refer to “IX Changes in Consolidation Scope” in “Part X Financial Statements”.

### (6) Significant changes to the business scope or product or service range in the Reporting Period

Applicable  Not applicable

### (7) Major customers and suppliers

#### A. Major customers

Applicable  Not applicable

Sales to the top five customers stood at RMB1,290.9499 million, accounting for 8.23% of the total annual sales. Sales to the related-parties among the top five customers stood at RMB0, accounting for 0% of the total annual sales.

Indicate whether sales to a single customer accounted for over 50% of the total sales, there was any new customer in the top five customers, or the Company heavily relied on a few number of customers in the Reporting Period.

Applicable  Not applicable

### B. Major suppliers

Applicable  Not applicable

Purchases from the top five suppliers stood at RMB1,773.6825 million, accounting for 12.20% of the total annual purchases. Purchases from the related-parties among the top five suppliers stood at RMB0, accounting for 0% of the total annual purchases.

Indicate whether purchases from a single supplier accounted for over 50% of the total purchases, there was any new supplier in the top five suppliers, or the Company heavily relied on a few number of suppliers in the Reporting Period.

Applicable  Not applicable

### 3. Expense

Applicable  Not applicable

Unit: RMB

Item	2023	2022	Amount of change	Change (%)
Selling expense	1,070,438,160.60	800,387,659.41	270,050,501.19	33.74
Administrative expense	626,198,552.51	500,596,373.88	125,602,178.63	25.09
R&D expense	673,427,386.61	588,296,080.11	85,131,306.50	14.47
Finance costs	-108,510,345.64	-107,993,300.96	-517,044.68	Not applicable

(1) Selling expense increased primarily driven by the increased advertising and marketing expenses.

(2) Administrative expense increased primarily driven by the increased employee salaries and equity incentive expenditures.

(3) R&D expense increased primarily driven by the increased R&D investments.

(4) Finance costs decreased primarily driven by the exchange losses.

### 4. R&D investments

#### (1) R&D investments

Applicable  Not applicable

Unit: RMB

Expensed R&D investments in the current period	673,427,386.61
Capitalized R&D investments in the current period	/
Total R&D investments	673,427,386.61
Total R&D investments as % of operating revenue	4.29
Capitalized R&D investments as % of total R&D investments	/

#### (2) R&D personnel

Applicable  Not applicable

Number of R&D personnel	1,581
R&D personnel as % of total employees	11.50

Educational background of R&D personnel	
Educational background	Number of employees
Doctoral degree	2
Master's degree	87
Bachelor's degree	818
Junior colleges	518
Senior high school and below	156
Age structure of R&D personnel	
Age	Number of employees
Below 30 (exclusive)	360
30-40 (inclusive of 30 and exclusive of 40)	894
40-50 (inclusive of 40 and exclusive of 50)	301
50-60(inclusive of 50 and exclusive of 60)	25
60 and beyond	1

**(3) Other information**

Applicable  Not applicable

The Company, as a national industrial design center and a national postdoctoral workstation, has always attached importance to product development and technological innovation. By establishing a leading scientific research innovation platform and innovating mechanism, the Company focuses on the research of industry basic and key common technologies to continuously improve product development and technological innovation capability. Meanwhile, with great emphasis on cultivation and introduction of talents of R&D and product planning as well as adhering to market demand-oriented principle, the Company continues to strengthen the insight and research on the potential consumer demands and scenario-based requirements, constantly expands the areas by launching products that meet consumer demands to lead the industry development. In addition, the Company continues reinforcing the construction of the standardization system and the strategic layout of intellectual property rights, and constantly promotes open innovation to set an excellent example with respect to innovation capability.

**(4) Reasons for any significant change to the composition of R&D personnel and the impact on the Company**

Applicable  Not applicable

**5. Cash flows**

Applicable  Not applicable

Item	Unit: RMB			
	2023	2022	Amount of change	Change
Net cash generated from/used in operating activities	4,827,282,098.55	3,057,914,218.16	1,769,367,880.39	57.86
Net cash generated from/used in investing	-3,434,383,521.90	-1,746,083,657.48	-1,688,299,864.42	Not applicable

activities				
Net cash generated from/used in financing activities	-1,987,046,180.27	-1,945,455,689.54	-41,590,490.73	Not applicable

(1) Net cash generated from operating activities increased primarily driven by the increased sales and the decreased payments to suppliers.

(2) Net cash generated from investing activities decreased primarily driven by the increased purchases of financial products in the year.

(3) Net cash generated from financing activities decreased primarily driven by the increased dividend payout in the year.

## (II) Significant changes in profit incurred by non-core business

Applicable  Not applicable

## (III) Analysis of assets and liabilities

Applicable  Not applicable

### 1. Assets and Liabilities

Unit: RMB

Item	Closing amount	As % of closing total assets (%)	Opening amount	As % of opening total assets (%)	Change (%)	Note
Held-for-trading financial assets	9,727,000,000.00	49.22	6,949,000,000.00	41.73	39.98	
Derivative financial assets	8,263,755.00	0.04	643,100.00	0.00	1,184.99	
Receivables financing	5,359,014.96	0.03	1,036,801.70	0.01	416.88	
Prepayments	56,229,933.95	0.28	49,635,694.61	0.30	13.29	
Other receivables	11,433,179.13	0.06	71,887,692.32	0.43	-84.10	
Other current assets	109,982,385.06	0.56	363,825,426.89	2.18	-69.77	
Construction in progress	806,585,458.56	4.08	611,457,850.54	3.67	31.91	
Right-of-use assets	18,802,451.89	0.10	13,312,707.57	0.08	41.24	
Goodwill		-	45,133,442.04	0.27	-100.00	
Short-term borrowings	588,344,176.01	2.98	845,374,749.03	5.08	-30.40	
Held-for-trading financial liabilities		-	18,200,000.00	0.11	-100.00	
Other payables	705,060,906.64	3.57	446,413,870.85	2.68	57.94	
Current portion of non-current liabilities	406,959,339.77	2.06	8,798,658.13	0.05	4,525.24	
Deferred	68,417,470.86	0.35	53,820,328.00	0.32	27.12	

income						
Other non-current liabilities	86,411,741.16	0.44	34,814,148.70	0.23	125.66	
Paid-in capital (or share capital)	891,540,875.00	4.51	601,077,590.00	3.61	48.32	
Other comprehensive income	13,570,498.15	0.07	4,389,526.95	0.03	209.16	
Surplus reserves	562,217,890.93	2.84	302,797,998.73	1.82	85.67	

**Other notes:**

Held-for-trading financial assets increased primarily driven by the increased investments in wealth management instruments in the period.

Derivative financial assets increased primarily driven by the positive floating returns on futures at the end of the period.

Receivables financing increased primarily driven by the increased balance of bank acceptance notes receivable.

Prepayments increased primarily driven by the increased advance expense payments.

Other receivables decreased primarily driven by the full-amount allowances established for doubtful other receivables from Sunac in the period.

Other current assets decreased primarily driven by the decreased structured deposits at the end of the period.

Construction in progress increased primarily driven by the increased investments in the raised funds investment projects in the period.

Right-of-use assets increased primarily driven by the increased building space under long-term leases in the period.

Goodwill decreased primarily driven by the full-amount allowances established for impairments in goodwill in the period.

Short-term borrowings decreased primarily driven by the decreased loans that were due within one year in the period.

Held-for-trading financial liabilities decreased primarily driven by the contingent consideration for business combination that required no payment.

Other payables increased primarily driven by the increased sales discount accruals as a result of the increased sales.

Current portion of non-current liabilities increased primarily driven by the increased loans with a maturity of over one year in the period.

Deferred income increased primarily driven by the receipt of asset-related government grants in the period.

Other non-current liabilities increased primarily driven by the increased over-one-year obligations to repurchase restricted shares.

Paid-in capital increased primarily driven by the bonus issue from capital reserves in the period.

Other comprehensive income increased primarily driven by the positive floating returns on futures at the end of the period.

Surplus reserves increased primarily driven by the surplus reserves established in the period.

**2. Overseas assets**

Applicable  Not applicable

**(1) Value of assets**

Of which: overseas assets stood at RMB23,091,555.51, accounting for 0.12% of the total assets.

**(2) Explanation for the high proportion of overseas assets**

Applicable  Not applicable

**3. Major restricted assets as at the period-end**

Applicable  Not applicable

For details, please refer to “19. Assets with restricted ownership or right to use” under “VII Notes to the Consolidated Financial Statements” of “Part X Financial Statements”.

**4. Other information**

Applicable  Not applicable

**(IV) Industry environment analysis**

Applicable  Not applicable

For details, please refer to “(I) Industry landscape and trends” under “VI Outlook Discussion and Analysis” of Part III Management Discussion and Analysis”.



**(V) Investments made**

**Equity investments in other entities**

Applicable  Not applicable

**1. Significant equity investments**

Applicable  Not applicable

**2. Significant non-equity investments**

Applicable  Not applicable

For details, please refer to “(2) Changes in significant constructions in progress in the current period” under “12. Construction in progress” in “VII Notes to the Consolidated Financial Statements” of “Part X Financial Statements”.

**3. Financial assets measured at fair value**

Applicable  Not applicable

For details, please refer to “XI Items Measured at Fair Value” in “Part II Corporate Information and Key Financial Information”.

Securities investments:

Applicable  Not applicable

Notes to securities investments:

Applicable  Not applicable

Investments in private equity funds:

Applicable  Not applicable

Derivatives investments:

Applicable  Not applicable

(1) Derivatives investments for hedging purposes in the Reporting Period

Applicable  Not applicable

(2) Derivatives investments for speculation purposes in the Reporting Period

Applicable  Not applicable

## Other information:

The Company used commodity future contracts to hedge the expected bulk-purchase of raw materials of copper and plastic particles to avoid the risk of fluctuations in the future cash flows caused by the fluctuations in the price of raw materials.

The Company's specific hedging methods are described below:

Hedged items	Expected bulk-purchase of raw materials such as copper and plastic particles
Hedge instruments	Commodity future contracts
Hedging method	Commodity future purchase contracts locked in changes of price in expected raw materials bulk-purchase contract

Both the hedging instruments (commodity futures contracts) and the hedged items (expected bulk-purchase of raw materials) are based on variables such as copper and plastic prices. The Company, guided by the Group Purchasing Decision Committee and based on actual raw material demand for production, conducts hedging to safeguard against price fluctuations effectively. The aforementioned hedging is highly effective. Cash flow hedging is adopted for such hedging activities.

Additionally, the Company, in accordance with its risk management strategy, hedges certain raw materials such as silver, aluminium, and tin. However, due to factors such as quantity conversion, the hedging may not be highly effective after futures closing, resulting in ineffective hedging portions being included in return on investment.

**4. Progress on any major asset restructuring in the Reporting Period**

Applicable  Not applicable

**(VI) Sale of significant assets and equity investments**

Applicable  Not applicable

**(VII) Principal subsidiaries**

Applicable  Not applicable

## 1. Principal subsidiaries

Unit: RMB'0,000

Full name of subsidiary	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Net profit
Ningbo Goneo Electrics Co., Ltd.	Household appliances manufacturing; manufacturing of mechanical and electrical equipment; manufacturing of distribution switch control equipment; lighting apparatus manufacturing; general merchandising of hardware products; electrical materials manufacturing; manufacturing of electronic components and electromechanical components and equipment; manufacturing of intelligent home consumption equipment; communication equipment manufacturing; network equipment manufacturing; IoT equipment manufacturing; technical services, technical development, technical consulting, technical communication, technical transfer, and technical promotion (business activities shall be conducted independently in accordance with laws with the business license, except the items that require approval in accordance with laws). Items permitted: Import and export of products; and import and export of technologies (business activities that require approval in accordance with laws shall be subject to the approval by relevant authorities. Specific business items are indicated on the approval results).	10,000	485,716.82	214,498.30	517,082.34	194,883.42
Ningbo Goneo Precisio	Manufacturing, processing and sales of mold, plastic products, hardware accessories, and	10,000	84,996.49	27,964.30	244,566.41	8,056.64

n Manufacturing Co., Ltd.	electronic components.					
Ningbo Goneo Electric Sales Co., Ltd.	General merchandising, retailing and online sales of electrical materials, electronic products, hardware products, household appliances, communication apparatus, lamps, and articles of everyday use; import and export businesses of self-owned and commissioned goods and technologies (excluding those limited or prohibited by state laws and regulations). (business activities that require approval in accordance with laws shall be subject to the approval by relevant authorities)	10,000	204,830.92	30,127.61	1,071,038.37	7,777.24
Ningbo Goneo Marketing Co., Ltd.	Wholesale of hardware, sales of electrical accessories, sales of household appliances, sales of communication equipment, sales of electronic products, sales of daily necessities, sales of special equipment for lighting apparatus production, sales of mechanical and electrical equipment, sales of lighting apparatus, sales of general merchandise, sales of lamps, sales of wind and power tools, sales of metal tools, wholesale of electronic components, sales of plastic products, sales of motor vehicle chargers, sales of charging points, sales of household goods, installation services for household appliances (business activities shall be conducted independently in accordance with laws with the business license, except the items that require approval in accordance with laws).	1,000	62,601.01	16,578.55	410,894.41	16,298.82

Net profits of principal subsidiaries changed because sales increased, and costs decreased and efficiency improved in sourcing and manufacturing. Meanwhile, certain distribution channels of Ningbo Goneo Electric Sales Co., Ltd. were transferred to Ningbo Goneo Marketing Co., Ltd., leading to significant changes in the net profits of these two subsidiaries in the current period.

## 2. New subsidiaries

Unit: RMB'0,000

Full name of subsidiary	Principal activities	How it was obtained	Registered capital	Closing net assets	Net profit in the current period

Ningbo Qiquanyang Trading Co., Ltd.	Sales of motor vehicle chargers; sales of charging points; centralised fast charging station; sales of power transmission and distribution and monitor and control equipment; sales of batteries; sales of power and electronic components; sales of power utility equipment; sales of battery spare parts; sales of lamps; sales of lighting apparatus; sales of household appliances spare parts; sales of household appliances; sales of new energy vehicle power exchange facilities; sales of new energy primary-power equipment; sales of new energy vehicle electric accessories; residential plumbing and electricity installation and maintenance services; installation services for household appliances (business activities shall be conducted independently in accordance with laws with the business license, except the items that require approval in accordance with laws).	Incorporated	1,000.00	0.89	-0.11
GONEO New Energy Europe GmbH	Specialising in the R&D, design, manufacture, sales and technical services of parts, equipment and components for photovoltaic, energy storage products and lithium battery products, as well as the import and export of related products and technical consulting and business services.	Incorporated	EUR2.50	7.27	-12.18
PT Goneo Electronic Indonesia	Wholesale of power distribution switch equipment, wires, cables, and connectors; appliances and appliance accessories; electric light sources and lighting lamps; pneumatic and metal tools, power tools, plastic products, hardware accessories, and electronic components; household appliances and communication equipment; photovoltaic equipment, energy storage, lithium batteries, electric vehicle charging stations and chargers and related products.	Incorporated	USD210.21	/	/
Goneo International Trading (SG) Pte. Ltd.	General trading	Incorporated	USD5	/	/

**(VIII) Structured entities controlled by the Company**

Applicable  Not applicable

**VI Discussion and Analysis on the Company's Future Development****(I) Industry landscape and trends**

Applicable  Not applicable

According to the National Bureau of Statistics, the national GDP grew by 5.2% year on year in 2023; the national per capita disposable income reached RMB39,218 in 2023, up by 6.3% year on year; the national per capita consumption expenditure for the year was RMB26,796, up by 9.2% compared to the previous year; the urbanisation rate of the resident population was 66.16% at the end of the year, up by 0.94 percentage points compared to the end of the previous year. In 2023, several ministries outlined the direction for optimising real estate policies, with local authorities continuing to implement such policies. Previous restrictive measures, introduced during periods of market overheating, are gradually being phased out or refined. Guided by these policies, the Ministry of Housing and Urban-Rural Development reported that overall housing demand remained stable, with the proportion of second-hand housing transactions reaching a historic high nationwide. The Central Economic Work Conference for the new year emphasised the importance of promoting stability through progress and establishing the new before abolishing the old. It also urged the real estate sector to address industry risks, advance "three major projects," and accelerate the establishment of a new development model. We expect that the steady growth of the national economy, the high-quality development of the real estate industry, and the stable overall housing demand will provide a good environment for the sustainable and healthy development of the Company.

The domestic lighting market size is more than RMB200 billion, but the industrial pattern is scattered. In recent years, under the influence of complex changes in the social and economic environment and rising bulk raw materials, small and medium-sized lighting enterprises are facing greater pressure to survive, and the advantages of leading enterprises will be more prominent. With the popularity of minimalist decoration style, as well as the rising concern of consumers for the home light environment, light effect and light health, intelligent no-main-lamp lighting with light quality are gaining more and more popularity and enter gradually into the mass market and become a trend from the previous commercial lighting and high-end home decoration field. At the same time, LED lighting technology innovation drives the cost reduction so that LED light has the basic conditions to become mass consumer goods; on this basis, the Company judges that no-main-lamp lighting will be expected to grow into an important opportunity category in the lighting field. After incubation and cultivation, the Company's no-main-lamp lighting business has adopted a dual-brand-driven strategy and initially built up differentiated core competencies in hardware and software products, channels, supply chain, etc. In the future, the Company will continue to promote business synergies, seize the minds of consumers, and achieve ground-breaking development.

The smart home industry has undergone a transformation from single product to system and interaction after the integration and evolution in recent years. With the increasing maturity of the supply-side solutions and the gradual increase in consumer acceptance on the demand side, smart home products are increasingly coming into homes and bringing convenient use experience. AVC monitoring data suggest that in 2023, China's smart home overall (smart home system, smart switch, smart door lock) refined decoration market size reaches 1.128 million sets, of which the smart home

system configuration rate saw increases for three years in a row, and the fine decoration configuration rate increased from 9.6% in 2021 to 20.5% in 2023. The brand pattern of the smart home industry has not yet been formed, and there is a huge market space behind the rapid development. As the core of the smart home system, the lighting control system has obvious user interaction perception and high usage frequency. The Company makes intelligent no-main-lamp lighting and self-developed control system the entry point, and integrates with smart door locks, smart curtain machines, smart clothes drying racks and other ecosystem product categories to provide household solutions of safe electricity use, which will be an important development direction and a differentiated competitive edge for the smart electrical lighting business.

In 2023, under the dual impacts of policy and market, the new energy vehicle industry continued to grow rapidly. According to the China Association of Automobile Manufacturers, in 2023, 9.587 million new energy vehicles were produced and 9.495 million were sold in China, up 35.8% and 37.9% year-on-year, and the market share was 31.6%, reaching ahead of schedule the goal that by 2025, the sales of new energy vehicles will reach about 20% of the total sales of new vehicles in the New Energy Automobile Development Plan (2021-2035) issued by the General Office of the State Council. In June 2023, the State Council issued the Guiding Opinions on Further Establishing a High-Quality Charging Infrastructure System. According to the document, a high-quality charging infrastructure system featuring wide coverage, an appropriate scale, a reasonable structure, and well-improved functions is expected to be preliminarily established by 2030 to support the development of the new energy vehicle industry. Seizing this momentum, the Company swiftly completed the layout of new energy vehicle charging plugs and points for both individual consumers and operators, experiencing a business leap. Anticipating the future transformation in energy structures, the Company has entered the emerging energy storage sector. Leveraging the strengths of domestic supply chains in this sector, the Company has taken the lead in promoting household-oriented smart energy systems in Europe, a region with tight energy supplies and ample future market potential. Domestically, the Company has promoted energy storage systems for industrial and commercial users. Meanwhile, the Company will accelerate product innovation and technology reserves, proactively explore new business directions, meet the storage and charging needs of more user groups in a wider variety of scenarios, and seize the historical opportunities of the development of the new energy industry.

## **(II) Development strategies of the Company**

Applicable  Not applicable

With the vision of “Becoming a Leader in the International Civil Electrical Industry”, the Company will grasp the opportunities of the times and accelerate the development of the smart ecosystem, new energy and international operations. It will build up the four-wheel strategic capabilities of “Technology Leadership, Customer First, Intelligent Transformation, and Global Presence”, and continue to build comprehensive competitive edges in product, marketing and

operational strengths, with an aim to provide consumers with more and better electrical products and services.

### (III) Business plans

√ Applicable □ Not applicable

In order to achieve its operating goals in 2024, the Company will work on the following priorities:

**1. In the electric connection business, the Company will continue to drive innovation around consumer demands and application scenarios, setting the trend towards safe and stylish electrical products.**

Adaptors are the foundation of the Company. The Company will continue to study the market and consumer trends in depth, carry out product innovation around the demands in segmented electricity scenarios, and continuously explore directions such as fashion, safety, scenario fit, intelligent upgrade, and intelligent power distribution. By introducing more high-value and aesthetically pleasing products, the Company aims to optimise and upgrade its product portfolio. In terms of digital accessory business, the Company will adhere to the third-party premium offering strategy, with a focus on the integration of scenarios and functions. It will utilise leading technology and maximise cost-effectiveness to meet diverse consumer demands for digital charging products.

**2. In terms of the smart electrical lighting business, the Company will, based on the consumer demand for home improvement, accelerate the creation of a pre-decoration ecosystem with smart no-main-lamp lighting at the core and drive the establishment of flagship stores in decorative channels and the development of new retail models.**

In terms of the wall switch and sockets business, the Company will uphold the decorative line, grasp the intelligent, ultra-thin and other industry trends, and accelerate upgrading and iteration towards high-end, intelligent products, so as to lead the industry's overall innovation and further enhance brand power and competitiveness through products with a strong sense of design and high value. In terms of LED lighting, the Company, adhering to its "Eye-Caring" positioning, will develop lighting solutions for segmented scenarios based on the demands of different user bases. As to the light source business, the Company will continue to expand into industrial and commercial markets and arrange in depth product lines in segmented areas such as outdoor scenarios, offices, and chains. Regarding the decorative lighting business, the Company will prioritise innovation in intelligent, simple yet stylish, and affordable products to continually capture market share. In the no-main-lamp lighting business, the product line layout will be further refined with a focus on the brands of Goneo and Murora. Additionally, the Company will bolster both hardware and software strengths to deliver digital, inductive, and health-conscious home lighting environments. With respect to ecosystem-based products, the product layout and expansion will be carried out in concept, appearance, and technology innovation to cater to diverse user demands. The ultimate goal is to provide users with a richer, smarter, and higher-quality smart ecosystem of pre-decoration.



In 2024, the decoration channel will be fully committed to advancing the development of comprehensive flagship stores. Furthermore, it will actively leverage the new retail model to empower retail flagship stores, thereby boosting sales efficiency. Comprehensive development of the channel service system will be expedited to effectively support the operation of flagship stores, delivering consumers a more convenient and reassuring purchasing and use experience. Through the "Goneo Safe Home Electrical Solution", with no-main-lamp lighting, wall switches, and track sockets at its core, efforts will be intensified to expand the installer project channel, thereby significantly boosting market share in all aspects.

**3. The Company will continuously enhance the competitiveness and channel development of new energy electrical products.**

With respect to new energy vehicle charging plugs and points, the Company will continuously refine existing product lines, transitioning from "complete" to "refined" offerings. In C-end products, the Company will drive industry development by prioritising safety, the sense of technology, and innovation. Regarding B-end products, priority will be given to the development of a competitive edge in high performance, maximum cost-effectiveness, and new technologies. Meanwhile, the development of the overseas product portfolio will be expedited. In the energy storage business, comprehensive arrangements for the home energy storage ecosystem will be made to explore further development of domestic industrial and commercial energy storage product lines, thereby facilitating rapid business growth. In terms of the expansion of new energy channels, efforts will be continued to bolster coverage and penetration of offline professional channels in the domestic market. Additionally, new retail models will be explored, which involves expanding into large operator and government-enterprise projects, in addition to the effective coverage of small and medium operators. The Company will also drive the transformation and upgrading of distributors towards service providers, thereby further increasing the timeliness and satisfaction of post-sale services. Specialised channels for industrial and commercial energy storage will be built. Regarding the new energy supply chain, the Company will continue to drive lean and scale R&D, procurement, and manufacturing, alongside the self-development and self-manufacturing of core parts. The aim is to establish a flexible supply chain that ensures low costs and high quality, thereby swiftly developing a leading technological edge. As to brand building, in 2024, the Company will ramp up promotional efforts for the Goneo brand in the new energy sector. By organising multi-level media promotions and publicity activities targeting different user bases, the Company will strive to capture consumer attention.

**4. The Company will adopt the strategy of localisation to advance the rapid growth of international business.**

As to the new energy business targeting developed countries, the Company will leverage its existing strengths in supply chain and R&D to swiftly develop home energy solutions that cover photovoltaic power generation, storage and charging. Based on typical countries such as Germany, the Company will continuously develop installer channels. Through proactive participation in

exhibitions and industry exchanges, as well as advertising and promotions on online social media platforms, the Company aims to rapidly increase brand visibility, assist with channel customer acquisition and conversion, and enhance the development foundation. In emerging markets, the Company will continue its multi-category development approach with a focus on electric connection and prioritise localisation in products, methods, and business operations to further empower channels, implement lean market planning, and identify distribution channels in advance. Cross-border e-commerce will be synchronised with offline overseas business, reaching target countries and ultimately achieving the collaborative development of "online promotion and attraction and offline business promotion and conversion". Meanwhile, the Company will seize the rising trend of e-commerce in Southeast Asia and make active arrangements for emerging e-commerce platforms.

**5. The Company will continuously deepen its organisational, process and digital transformation to enhance its high-quality operational capabilities across the entire chain.**

Based on the direction and path outlined in Goneo Group's digital transformation blueprint, the Company will further deepen and advance the implementation of its digital transformation tasks. In 2024, the Company will advance the establishment of an enterprise-level process management system in an orderly manner, which will seamlessly integrate processes with corporate strategies and the organisational structure to bolster process efficiency and reinforce the identification and control of process-related risks. Across various processes such as R&D, production, and delivery, an integrated process management system will be established as an ongoing endeavour to explore the in-depth integration of the Bull Business System into business transformation and process development. Moreover, the Company will drive the establishment of a data governance system to bolster its full-chain digital and high-quality operational capabilities.

**(IV) Possible risks**

Applicable  Not applicable

1. Risk associated with the sluggish macroeconomic growth

Domestic and overseas political and economic environments are undergoing profound changes. The main products of the Company are consumer goods widely used at home, office, and other places needing electricity. The cyclical fluctuation of economy will directly influence the actual discretionary income of consumers, consumers' income structure, and the consumer confidence index. Then, consumers' demand for consumer goods including electric connection products and smart electrical lighting products will be affected. If the growth rate of the domestic macroeconomy is sluggish or slides, it will lead to a decrease in discretionary income and the power of consumption of residents. It will also decrease consumers' demand and purchasing capacity for the Company's products. As a result, the business development and the growth of results of the Company.

2. Risk of intensified market competition

The civil electrical industry demonstrates full market competition. There are not only many domestic enterprises, but also some famous international brands. Meanwhile, adaptors, wall switches and sockets, and other products, as the main controlled entrance of future smart home, also

have attracted many powerful new enterprises to join in the competition. In the future, the civil electrical and lighting industry is expected to remain its relatively fierce competition. There are uncertainties in the changes of market competition. If the Company cannot adapt to the new competition situation, intensify and expand its original competition advantages, it will face the risk of losing market shares.

### 3. Risk of the new business development failing to reach expectation

At the time of intensifying and expanding the original competition advantages, centering on the scenarios of new energy chargers and home decoration, the Company developed new business such as charging plugs/points, chargers, no-main-lamp lighting, circuit breakers, bathroom heaters, smart door locks, smart clothes drying racks, and smart curtain machines. However, considering uncertain factors including the development trend, market competition, and changes of consumer preferences in relevant fields, the possibility that the development of new businesses will fail to reach expectation cannot be excluded.

### 4. Risk of the new channel and market development failing to reach expectation

According to the differences and changes of consumers' purchasing habits, the Company continued to improve the layout of channels. Regarding the B-end business with decoration companies as the core, the overlap of the channels such as the vehicle after-markets for new energy charging plugs/points and B-end operators and the existing competitive channels is relatively low. Meanwhile, the Company is in the early stage of business expansion in overseas markets and needs to gradually build up its competitive edges. The possibility that the development of new channels and markets will fail to reach expectation cannot be excluded.

### 5. Risk of fluctuations in main material prices

The main materials that the Company needs for production are copper, plastic, assembly, hardware, packaging materials, electronic parts, etc. There is certain relevance between the procurement prices of raw materials and the prices of bulk commodities such as copper and plastic. The procurement prices of raw materials have a relatively big impact on the cost of sales of the Company. If the procurement prices of raw materials rise significantly or fluctuate sharply in the future, it will be harmful to the cost control of the Company and then influence the Company's results.

## **(V) Other information**

Applicable  Not applicable

## **VII Explanation of circumstances and reasons for non-disclosure by the company inconsideration of inapplicable regulations, state secrets and commercial secrets.**

Applicable  Not applicable

## Part IV Corporate Governance

### I Overview of Corporate Governance

Applicable  Not applicable

The Company is in strict accordance with the requirements of the Company Law, the Securities Law and other relevant national laws and regulations, and the China Securities Regulatory Commission's Code of Corporate Governance for Listed Companies and other standardised documents, and is constantly improving its corporate governance structure in light of the Company's development. The Company has established a governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, with distinct responsibilities and powers at each level, each with its own responsibilities, effective checks and balances, scientific decision-making and coordinated operation, which builds a solid foundation for the Company's sustained, steady and healthy development.

The Board of Directors has set up four specialised committees, namely, Audit and Risk Committee, Nomination Committee, Remuneration and Appraisal Committee and Strategy Committee, of which the independent directors in the Audit and Risk Committee, Nomination Committee and Remuneration and Appraisal Committee are in the majority and act as the conveners, providing professional and objective advice to the Board of Directors to ensure the professionalism and comprehensiveness of the Board of Directors' deliberation and decision-making.

The Company has established a sound corporate governance system, forming a "1+3+N" governance system composed of "Articles of Association + Rules of Procedure for Three Meetings + Various Special Governance Systems". During the year, the Company newly revised the Work Policy for Independent Directors in accordance with the rules and regulations of China Securities Regulatory Commission and the Shanghai Stock Exchange, and continuously updated and perfected it in conjunction with the actual operation, and amended the Rules of Procedure for Three Meetings, the Information Disclosure Management System, the Internal Reporting System Regarding Significant Information and a number of other systems, which have fully safeguarded the standardised operation of the Company's "Three Meetings and One Layer" and key internal control departments.

Meanwhile, the Company has established a relatively sound internal management and control system, and has formulated relevant management systems in the areas of technology research and development, procurement management, safe production, marketing management, quality control and financial accounting. It conducted internal audit and supervision of the organization and management, operating activities, financial revenues and expenditures and economic benefits of its subsidiaries, and regularly inspected and evaluated the establishment and implementation of its internal control system to ensure the effectiveness of internal control.

The Company is committed to continuously building modern corporate governance and promoting system establishment to effectively improve the quality of development as a public company.

Indicate whether there was any material incompliance with the applicable laws and regulations, as well as the CSRC's requirements in corporate governance. If yes, please explain.

Applicable  Not applicable

## II Specific Measures Taken by the Controlling Shareholder and Actual Controller to Guarantee the Asset, Personnel, Financial, Organizational and Business Independence of the Company, as well as Solutions, Progress and Subsequent Plans when the Company's Independence Is Intervened

Applicable  Not applicable

Indicate whether the controlling shareholder, the actual controller, or any entity under their control is engaged in the same or similar business with the Company. Please explain the impact of horizontal competition or any significant change to horizontal competition on the Company, solutions taken, progress and subsequent plans.

Applicable  Not applicable

## III General Meetings of Shareholders

Meeting	Date	Index to disclosed resolutions	Disclosure date	Resolutions
The First Extraordinary General Meeting of Shareholders of 2023	6 January 2023	www.sse.com.cn (the website of the Shanghai Stock Exchange)	7 January 2023	The Proposal on the Change of Registered Capital, Domicile and Business Scope and Amendments to the Articles of Association, Proposal on Amendments to the Rules of Procedure for General Meetings of Shareholders, and Proposal on Amendments to the Management Methods for the Use of Raised Funds were approved.
The 2022 Annual General Meeting of Shareholders	18 May 2023	www.sse.com.cn (the website of the Shanghai Stock Exchange)	19 May 2023	The Proposal on the Work Report of the Board of Directors in 2022, Proposal on the Work Report of the Supervisory Committee in 2022, Proposal on the Financial Final Account Report of 2022, Proposal on the Annual Report and its Summary for 2022, Proposal on the Plan for Profit Distribution and a Bonus Issue from Capital Reserves for 2022, Proposal on the Renewal of the Annual Auditor for 2023, Proposal on the Use of Equity Funds for Entrusting Wealth Management, Proposal on the Restricted Share Incentive Plan for 2023 (Draft) and its Summary, Proposal on the Management Measures for the Assessment of the Restricted Share Incentive Plan for 2023, Proposal on the Request to the General Meeting to Authorize the Board of Directors to Handle Share Incentive-Related Matters, and Proposal on Amendments to the

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				Articles of Association were approved.
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Extraordinary general meetings of shareholders convened at the request of preference shareholders with resumed voting rights:

Applicable  Not applicable

Notes to general meetings of shareholders:

Applicable  Not applicable

For details, please refer to the Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders of 2023 (Announcement No.: 2023-002), and the Announcement on the Resolutions of the 2022 Annual General Meeting of Shareholders (Announcement No.: 2023-032) published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

#### IV Directors, Supervisors and Senior Management

##### (I) Shareholding changes and remunerations of incumbent directors, supervisors and senior management and those who resigned before the end of their tenures during the Reporting Period

√ Applicable □ Not applicable

Unit: share

Name	Office title	Gender	Age	Start of tenure	End of tenure	Opening shareholding (share)	Closing shareholding (share)	Change in shareholding in the Reporting Period (share)	Reason for change	Total pre-tax remuneration received from the Company in the Reporting Period (RMB' 0,000)	Remuneration received from any of the Company's related parties (yes/no)
Ruan Liping	Chairman of the Board and President	Male	60	2017-12-23	2027-1-4	96,864,199	143,693,654	46,829,455	Bonus issue from capital reserves, and non-transaction transfer	354.42	No
Ruan Xueping	Vice Chairman of the Board	Male	52	2017-12-23	2027-1-4	96,864,199	125,901,758	29,037,559	Bonus issue from capital reserves, shareholding reduction through bulk trading, and non-transaction transfer	248.00	No
Liu Shengsong	Director, Senior Vice President and Board Secretary	Male	54	2017-12-23	2027-1-4	42,400	152,048	109,648	Bonus issue from capital reserves, and non-	326.93	No
	Chief Financial Officer			2024-	2027-						

				1-5	1-4				transaction transfer		
Zhou Zhenghua	Director and Senior Vice President	Male	52	2017-12-23	2027-1-4	42,600	196,993	154,393	Bonus issue from capital reserves, and non-transaction transfer	370.72	No
Xie Weiwei	Director	Male	44	2024-1-5	2027-1-4	48,100	110,853	62,753	Bonus issue from capital reserves, and grant of restricted shares	313.61	No
Zhou Wenchuan	Director	Female	40	2021-5-20	2027-1-4	0	0	0		0	Yes
Chen Zhen	Independent Director	Female	66	2024-1-5	2027-1-4	0	0	0		0	Yes
Li Gang	Independent Director	Male	60	2024-1-5	2027-1-4	0	0	0		0	Yes
Li Jianbin	Independent Director	Male	45	2024-1-5	2027-1-4	0	0	0		0	No
Yu Yingqi	Chairman of the Supervisory Committee	Male	47	2024-1-5	2027-1-4	5,100	19,920	14,820	Bonus issue from capital reserves, and grant of restricted shares	178.00	No
Wei Lingpeng	Supervisor	Male	47	2024-1-5	2027-1-4	8,400	28,200	19,800	Bonus issue from capital reserves, and grant of restricted shares	104.26	No
He Min	Employee Supervisor	Male	41	2024-	2027-	5,100	9,132	4,032	Bonus issue	85.84	No



				1-5	1-4				from capital reserves, and grant of restricted shares		
Li Guoqiang	Senior Vice President	Male	57	2017-12-23	2027-1-4	44,200	244,008	199,808	Bonus issue from capital reserves, and non-transaction transfer	273.84	No
Cai Yingfeng	Director and Senior Vice President (former)	Male	61	2017-12-23	2024-1-5	43,800	288,066	244,266	Bonus issue from capital reserves, and non-transaction transfer	240.45	No
Xie Tao	Independent Director (former)	Male	61	2017-12-23	2024-1-5	0	0	0		20.00	No
Zhang Zeping	Independent Director (former)	Male	51	2017-12-23	2024-1-5	0	0	0		20.00	No
He Hao	Independent Director (former)	Female	48	2017-12-23	2024-1-5	0	0	0		20.00	No
Shen Huiyuan	Chairman of the Supervisory Committee (former)	Male	60	2017-12-23	2024-1-5	0	178,593	178,593	Non-transaction transfer	272.94	No
Guan Xuejun	Supervisor (former)	Male	46	2017-12-23	2024-1-5	0	89,297	89,297	Non-transaction transfer	231.46	No
Li Yu	Employee Supervisor (former)	Male	41	2017-12-23	2024-1-5	0	44,648	44,648	Non-transaction transfer	150.90	No
Zhang Lina	Senior Vice President and Chief Financial Officer (former)	Female	64	2017-12-23	2024-1-5	21,600	121,264	99,664	Bonus issue from capital reserves,	185.82	No

									and non-transaction transfer		
Total	/	/	/	/	/	193,989,698	271,078,434	77,088,736	/	3,397.19	/

Note 1: For particulars about the changes in non-transaction transfers, see Reminder on Dissolution of Shareholder and Changes in Interests of the Controlling Shareholders and the Parties Acting in Concert (announcement No. 2023-046) and Announcement on Completion of Non-transaction Transfers of Shareholders (announcement No. 2023-064).

Note 2: Director Zhou Wenchuan, Independent Directors Chen Zhen and Li Gang received remuneration from corporations directly or indirectly controlled by them, or where they acted as directors (excluding independent directors of both parties) or executives. Therefore, "yes" is selected for them for "Remuneration received from any of the Company's related parties (yes/no)" in the above table.

Name	Main work experience
Ruan Liping	Born in 1964, Bachelor's degree, Chinese nationality, with permanent residence in Singapore and a Hong Kong Identity Card. He once served as an engineer at Hangzhou Mechanical Design Institute of the Ministry of Water Resources, and Chairman of the Board and President of Goneo Group Co., Ltd. (the former private company). He is currently the Chairman of the Board and President of Goneo Group. Also, he is the General Manager of Goneo Photoelectric, and the Executive Director of Liangji Industrial, among others.
Ruan Xueping	Born in 1972, junior secondary education, Chinese nationality, with permanent residence in Singapore and a Hong Kong Identity Card. He once served as the Production Manager of Cixi Goneo, Vice Chairman of the Board of Goneo Group Co., Ltd. (the former private company). He is currently the Vice Chairman of the Board of Goneo Group. Also, he is the Executive Director of Cixi Goneo, and the Supervisor of Liangji Industrial.
Liu Shengsong	Born in 1970, Bachelor's degree, engineer, Chinese nationality, no permanent residence abroad. He once served as the Director's Assistant of the Science and Technology Department of Kmk Group, Senior Manager of Midea Group Co., Ltd., Director of strategic operations and Deputy General Manager of the Business Division of AUX Group Co., Ltd., President's Assistant and General Manager of the Business Division of Jiangxi Zhengbang Technology Co., Ltd., and Vice President of Goneo Group Co., Ltd. He is currently a director, Senior Vice President, Board Secretary, and Chief Financial Officer of Goneo Group, with the professional qualification of Board Secretary of the Shanghai Stock Exchange.
Zhou Zhenghua	Born in 1972, Master's degree, Chinese nationality, no permanent residence abroad. He once served as a technician of incoming material quality control (IQC) at Zhongshan Kawa Electronic(Group)Co., Ltd., the Managing Officer of quality control (QC) at One Earth Group Limited, General Manager of the product company of Midea Group Co., Ltd., and Vice President of Goneo Group Co., Ltd. (the former private company). He is currently a director and Senior Vice President of Goneo Group, as well as General Manager of the Wall Switch Division of Goneo Group.
Xie Weiwei	Born in 1979, Master's degree, Chinese nationality and no permanent residence abroad. He previously served as Operations Manager at Hi-P Shanghai Home Appliance Co., Ltd., Global Operations Manager at Dell (China) R&D Center, Supply Chain Development Manager at Motorola (China) Co., Ltd., Operations Director at Flex Precision Manufacturing Co., Ltd., Vice President of Goneo Group, and General Manager of Converter Business Unit. Currently he serves as Director, Vice President, and General Manager of New Energy Division at Goneo Group Co., Ltd.
Zhou Wenchuan	Born in 1983, Master's degree, Ph.D. in progress, permanent resident of Hong Kong. She is currently the President of Meilleure Health International Group, Chairman of the Board of Shenzhen Xiaozhou Investment Co., Ltd., a member of the Standing Executive Committee of Shenzhen Federation

	of Industry & Commerce (Chamber of Commerce), and a director of Goneo Group.
Chen Zhen	Born in 1957, Master's degree, Chinese nationality, and no permanent residence abroad. She previously served as Director of Legal Affairs Office of Zhejiang Provincial Electric Power Bureau and is currently the Founder and Director of Zhejiang Sunshine Era Law Firm, Vice Chairman of Legal Branch of China Electricity Enterprise Association, Vice Chairman of China Energy Law Research Association, Deputy Director of Renewable Energy Committee of China Energy Research Association, Executive Deputy Chairman of Zhejiang Energy Industry Association, Director of Carbon Neutral Industry Promotion Center of Zhejiang Renewable Energy Association, Independent Director of Hangzhou Redian, and Independent Director of Goneo Group Co., Ltd.
Li Gang	Born in 1963, Master's degree, Chinese nationality and no permanent residence abroad. He previously served as Sales Manager of ABB Robotics Business in China, Head of Automotive Industry Business, Head of Robot System Business, President of Robot Business Unit in China, President of Robot and Motion Control Business Unit in China, Senior Vice President of ABB (China) Co., Ltd., Member of the 13th Shanghai Municipal CPPCC. And he currently serves as Vice President of Shanghai Robotics Association, Co-founder and President of Aubo (Beijing) Robotics Technology Co., Ltd., and Independent Director of Goneo Group Co., Ltd.
Li Jianbin	Born in 1979, graduated from Peking University with dual bachelor's degrees in law and economics, Chinese nationality, no permanent residence abroad, and holds qualifications as a "Chinese Certified Public Accountant", "Chinese Certified Tax Agent", and "National Legal Professional Qualification (Chinese Certified Lawyer)". He previously served as Partner at Pricewaterhouse Coopers, Vice President of Finance Department at Xiaomi Group, Managing Partner of Strategic Investment Department at Xiaomi Group. Currently he serves as Independent Director of Hong Kong-listed companies Chaoju Eye Care Holdings Limited (2219.HK) and Beijing 4Paradigm Intelligent Technology Co., Ltd. (6682.HK), and Independent Director of Goneo Group Co., Ltd.
Yu Yingqi	Born in December 1976, Bachelor's degree, Chinese nationality, no permanent residence abroad. He previously served as a civil servant in Cixi, Zhejiang Province, Director and Vice President of Bowei Group Co., Ltd., Director of Ningbo Bode High-tech Co., Ltd. Currently he serves as Vice Chairman of the Third Enterprise Anti-fraud Alliance, Vice President, Chairman of the Supervisory Committee, and Head of Audit and Inspection Center of Goneo Group Co., Ltd.
Wei Lingpeng	Born in October 1976, Master's degree, Company Lawyer, Senior Registered Risk Manager, Chinese nationality, and no permanent residence abroad. He previously served as Manager of Legal Affairs Department and Legal Director at Goneo Group Co., Ltd. Currently he serves as Supervisor and Director of Legal Affairs Department at Goneo Group Co., Ltd.
He Min	Born in September 1982, Bachelor's degree, Chinese nationality, and no permanent residence abroad. Since May 2019, he has been working at the Human Resources Center of Goneo Group. Currently he serves as Employee Supervisor and Director of Human Resources Center at Goneo Group Co., Ltd.
Li Guoqiang	Born in 1967, junior college's degree, Chinese nationality, no permanent residence abroad. He used to be a regional manager for TCL International Electrical (Huizhou) Co., Ltd., the Marketing Director of Aidiwei International Electrical (Huizhou) Co., Ltd., and the Marketing Vice President of Goneo Group. He is now a Senior Vice President of Goneo Group.

Other information:

Applicable  Not applicable



**(II) Offices held by incumbent directors, supervisors and senior management and those who resigned before the end of their tenures during the Reporting Period****1. Offices held concurrently in shareholding entities**

√ Applicable □ Not applicable

Name	Shareholding entity	Office held in the shareholding entity	Start of tenure	End of tenure
Ruan Liping	Ningbo Liangji Industrial Co., Ltd.	Executive Director	November 2011	Currently ongoing
Ruan Xueping	Ningbo Liangji Industrial Co., Ltd.	Supervisor	November 2011	Currently ongoing
Note	Not applicable			

**2. Offices held concurrently in other entities**

√ Applicable □ Not applicable

Name	Other entity	Office held in other entity	Start of tenure	End of tenure
Ruan Liping	Wuhan Zhongjia Hongyi Technology Information Industrial Park Co., Ltd.	Director	January 2019	Currently ongoing
Ruan Liping	Ningbo Goneo Precision Manufacturing Co., Ltd.	General Manager	September 2015	Currently ongoing
Ruan Liping	Ningbo Meishan Bonded Port Shuojin Investment Management Co., Ltd.	Executive Director	November 2017	Currently ongoing
Ruan Liping	Cixi Goneo Electrics Co., Ltd.	General Manager	January 2008	Currently ongoing
Ruan Liping	Wuhan Fenjin Power Tech Co., Ltd.	Executive Director	December 2006	Currently ongoing
Ruan Liping	Dalitek Intelligent Technology (Shanghai) Inc.	Chairman of the Board	October 2021	Currently ongoing
Ruan Liping	Ningbo Goneo Photoelectric Technology Co., Ltd.	General Manager	June 2014	Currently ongoing
Ruan Liping	Qingdao Haili Commercial Appliances Co., Ltd.	Director	May 2009	Currently ongoing
Ruan Liping	Shanghai Minshen Property Co., Ltd.	Vice Chairman of the Board	July 1999	Currently ongoing
Ruan Liping	Shenzhen Goneo Intelligent Information Co., Ltd.	General Manager	July 2022	Currently ongoing
Ruan Xueping	Ningbo Meishan Bonded Port Shuojin Investment Management Co., Ltd.	Supervisor	November 2017	Currently ongoing
Ruan Xueping	Cixi Goneo Electrics Co., Ltd.	Executive Director	January 1995	Currently ongoing
Ruan Xueping	Dalitek Intelligent Technology (Shanghai) Inc.	Supervisor	September 2021	Currently ongoing
Ruan Xueping	Shanghai Minshen Property Co., Ltd.	Director	July 1999	Currently ongoing
Ruan Xueping	Shanghai Dumin Real Estate Co., Ltd.	Vice Chairman of the Board	August 2022	Currently ongoing
Ruan Xueping	Shanghai Minshen Real Estate Management Co., Ltd.	Director	August 2005	Currently ongoing
Liu	Wuhan Goneo Investment Management	Supervisor	October 2021	Currently ongoing

Shengsong	Co., Ltd.			ongoing
Liu Shengsong	Shanghai Goneo Information Technology Co., Ltd.	Executive Director	March 2024	Currently ongoing
Liu Shengsong	Wuhan Goneo Venture Capital Co., Ltd.	Supervisor	January 2021	Currently ongoing
Liu Shengsong	Dalitek Intelligent Technology (Shanghai) Inc.	Director	September 2021	Currently ongoing
Zhou Zhenghua	Ningbo Goneo Electrics Co., Ltd.	Executive Director and General Manager	February 2023	Currently ongoing
Zhou Zhenghua	Ningbo Goneo Intelligent Technology Co., Ltd.	Executive Director and General Manager	February 2023	Currently ongoing
Xie Weiwei	Ningbo Qiquanyang Trading Co., Ltd.	Executive Director, Manager	September 2023	Currently ongoing
Xie Weiwei	Ningbo Goneo New Energy Technology Co., Ltd.	Executive Director and General Manager	April 2022	Currently ongoing
Zhou Wenchuan	U-Home Group Co., Ltd.	Supervisor	June 2010	Currently ongoing
Zhou Wenchuan	Wuhu Meilleure Health Management Co., Ltd.	General Manager	April 2018	Currently ongoing
Zhou Wenchuan	Shenzhen Xiaozhou Investment Co., Ltd.	General Manager	January 2009	Currently ongoing
Zhou Wenchuan	Shenzhen Yinguan Biological Technology Co., Ltd.	Director	February 2019	Currently ongoing
Zhou Wenchuan	Zhuhai Fuhai Canyang Investment Development Co., Ltd.	Director	December 2009	Currently ongoing
Zhou Wenchuan	Shenzhen Meilleure Health Technology Company Limited	Executive Director	February 2024	Currently ongoing
Zhou Wenchuan	Shenzhen Taiwa Smart Charging Technology Co., Ltd.	Director	March 2024	Currently ongoing
Zhou Wenchuan	Shenzhen Ruima Technology Co., Ltd.	Executive Director and General Manager	September 2019	Currently ongoing
Zhou Wenchuan	Shenzhen Meiray Vap Technology Co., Ltd.	Chairman of the Board	December 2019	Currently ongoing
Zhou Wenchuan	Shenzhen Skin Analysis Medical Beauty Clinic	Chairman of the Board	June 2017	Currently ongoing
Zhou Wenchuan	Meilleure Health International Group Co., Ltd.	Vice Chairman of the Board and President	August 2013	Currently ongoing
Zhou Wenchuan	Wuhu Ruimei Kunhe Industrial Investment Co., Ltd.	Executive Director and General Manager	September 2023	Currently ongoing
Zhou	Kunshan Ruimei Kunrun Industrial	Executive	November	Currently

Wenchuan	Investment Co., Ltd.	Director	2023	ongoing
Zhou Wenchuan	Wuhu Ruimei Kuncheng Industrial Investment Co., Ltd.	Executive Director and General Manager	September 2023	Currently ongoing
Zhou Wenchuan	Wuhu Ruimei Kunrun Industrial Investment Co., Ltd.	Executive Director and General Manager	September 2023	Currently ongoing
Zhou Wenchuan	Beijing Meiaikang Technology Co., Ltd.	Director	February 2020	Currently ongoing
Zhou Wenchuan	Wuhu Xiaozhou Investment Co., Ltd.	General Manager	October 2019	Currently ongoing
Chen Zhen	Zhejiang Sunshine Era Law Firm	Founder, Director	February 1995	Currently ongoing
Chen Zhen	Hangzhou Redian Group Co., Ltd	Independent Director	June 2018	Currently ongoing
Li Gang	Aubo (Beijing) Robotics Technology Co., Ltd.	Co-founder and President	January 2015	Currently ongoing
Li Gang	Shanghai Xintonglian Packaging Co., Ltd.	Independent Director	May 2022	Currently ongoing
Li Jianbin	Chaoju Eye Care Holdings Limited	Independent Director	July 2021	Currently ongoing
Li Jianbin	Beijing 4Paradigm Intelligent Technology Co., Ltd.	Independent Director	July 2021	Currently ongoing
Yu Yingqi	Ningbo Goneo Supply Chain Management Co., Ltd.	Executive Director, General Manager	January 2023	Currently ongoing
Li Guoqiang	Ningbo Goneo International Trading Co., Ltd.	Executive Director and General Manager	January 2023	Currently ongoing
Cai Yingfeng (former)	Hainan Dacheng Supply Chain Management Co., Ltd.	Executive Director and General Manager	January 2021	Currently ongoing
Xie Tao (former)	Shanghai Vico Precision Mold &Plastics Co., Ltd.	Director	May 2021	Currently ongoing
Xie Tao (former)	China Yuchai International Limited	Independent Director	September 2020	Currently ongoing
Xie Tao (former)	Zhejiang Wanfeng Auto Wheel Co., Ltd.	Independent Director	June 2020	Currently ongoing
Zhang Zeping (former)	Shanghai Allied Industrial Co., Ltd.	Independent Director	December 2022	Currently ongoing
Zhang Zeping (former)	Suzhou Kelyuan Electronics Co., Ltd.	Director	January 2022	Currently ongoing
Zhang Zeping (former)	CTS International Logistics Corporation Limited	Independent Director	January 2023	Currently ongoing
Zhang Zeping (former)	Shenzhen Socas Technology Co., Ltd.	Independent Director	October 2020	September 2023

He Hao (former)	Hang Fun International Group Limited	CEO	March 2023	Currently ongoing
He Hao (former)	Shanghai Hang Fun Yunchao Intelligent Technology Co., Ltd.	Executive Director	August 2023	Currently ongoing
He Hao (former)	Shanghai Xingduo Investment Partnership Enterprise (Limited Partnership)	Executive Partner	July 2018	Currently ongoing
He Hao (former)	Shanghai Heyue Intelligent Technology Co., Ltd.	Executive Director	June 2022	Currently ongoing
He Hao (former)	Beijing Xinghao Kairui Technology Co., Ltd.	Executive Director and Manager	December 2018	Currently ongoing
Shen Huiyuan (former)	Hainan Dacheng Supply Chain Management Co., Ltd.	Supervisor	January 2021	Currently ongoing
Guan Xuejun (former)	Ningbo Goneo Electric Sales Co., Ltd.	Executive Director and General Manager	December 2022	Currently ongoing
Li Yu (former)	Ningbo Goneo Supply Chain Management Co., Ltd.	Supervisor	December 2017	Currently ongoing
Li Yu (former)	Ningbo Goneo Precision Manufacturing Co., Ltd.	Supervisor	November 2019	Currently ongoing
Li Yu (former)	Ningbo Goneo Electrics Co., Ltd.	Supervisor	December 2017	Currently ongoing
Li Yu (former)	Cixi Goneo Electrics Co., Ltd.	Supervisor	December 2017	Currently ongoing
Li Yu (former)	Ningbo Goneo Low Voltage Electric Co., Ltd.	Executive Director and Manager	December 2022	Currently ongoing
Li Yu (former)	Ningbo Banmen Electric Appliance Co., Ltd.	Supervisor	October 2021	Currently ongoing
Li Yu (former)	Ningbo Goneo Intelligent Technology Co., Ltd.	Supervisor	December 2017	Currently ongoing
Li Yu (former)	Ningbo Goneo Domestic Electrical Appliance Co., Ltd.	Supervisor	April 2020	Currently ongoing
Li Yu (former)	Ningbo Goneo International Trading Co., Ltd.	Supervisor	December 2017	Currently ongoing
Li Yu (former)	Ningbo Goneo Digital Technology Co., Ltd.	Supervisor	December 2017	Currently ongoing
Li Yu (former)	Ningbo Goneo Photoelectric Technology Co., Ltd.	Supervisor	December 2017	Currently ongoing
Li Yu (former)	Shanghai Goneo Electrics Co., Ltd.	Supervisor	December 2017	Currently ongoing
Zhang Lina (former)	Dalitek Intelligent Technology (Shanghai) Inc.	Supervisor	September 2021	Currently ongoing
Note	Not applicable			

### (III) Remunerations of directors, supervisors and senior management

Applicable  Not applicable

Decision-making procedures for the remuneration of directors, supervisors and senior management	The remuneration of directors and supervisors shall be deliberated and determined by the General Meeting of Shareholders. The remuneration of senior management personnel shall be reviewed and determined by the Board of
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personnel	Directors.
Whether a director recused himself/herself from the Board's discussion of his/her remuneration matters	Not applicable (personal remunerations not discussed)
Details of recommendations issued by the Remuneration and Appraisal Committee or independent directors at any special meeting on matters relating to the remunerations of directors, supervisors and senior management	The Remuneration and Appraisal Committee has approved the proposal on the matters relating to the remunerations of directors and senior management and unanimously agreed to submit the proposal to the Board of Directors and a general meeting of shareholders for review.
Basis for determining the remuneration of directors, supervisors and senior management personnel	Internal directors, supervisors and senior management personnel are paid remuneration in accordance with the specific management positions they hold in the Company, taking into account the Company's business picture, relevant remuneration system and results of performance appraisals. The remuneration of independent directors is based on an allowance system, and directors who do not hold specific management positions in the Company will not receive remuneration.
Actual payment of remuneration for directors, supervisors and senior management personnel	The earnings disclosed in the report represent the actual remuneration of the directors, supervisors and senior management personnel.
Total actual remuneration received by all directors, supervisors and senior management personnel at the end of the Reporting Period	RMB33.9719 million

#### (IV) Changes of directors, supervisors and senior management

√ Applicable □ Not applicable

Name	Office title	Type of change	Reason for change
Cai Yingfeng	Director and Senior Vice President	Resignation	Re-election of the Board of Directors
Xie Tao	Independent Director	Resignation	Re-election of the Board of Directors
Zhang Zeping	Independent Director	Resignation	Re-election of the Board of Directors
He Hao	Independent Director	Resignation	Re-election of the Board of Directors
Shen Huiyuan	Chairman of the Supervisory Committee	Resignation	Re-election of the Supervisory Committee
Guan Xuejun	Supervisor	Resignation	Re-election of the Supervisory Committee
Li Yu	Employee Supervisor	Resignation	Re-election of the Supervisory Committee
Zhang Lina	Senior Vice President and Chief Financial Officer	Resignation	Resignation upon expiry of tenure
Xie Weiwei	Director	Elected	Re-election of the Board of Directors

Chen Zhen	Independent Director	Elected	Re-election of the Board of Directors
Li Gang	Independent Director	Elected	Re-election of the Board of Directors
Li Jianbin	Independent Director	Elected	Re-election of the Board of Directors
Yu Yingqi	Chairman of the Supervisory Committee	Elected	Re-election of the Supervisory Committee
Wei Lingpeng	Supervisor	Elected	Re-election of the Supervisory Committee
He Min	Employee Supervisor	Elected	Re-election of the Supervisory Committee
Liu Shengsong	Chief Financial Officer	Appointed	Appointed by the Board of Directors

Note: The Company's directors, supervisors and senior management remained the same during the Reporting Period.

1. On 3 January 2024, He Min was elected as the Employee Supervisor of the Third Supervisory Committee at the Seventh Meeting of the Second Workers' Congress. For further information, see Announcement on the Election Results for Employee Supervisor of the Third Supervisory Committee (announcement No. 2024-001).

2. On 5 January 2024, Ruan Liping, Ruan Xueping, Zhou Wenchuan, Liu Shengsong, Zhou Zhenghua and Xie Weiwei were elected as non-independent directors of the Third Board of Directors, Chen Zhen, Li Gang and Li Jianbin were elected as independent directors of the Third Board of Directors, and Yu Yingqi and Wei Lingpeng were elected as non-employee supervisors of the Third Supervisory Committee, at the First Extraordinary General Meeting of Shareholders of 2024. For further information, see Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders of 2024 (announcement No. 2024-002).

3. On 5 January 2024, Liu Shengsong was appointed as Board Secretary and Chief Financial Officer at the First Meeting of the Third Board of Directors. For further information, see Announcement on the Resolutions of the First Meeting of the Third Board of Directors (announcement No. 2024-003).

#### (V) Punishments imposed by securities regulators in the past three years

Applicable  Not applicable

#### (VI) Other information

Applicable  Not applicable

#### V Board Meetings Convened during the Reporting Period

Meeting	Date	Resolutions
The 17 <sup>th</sup> Meeting of the Second Board of Directors	27 April 2023	The Proposal on the Work Report of the President (General Manager) in 2022, Proposal on the Work Report of the Board of Directors in 2022, Proposal on the Financial Final Account Report of 2022, Proposal on the Annual Report and its Summary for 2022, Proposal on the First Quarterly Report 2023, Proposal on the Plan for Profit Distribution and Bonus Issue from Capital Reserves for 2022, Proposal on the 2022 Annual Internal Control Evaluation Report, Proposal on the 2022 Environmental, Social and Governance Report, Proposal on the Work Report of Independent Directors for 2022, Proposal on the Report on the Performance of the Audit and Risk Committee of the Board of Directors for 2022, Proposal on

		the Estimated Routine Related-party Transactions of the Company in 2023, Proposal on the Renewal of the Annual Auditor for 2023, Proposal on the Use of Equity Funds for Entrusting Wealth Management, Proposal on Conducting Foreign Exchange Derivative Trading, Proposal on the Special Report on the Deposit and Actual Use of Raised Funds for 2022, Proposal on the Restricted Share Incentive Plan in 2023 (Draft) and Its Summary, Proposal on the Management Measures for the Assessment of the Restricted Share Incentive Plan for 2023, Proposal on the Request to the General Meeting to Authorise the Board of Directors to Handle Share Incentive-Related Matters, Proposal on the Repurchase and Retirement of Certain Restricted Shares, Proposal on Amendments to the Articles of Association, and Proposal on Holding 2022 Annual General Meeting of Shareholders were approved.
The 18 <sup>th</sup> Meeting of the Second Board of Directors	9 June 2023	The Proposal on the Adjustment of the Repurchase Price and Number of the 2020 Restricted Share Incentive Plan, Proposal on the Adjustment of the Repurchase Price and Number of the 2021 Restricted Share Incentive Plan, Proposal on the Adjustment of the Repurchase Price and Number of the 2022 Restricted Share Incentive Plan, Proposal on Adjusting the Number of Grants and the Grant Price of the 2023 Restricted Share Incentive Plan, Proposal on Granting Restrictive Shares to Awardees, Proposal on the Achievement of Lifting the Restriction Conditions in the Third Lifting Period of the 2020 Restricted Share Incentive Plan, Proposal on the Achievement of Lifting the Restriction Conditions in the Second Lifting Restriction Period of the 2021 Restricted Share Incentive Plan, and Proposal on the Achievement of Lifting the Restriction Conditions in the First Lifting Restriction Period of the 2022 Restricted Share Incentive Plan were approved.
The 19 <sup>th</sup> Meeting of the Second Board of Directors	17 August 2023	The Proposal on the 2023 Interim Report and the Summary, Proposal on the Special Report on the Deposit and Actual Use of Raised Funds for H1 2023, Proposal on Amendments to the Articles of Association, and Proposal on Amendments to the Employee Home Purchase Loan Management Rules were approved by the resolution.
The 20 <sup>th</sup> Meeting of the Second Board of Directors	26 October 2023	The Proposal on the Third Quarterly Report 2023, and Proposal on the Repurchase and Retirement of Certain Restricted Shares were approved.
The 21 <sup>st</sup> Meeting of the Second Board of Directors	20 December 2023	The Proposal on the Re-election of the Board of Directors & the Nomination of Non-independent Director Candidates for the Third Board of Directors, Proposal on the Re-election of the Board of Directors & the Nomination of Independent Director Candidates for the Third Board of Directors, Proposal on the Remuneration Plan for the Directors of the Third Board of Directors and Senior Management, Proposal on Amendments to the Articles of Association, Proposal on Amendments to the Rules of Procedure for General Meetings of Shareholders; Proposal on Amendments to the Rules of Procedure for the Board of Directors, Proposal on Amendments to the Work Rules for Independent Directors, Proposal on Amendments to the Management Methods for the Use of Raised Funds, Proposal on Amendments to Certain Corporate Governance Rules, Proposal on the Use of Equity Funds for Entrusting Wealth Management, Proposal on the Extension of Some

		Investment Projects with Raised Funds, Proposal on the Conclusion of Some Investment Projects with Raised Funds and the Use of the Surplus Raised Funds for Permanent Replenishment of Working Capital, and Proposal on Holding the First Extraordinary General Meeting of Shareholders of 2023 were approved.
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## VI Performance of Duty by Directors

### (I) Attendance of directors at board meetings and general meetings of shareholders during the Reporting Period

Name of director	Independent director or not	Attendance at board meetings						Attendance at general meetings of shareholders
		Total number of board meetings the director was supposed to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Absence	The director failed to attend two consecutive board meetings (yes/no)	Total number of general meetings of shareholders the director was supposed to attend
Ruan Liping	No	5	5	1	0	0	No	2
Ruan Xueping	No	5	5	2	0	0	No	2
Liu Shengsong	No	5	5	1	0	0	No	2
Zhou Zhenghua	No	5	5	1	0	0	No	2
Xie Weiwei	No	0	0	0	0	0	No	0
Zhou Wenchuan	No	5	5	2	0	0	No	2
Chen Zhen	Yes	0	0	0	0	0	No	0
Li Gang	Yes	0	0	0	0	0	No	0
Li Jianbin	Yes	0	0	0	0	0	No	0
Cai Yingfeng (former)	No	5	5	3	0	0	No	2
Xie Tao (former)	Yes	5	5	2	0	0	No	2

Zhang Zeping (former)	Yes	5	5	3	0	0	No	2
He Hao (former)	Yes	5	5	2	0	0	No	2

Explain why any director failed to attend two consecutive board meetings.

Applicable  Not applicable

Total number of board meetings convened in the Reporting Period	5
Of which: on-site meetings	2
Meetings convened by way of telecommunication	1
Meetings where on-site attendance and attendance by telecommunication were both allowed	2

## (II) Objections raised by directors on matters of the Company

Applicable  Not applicable

## (III) Other information

Applicable  Not applicable

## VII Specialized Committees under the Board of Directors

Applicable  Not applicable

### (I) Members of the specialized committees

Specialized committee	Members
Audit and Risk Committee	Li Jianbin (convener), Chen Zhen, and Ruan Xueping
Nomination Committee	Li Gang (convener), Li Jianbin, and Ruan Liping
Remuneration and Appraisal Committee	Chen Zhen (convener), Li Gang, and Ruan Liping
Strategy Committee	Ruan Liping (convener), Chen Zhen, Li Gang, Li Jianbin, and Liu Shengsong

Note: On 5 January 2024, the Proposal on the Election of Members for the Specialized Committees of the Board of Directors was approved at the First Meeting of the Third Board of Directors. As the Board of Directors was re-elected, members of the specialized committees were also adjusted. For further information, see Announcement on the Resolutions of the First Meeting of the Third Board of Directors (announcement No. 2024-003).

### (II) The Audit and Risk Committee held three meetings during the Reporting Period.

Date	Contents	Important comments and suggestions	Other performance of duties
19 April 2023	The Proposal on the 2022 Annual Report and the Summary, Proposal on the First Quarterly Report 2023, Proposal on the Financial Final Account Report of 2022, Proposal on the Estimated Continuing Related-party Transactions in 2023, Proposal on the Renewal of the Annual	The Audit and Risk Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the	For details, please refer to the Report of Goneo Group Co., Ltd. On the Duty Performance of the Audit and Risk Committee of the Board of Directors in 2023.

	Auditor for 2023, Proposal on the Special Report on the Deposit and Actual Use of Raised Funds for 2022, Proposal on the 2022 Annual Internal Control Evaluation Report, and Proposal on the Work Report of the Audit and Risk Management Joint Office for 2022 were approved.	Company. Upon full communication and discussion, all proposals were unanimously approved.	
4 August 2023	The Proposal on the 2023 Interim Report and the Summary, Proposal on the Special Report on the Deposit and Actual Use of Raised Funds for H1 2023, and Work Summary Report of the Audit and Risk Control Centre for H1 2023 were approved.	The Audit and Risk Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	For details, please refer to the Report of Goneo Group Co., Ltd. On the Duty Performance of the Audit and Risk Committee of the Board of Directors in 2023.
20 October 2023	The Proposal on the Third Quarterly Report 2023 was approved.	The Audit and Risk Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	For details, please refer to the Report of Goneo Group Co., Ltd. On the Duty Performance of the Audit and Risk Committee of the Board of Directors in 2023.

**(III) The Remuneration and Appraisal Committee held three meetings during the Reporting Period.**

Date	Contents	Important comments and suggestions	Other performance of duties
27 April 2023	The Proposal on the 2023 Restricted Share Incentive Plan (Draft) and the Summary, and Proposal on the Management Measures for the Appraisal of the 2023 Restricted Share Incentive	The Remuneration and Appraisal Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with	

	Plan were approved.	diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	
9 June 2023	The Proposal on the Achievement of Lifting the Restriction Conditions in the Third Lifting Restriction Period of the 2020 Restricted Share Incentive Plan, Proposal on the Achievement of Lifting the Restriction Conditions in the Second Lifting Restriction Period of the 2021 Restricted Share Incentive Plan, and Proposal on the Achievement of Lifting the Restriction Conditions in the First Lifting Restriction Period of the 2022 Restricted Share Incentive Plan were approved.	The Remuneration and Appraisal Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	
19 December 2023	The Proposal on the Remuneration Plan for the Directors of the Third Board of Directors and Senior Management was approved.	The Remuneration and Appraisal Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	

**(IV) The Nomination Committee held one meeting during the Reporting Period.**

Date	Contents	Important comments and suggestions	Other performance of duties
19 December 2023	The Proposal on the Nomination of Non-independent Director Candidates for the Third Board of Directors, and Proposal on the Nomination of Independent Director	The Nomination Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence.	

	Candidates for the Third Board of Directors were approved.	It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	
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**(V) Objections**

Applicable  Not applicable

**VIII Risks Detected by the Supervisory Committee**

Applicable  Not applicable

The Supervisory Committee raised no objections during the Reporting Period.

**IX Employees of the Company as the Parent and Its Principal Subsidiaries at the Period-end****(I) Employees**

Number of in-service employees of the Company as the parent	4,108
Number of in-service employees of principal subsidiaries	9,638
Total number of in-service employees	13,746
Number of retirees to whom the Company as the parent or its principal subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	8,772
Sales	1,298
Technical	1,954
Financial	169
Administrative	1,553
Total	13,746
Educational background	
Educational background	Employees
Bachelor's degree and above	2,402
Junior college	2,252
Technical secondary school and below	9,092
Total	13,746

**(II) Remuneration policy**

Applicable  Not applicable

The Company further improved its remuneration management and incentive mechanism system and enhanced the competitiveness of employee remunerations by revising the management system related to remuneration and benefits and reviewing remuneration guide lines for all levels and categories of employees on a regular basis, with changes in the labor market taken into account. Following the start of the Company's expansion into overseas markets, special adjustments were made to the welfare and incentive policies for overseas personnel to support the Company's expansion overseas. The Company conducted comprehensive and objective appraisals of employees



from dimensions such as company operating performance, job value, personal performance and personal ability. And it continued to improve the performance-oriented system of assessment, training, promotion and incentive, fully mobilizing the creativity and enthusiasm of employees and promoting the Company's performance growth and personal career development while improving the remuneration and benefits.

### **(III) Training plans**

Applicable  Not applicable

The Company actively focuses on talent cultivation and development, focusing on the cultivation and construction of its cadre team, expert team, skilled worker team, and young talent team, cultivating outstanding talents to continuously provide high-quality talents for business development. In talent cultivation, the Company adheres to the learning philosophy of "combination of training and practice, with a focus on practice and supplemented by training". For cadre team training, based on the Goneo Talent Standard, the Company implemented multiple middle-level cadre leadership training camps in 2023. For the expert team, diverse professional knowledge training resources are provided based on "BBS capabilities" and "professional job competency models". At the same time, training camps for team leaders and captains, as well as training programmes for grassroots technical positions, are carried out in an orderly manner. For young talents, the Company recruited more than 300 outstanding college students nationwide and implemented the Goneo Plan training camp in accordance with the requirements of young talents, comprehensively cultivating excellent young people in line with the Company's cultural values and competency requirements. A culture of talent cultivation and development is built in all aspects and fields.

### **(IV) Labor outsourcing**

Applicable  Not applicable

## **X Dividend Payouts**

### **(I) Formulation, execution and adjustments of the cash dividend policy**

Applicable  Not applicable

#### 1. The cash dividend policy

The Articles of Association clarifies the decision-making procedures and mechanism for profit distribution, the principles of profit distribution, the conditions and proportion of cash dividends, etc., ensuring the transparency and operability of cash dividends to effectively safeguard the legitimate rights and interests of small and medium shareholders and investors. The Company's profit distribution plan is strictly implemented in accordance with the provisions of the Articles of Association and the resolutions of the Company's General Meeting of Shareholders.

The Company will implement sustaining and stable profit distribution methods in line with the provisions of the Articles of Association. The Company may distribute dividends by means of cash, stocks, a combination of cash and stocks, or other means permitted by laws and regulations.

Among the profit distribution methods, the Company gives priority to cash dividends over stock dividends; if the Company adopts stock dividends for profit distribution, it shall have taken into account factors such as its growth and stock liquidity.

Description of dividends in the Articles of Association: The Board of Directors of the Company shall comprehensively consider factors such as the Company's industry characteristics, development phase, business model, profitability, and whether there are arrangements for major capital expenditures, distinguish the following circumstances, and propose differentiated cash dividend policies according to the procedures set forth in the Articles of Association:

(1) If the Company is in the phase of mature development and there is no arrangement for major capital expenditures, cash dividends shall account for at least 80% in the profit distribution;

(2) If the Company is in the phase of mature development and there are arrangements for major capital expenditures, cash dividends shall account for at least 40% in the profit distribution;

(3) If the Company is in the growth period and there are arrangements for major capital expenditures, cash dividends shall account for at least 20% in the profit distribution; where it is difficult to distinguish the Company's development phase but there are arrangements for major capital expenditures, it may be handled in accordance with the provisions of the preceding paragraph.

## 2. Cash dividend payouts during the Reporting Period

As approved at the 2022 Annual General Meeting of Shareholders on 18 May 2023, the 2022 final dividend payout was carried out. Based on the total share capital of 601,077,590 shares minus the 46 shares in the repurchased share account at the record date of the dividend payout (i.e. 7 June 2023), the Company paid out a cash dividend of RMB33 (tax inclusive) per 10 share to its shareholders, with a bonus issue of 4.8 additional shares for every 10 shares held by shareholders from capital reserves. The total amount of the cash dividend payout was RMB1,983,555,895.20 (tax inclusive), accounting for 62.21% of the net profit attributable to the Company's ordinary shareholders during 2022. The dividend payout was completed on 8 June 2023.

According to the applicable regulations, the cash amount of RMB215,219,556.49 that was used to repurchase shares during 2022 was included in the cash dividend amount. Therefore, the total amount of the cash dividend payout was RMB2,198,775,451.69 (tax inclusive), accounting for 68.96% of the net profit attributable to the Company's ordinary shareholders during 2022.

## (II) Special statement on the cash dividend policy

Applicable  Not applicable

In compliance with the Company's Articles of Association or the relevant resolutions of general meeting of shareholders	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Specific and clear dividend standards and ratios	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Complete decision-making procedure and mechanism	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Independent directors have faithfully performed their duties and played their due role	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Non-controlling shareholders are able to fully express their opinion and demand and their legal rights and interests are fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**(III) Where the Company fails to put forward a cash dividend proposal despite the facts that the Company has made profits in the Reporting Period and the profits of the Company as the parent distributable to shareholders are positive, it shall give a detailed explanation of why, as well as of the purpose and use plan for the retained earnings.**

Applicable  Not applicable

**(IV) Final dividend plan for the Reporting Period**

Applicable  Not applicable

Unit: RMB

Bonus issue from profit (share/10 shares)	/
Cash dividend/10 shares (tax inclusive)	31
Bonus issue from capital reserves (share/10 shares)	4.5
Cash dividends (tax inclusive)	2,763,776,569.90
Consolidated net profit attributable to the ordinary shareholders of the listed company in the year	3,870,135,376.47
Cash dividends as % of consolidated net profit attributable to the ordinary shareholders of the listed company	71.41
Cash dividends in form of share repurchase in cash	0
Total dividend amount (tax inclusive)	2,763,776,569.90
Total dividend amount as % of consolidated net profit attributable to the ordinary shareholders of the listed company	71.41

**XI Status and Impact of Share Incentive Plans, Employee Shareholding Plan or Other Incentive Measures for Employees**

**(I) Relevant incentive matters disclosed in current announcement with no subsequent progress or change**

Applicable  Not applicable

Overview	Index to the disclosed information
To further establish and improve its long-term incentive mechanisms, attract and retain outstanding talent, fully mobilise the Company's core team, effectively align the interests of shareholders, the Company and its core team, and promote all stakeholders' common focus on the Company's long-term development, the Company formulated the 2023 Restricted Share Incentive Plan (Draft) of Goneo Group and its summary, completed the registration of the grant of the 2023 Restricted Share Incentive Plan on 29 June 2023, and granted a total of 2,189,848 restricted shares to 750 people at a price of RMB48.95/share.	For details, please refer to the following announcements disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn): The 2023 Restricted Share Incentive Plan (Draft) of Goneo Group; The Announcement on Adjusting the Number of Grants and the Grant Price of the 2023 Restricted Share Incentive Plan (Announcement No.: 2023-039); and The Announcement on the Grant Results of the 2023 Restricted Share Incentive Plan (Announcement No.: 2023-049)
According to the provisions of the 2020 Restricted Share Incentive Plan of Goneo Group Co., Ltd., the 2021 Restricted Share Incentive Plan of Goneo Group Co., Ltd., and the 2022 Restricted Share Incentive Plan of	For details, please refer to the following announcements disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn):

<p>Goneo Group Co., Ltd., some awardees have lost the incentive qualification of the Incentive Plan due to their departure from the Company, and the Company completed the repurchase and cancellation of 47,170 restricted shares held by them which had been granted but not lifted from restricted sales on 4 September 2023.</p>	<p>The Announcement on the Repurchase and Cancellation of Some Restricted Shares (Announcement No.: 2023-024); The Announcement on Notifying Creditors of the Repurchase and Cancellation of Some Restricted Shares (Announcement No.: 2023-025); The Announcement on Adjusting the Repurchase Price and Number for the 2020 Restricted Share Incentive Plan (Announcement No.: 2023-036); The Announcement on Adjusting the Repurchase Price and Number for the 2021 Restricted Share Incentive Plan (Announcement No.: 2023-037); The Announcement on Adjusting the Repurchase Price and Number for the 2022 Restricted Share Incentive Plan (Announcement No.: 2023-038); and The Announcement on the Implementation of the Repurchase and Cancellation of Some Restricted Incentive Shares (Announcement No.: 2023-063)</p>
<p>According to the relevant provisions of the 2020 Restricted Share Incentive Plan, the lifting of the restriction conditions in the third lifting restriction period of the 2020 Restricted Share Incentive Plan has been achieved, and a total of 217,599 shares held by 441 awardees have met the conditions for lifting the sale restrictions, which were unlocked and listed on 6 July 2023.</p>	<p>For details, please refer to the following announcements disclosed on the website of the Shanghai Stock Exchange (<a href="http://www.sse.com.cn">www.sse.com.cn</a>): The Announcement on Satisfaction of the Conditions for Lifting Restriction in the Third Lifting Restriction Period of the 2020 Restricted Share Incentive Plan (Announcement No.: 2023-041); and The Announcement on Lifting the Restriction Conditions in the Third Lifting Restriction Period of the 2020 Restricted Share Incentive Plan and Trading in the Market (Announcement No.: 2023-050)</p>
<p>According to the relevant provisions of the 2021 Restricted Share Incentive Plan, the lifting of the restriction conditions in the second lifting restriction period of the 2021 Restricted Share Incentive Plan has been achieved, and a total of 258,766 shares held by 455 awardees have met the conditions for lifting the sale restrictions, which were unlocked and listed on 17 July 2023.</p>	<p>For details, please refer to the following announcements disclosed on the website of the Shanghai Stock Exchange (<a href="http://www.sse.com.cn">www.sse.com.cn</a>): The Announcement on Satisfaction of the Conditions for Lifting Restriction in the Second Lifting Restriction Period of the 2021 Restricted Share Incentive Plan (Announcement No.: 2023-042); and The Announcement on Lifting the Restriction Conditions in the Second Lifting Restriction Period of the 2021 Restricted Share Incentive Plan and Trading in the Market (Announcement No.: 2023-054)</p>
<p>According to the relevant provisions of the 2022 Restricted Share Incentive Plan, the lifting of the restriction conditions in the first lifting restriction period of the 2022 Restricted Share Incentive Plan has been achieved, and a total of 811,283 shares held</p>	<p>For details, please refer to the following announcements disclosed on the website of the Shanghai Stock Exchange (<a href="http://www.sse.com.cn">www.sse.com.cn</a>): The Announcement on Satisfaction of the Conditions for Lifting Restriction in the First</p>

by 610 awardees have met the conditions for lifting the sale restrictions, which were unlocked and listed on 21 June 2023.	Lifting Restriction Period of the 2022 Restricted Share Incentive Plan (Announcement No.: 2023-043); and The Announcement on Lifting the Restriction Conditions in the First Lifting Restriction Period of the 2022 Restricted Share Incentive Plan and Trading in the Market (Announcement No.: 2023-045)
According to the provisions of the 2020 Restricted Share Incentive Plan of Goneo Group Co., Ltd., the 2021 Restricted Share Incentive Plan of Goneo Group Co., Ltd., the 2022 Restricted Share Incentive Plan of Goneo Group Co., Ltd., and the 2023 Restricted Share Incentive Plan of Goneo Group Co., Ltd., some awardees have lost the incentive qualification of the Incentive Plan due to their departure from the Company, and the Company completed the repurchase and cancellation of 173,974 restricted shares held by them which had been granted but not lifted from restricted sales on 22 December 2023.	For details, please refer to the following announcements disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn): The Announcement on the Repurchase and Cancellation of Some Restricted Shares (Announcement No.: 2023-072); The Announcement on Notifying Creditors of the Repurchase and Cancellation of Some Restricted Shares (Announcement No.: 2023-073); and The Announcement on the Implementation of the Repurchase and Cancellation of Some Restricted Incentive Shares (Announcement No.: 2023-076)

**(II) Incentive Plans undisclosed in current announcements or disclosed but with new progress**

Equity Incentive Plans:

 Applicable  Not applicable

Other information:

 Applicable  Not applicable

Employee stock ownership plans:

 Applicable  Not applicable

Other incentive measures:

 Applicable  Not applicable**(III) Equity incentives granted to directors and senior management during the Reporting Period** Applicable  Not applicable**(IV) Establishment and formulation of appraisal and incentive mechanisms for senior management during the Reporting Period** Applicable  Not applicable

The remuneration of the senior management personnel of the Company is implemented based on the actual operations and the relevant rules of the Company.

**XII Development and implementation of internal control systems during the Reporting Period** Applicable  Not applicable

During the Reporting Period, in strict compliance with the Company Law, Securities Law, Code of Corporate Governance for Listed Companies, Guidelines for Evaluation of Enterprise Internal Control and other relevant laws and regulations, the Company continuously established and improved its internal control system and enhanced the level of internal control management. The

risk and internal control management organization system, comprising the Audit and Risk Committee and the Internal Audit Department, supervises and evaluates the internal control management of the Company. Through comprehensive risk identification and management, and sound operation and checking of the internal control system, the Company has effectively prevented various risks in its operation, promoted the realisation of internal control objectives, and further strengthened compliance in operation.

Explanation of material weaknesses in internal control during the Reporting Period:

Applicable  Not applicable

### **XIII Management and control over subsidiaries during the Reporting Period**

Applicable  Not applicable

During the Reporting Period, the Company strictly followed the requirements of the Shanghai Stock Exchange and various rules and regulations of the Board of Directors of the Company to regulate the management and risk control of subsidiaries. Subsidiaries reported significant information such as operations to the Company, and there were no undisclosed matters that should have been disclosed.

### **XIV Independent auditor's report on internal control**

Applicable  Not applicable

Upon its audit on the effectiveness of the Company's internal control over financial reporting for 2023, Pan-China Certified Public Accountants LLP is of the opinion that the Company maintained, in all material respects, effective internal control over financial reporting as of 31 December 2023, based on the Basic Rules on Enterprise Internal Control and other applicable regulations. For further information, see the Independent Auditor's Report on Internal Control for 2023, which has been disclosed together with this Report on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

Whether the Independent Auditor's Report on Internal Control is disclosed: Yes

Type of the independent auditor's opinion: Unmodified unqualified opinion

### **XV Remediation of problems identified by self-inspection in the special action on the governance of the Company**

Not applicable

### **XVI Other information**

Applicable  Not applicable

## Part V Environmental and Social Responsibility

### I Environmental information

Whether any environment protecting mechanism has been established	Yes
Spending on environmental protection during the Reporting Period (unit: RMB'0,000)	599.34

#### (I) Description of the environmental protection of the company and its major subsidiaries that are key emission units as declared by the environmental protection authorities

Applicable  Not applicable

#### 1. Discharge information

Applicable  Not applicable

During the Reporting Period, due to the adjustment of the Company's production projects, Ningbo Goneo is no longer a key emission unit of Ningbo. The relevant project and the identity of key emission unit has been taken over by Goneo Group Co., Ltd. as a legal entity. Except for this legal entity, none of the other units within the Group is a key emission unit as declared by the environmental protection authorities.

During the Reporting Period, the Company discharged in strict accordance with the requirements of the implemented pollutant discharge standards, with no environmental pollution incidents and no penalties imposed by the environmental protection authorities. The Group-wide commissioned disposal volume was 747 tons of hazardous waste in 2023. The Company's hazardous waste disposal is in compliance with relevant regulations and administrative plans. The concentration and rate of emission of each pollutant meet the concentration limits and rate requirements of the emission standards.

#### 2. Construction and operation of pollution control facilities

Applicable  Not applicable

In 2023, the Company invested a total of RMB5.9934 million in operating expenses for environmental protection equipment, mainly used for the addition of new environmental protection equipment and technological transformation of environmental protection equipment.

To reduce the generation of volatile organic compounds in the painting workshop, the Company improved the spray process raw materials, using low-volatility water-based paint instead of oil-based paint to solve the problem of volatile organic compound generation at the source, resulting in emission concentrations far below the emission limit requirements. The Company also extended the use period of consumables in the dry filter section, reducing the generation of filtering waste and lowering energy consumption during the operation of the treatment facilities.

In the Company's "zeolite rotary adsorption + RTO combustion" waste gas treatment facility, the adsorption pressure difference in the rotary adsorption section reached the adsorption limit during the Reporting Period, increasing the consumption of natural gas for RTO. To meet emission standards and reduce energy consumption requirements, the Company replaced the rotary

adsorption section, resulting in a significant decrease in emission concentration compared to before and minimising natural gas consumption.

During the Reporting Period, the Company added an activated carbon catalytic combustion waste gas treatment facility, aimed at the collection and treatment of granulation waste emissions. The use of catalytic combustion systems can extend the service life of activated carbon and reduce pollutant emission concentrations, resulting in emission concentrations far below the limit requirements.

### **3. Assessment of the environmental impact of construction projects and other administrative licenses of environmental protection**

Applicable  Not applicable

All the Company's construction projects have fulfilled the environmental impact evaluation and other environmental protection administrative licensing procedures in accordance with the requirements of national environmental protection laws and regulations.

### **4. Contingency plan for environmental emergencies**

Applicable  Not applicable

The Company has established an effective emergency response mechanism for environmental emergencies, and the chemical intermediate warehouse of each base and each plant involving hazardous waste and hazardous chemicals rehearse the contingency plan at least twice a year. In order to improve the corporate ability to respond to environmental pollution accidents, the Company has formulated the Contingency Plan of Goneo Group Co., Ltd. (File No. 330282-2022-240-L), and the Amendments to the Contingency Plan of Goneo Group Co., Ltd. (West Zone of Guanhaiwei Town) for Environmental Emergencies (File No. 330282-2023-004-L) in accordance with relevant legal provisions such as the requirements of the Environmental Protection Law of the People's Republic of China and based on the actual situation, which provide standards and guidance for the Company's rescue operations for environmental pollution emergencies.

### **5. Environmental self-monitoring plan**

Applicable  Not applicable

In accordance with the pollutant discharge permits and the requirements of self-monitoring of environmental protection, the Company has formulated the Management System for Self-monitoring of Pollution Sources and regularly carries out self-monitoring work. In 2023, it commissioned qualified third-party testing units to orderly carry out tests on spraying exhaust gas, noise at the factory boundary, domestic sewage, etc., and made sure that the test reports issued were all valid.

### **6. Administrative penalties imposed for environmental issues during the Reporting Period**

Applicable  Not applicable



**7. Other environmental information that should be disclosed**√ Applicable  Not applicable

During the Reporting Period, as required by the Department of Ecological Environment of Zhejiang Province, the Company prepared and disclosed a corporate environmental information report in accordance with the law. Goneo Group Co., Ltd. was rated A in the environmental credit evaluation of enterprises in Zhejiang Province in 2023.

**(II) Environmental protection of companies other than key emission units**√ Applicable  Not applicable**1. Administrative penalties for environmental problems** Applicable √ Not applicable**2. Other environmental information disclosed with reference to key emission units**√ Applicable  Not applicable

Except for Goneo Group Co., Ltd. as a legal entity, all other units of the Group are not key emission units and have strictly implemented relevant laws and regulations on environmental protection, installed environmental protection equipment with advanced filtration technology for processes that generate environmental pollution in accordance with the requirements of the environmental credit evaluation, which passed the acceptance and met the discharge standards with emission concentrations far below the limits. All three wastes were discharged in accordance with the standard. There was no environmental pollution accident and no punishment by the environmental protection authorities, and all the units were rated A in the environmental credit evaluation of enterprises in Zhejiang Province.

During the Reporting Period, Goneo Photoelectric was recognized as a Green Factory of Ningbo in 2023; Goneo Digital was recognized as a Green Factory of Ningbo in 2023; and Goneo Low Voltage is among the first batch of Ningbo 2023 positive list of enterprises for ecological and environmental supervision and enforcement.

**3. Reasons for not disclosing other environmental information** Applicable √ Not applicable**(III) Efforts and results in ecological protection, pollution prevention and environmental responsibility performance**√ Applicable  Not applicable

To strengthen the awareness of environmental protection among employees, the Company organized a photographic event at the World Environment Day on 5 June 2023. Promotional photos and videos were taken on themes such as low carbon living and green factories, and winning works were exhibited to motivate employees.

The Company has strengthened the environmental management on the spraying lines with the internationally advanced “zeolite rotary adsorption + RTO combustion” technologies. The

environmental protection equipment operated in an efficient manner during the Reporting Period, with the VOC removal rate reaching over 95%.

In 2023, Goneo Group constructed two distributed photovoltaic power stations on idle factory roofs, with a total installed capacity of 7.2 MW. It is expected to generate over 8 million kwh of electricity annually, with over 98% for self-consumption and the surplus for grid connection.

The waste heat recovery project utilizing air compressor waste heat at Goneo Group's West Zone Base was conducted at the end of 2023.

Ningbo Goneo implemented a centralised water supply project for precision carving machine wastewater treatment and recovery, where wastewater extracted from the total water tank undergoes solid-liquid separation before being returned to the total water tank for reuse.

Meanwhile, the spraying plants have increased research into source substitution - water-based paints instead of oil-based paints - during the Reporting Period. The substantial investment has produced preliminary results. Adhering to its business philosophy of "taking the long way with professionalism and devotion", the Company is committed to environmental responsibility.

#### (IV) Measures taken to reduce carbon emissions during the Reporting Period and their effects

Whether any measure was taken to reduce carbon emissions	Yes
Emissions of CO2 equivalent reduced (unit: ton)	/
Type of carbon reduction measures (for example, use of clean energy in power generation, use of carbon reducing technologies in production processes, development and production of novel products that can help reduce carbon emissions, etc.)	During the Reporting Period, the Company actively enhanced the management and conservation of energy resources and took necessary measures, including vigorously increasing the proportion of clean energy use such as photovoltaic. In 2023, the actual use of solar energy was about 5,540,000 kwh, and the total installed capacity of new photovoltaic power generation projects reached 7.2 MW, which is expected to generate more than 8,000,000 kwh of electricity annually. Meanwhile, the Company strengthened the energy consumption management of equipment and the conservation management of water resources, promoted green office and issued office rules, etc. Meanwhile, the Company is vigorously developing its new energy business and has launched various products such as new energy vehicle charging plugs/points, chargers and portable products to actively contribute to the national strategy of "carbon peaking and carbon neutrality".

Detailed description:

Applicable  Not applicable

## II Fulfillment of Social Responsibility

**(I) Indicate whether a separate social responsibility report, sustainability report or ESG report has been disclosed.**

Applicable  Not applicable

For details, please refer to the 2023 Environmental, Social and Governance Report of Goneo Group Co., Ltd. published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

## (II) Specific efforts in relation to social responsibility

√ Applicable  Not applicable

Donations and public welfare programs	Number/content	Description
Total spending (RMB'0,000)	19,322.49	
Of which: Funds (RMB'0,000)	19,147.52	
Worth of supplies (RMB'0,000)	174.97	Donation of the Company's products
Number of beneficiaries	/	

Detailed description:

√ Applicable  Not applicable

For details, please refer to the 2023 Environmental, Social and Governance Report of Goneo Group Co., Ltd. published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

## III Efforts in Poverty Alleviation, Rural Revitalization, etc

√ Applicable  Not applicable

Poverty alleviation and rural revitalization programs	Number/content	Description
Total spending (RMB'0,000)	1,000	
Of which: Funds (RMB'0,000)	1,000	
Worth of supplies (RMB'0,000)	0	
Number of beneficiaries	4,172	Residents of Guyaopu Village, Cixi City, Zhejiang Province, China
Way of helping (through industrial development, employment, educational development, etc.)	Building of a beautiful village	

Detailed description:

√ Applicable  Not applicable

For details, please refer to the 2023 Environmental, Social and Governance Report of Goneo Group Co., Ltd. published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

## Part VI Significant Events

### I Fulfillment of Commitments

#### (I) Commitments of the Company's actual controller, shareholders, related parties and acquirers, as well as the Company and other entities during the Reporting Period or commitments continuing to the Reporting Period

√ Applicable □ Not applicable

Commitment background	Commitment category	Promisor	Commitment contents	Time of commitment making	Whether there is a deadline for performance	Term of commitment	Whether it is timely and strictly performed	If it is not timely performed, the specific reasons shall be stated	If it is not timely performed, the plan for the next step shall be stated
Commitments related to IPO	Restricted share sales	Liangji Industrial, Ninghui Investment, Suiyuan Investment	Within 36 months from the date of listing of the Company's shares, the promisor will not transfer or entrust others to manage the shares he/she directly or indirectly holds in the Company which were issued before the IPO, nor will the Company repurchase such shares. If the shares held by the promisor are reduced within two years after the expiry of the lock-up period, the price of such reduction shall not be lower than the issue price of the IPO (if the Company's shares are subject to ex-rights and ex-dividend matters such as dividend distribution, share bonus and capital reserves to share capital, the issue price will be adjusted ex-rights and ex-dividend, the same below); if the closing price of the Company's shares for 20 consecutive trading days is lower than the issue price within six months after the listing of the Company, or the closing price at the end of six months after the listing is lower than the issue price, the lock-up period for holding the Company's shares will be automatically extended for at least six months.	6 February 2020	Yes	Within 36 months from the date of listing of the Company's shares	Yes	Not applicable	Not applicable
	Restricted share sales	Qiyuanbao	Within 36 months from the date of listing of the Company's shares, the promisor will not transfer or entrust others to manage the shares he/she directly	6 February 2020	Yes	Within 36 months from the	Yes	Not applicable	Not applicable

			or indirectly holds in the Company which were issued before the IPO, nor will the Company repurchase such shares.			date of listing of the Company's shares			
Restricted share sales	Ruan Liping, Ruan Xueping, Cai Yingfeng, Liu Shengsong, Zhou Zhenghua, Li Guoqiang, Zhang Lina	Within 36 months from the date of listing of the Company's shares, the promisor will not transfer or entrust others to manage the shares he/she directly or indirectly holds in the Company which were issued before the IPO, nor will the Company repurchase such shares. If the Company's shares directly or indirectly held by the promisor are reduced within two years after the expiry of the lock-up period, the price of such reduction shall not be lower than the issue price (if the Company's shares are subject to ex-rights and ex-dividend matters such as dividend distribution, share bonus and capital reserves to share capital, the issue price will be adjusted ex-rights and ex-dividend, the same below); if the closing price of the Company's shares for 20 consecutive trading days is lower than the issue price within six months after the listing of the Company, or the closing price at the end of six months after the listing is lower than the issue price, the lock-up period for holding the Company's shares will be automatically extended for at least six months. After the expiry of the above-mentioned commitment lock-up period, during my term of office as a director, supervisor or senior management personnel of the Company, if I leave the Company before the expiry of my term of office, during the term of office determined at the time of my assumption of office and within six months after the expiry of my term of office: 1) I will transfer no more than 25% of the total number of shares of the Company held directly or indirectly by me each year; 2) I will not transfer the shares of the Company held directly or indirectly by me within six months after leaving the Company; 3) (iii) I will comply with laws, administrative regulations, departmental rules and regulations, regulatory documents and other regulations for the	6 February 2020	Yes	Within 36 months from the date of listing of the Company's shares	Yes	Not applicable	Not applicable	

			transfer of shares by directors, supervisors and senior management personnel of the business rules of the stock exchange.						
Restricted share sales	Shen Huiyuan, Guan Xuejun, Li Yu		Within 36 months from the date of listing of the Company's shares, the promisor will not transfer or entrust others to manage the shares he/she directly or indirectly holds in the Company which were issued before the IPO, nor will the Company repurchase such shares. After the expiry of the above-mentioned commitment lock-up period, during my term of office as a director, supervisor or senior management personnel of the Company, if I leave the Company before the expiry of my term of office, during the term of office determined at the time of my assumption of office and within six months after the expiry of my term of office: 1) I will transfer no more than 25% of the total number of shares of the Company held directly or indirectly by me each year; 2) I will not transfer the shares of the Company held directly or indirectly by me within six months after leaving the Company; 3) (iii) I will comply with laws, administrative regulations, departmental rules and regulations, regulatory documents and other regulations for the transfer of shares by directors, supervisors and senior management personnel of the business rules of the stock exchange.	6 February 2020	Yes	Within 36 months from the date of listing of the Company's shares	Yes	Not applicable	Not applicable
Other	Goneo Group		1. Specific conditions for initiating the stock price stabilisation measures: Within three years of the Company's IPO and listing, if the closing price of the Company's shares is lower than the latest audited net asset value per share for 20 consecutive trading days (hereinafter referred to as the "initiation condition"), the Company shall initiate the measures for stabilizing its stock prices in line with relevant provisions. In the event of changes in the Company's net assets or the total number of shares due to matters such as capitalisation from capital reserve, distribution of stock or cash dividends, follow-on offering, share allotment and stock reverse split-up after the latest audit base day,	6 February 2020	Yes	Three years from the date of the Company's IPO and listing	Yes	Not applicable	Not applicable

			<p>the net assets per share shall be adjusted accordingly.</p> <p>2. When the initiation condition for the specific measures to stabilise stock prices is triggered, the Company shall, in accordance with laws and regulations, normative documents, and relevant plans of the Articles of Association, take one or more of the following measures to stabilise stock prices at the same time or in steps in the light of the actual situation of the Company and the stock market, and based on the principle of protecting the interests of the Company and investors: (1) The Company repurchases shares from the public; (2) Controlling shareholders, directors who receive remuneration from the Company (except independent directors) and senior managers increase their holdings of the Company's shares.</p>						
Other	Liangji Industrial	<p>In strict accordance with the Proposal on the Stabilization of Share Price within Three Years of Listing, Ningbo Liangji Industrial Co., Ltd. will fully and effectively fulfill its obligations and responsibilities under the Proposal, and strongly urge the joint stock company and the relevant parties to fully and effectively fulfill their obligations and responsibilities under the Proposal. When the General Meeting of the Company resolves on the repurchase of shares in accordance with the provisions of the Proposal, Ningbo Liangji Industrial Co., Ltd. undertakes to vote in favor of the proposal on the repurchase at the General Meeting.</p>	6 February 2020	Yes	Three years from the date of the Company's IPO and listing	Yes	Not applicable	Not applicable	
Other	Ruan Liping, Ruan Xueping	<p>In strict accordance with the Proposal on the Stabilization of Share Price within Three Years of Listing, I will fully and effectively fulfill its obligations and responsibilities under the Proposal, and strongly urge the company and the relevant parties to fully and effectively fulfill the obligations and responsibilities under the Proposal. When the General Meeting of the Company resolves on the repurchase of shares in accordance with the provisions of the Proposal, I undertake that I and</p>	6 February 2020	Yes	Three years from the date of the Company's IPO and listing	Yes	Not applicable	Not applicable	

			those acting in concert will vote in favor of the proposal on the repurchase at the General Meeting.						
Other	Senior management of the Company		In strict accordance with the Proposal on the Stabilization of Share Price within Three Years of Listing, I will fully and effectively fulfill its obligations and responsibilities under the Proposal, and strongly urge the company and the relevant parties to fully and effectively fulfill the obligations and responsibilities under the Proposal.	6 February 2020	Yes	Three years from the date of the Company's IPO and listing	Yes	Not applicable	Not applicable
Others	Liangji Industrial, Ruan Liping, and Ruan Xueping		1. No reduction of the Company's shares will be performed within 36 months after the Company's shares are listed. 2. The methods of shareholding reduction include but are not limited to call auction on exchanges, block trade, and negotiating transfer. 3. When reducing shareholdings, information such as the amount and method of reduction shall be notified to the Company in writing in advance, and the Company shall make an announcement in a timely manner. Shareholding reduction shall be performed after three trading days from the date of the Company's announcement.	6 February 2020	Yes	Three years from the date of the Company's IPO and listing	Yes	Not applicable	Not applicable
Settlement of horizontal competition	Liangji Industrial		(1) The company and companies or other organizations controlled by the company are not engaged in the same or similar business as the issuer and its subsidiaries, with no horizontal competition. (2) The company and companies or other organizations controlled by the company will not engage in the same or similar business as the existing business of the issuer and its subsidiaries in any form outside China, including not investing in, acquiring or merging with companies or other economic organizations outside China that compete with the existing principal business of the issuer and its subsidiaries. (3) If the issuer and its subsidiaries engage in new business in the future, the company and companies or other organizations controlled by the company will not engage in business activities in direct competition with the new business of the issuer and its subsidiaries by share holding or participating in but having substantial control over the shares of the issuer and	6 February 2020	No	Not applicable	No	Not applicable	Not applicable



			its subsidiaries within or outside China, including investing in, acquiring or merging with companies or other economic organizations within or outside China that directly compete with the new business of the issuer and its subsidiaries in the future. (4) If the company and legal entities controlled by the company have business operations in direct competition with the issuer and its subsidiaries, the issuer and its subsidiaries shall have the right to centralize the competing businesses to the operations of the issuer and its subsidiaries through preferential acquisition or entrustment. (5) The company undertakes not to use its position as a shareholder of the issuer and its subsidiaries to seek improper benefits and thereby harm the rights and interests of other shareholders of the issuer and its subsidiaries. If the rights and interests of the issuer and its subsidiaries are damaged due to a breach of the above statements and commitments by the company and companies or other organizations controlled by the company, the company agrees to be liable to the issuer and its subsidiaries for the corresponding damages.						
Settlement of horizontal competition	Ruan Liping, Ruan Xueping	(1) I and companies or other organizations controlled by me are not engaged in the same or similar business as the issuer and its subsidiaries, with no horizontal competition. (2) I and companies or other organizations controlled by me will not engage in the same or similar business as the existing business of the issuer and its subsidiaries in any form outside China, including not investing in, acquiring or merging with companies or other economic organizations outside China that compete with the existing principal business of the issuer and its subsidiaries. (3) If the issuer and its subsidiaries engage in new business in the future, I and companies or other organizations controlled by me will not engage in business activities in direct competition with the new business of the issuer and its subsidiaries by share holding or participating in but having	6 February 2020	No	Not applicable	Yes	Not applicable	Not applicable	

			substantial control over the shares of the issuer and its subsidiaries within or outside China, including investing in, acquiring or merging with companies or other economic organizations within or outside China that directly compete with the new business of the issuer and its subsidiaries in the future. (4) If I and legal entities controlled by me have business operations in direct competition with the issuer and its subsidiaries, the issuer and its subsidiaries shall have the right to centralize the competing businesses to the operations of the issuer and its subsidiaries through preferential acquisition or entrustment. (5) I undertake not to use its position as a shareholder of the issuer and its subsidiaries to seek improper benefits and thereby harm the rights and interests of other shareholders of the issuer and its subsidiaries. If the rights and interests of the issuer and its subsidiaries are damaged due to a breach of the above statements and commitments by me and companies or other organizations controlled by me, I agree to be liable to the issuer and its subsidiaries for the corresponding damages.						
Settlement of related-party transactions	Liangji Industrial	The company will minimize and standardize the related-party transactions with Goneo Group Co., Ltd. and its wholly-owned or controlled subsidiaries. For related-party transactions that are inevitable or occur for reasonable reasons, the company will strictly comply with the provisions of relevant laws, regulations and the Articles of Association of the company, follow the principles of equitable, remunerative and fair transactions, perform legal procedures, and determine the transaction prices in accordance with reasonable prices recognized by the market to ensure the fairness of the related-party transactions. The company will not leverage its shareholder status to induce the General Meeting or the Board of Directors of the Company to make resolutions that infringe upon the legitimate rights and interests of the Company and other shareholders. In operating decisions, the company will strictly follow the	6 February 2020	No	Not applicable	Yes	Not applicable	Not applicable	

			relevant provisions of the Company Law and the Articles of Association to implement the avoidance system of related shareholders to safeguard the legitimate rights and interests of all shareholders.						
	Settlement of related-party transactions	Ruan Liping, Ruan Xueping	I will minimize and standardize the related-party transactions with Goneo Group Co., Ltd. and its wholly-owned or controlled subsidiaries. For related-party transactions that are inevitable or occur for reasonable reasons, I will strictly comply with the provisions of relevant laws, regulations and the Articles of Association of the company, follow the principles of equitable, remunerative and fair transactions, perform legal procedures, and determine the transaction prices in accordance with reasonable prices recognized by the market to ensure the fairness of the related-party transactions. I will not leverage its shareholder status to induce the General Meeting or the Board of Directors of the Company to make resolutions that infringe upon the legitimate rights and interests of the Company and other shareholders. In operating decisions, I will strictly follow the relevant provisions of the Company Law and the Articles of Association to implement the avoidance system of related shareholders to safeguard the legitimate rights and interests of all shareholders.	6 February 2020	No	Not applicable	Yes	Not applicable	Not applicable
Commitments related to IPO	Other	All partners of Suiyuan Investment	(1) Upon dissolution of Suiyuan Investment and the direct holding of Goneo Group shares by the promisor through non-trading transfer, the promisor shall inherit all commitments made by Suiyuan Investment in the Goneo Group's Prospectus for Initial Public Offering of Shares. The commitments not yet fulfilled by Suiyuan Investment shall continue to be fulfilled by the promisor until all commitments are fulfilled; (2) Some personnel within the promisor concurrently serve as directors, supervisors, and senior management of Goneo Group, and they will continue to strictly fulfill the commitments made in the Goneo Group's Prospectus for Initial Public Offering of Shares. They will also strictly adhere to	21 June 2023	Yes	27 September 2024	Yes	Not applicable	Not applicable

			<p>other regulations regarding shareholding of directors, supervisors, and senior management of Goneo Group as stipulated by laws, administrative regulations, departmental rules, normative documents, and Shanghai Stock Exchange business rules;</p> <p>(3) To protect the legitimate rights and interests of listed companies and investors, maintain the order of the securities market and social public interests, after the dissolution of Suiyuan Investment and completion of non-trading transfer to the promisor, if any party within the promisor reduces its holdings of Goneo Group shares, it commits to abide by the following reduction rules:</p> <p>1) Within 12 months from the date when the promisor directly holds Goneo Group shares due to the dissolution of Suiyuan Investment and non-trading transfer, when reducing holdings, the total number of Goneo Group shares held by the promisor shall be calculated collectively. If conducted through centralised bidding trading, the total number of shares reduced within any consecutive 90 days shall not exceed 1% of the total number of Goneo Group shares; if conducted through block trading, the total number of shares reduced within any consecutive 90 days shall not exceed 2% of the total number of Goneo Group shares.</p> <p>2) The promisor shall ensure that the reduction of holdings by the promisor complies with the aforementioned commitments. If any party within the committing party intends to reduce holdings, it shall notify other parties 25 trading days in advance (notification methods include written, email, SMS, and WeChat) and friendly negotiate with other parties to ensure that the proportion of reduced holdings does not violate the content of this commitment. If negotiation fails, the reduction quota that each party of the promisor enjoys shall be calculated according to the internal proportion</p>						
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			<p>of Goneo Group shares held by each party of the promisor at that time.</p> <p>3) Premised on compliance with and fulfillment of the aforementioned b) commitment obligations, the promisor shall submit a written report to Goneo Group 20 trading days before the first sale of shares, and Goneo Group shall report the promisor's reduction plan to the exchange in accordance with regulations and make it public.</p> <p>(4) The promisor shall strictly adhere to other regulations regarding shareholding of the promisor as stipulated by laws, administrative regulations, departmental rules, normative documents, and Shanghai Stock Exchange business rules.</p> <p>(5) If any party within the promisor fails to fulfill the commitments in this commitment letter or the performance does not conform to the commitments in this commitment letter, the profits obtained by that party shall belong collectively to the promisor, and if it causes losses to other entities within the promisor or Goneo Group, it shall fully compensate all losses of other entities within the promisor and Goneo Group, and shall also bear legal and regulatory provisions regarding the promisor's shareholding.</p>						
Commitments related to equity incentives	Other	Goneo Group	The Company will not provide loans and any other forms of financial assistance, including provision of guarantees for loans, to the awardees of the Restricted Share Incentive Plan for acquiring the relevant restricted shares under the Incentive Plan.	Not applicable	No	Not applicable	Yes	Not applicable	Not applicable
	Other	Awardees of restricted share Incentive Plans	If the Company is not eligible for the grant of equity or exercise of equity arrangement due to a false record, misleading statement or material omission in the information disclosure document, the awardee shall return to the Company all the benefits received from the share Incentive Plan after the false record, misleading statement or material omission are confirmed in relevant information disclosure documents.	Not applicable	No	Not applicable	Yes	Not applicable	Not applicable



**(II) Where there had been an earnings forecast for an asset or project and the Reporting Period was still within the forecast period, explain why the forecast has or has not been reached for the Reporting Period.**

Forecast reached  Forecast unreached  Not applicable

**(III) Fulfillment of performance commitments and the impact on goodwill impairment tests**

Applicable  Not applicable

**II Occupation of the Company's Capital by the Controlling Shareholder or Other Related Parties for Non-Operating Purposes during the Reporting Period**

Applicable  Not applicable

**III Irregularities in the Provision of Guarantees**

Applicable  Not applicable

**IV Explanation Given by the Board of Directors Regarding "Independent Auditor's Report with Modified Opinion"**

Applicable  Not applicable

**V Reasons for Accounting Policy or Estimate Changes or Correction of Material Accounting Errors and the Impact**

**(I) Reasons for accounting policy or estimate changes and the impact**

Applicable  Not applicable

For details, see "40. Changes to critical accounting policies and estimates" under "V Critical Accounting Policies and Estimates" of "Part X Financial Statements".

**(II) Reasons for correction of material accounting errors and the impact**

Applicable  Not applicable

**(III) Communications with the former CPA firm**

Applicable  Not applicable

**(IV) Approval process and other information**

Applicable  Not applicable

**VI Appointment and Dismissal of CPA Firm**

Unit: RMB'0,000

	In service
Name of the domestic CPA firm	Pan-China Certified Public Accountants LLP
The Company's payment to the domestic CPA firm	288
How many years the domestic CPA firm has provided audit service for the Company	11
Name of certified public accountants of the domestic CPA firm	Yao Benxia, and Chen Zhuoyan
How many years the certified public accountants of the domestic CPA firm have provided audit service for the Company	Yao Benxia: 1 year Chen Zhuoyan: 1 year

Note: The audit fees of the Company for the year 2023 amounted to RMB2,880,000, of which the audit fee for the financial statements of the Company for the year 2023 amounted to RMB2,280,000, the

internal control audit fee amounted to RMB500,000 and the raised funds authentication fee amounted to RMB100,000.

	Name	Payment
CPA firm for the audit of internal control	Pan-China Certified Public Accountants LLP	50

Appointment and dismissal of CPA firm:

Applicable  Not applicable

As resolved by the 2022 Annual General Meeting of Shareholders, the Company decided to re-appoint Pan-China Certified Public Accountants LLP as the independent auditor for the financial statements and internal control of 2023.

Change of the CPA firm during the audit:

Applicable  Not applicable

Indicate whether the audit fee decreased over 20% (inclusive) compared with last year.

Applicable  Not applicable

## VII Delisting Risk

### (I) Reasons for the delisting risk warning

Applicable  Not applicable

### (II) The Company's response

Applicable  Not applicable

### (III) Risk of termination of listing and the reasons

Applicable  Not applicable

## VIII Insolvency and Reorganization

Applicable  Not applicable

## IX Significant Legal Matters

The Company has material litigation and arbitration this year

The Company has no material litigation and arbitration this year

## X Punishments on the Company as well as Its Directors, Supervisors, Senior Management, Controlling Shareholder and Actual Controller for Violation of Laws or Regulations, as well as the Relevant Rectifications

Applicable  Not applicable

## XI Credit Standings of the Company as well as Its Controlling Shareholder and Actual Controller during the Reporting Period

Applicable  Not applicable

## XII Major Related-Party Transactions

### (I) Continuing related-party transactions

#### 1. Already disclosed in current announcement without new progress or changes

Applicable  Not applicable



**2. Disclosed in current announcement but with new progress or changes**

Applicable  Not applicable

The Proposal on Estimated Continuing Related-Party Transactions for 2023 was approved at the 17th Meeting of the Second Board of Directors. For details, please refer to the Announcement on Estimated Continuing Related-Party Transactions for 2023 (Announcement No. 2023-018) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn). For the actual execution of the aforesaid estimated related-party transactions, see the Announcement on Estimated Continuing Related-Party Transactions for 2024 (Announcement No. 2024-019).

**3. Undisclosed in current announcement**

Applicable  Not applicable

**(II) Related-party transactions regarding purchase or sale of assets or equity investments****1. Already disclosed in current announcement without new progress or changes**

Applicable  Not applicable

**2. Disclosed in current announcement but with new progress or changes**

Applicable  Not applicable

**3. Undisclosed in current announcement**

Applicable  Not applicable

**4. Where a performance commitment is involved in such a related-party transaction, the performance results for the Reporting Period shall be disclosed.**

Applicable  Not applicable

**(III) Major related-party transactions regarding joint investments in third parties****1. Already disclosed in current announcement without new progress or changes**

Applicable  Not applicable

**2. Disclosed in current announcement but with new progress or changes**

Applicable  Not applicable

**3. Undisclosed in current announcement**

Applicable  Not applicable

**(IV) Amounts due to and from related parties****1. Already disclosed in current announcement without new progress or changes**

Applicable  Not applicable

**2. Disclosed in current announcement but with new progress or changes**

Applicable  Not applicable

**3. Undisclosed in current announcement**

Applicable  Not applicable

**(V) Financial transactions between the Company and related finance companies, or between finance companies under the Company's control and related parties**

Applicable  Not applicable

**(VI) Other information**

Applicable  Not applicable

**XIII Major Contracts and the Execution****(I) Entrustment, Contracting and Leases****1. Entrustment**

Applicable  Not applicable

**2. Contracting**

Applicable  Not applicable

**3. Leases**

Applicable  Not applicable

**(II) Guarantees**

Applicable  Not applicable

**(III) Cash entrusted to other entities for management****1. Cash entrusted for wealth management****(1) Total cash entrusted for wealth management**

Applicable  Not applicable

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount
Bank's financial product	Self-funded	224,000.00	63,000.00	
Trust company's financial product	Self-funded	521,700.00	461,700.00	
Securities firm's financial product	Self-funded	218,000.00	418,000.00	
Securities firm's financial product	Raised funds	30,000.00	30,000.00	
Structured deposits	Raised funds	18,000.00	5,000.00	

**Other information**

Applicable  Not applicable

**(2) Single Wealth Management Entrustment**

Applicable  Not applicable

**Other information:**

Applicable  Not applicable

**(3) Impairment allowances for wealth management entrustment**

Applicable  Not applicable

**2. Entrustment loans**

**(1) Total entrustment loans**

Applicable  Not applicable

**Other information:**

Applicable  Not applicable

**(2) Single entrustment loans**

Applicable  Not applicable

**Other information:**

Applicable  Not applicable

**(3) Impairment allowances for entrustment loans**

Applicable  Not applicable

**3. Other information**

Applicable  Not applicable

**(IV) Other significant contracts**

Applicable  Not applicable

**XIV Progress Report on the Use of Raised Funds**

√ Applicable □ Not applicable

**(I) Overall use of raised funds**

√ Applicable □ Not applicable

Unit: RMB'0,000

Source of raised funds	Raised funds availability date	Total raised funds	Of which: amount of excessively raised funds	Net raised funds after deduction of issuance expenses	Total committed investment amount with raised funds	Adjusted total committed investment amount with raised funds (1)	Cumulative amount of raised funds invested as of the end of Reporting Period (2)	Cumulative investment progress as of the end of Reporting Period (%) (3) = (2)/(1)	Investment amount for the current year (4)	Proportion of investment amount for the current year (%) (5)=(4)/(1)	Total amount of raised funds for changed purposes
Initial Public Offering of Shares	22 January 2020	356,700.00		350,320.85	350,320.85	350,320.85	274,301.50	78.30	69,918.32	19.96	129,996.12

**(II) Details of raised investment projects**

√ Applicable □ Not applicable

Unit: RMB'0,000

Project name	Project nature	Involvement in change of investment direction	Source of raised funds	Raised funds availability date	Use of excessively raised funds	Total committed investment amount for project	Adjusted total investment amount with raised funds (1)	Investment amount for the current year	Cumulative amount of raised funds invested as of the end of Reporting Period (2)	Cumulative investment progress as of the end of Reporting Period (%) (3)=(2)/(1)	Planned date for project to reach designated usable state	Whether project has been completed	Whether investment progress meets planned progress	Specific reasons for investment progress not meeting plan	Benefits achieved this year	Benefits or research results achieved by this project	Significant changes in project feasibility, if any, please explain specifically	Remaining amount
Base construction project for annual output of 410 million sets of	Production and construction	No	Initial Public Offering	22 January 2020	No	75,452.86	75,452.86	15,305.86	50,972.50	67.56	February 2026	No	Yes	For the base construction project for annual output of 410 million sets of wall switches and sockets, due to the large overall	N/A	N/A	No	13,039.84

wall switches and sockets			of Shares											engineering volume of the investment project, the construction period is long, and there are many uncontrollable factors during the project construction. Therefore, the construction and filing of the investment project have been adversely affected, resulting in an overall delay in the project progress compared to the plan.				
Construction project for automation upgrading of annual output of 400 million sets of adaptors	Production and construction	Yes	Initial Public Offering of Shares	22 January 2020	No	58,883.63	58,883.63	7,115.04	47,836.88	81.24	November 2023	Yes	Yes		N/A	2,408.26	No	9,777.57
Construction project for a base with annual output of 180 million sets of LED lamps, and R&D centre and headquarters	Production and construction	Yes	Initial Public Offering of Shares	22 January 2020	No	115,203.61	115,203.61	20,336.38	86,185.73	74.81	February 2025	No	No	Due to the large overall engineering volume of the investment project, the construction period is long, and there are many uncontrollable factors during the project construction. In addition, due to external objective factors such as the COVID-19 pandemic, the construction and filing of the investment project have been adversely affected, resulting in an overall delay in the project progress compared to the plan.	N/A	N/A	No	27,062.84
Information technology promotion project	Operation and management	No	Initial Public Offering of Shares	22 January 2020	No	16,035.00	16,035.00	578.99	11,038.16	68.84	February 2025	No	No	As the Company undergoes digital transformation and upgrading, the demand for information systems is continuously increasing and adjusting. Meanwhile, due to the need for a large amount of time for system implementation stage for configuration, testing, debugging, and optimisation, the overall implementation progress of the project has been delayed.	N/A	N/A	No	5,552.85
Channel end construction and brand promotion project	Operation and management	No	Initial Public Offering of Shares	22 January 2020	No	84,745.75	84,745.75	26,582.05	78,268.23	92.36	February 2025	No	No	Due to external objective factors such as the COVID-19 pandemic, the Company's channel terminal construction and brand promotion activities have been somewhat restricted. Meanwhile, the	N/A	N/A	No	60.38

															Company actively analyses and judges market changes, dynamically adjusts the pace of channel construction and brand promotion, and more prudently expends raised funds, leading to a slight delay in the construction progress of this project compared to the original plan.				
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**(III) Changes in or termination of raised funds invested projects during the Reporting Period**

√ Applicable □ Not applicable

Unit: RMB'0,000

Project before	Total raised funds investment amount before change/termination	Total raised funds input before change/termination	Project after	Reason for change/termination	Raised funds used to replenishing working capital after change/termination	decision-making process and information disclosed
Construction project for automation upgrading of annual output of 400 million sets of adaptors	58,883.63	47,836.88	Permanently replenishing working capital	As the project became ready for use and concluded on 30 November 2023, in order to improve the efficiency of the utilisation of raised funds, the Company permanently replenished the working capital with the balance of the raised funds and interest income for the project as at 30 November 2023.	14,792.51	For details, see the Announcement of Goneo Group Co., Ltd. on the Conclusion of Certain Raised Funds Invested Project and Replenishing Working Capital with the Balance of the Raised Funds (Announcement No. 2023-082), which has been disclosed by the Company on the website of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">www.sse.com.cn</a> ).

**(IV) Other use of the raised funds during the Reporting Period**

1. Early investment and replacement regarding the investment projects with the raised funds

Applicable  Not applicable

2. Temporary replenishment of working capital with the idle raised funds

Applicable  Not applicable

On 27 December 2021, the Ninth Meeting of the Second Board of Directors and the Ninth Meeting of the Second Supervisory Committee of the Company approved the Proposal on the Continued Use of Part of Idle Raised Funds for Temporary Replenishment of Working Capital, agreeing that the Company would use up to RMB1.2 billion of temporarily idle raised funds to replenish working capital under the premise that the construction of the raised funds invested project and the use of the raised funds would not be affected. The period of use is within 12 months from the expiration of the authorisation of the First Meeting of the Second Board of Directors, from 6 February 2022, to 5 February 2023. After the expiration, the Company will promptly return the funds to the dedicated account for raised funds. The independent directors, the Supervisory Committee and the sponsor expressed their consent to the continued use of part of idle raised funds for temporary replenishment of working capital.

On 21 December 2022, the 16th Meeting of the Second Board of Directors and the 16th Meeting of the Second Supervisory Committee of the Company approved the Proposal on the Use of Part of Idle Raised Funds for Temporary Replenishment of Working Capital, agreeing that the Company would use RMB1 billion of temporarily idle raised funds to replenish working capital. The period of use is within 12 months from the expiration of the authorisation of the 9th Meeting of the Second Board of Directors, from 6 February 2023, to 5 February 2024. After the expiration, the Company will promptly return the funds to the dedicated account for raised funds. The independent directors, the Supervisory Committee and the sponsor expressed their consent to the use of part of idle raised funds for temporary replenishment of working capital.

As of 31 December 2023, the balance of idle raised funds that had not yet been returned was nil.

3. Use of idle raised funds for cash management and investment in relevant products

Applicable  Not applicable

Unit: RMB'0,000

Date of deliberation by the Board of Directors	Effective deliberation amount of raised funds used for cash management	Start date	End date	Cash management balance at the end of Reporting Period	Whether the highest balance exceeded the authorised amount

21 December 2022	120,000.00	6 February 2023	5 February 2024	35,000.00	No
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Other notes:

As of 3 February 2024, the Company had a cash management balance of RMB0 using raised funds.

4. Permanent replenishment of liquid capital or repayment of bank loans with excessively raised funds

Applicable  Not applicable

5. Others

Applicable  Not applicable

The Proposal on Extension of Certain Raised Funds Invested Project was approved at the 21st Meeting of the 2nd Board of Directors and the 21st Meeting of the 2nd Supervisory Committee held by the Company on 20 December 2023. Based on the current progress in conducting the investment projects with raised funds, the Company has decided to extend the time limit for the "base construction project for annual output of 410 million sets of wall switches and sockets" to meet the expected conditions for use to February 2026, and relevant implementation entity, investment purpose, and investment scale remain unchanged.

The "base construction project for annual output of 410 million sets of wall switches and sockets", a raised funds invested project, aims to fulfil the demands for the rapid growth of the Company's wall switches and sockets business by building a new manufacturing plant with automatic and lean product lines. The construction of the main body is in progress. The Company made the decision based on the development plan at that time, taking into account various factors, such as market conditions, the industrial development trend, and the actual situation of the Company. However, due to the large overall engineering volume of the investment project, the construction period is long, and there are many uncontrollable factors during the project construction. Therefore, the construction and filing of the investment project have been adversely affected, resulting in an overall delay in the project progress compared to the plan.

#### **XV Other Significant Events for Investors' Judgment of Value and Investment Decision-making**

Applicable  Not applicable



## Part VII Changes in Ordinary Shares and Information about Shareholders

### I Share Changes

#### (I) Share changes

##### 1. Share changes

Unit: share

	Before		Increase/decrease in the current period (+/-)					After	
	Shares	Percentage (%)	New issue	Bonus issue from profit	Bonus issue from capital reserves	Other	Subtotal	Shares	Percentage (%)
I Restricted shares	526,574,506	87.61	2,189,848		940,800	-526,145,938	-523,015,290	3,559,216	0.40
1. Shares held by the state									
2. Shares held by state-owned corporations									
3. Shares held by other domestic investors	526,574,506	87.61	2,189,848		940,800	-526,145,938	-523,015,290	3,559,216	0.40
Including: Shares held by domestic corporations	330,886,108	55.05				-330,886,108	-330,886,108		
Shares held by domestic individuals	195,688,398	32.56	2,189,848		940,800	-195,259,830	-192,129,182	3,559,216	0.40
4. Shares held by overseas investors									
Including: Shares held by overseas corporations									

Shares held by overseas individuals									
II Unrestricted shares	74,503,084	12.39			287,576,421	525,902,154	813,478,575	887,981,659	99.60
1. RMB-denominated ordinary shares	74,503,084	12.39			287,576,421	525,902,154	813,478,575	887,981,659	99.60
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III Total shares	601,077,590	100.00	2,189,848		288,517,221	-243,784	290,463,285	891,540,875	100.00

Description of changes in shares:

Applicable  Not applicable

On 6 February 2023, a total of 524,614,506 restricted shares in the Company's IPO were allowed for public trading upon the expiry of the lockup period. After this change, the total share capital of the Company remained unchanged, and the number of restricted public shares changed from 526,574,506 to 1,960,000, while that of unrestricted public shares changed from 74,503,084 to 599,117,590. For details, please refer to the Announcement on Certain Restricted Shares in the IPO Allowed for Public Trading (Announcement No.: 2023-007) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 31 January 2023.

On 8 June 2023, the Company implemented a dividend payout. Based on the total share capital minus the shares in the repurchased share account at the record date of the dividend payout, the Company paid out a cash dividend of RMB33 (tax inclusive) per 10 share to its shareholders, with a bonus issue of 4.8 additional shares for every 10 shares held by shareholders from capital reserves. After this change, the total share capital of the Company changed from 601,077,590 to 889,594,811, and the number of restricted public shares changed from 1,960,000 to 2,900,800, while that of unrestricted public shares changed from 599,117,590 to 886,694,011. For details, please refer to the Announcement of Goneo Group Co., Ltd. on the 2022 Final Dividend Payout (Announcement No.: 2023-033) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 2 June 2023.

On 21 June 2023, according to the relevant provisions, the lifting of the restriction conditions in the first lifting restriction period of the 2022 Restricted Share Incentive Plan has been achieved, and a total of 811,283 shares held by 610 awardees have met the conditions for lifting the sale restrictions. After this change, the total share capital of the Company remained unchanged, and the number of restricted public shares changed from 2,900,800 to 2,089,517, while that of unrestricted public shares changed from 886,694,011 to 887,505,294. For details, please refer to the Announcement of Goneo Group Co., Ltd. on Lifting the Restriction Conditions in the First Lifting Restriction Period of the 2022 Restricted Share Incentive Plan and Trading in the Market (Announcement No.: 2023-045) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 16 June 2023.

On 29 June 2023, a total of 2,189,848 restricted shares were granted to 750 awardees under the 2023 Restricted Share Incentive Plan. After this change, the total share capital of the Company changed from 889,594,811 to 891,784,659, and the number of restricted public shares changed from 2,089,517 to 4,279,365, while that of unrestricted public shares remained unchanged. For details, please refer to the Announcement of Goneo Group Co., Ltd. on the Grant Results of the 2023 Restricted Share Incentive Plan (Announcement No.: 2023-049) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 1 July 2023.

On 6 July 2023, according to the relevant provisions, the lifting of the restriction conditions in the third lifting restriction period of the 2020 Restricted Share Incentive Plan has been achieved, and a total of 217,599 shares held by 353 awardees have met the conditions for lifting the sale restrictions. After this change, the total share capital of the Company remained unchanged, and the number of restricted public shares changed from 4,279,365 to 4,061,766, while that of unrestricted public shares changed from 887,505,294 to 887,722,893. For details, please refer to the Announcement of Goneo Group Co., Ltd. on Lifting the Restriction Conditions in the Third Lifting Restriction Period of the 2020 Restricted Share Incentive Plan and Trading in the Market (Announcement No.: 2023-050) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 1 July 2023.

On 17 July 2023, according to the relevant provisions, the lifting of the restriction conditions in the second lifting restriction period of the 2021 Restricted Share Incentive Plan has been achieved, and a total of 258,766 shares held by 455 awardees have met the conditions for lifting the sale restrictions. After this change, the total share capital of the Company remained unchanged, and the number of restricted public shares changed from 4,061,766 to 3,803,000, while that of unrestricted public shares changed from 887,722,893 to 887,981,659. For details, please refer to the Announcement of Goneo Group Co., Ltd. on Lifting the Restriction Conditions in the Second Lifting Restriction Period of the 2021 Restricted Share Incentive Plan and Trading in the Market (Announcement No.: 2023-054) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 12 July 2023.

On 4 September 2023, as 18 awardees of the 2020 Restricted Share Incentive Plan, 2021 Restricted Share Incentive Plan and 2022 Restricted Share Incentive Plan have left the Company, the Company repurchased and cancelled 69,810 restricted shares held by them, which had been

granted but not lifted from restricted sales. After that, the total share capital of the Company changed from 891,784,659 to 891,714,849, and the number of restricted public shares changed from 3,803,000 to 3,733,190, while that of unrestricted public shares remained unchanged. For details, please refer to the Announcement of Goneo Group on the Implementation of the Repurchase and Cancellation of Some Restricted Incentive Shares (Announcement No.: 2023-063) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 31 August 2023.

On 22 December 2023, as 35 awardees of the 2020 Restricted Share Incentive Plan, 2021 Restricted Share Incentive Plan, 2022 Restricted Share Incentive Plan and 2023 Restricted Share Incentive Plan have left the Company, the Company repurchased and cancelled 173,974 restricted shares held by them, which had been granted but not lifted from restricted sales. After that, the total share capital of the Company changed from 891,714,849 to 891,540,875, and the number of restricted public shares changed from 3,733,190 to 3,559,216, while that of unrestricted public shares remained unchanged. For details, please refer to the Announcement of Goneo Group on the Implementation of the Repurchase and Cancellation of Some Restricted Incentive Shares (Announcement No.: 2023-076) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 20 December 2023.

**2. Impact of share changes on financial indicators such as earnings per share and net asset value per share for the most recent year and the most recent period (if any)**

Applicable  Not applicable

**3. Other information necessary to be disclosed or required to be disclosed**

Applicable  Not applicable

**(II) Change of restricted shares**

Applicable  Not applicable

Unit: Share

Name of shareholder	Opening restricted shares	Number of shares lifted from restrictions during the year	Number of new restricted shares during the year	Shares repurchased and retired	Closing restricted shares	Reasons for restricted sales	Date of unlocking

Ningbo Liangji Industrial Co., Ltd.	324,000,000	324,000,000			0	Restricted shares in the IPO	6 February 2023
Ruan Liping	96,864,199	96,864,199			0	Restricted shares in the IPO	6 February 2023
Ruan Xueping	96,864,199	96,864,199			0	Restricted shares in the IPO	6 February 2023
Ningbo Ninghui Investment Management Partnership (Limited Partnership)	4,072,954	4,072,954			0	Restricted shares in the IPO	6 February 2023
Ningbo Suiyuan Investment Management Partnership (Limited Partnership)	1,787,442	1,787,442			0	Restricted shares in the IPO	6 February 2023
Ningbo Qiyuanbao Investment Management Partnership (Limited Partnership)	1,025,712	1,025,712			0	Restricted shares in the IPO	6 February 2023
Awardees of the 2020 Equity Incentive Plan	135,800	217,599	85,750	3,951	0	Conditions for unlocking the equity incentives are met	6 July 2023
Awardees of the 2021 Equity Incentive Plan	374,800	258,766	159,336	24,285	251,085	Conditions for unlocking the equity incentives are unmet	17 July 2023
Awardees of	1,449,400	811,283	695,714	163,008	1,170,823	Condition	21 June

the 2022 Equity Incentive Plan						s for unlocking the equity incentives are unmet	2023
Awardees of the 2023 Equity Incentive Plan	0	0	2,189,848	52,540	2,137,308	Condition s for unlocking the equity incentives are unmet	In lockup
Total	526,574,506	525,902,154	3,130,648	243,784	3,559,216	/	/

## II Issuance and Listing of Securities

### (I) Securities issued during the Reporting Period

Applicable  Not applicable

Description of securities issued during the Reporting Period (for bonds with different interest rates over the lifetime, please specify separately):

Applicable  Not applicable

### (II) Changes in Total Shares and Shareholder Structure, as well as in Asset and Liability Structures

Applicable  Not applicable

For changes in the shareholder structure, see “(I) Share changes” under “I Share Changes” of “Part VII Share in Ordinary Shares and Information about Shareholders”.

For changes in asset and liabilities structures, see “(III) Analysis of assets and liabilities” under “V Business Overview for the Reporting Period” of “Part III Management Discussion and Analysis”.

### (III) Existing staff-held shares

Applicable  Not applicable

## III Shareholders and Actual Controller

### (I) Total number of shareholders

Number of ordinary shareholders at the period-end	21,589
Number of ordinary shareholders at the month-end prior to the disclosure of this Report	20,249
Number of preference shareholders with resumed voting rights at the period-end	Not applicable

Number of preference shareholders with resumed voting rights at the month-end prior to the disclosure of this Report	Not applicable
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**(II) Top 10 shareholders and public shareholders (or unrestricted shareholders) at the period-end**

Unit: share

Top 10 shareholders (exclusive of shares lent in refinancing)							
Full name of shareholder	Shareholding increase/decrease in the Reporting Period	Closing shareholding	Shareholding percentage (%)	Restricted shares held	Shares in pledge, marked or frozen		Nature of shareholder
					Status	Shares	
Ningbo Liangji Industrial Co., Ltd.	155,520,000	479,520,000	53.79		N/A		Domestic non-state-owned corporation
Ruan Liping	46,829,455	143,693,654	16.12		N/A		Domestic individual
Ruan Xueping	29,037,559	125,901,758	14.12		N/A		Domestic individual
Hong Kong Securities Clearing Company Limited	9,863,848	18,784,149	2.11		N/A		Other
China Merchants Bank Co., Ltd. — Xingquan Herun Mixed Securities Investment Fund	3,452,551	7,402,066	0.83		N/A		Other
Ningbo Ninghui Investment Management Partnership (Limited Partnership)	1,955,018	6,027,972	0.68		N/A		Other
China Merchants	1,900,192	4,500,807	0.50		N/A		Other



Bank Co., Ltd. — Xingquan Heyi Dynamic Asset Allocation Mixed Securities Investment Fund (LOF)							
National Social Security Fund— Portfolio 114	1,248,772	2,391,208	0.27		N/A		Other
China Everbright Bank Company Limited— Xingquan Business Model Selected Mixed Securities Investment Fund (LOF)	458,132	2,277,982	0.26		N/A		Other
Industrial Bank Co., Ltd. — Xingquan New View Dynamic Asset Allocation Regularly Open-ended Mixed Initiated Securities Investment Fund	368,217	2,246,323	0.25		N/A		Other

Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted public shares held	Type and number of shares	
		Class	Shares
Ningbo Liangji Industrial Co., Ltd.	479,520,000	RMB-denominated ordinary stock	479,520,000
Ruan Liping	143,693,654	RMB-denominated ordinary stock	143,693,654
Ruan Xueping	125,901,758	RMB-denominated ordinary stock	125,901,758
Hong Kong Securities Clearing Company Limited	18,784,149	RMB-denominated ordinary stock	18,784,149
China Merchants Bank Co., Ltd. – Xingquan Herun Mixed Securities Investment Fund	7,402,066	RMB-denominated ordinary stock	7,402,066
Ningbo Ninghui Investment Management Partnership (Limited Partnership)	6,027,972	RMB-denominated ordinary stock	6,027,972
China Merchants Bank Co., Ltd. – Xingquan Heyi Dynamic Asset Allocation Mixed Securities Investment Fund (LOF)	4,500,807	RMB-denominated ordinary stock	4,500,807
National Social Security Fund—Portfolio 114	2,391,208	RMB-denominated ordinary stock	2,391,208
China Everbright Bank Company Limited Co., Ltd. – Xingquan Business Model Selected Mixed Securities Investment Fund (LOF)	2,277,982	RMB-denominated ordinary stock	2,277,982
Industrial Bank Co., Ltd. – Xingquan New View Dynamic Asset Allocation Regularly Open-ended Mixed Initiated Securities Investment Fund	2,246,323	RMB-denominated ordinary stock	2,246,323
Share repurchase account among the top 10 shareholders	Not applicable		
Shareholders above entrusting/entrusted with or waiving voting rights	Not applicable		
Related or acting-in-concert parties among shareholders above	Ruan Liping and Ruan Xueping are brothers and acting-in-concert parties. They jointly control Ningbo Liangji Industrial Co., Ltd., the Company's controlling shareholder. Ningbo Meishan Bonded Port Area Shuo Jin Investment Management Co., Ltd., under the joint control of Ruan Liping and Ruan Xueping, is an executive partner of Ningbo Ninghui Investment Management Partnership		

	(Limited Partnership), one of the Company's shareholders. Save as disclosed above, the Company is not aware of any other related parties or acting-in-concert parties as defined in the Administration Methods for Acquisition of Listed Companies among the shareholders above.
Preference shareholders with resumed voting rights and their shareholdings	Not applicable

Top 10 shareholders involved in refinancing shares lending:

Applicable  Not applicable

Changes in top 10 shareholders compared with the prior period:

Applicable  Not applicable

Shareholdings of the top 10 restricted shareholders and the restrictions:

Applicable  Not applicable

Unit: share

No.	Name of restricted shareholder	Restricted shares held	Restricted shares allowed for public trading		Restriction
			Date when public trading is allowed	Increase in restricted shares allowed for public trading	
1	Xie Weiwei	64,884	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
2	Jiang Jinbiao	47,744	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan

3	Liu Jiancheng	27,498	To be unlocked when the conditions for the equity incentives are met	In the lockup period according to the equity Incentive Plan
4	Wang Qingwang	27,277	To be unlocked when the conditions for the equity incentives are met	In the lockup period according to the equity Incentive Plan
5	Zhou Zhenghua	26,196	To be unlocked when the conditions for the equity incentives are met	In the lockup period according to the equity Incentive Plan
6	Cui Jie	25,574	To be unlocked when the conditions for the equity incentives are met	In the lockup period according to the equity Incentive Plan
7	Zhou Peifeng	24,420	To be unlocked when the conditions for the equity incentives are met	In the lockup period according to the equity Incentive Plan

8	Zhu Fuxian	23,309	To be unlocked when the conditions for the equity incentives are met	In the lockup period according to the equity Incentive Plan
9	Zhao Kefeng	23,296	To be unlocked when the conditions for the equity incentives are met	In the lockup period according to the equity Incentive Plan
10	Lu Maomao	23,148	To be unlocked when the conditions for the equity incentives are met	In the lockup period according to the equity Incentive Plan
Related or acting-in-concert parties among shareholders above		No		

**(III) Indicate whether any strategic investor or general corporation has become a top-10 shareholder in a rights issue.**

Applicable  Not applicable

#### IV Controlling Shareholder and Actual Controller

##### (I) Controlling shareholder

##### 1. Corporation

Applicable  Not applicable

Name	Ningbo Liangji Industrial Co., Ltd.
Legal representative/company principal	Ruan Liping
Date of establishment	23 November 2011
Principal activities	Investment management

Interests held in other domestically and overseas listed companies in the Reporting Period	Not applicable
Other information	Not applicable

**2. Individual**

Applicable  Not applicable

**3. Special statement regarding the fact that the Company does not have a controlling shareholder**

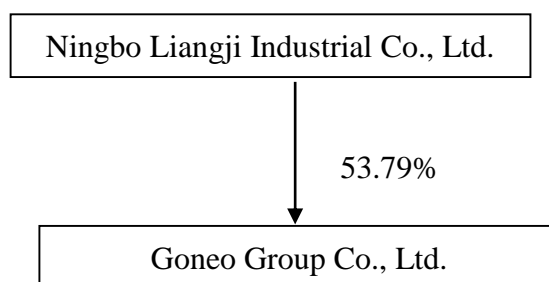
Applicable  Not applicable

**4. Change of the controlling shareholder in the Reporting Period**

Applicable  Not applicable

**5. Illustration of the controlling shareholder's ownership in the Company**

Applicable  Not applicable

**(II) Actual controller****1. Corporation**

Applicable  Not applicable

**2. Individual**

Applicable  Not applicable

Name	Ruan Liping
Nationality	Chinese
Residency in other countries or regions (yes/no)	Yes
Main occupations and positions	Chairman of the Board and President of Goneo Group Co., Ltd.
Controlling interests in other domestically and overseas listed	Not applicable

companies in the past 10 years	
Name	Ruan Xueping
Nationality	Chinese
Residency in other countries or regions (yes/no)	Yes
Main occupations and positions	Vice Chairman of the Board of Goneo Group Co., Ltd. and General Manager of Shanghai Goneo Electrics Co., Ltd.
Controlling interests in other domestically and overseas listed companies in the past 10 years	Not applicable

**3. Special statement regarding the fact that the Company does not have an actual controller.**

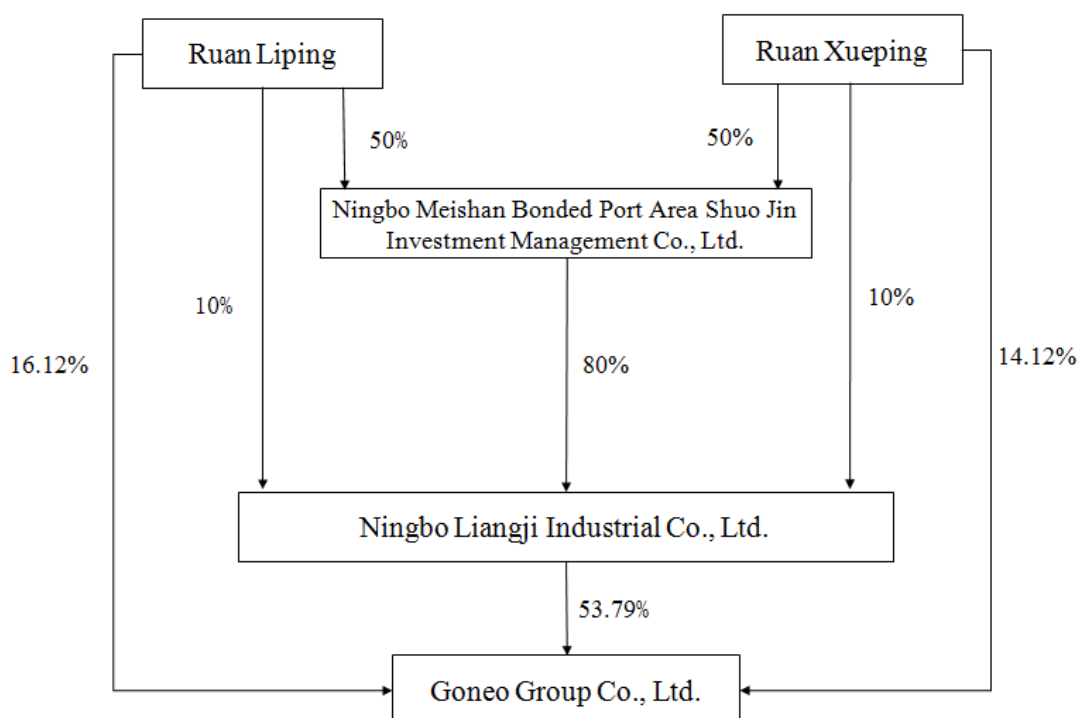
Applicable  Not applicable

**4. Change of the actual controller in the Reporting Period**

Applicable  Not applicable

**5. Illustration of the actual controller's ownership in the Company**

Applicable  Not applicable



**6. Indicate whether the actual controller controls the Company via trust or other ways of asset management.**

Applicable  Not applicable

**(III) Other information about the controlling shareholder and the actual controller**

Applicable  Not applicable

**V Indicate whether the cumulative number of shares put in pledge by the Company's controlling shareholder or the largest shareholder and its acting-in-concert parties accounts for over 80% of their shareholdings in the Company.**

Applicable  Not applicable

**VI Other 10% or Greater Corporate Shareholders**

Applicable  Not applicable

**VII Restrictions on Shareholding Reduction**

Applicable  Not applicable

**VIII Share Repurchases during the Reporting Period**

Applicable  Not applicable



## **Part VIII Relevant Information of Preference Shares**

Applicable  Not applicable

## **Part IX Relevant Information of Corporate Bonds**

### **I Enterprise Bonds, Corporate Bonds and Debt Financing Instruments of Non-financial Enterprise**

Applicable  Not applicable

### **II Convertible Corporate Bonds**

Applicable  Not applicable

## Part X Financial Statements

### I Independent Auditor's Report

√ Applicable □ Not applicable

#### Independent Auditor's Report

PCCPA Audit [2024] No. 4005

To the shareholders of Goneo Group Co., Ltd.:

#### I Opinion

We have audited the financial statements of Goneo Group Co., Ltd. (“Goneo” or the “Company”), which comprise the consolidated and parent company (the Company as the parent exclusive of subsidiaries) balance sheets as at 31 December 2023, the consolidated and parent company statements of income, cash flows and changes in owners' equity for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated and parent company financial position of the Company at 31 December 2023, and the consolidated and parent company operating results and cash flows for the year then ended, in conformity with the Chinese Accounting Standards (CAS).

#### II Basis for Opinion

We conducted our audits in accordance with the Audit Standards for Chinese Registered Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the said Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### III Key Audit Matters

Key audit matters are matters that, based on our professional judgment, are deemed most important to the audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### (I) Revenue recognition

###### 1. Description

For relevant information disclosed, please refer to the Notes to the Financial Statements: III (XXII), V (II) 1, and XV (I).

The revenue of Goneo Group is mainly derived from electric connection, smart electrical lighting and new energy products. In 2023, Goneo Group achieved operating revenue of RMB15.695 billion. Goneo Group has identified different specific methods of revenue recognition for different sales methods.

As operating revenue is one of the key performance indicators of Goneo Group, there may be an inherent risk that Goneo Group's management (hereinafter referred to as the “management”) will achieve

specific objectives or expectations through inappropriate revenue recognition. Therefore, we have identified revenue recognition as a key audit matter.

## 2. Audit response

The audit procedures we performed in relation to revenue recognition primarily include:

(1) Understanding the key internal controls relating to revenue recognition, evaluating the design of those controls, determining whether they are implemented and testing the effectiveness of the operation of the relevant internal controls;

(2) Examining major sales contracts for major contractual terms and evaluating whether the revenue recognition policy is in line with the provisions of the Accounting Standard for Business Enterprises;

(3) Implementing substantive analysis procedures for operating revenue and gross margin on a monthly, product and customer basis to identify any significant or abnormal fluctuations and analyze the causes of fluctuations;

(4) For domestic sales revenue, conducting sample-check on supporting documents related to revenue recognition, including sales contracts, orders, sales invoices, outbound delivery orders, delivery notes, transportation orders and customer sign-off sheets; for export revenue, obtaining information from the Administration of Foreign Exchange and reconciling it with the carrying records, and checking supporting documents such as sales contracts, export customs declarations, freight bills of lading and sales invoices on a sample basis;

(5) Confirming with key customers on a sample basis regarding sales for the period based on the accounts receivable letter;

(6) Verifying operating revenue recognized around the balance sheet date on a sample basis to supporting documents such as outbound delivery orders, delivery notes, customer sign-off sheets and freight bills of lading, and evaluating whether operating revenue is recognized in the appropriate period;

(7) Checking whether the information relating to operating revenue is properly presented in the financial statements.

## (II) Recognition, measurement and presentation of wealth management products

### 1. Description

For relevant information disclosed, please refer to the Notes to the Financial Statements: III (X), V (I) 2, V (I) 10, V (II) 8, and X.

As at 31 December 2023, the wealth management balance of held-for-trading financial assets of Goneo Group was RMB9,727 million, the wealth management balance of other current assets was RMB50 million, and the cumulative return on investment for wealth management products in 2023 amounted to RMB191 million. We determined the recognition, measurement and presentation of wealth management products as a key audit matter due to the large amount of wealth management products and the fact that the return on investment of the relevant products had a significant impact on the net profit of Goneo Group for 2023.

## 2. Audit response

The audit procedures we performed in relation to the recognition, measurement and presentation of wealth management products primarily include:

(1) Understanding the key internal controls relating to investments in wealth management products, evaluating the design of those controls, determining whether they are implemented and testing the effectiveness of the operation of the relevant internal controls;

(2) Checking whether the classification of wealth management products is correct based on the contractual cash flow characteristics of the wealth management products and the business model of Goneo Group in managing the wealth management products;

(3) Obtaining statements of account related to wealth management products, reconciling them with the carrying amount and writing to banks, securities companies and trust companies to confirm the asset balance and the existence of balances of wealth management products;

(4) Checking the supporting documents for increase and reduction in wealth management products during the period on a sample basis, checking whether they have been authorized and approved, and confirming that the amounts relating to the purchase, sale and return on investment of wealth management products are correct and fully recorded;

(5) Reviewing the valuation method of wealth management products to check whether the basis for obtaining their fair value, the measurement of their value at the end of the period and the accounting treatment are correct;

(6) Checking whether information related to the recognition, measurement and presentation of wealth management products has been properly presented in the financial statements.

#### **IV Other Information**

The Company's management is responsible for the other information. The other information comprises all of the information included in the Company's 2021 Annual Report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **V Responsibilities of Management and Those Charged with Governance for Financial Statements**

The Company's management is responsible for the preparation of the financial statements that give a fair view in accordance with CAS, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern (if applicable) and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

#### **VI Auditor's Responsibilities for Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(IV) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CAS to draw users' attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(V) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(VI) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are

responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any noteworthy deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pan-China Certified Public Accountants LLP

Chinese certified public accountant: Yao Benxia  
(engagement partner)

Hangzhou China

Chinese certified public accountant: Chen Zhuoyan

25 April 2024

## II Financial Statements

### Consolidated Balance Sheet

31 December 2023

Prepared by Goneo Group Co., Ltd.

Unit: RMB

Item	Note	31 December 2023	31 December 2022
<b>Current assets:</b>			
Monetary assets		4,743,714,425.66	4,611,966,169.54
Settlement reserve			
Loans to other banks and financial institutions			
Held-for-trading financial assets		9,727,000,000.00	6,949,000,000.00
Derivative financial assets		8,263,755.00	643,100.00
Notes receivable			
Accounts receivable		264,754,433.75	226,808,699.19
Receivables financing		5,359,014.96	1,036,801.70
Prepayments		56,229,933.95	49,635,694.61
Premiums receivable			
Reinsurance receivables			

Receivable reinsurance contract reserve			
Other receivables		11,433,179.13	71,887,692.32
Of which: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories		1,421,078,059.44	1,285,218,456.09
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets		109,982,385.06	363,825,426.89
Total current assets		16,347,815,186.95	13,560,022,040.34
<b>Non-current assets:</b>			
Loans and advances to customers			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments			
Other equity investments			
Other non-current financial assets			
Investment property			
Fixed assets		1,986,168,945.03	1,854,494,510.57
Construction in progress		806,585,458.56	611,457,850.54
Productive living assets			
Oil and gas assets			
Right-of-use assets		18,802,451.89	13,312,707.57
Intangible assets		334,817,972.71	325,725,286.18
Development costs			
Goodwill			45,133,442.04
Long-term prepaid expense		22,765,692.24	20,364,230.78
Deferred income tax assets		185,493,645.53	144,902,751.27
Other non-current assets		59,756,372.02	76,508,015.77
Total non-current assets		3,414,390,537.98	3,091,898,794.72
Total assets		19,762,205,724.93	16,651,920,835.06
<b>Current liabilities:</b>			
Short-term borrowings		588,344,176.01	845,374,749.03
Borrowings from the central bank			
Loans from other banks and financial institutions			
Held-for-trading financial liabilities			18,200,000.00
Derivative financial liabilities			
Notes payable			
Accounts payable		2,056,657,805.40	1,643,661,963.53
Advances from customers			
Contract liabilities		528,493,231.61	431,654,611.71



Financial assets sold under repurchase agreements			
Customer deposits and deposits from other banks and financial institutions			
Payables for acting trading of securities			
Payables for underwriting of securities			
Employee benefits payable		404,816,287.63	335,092,159.01
Taxes and levies payable		311,190,845.43	300,308,365.64
Other payables		705,060,906.64	446,413,870.85
Of which: Interest payable			
Dividends payable			
Fees and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities		406,959,339.77	8,798,658.13
Other current liabilities		68,532,796.91	56,140,971.75
Total current liabilities		5,070,055,389.40	4,085,645,349.65
<b>Non-current liabilities:</b>			
Insurance contract reserve			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities		4,743,227.39	4,544,619.22
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		68,417,470.86	53,820,328.00
Deferred income tax liabilities		72,166,350.39	57,821,992.37
Other non-current liabilities		86,411,741.16	34,814,148.70
Total non-current liabilities		231,738,789.80	151,001,088.29
Total liabilities		5,301,794,179.20	4,236,646,437.94
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		891,540,875.00	601,077,590.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves		3,760,751,549.12	3,863,547,883.54
Less: Treasury shares		165,893,723.38	129,612,354.00
Other comprehensive income		13,570,498.15	4,389,526.95
Specific reserve			
Surplus reserves		562,217,890.93	302,797,998.73

General reserve			
Retained earnings		9,383,734,874.02	7,756,575,284.95
Total equity attributable to owners (or shareholders) of the Company as the parent		14,445,921,963.84	12,398,775,930.17
Non-controlling interests		14,489,581.89	16,498,466.95
Total owners' equity (or shareholders' equity)		14,460,411,545.73	12,415,274,397.12
Total liabilities and owners' equity (or shareholders' equity)		19,762,205,724.93	16,651,920,835.06

Legal representative: Ruan Liping  
Head of the financial department: Shen Kewei

Chief Financial Officer: Liu Shengsong

### Balance Sheet of the Company as the Parent

31 December 2023

Prepared by Goneo Group Co., Ltd.

Unit: RMB

Item	Note	31 December 2023	31 December 2022
<b>Current assets:</b>			
Monetary assets		2,043,009,633.46	2,558,169,565.15
Held-for-trading financial assets		4,930,000,000.00	3,000,000,000.00
Derivative financial assets			
Notes receivable			
Accounts receivable		279,744,567.07	341,413,356.20
Receivables financing		2,996,611.56	
Prepayments		80,438,282.35	60,568,126.16
Other receivables		1,933,070,108.44	2,756,026,303.85
Of which: Interest receivable			
Dividends receivable		1,100,000,000.00	1,700,000,000.00
Inventories		351,411,922.28	292,728,441.34
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets		50,265,479.45	253,744,657.54
Total current assets		9,670,936,604.61	9,262,650,450.24
<b>Non-current assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		742,389,522.46	688,178,210.52
Other equity investments			
Other non-current financial assets			
Investment property			
Fixed assets		964,809,501.44	812,047,460.58
Construction in progress		585,682,503.17	517,776,172.33

Productive living assets			
Oil and gas assets			
Right-of-use assets		3,090,067.64	2,707,156.94
Intangible assets		228,710,136.82	244,677,232.50
Development costs			
Goodwill			
Long-term prepaid expense		21,863,048.81	19,172,452.61
Deferred income tax assets		9,403,769.99	8,221,067.37
Other non-current assets		31,728,444.17	58,509,382.81
Total non-current assets		2,587,676,994.50	2,351,289,135.66
Total assets		12,258,613,599.11	11,613,939,585.90
<b>Current liabilities:</b>			
Short-term borrowings		233,206,211.94	611,169,986.13
Held-for-trading financial liabilities			18,200,000.00
Derivative financial liabilities			
Notes payable			
Accounts payable		803,088,395.25	596,911,385.90
Advances from customers			
Contract liabilities		223,654,473.24	550,246,157.68
Employee benefits payable		134,932,917.12	108,720,042.83
Taxes and levies payable		77,900,289.24	70,631,710.25
Other payables		154,649,519.47	196,246,589.96
Of which: Interest payable			
Dividends payable			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities		385,433,228.70	1,660,616.21
Other current liabilities		29,075,081.52	71,532,000.50
Total current liabilities		2,041,940,116.48	2,225,318,489.46
<b>Non-current liabilities:</b>			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities		981,494.50	1,074,013.26
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		14,597,142.86	
Deferred income tax liabilities		25,671,672.66	25,750,110.98
Other non-current liabilities		86,411,741.16	34,814,148.70

Total non-current liabilities		127,662,051.18	61,638,272.94
Total liabilities		2,169,602,167.66	2,286,956,762.40
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		891,540,875.00	601,077,590.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves		3,756,252,125.46	3,859,048,459.88
Less: Treasury shares		165,893,723.38	129,612,354.00
Other comprehensive income			
Specific reserve			
Surplus reserves		562,217,890.93	302,797,998.73
Retained earnings		5,044,894,263.44	4,693,671,128.89
Total owners' equity (or shareholders' equity)		10,089,011,431.45	9,326,982,823.50
Total liabilities and owners' equity (or shareholders' equity)		12,258,613,599.11	11,613,939,585.90

Legal representative: Ruan Liping  
Head of the financial department: Shen Kewei

Chief Financial Officer: Liu Shengsong

### Consolidated Income Statement

January-December 2023

Unit: RMB

Item	Note	2023	2022
I Total revenues		15,694,755,606.24	14,081,373,030.94
Of which: Operating revenue		15,694,755,606.24	14,081,373,030.94
Interest income			
Insurance premium income			
Fee and commission income			
II Total costs and expenses		11,308,534,454.64	10,627,127,457.42
Of which: Cost of sales		8,914,184,532.27	8,730,082,585.08
Interest expense			
Fee and commission expense			
Surrenders			
Net insurance claims paid			
Net amount provided as insurance contract reserve			
Expenditure on policy dividends			
Reinsurance premium expense			
Taxes and levies		132,796,168.29	115,758,059.90
Selling expense		1,070,438,160.60	800,387,659.41
Administrative expense		626,198,552.51	500,596,373.88
R&D expense		673,427,386.61	588,296,080.11
Finance costs		-108,510,345.64	-107,993,300.96
Of which: Interest expense		28,282,578.99	35,925,352.09

Interest income		136,526,600.97	137,795,215.87
Add: Other income		253,389,151.69	132,940,722.76
Return on investment (“—” for loss)		198,690,784.99	271,988,811.92
Of which: Share of profit or loss of joint ventures and associates			
Income from the derecognition of financial assets at amortized cost			
Exchange gain (“—” for loss)			
Net gain on exposure hedges (“—” for loss)			
Gain on changes in fair value (“—” for loss)		18,200,000.00	
Credit impairment loss (“—” for loss)		-61,075,301.86	-30,470,523.21
Asset impairment loss (“—” for loss)		-62,644,874.13	-11,504,455.94
Asset disposal income (“—” for loss)		-5,484,474.02	-3,139,686.69
III Operating profit (“—” for loss)		4,727,296,438.27	3,814,060,442.36
Add: Non-operating income		2,773,882.97	3,784,363.32
Less: Non-operating expense		193,735,368.88	63,388,662.51
IV Gross profit (“—” for gross loss)		4,536,334,952.36	3,754,456,143.17
Less: Income tax expense		672,008,460.95	568,905,187.60
V Net profit (“—” for net loss)		3,864,326,491.41	3,185,550,955.57
(I) By operating continuity			
1.Net profit from continuing operations (“—” for net loss)		3,864,326,491.41	3,185,550,955.57
2.Net profit from discontinued operations (“—” for net loss)			
(II) By ownership			
1.Net profit attributable to owners of the Company as the parent (“—” for net loss)		3,870,135,376.47	3,188,709,584.89
2.Net profit attributable to non-controlling interests (“—” for net loss)		-5,808,885.06	-3,158,629.32
VI Other comprehensive income, net of tax		9,180,971.20	-3,147,863.42
(I) Other comprehensive income, net of tax attributable to owners of the Company as the parent		9,180,971.20	-3,147,863.42
1. Other comprehensive income that will not be reclassified to profit or loss			
(1) Changes caused by remeasurements on defined benefit schemes			
(2) Other comprehensive income that will not be reclassified to profit or loss under the equity method			

(3) Changes in the fair value of other equity investments			
(4) Changes in the fair value arising from changes in own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss		9,180,971.20	-3,147,863.42
(1) Other comprehensive income that will be reclassified to profit or loss under the equity method			
(2) Changes in the fair value of other debt investments			
(3) Other comprehensive income arising from the reclassification of financial assets			
(4) Credit impairment allowance for other debt investments			
(5) Reserve for cash flow hedges		9,871,936.10	-3,182,910.54
(6) Differences arising from the translation of foreign currency-denominated financial statements		-690,964.90	35,047.12
(7) Others			
(II) Other comprehensive income, net of tax attributable to non-controlling interests			
VII Total comprehensive income		3,873,507,462.61	3,182,403,092.15
(I) Total comprehensive income attributable to owners of the Company as the parent		3,879,316,347.67	3,185,561,721.47
(II) Total comprehensive income attributable to non-controlling interests		-5,808,885.06	-3,158,629.32
VIII Earnings per share:			
(I) Basic earnings per share (RMB/share)		4.36	3.59
(II) Diluted earnings per share (RMB/share)		4.36	3.59

Where business combinations involving entities under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was nil, with the amount for last year being nil.

Legal representative: Ruan Liping  
Head of the financial department: Shen Kewei

Chief Financial Officer: Liu Shengsong

### Income Statement of the Company as the Parent

January-December 2023

Unit: RMB

Item	Note	2023	2022
I Operating revenue		6,046,213,479.23	5,527,593,701.30

Less: Cost of sales		4,207,217,252.60	4,279,629,067.01
Taxes and levies		37,871,317.79	29,964,139.67
Selling expense		58,217,696.55	24,152,009.03
Administrative expense		303,182,739.78	257,770,302.62
R&D expense		255,939,611.18	243,157,154.27
Finance costs		-47,250,144.67	-41,364,078.62
Of which: Interest expense		16,635,447.25	24,239,236.11
Interest income		64,458,205.14	66,036,418.38
Add: Other income		72,658,749.79	18,055,681.70
Return on investment (“—” for loss)		1,557,162,295.01	1,811,912,481.21
Of which: Share of profit or loss of joint ventures and associates			
Income from the derecognition of financial assets at amortized cost			
Net gain on exposure hedges (“—” for loss)			
Gain on changes in fair value (“—” for loss)		18,200,000.00	
Credit impairment loss (“—” for loss)		45,336,291.05	-54,867,900.40
Asset impairment loss (“—” for loss)		-65,852,432.40	-1,215,659.46
Asset disposal income (“—” for loss)		-433,490.70	-1,475,418.41
II Operating profit (“—” for loss)		2,858,106,418.75	2,506,694,291.96
Add: Non-operating income		2,221,989.66	2,547,612.90
Less: Non-operating expense		107,961,306.02	10,152,903.02
III Gross profit (“—” for gross loss)		2,752,367,102.39	2,499,089,001.84
Less Income tax expense		158,168,180.44	89,614,702.68
IV Net profit (“—” for net loss)		2,594,198,921.95	2,409,474,299.16
(I) Net profit from continuing operations (“—” for net loss)		2,594,198,921.95	2,409,474,299.16
(II) Net profit from discontinued operations (“—” for net loss)			
V Other comprehensive income, net of tax			
(I) Other comprehensive income that will not be reclassified to profit or loss			
1. Changes caused by remeasurements on defined benefit schemes			
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method			
3. Changes in the fair value of other equity investments			
4. Changes in the fair value arising from changes in own credit risk			

(II) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that will be reclassified to profit or loss under the equity method			
2. Changes in the fair value of other debt investments			
3. Other comprehensive income arising from the reclassification of financial assets			
4. Credit impairment allowance for other debt investments			
5. Reserve for cash flow hedges			
6. Differences arising from the translation of foreign currency-denominated financial statements			
7. Others			
VI Total comprehensive income		2,594,198,921.95	2,409,474,299.16
VII Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative: Ruan Liping  
Head of the financial department: Shen Kewei

Chief Financial Officer: Liu Shengsong

**Consolidated Cash Flow Statement**  
January-December 2023

Unit: RMB

Item	Note	2023	2022
<b>I Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		17,836,040,227.21	15,641,388,293.29
Net increase in customer deposits and deposits from other banks and financial institutions			
Net increase in borrowings from the central bank			
Net increase in loans from other financial institutions			
Premiums received on original insurance contracts			
Net proceeds from reinsurance			
Net increase in deposits and investments of policy holders			
Interest, fees and commissions received			
Net increase in loans from other banks and financial institutions			
Net increase in proceeds from repurchase transactions			



Net proceeds from acting trading of securities			
Tax and levy rebates		15,375,947.44	25,583,045.08
Cash generated from other operating activities		484,470,792.10	370,035,518.43
Subtotal of cash generated from operating activities		18,335,886,966.75	16,037,006,856.80
Payments for goods and services		8,552,858,075.92	8,181,607,639.34
Net increase in loans and advances to customers			
Net increase in deposits in the central bank and other banks and financial institutions			
Payments for claims on original insurance contracts			
Net increase in loans to other banks and financial institutions			
Interest, fees and commissions paid			
Policy dividends paid			
Cash paid to and for employees		2,078,209,390.40	1,902,469,445.47
Taxes and levies paid		1,674,790,028.26	1,783,549,323.16
Cash used in other operating activities		1,202,747,373.62	1,111,466,230.67
Subtotal of cash used in operating activities		13,508,604,868.20	12,979,092,638.64
Net cash generated from/used in operating activities		4,827,282,098.55	3,057,914,218.16
<b>II Cash flows from investing activities:</b>			
Proceeds from disinvestment			
Return on investment		194,153,746.50	290,169,702.87
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets		2,648,921.84	3,462,880.79
Net proceeds from the disposal of subsidiaries and other business units			
Cash generated from other investing activities		9,076,568,830.88	9,613,715,309.31
Subtotal of cash generated from investing activities		9,273,371,499.22	9,907,347,892.97
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets		655,201,996.12	1,018,824,058.36
Payments for investments			
Net increase in pledged loans granted			
Net payments for the acquisition of subsidiaries and other business units			19,107,492.09
Cash used in other investing activities		12,052,553,025.00	10,615,500,000.00

Subtotal of cash used in investing activities		12,707,755,021.12	11,653,431,550.45
Net cash generated from/used in investing activities		-3,434,383,521.90	-1,746,083,657.48
<b>III Cash flows from financing activities:</b>			
Capital contributions received		110,993,059.60	94,703,508.00
Of which: Capital contributions by non-controlling interests to subsidiaries		3,800,000.00	
Borrowings received		1,448,972,102.34	1,685,000,000.00
Cash generated from other financing activities			
Subtotal of cash generated from financing activities		1,559,965,161.94	1,779,703,508.00
Repayment of borrowings		1,312,000,000.00	2,010,000,000.00
Interest and dividends paid		2,011,974,345.06	1,478,511,496.88
Of which: Dividends paid by subsidiaries to non-controlling interests			
Cash used in other financing activities		223,036,997.15	236,647,700.66
Subtotal of cash used in financing activities		3,547,011,342.21	3,725,159,197.54
Net cash generated from/used in financing activities		-1,987,046,180.27	-1,945,455,689.54
<b>IV Effect of foreign exchange rate changes on cash and cash equivalents</b>		990,633.94	6,251,850.30
<b>V Net increase in cash and cash equivalents</b>		-593,156,969.68	-627,373,278.56
Add: Cash and cash equivalents, beginning of the period		1,925,343,174.98	2,552,716,453.54
<b>VI Cash and cash equivalents, end of the period</b>		1,332,186,205.30	1,925,343,174.98

Legal representative: Ruan Liping  
Head of the financial department: Shen Kewei

Chief Financial Officer: Liu Shengsong

**Cash Flow Statement of the Company as the Parent**  
January-December 2023

Unit: RMB

Item	Note	2023	2022
<b>I Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		6,599,093,565.42	6,407,458,800.74
Tax and levy rebates			
Cash generated from other operating activities		923,317,676.31	843,447,820.27
Subtotal of cash generated from operating activities		7,522,411,241.73	7,250,906,621.01
Payments for goods and services		4,234,884,701.23	3,994,662,575.62
Cash paid to and for employees		664,312,737.79	632,474,762.15

Taxes and levies paid		405,537,370.59	433,295,397.95
Cash used in other operating activities		921,810,410.79	1,409,134,256.52
Subtotal of cash used in operating activities		6,226,545,220.40	6,469,566,992.24
Net cash generated from/used in operating activities		1,295,866,021.33	781,339,628.77
<b>II Cash flows from investing activities:</b>			
Proceeds from disinvestment			
Return on investment		2,160,641,473.10	2,118,439,604.49
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets		13,316,532.29	5,068,195.56
Net proceeds from the disposal of subsidiaries and other business units			
Cash generated from other investing activities		4,559,069,155.00	3,920,000,000.00
Subtotal of cash generated from investing activities		6,733,027,160.39	6,043,507,800.05
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets		343,212,736.25	450,775,042.68
Payments for investments		57,449,318.78	148,409,344.00
Net payments for the acquisition of subsidiaries and other business units			
Cash used in other investing activities		6,150,000,000.00	5,120,000,000.00
Subtotal of cash used in investing activities		6,550,662,055.03	5,719,184,386.68
Net cash generated from/used in investing activities		182,365,105.36	324,323,413.37
<b>III Cash flows from financing activities:</b>			
Capital contributions received		107,193,059.60	94,703,508.00
Borrowings received		800,972,102.34	1,010,000,000.00
Cash generated from other financing activities			
Subtotal of cash generated from financing activities		908,165,161.94	1,104,703,508.00
Repayment of borrowings		795,000,000.00	1,060,000,000.00
Interest and dividends paid		2,000,859,649.52	1,466,589,386.88
Cash used in other financing activities		13,237,196.67	225,449,579.56
Subtotal of cash used in financing activities		2,809,096,846.19	2,752,038,966.44
Net cash generated from/used in financing activities		-1,900,931,684.25	-1,647,335,458.44
<b>IV Effect of foreign exchange rate changes on cash and cash equivalents</b>			
<b>V Net increase in cash and cash equivalents</b>			
		-422,700,557.56	-541,672,416.30

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Add: Cash and cash equivalents, beginning of the period		1,187,537,825.42	1,729,210,241.72
<b>VI Cash and cash equivalents, end of the period</b>		764,837,267.86	1,187,537,825.42

Legal representative: Ruan Liping  
Head of the financial department: Shen Kewei

Chief Financial Officer: Liu Shengsong

**Consolidated Statements of Changes in Owners' Equity**  
January-December 2023

Unit: RMB

Item	2023														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Others			Subtotal
Preference shares		Perpetual bonds	Others												
I Balance as at the end of the prior year	601,077,590.00				3,863,547,883.54	129,612,354.00	4,389,526.95		302,797,998.73		7,756,575,284.95		12,398,775,930.17	16,498,466.95	12,415,274,397.12
Add: Adjustments for changes in accounting policies															
Adjustments for correction of previous errors															
Other adjustments															
II Balance as at the beginning of the year	601,077,590.00				3,863,547,883.54	129,612,354.00	4,389,526.95		302,797,998.73		7,756,575,284.95		12,398,775,930.17	16,498,466.95	12,415,274,397.12
III Increase/decrease in the period ("-" for decrease)	290,463,285.00				102,796,334.42	36,281,369.38	9,180,971.20		259,419,892.20		1,627,159,589.07		2,047,146,033.67	2,008,885.06	2,045,137,148.61
(I) Total comprehensive income							9,180,971.20				3,870,135,376.47		3,879,316,347.67	5,808,885.06	3,873,507,462.61
(II) Capital increased and reduced by owners	1,946,064.00				185,720,886.58	36,281,369.38							151,385,581.20	3,800,000.00	155,185,581.20

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1. Ordinary shares increased by owners	1,946,064.00				94,557,385.41								96,503,449.41	3,800,000.00	100,303,449.41
2. Capital increased by other equity holders															
3. Share-based payments recognized in owners' equity					91,163,501.17	36,281,369.38							54,882,131.79		54,882,131.79
4. Others															
(III) Profit distribution								259,419,892.20		-	2,242,975,787.40		-	1,983,555,895.20	-
1. Appropriation to surplus reserves								259,419,892.20		-	259,419,892.20				
2. Appropriation to general reserve															
3. Appropriation to owners (or shareholders)										-	1,983,555,895.20		-	1,983,555,895.20	-
4. Others															
(IV) Transfers within owners' equity	288,517,221.00				-	288,517,221.00									
1. Increase in capital (or share capital) from capital reserves	288,517,221.00				-	288,517,221.00									
2. Increase in capital (or share capital) from surplus reserves															
3. Surplus reserves used to offset loss															
4. Changes in defined benefit schemes															

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transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(V) Specific reserve															
1. Increase in the period															
2. Used in the period															
(VI) Others															
IV Balance as at the end of the period	891,540,875.00				3,760,751,549.12	165,893,723.38	13,570,498.15		562,217,890.93		9,383,734,874.02		14,445,921,963.84	14,489,581.89	14,460,411,545.73

Item	2022														Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent												Subtotal			
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Others				
	Preference shares	Perpetual bonds	Others													
I Balance as at the end of the prior year	601,180,520.00				3,914,068,288.56	80,711,540.00	7,537,390.37		302,797,998.73		6,010,878,918.97		10,755,751,576.63		10,755,751,576.63	
Add: Adjustments for changes in accounting policies											-179,970.91		-179,970.91		-179,970.91	
Adjustments for correction																

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of previous errors														
Other adjustments														
II Balance as at the beginning of the year	601,180,520.00				3,914,068,288.56	80,711,540.00	7,537,390.37		302,797,998.73		6,010,698,948.06		10,755,571,605.72	10,755,571,605.72
III Increase/decrease in the period (“-” for decrease)	102,930.00				50,520,405.02	48,900,814.00	3,147,863.42				1,745,876,336.89		1,643,204,324.45	16,498,466.95
(I) Total comprehensive income							3,147,863.42				3,188,709,584.89		3,185,561,721.47	3,158,629.32
(II) Capital increased and reduced by owners	102,930.00				50,520,405.02	48,900,814.00							99,524,149.02	19,657,096.27
1. Ordinary shares increased by owners	102,930.00				127,989,881.86	215,286,334.56							343,379,146.42	
2. Capital increased by other equity holders														
3. Share-based payments recognized in owners' equity					77,469,476.84	166,385,520.56							243,854,997.40	
4. Others														19,657,096.27
(III) Profit distribution											1,442,833,248.00		1,442,833,248.00	1,442,833,248.00



1. Appropriation to surplus reserves															
2. Appropriation to general reserve															
3. Appropriation to owners (or shareholders)											1,442,833,248.00	-	1,442,833,248.00	-	1,442,833,248.00
4. Others															
(IV) Transfers within owners' equity															
1. Increase in capital (or share capital) from capital reserves															
2. Increase in capital (or share capital) from surplus reserves															
3. Surplus reserves used to offset loss															
4. Changes in defined benefit															

schemes transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(V) Specific reserve															
1. Increase in the period															
2. Used in the period															
(VI) Others															
IV Balance as at the end of the period	601,077,590.00				3,863,547,883.54	129,612,354.00	4,389,526.95		302,797,998.73		7,756,575,284.95		12,398,775,930.17	16,498,466.95	12,415,274,397.12

Legal representative: Ruan Liping

Chief Financial Officer: Liu Shengsong

Head of the financial department: Shen Kewei

**Statements of Changes in Owners' Equity of the Company as the Parent**  
January-December 2023

Unit: RMB

Item	2023										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Others							
I Balance as at the end of prior year	601,077,590.00				3,859,048,459.88	129,612,354.00			302,797,998.73	4,693,671,128.89	9,326,982,823.50
Add: Adjustments for changes in accounting policies											
Adjustments for correction of previous errors											

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Other adjustments											
II Balance as at the beginning of the year	601,077,59 0.00				3,859,048, 459.88	129,612,35 4.00			302,797,9 98.73	4,693,671, 128.89	9,326,982, 823.50
III Increase/ decrease in the period (“-” for decrease)	290,463,28 5.00				- 102,796,33 4.42	36,281,369 .38			259,419,8 92.20	351,223,1 34.55	762,028,60 7.95
(I) Total comprehensive income										2,594,198, 921.95	2,594,198, 921.95
(II) Capital increased and reduced by owners	1,946,064.0 0				185,720,88 6.58	36,281,369 .38					151,385,58 1.20
1. Ordinary shares increased by owners	1,946,064.0 0				94,557,386 .41						96,503,450 .41
2. Capital increased by other equity holders											
3. Share-based payments recognized in owners’ equity					35,125,846 .90	36,281,369 .38					- 1,155,522. 48
4. Others					56,037,653 .27						56,037,653 .27
(III) Profit distribution									259,419,8 92.20	- 2,242,975, 787.40	- 1,983,555, 895.20
1. Appropriation to surplus reserves									259,419,8 92.20	- 259,419,8 92.20	
2. Appropriation to owners (or shareholders)										- 1,983,555, 895.20	- 1,983,555, 895.20
3. Others											
(IV) Transfers within owners’ equity	288,517,22 1.00				- 288,517,22 1.00						
1. Increase in capital (or share capital) from capital reserves	288,517,22 1.00				- 288,517,22 1.00						
2. Increase in capital (or share capital) from surplus reserves											
3. Surplus reserves used to offset loss											

4. Changes in defined benefit schemes transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Specific reserve											
1. Increase in the period											
2. Used in the period											
(VI) Others											
IV Balance as at the end of the period	891,540,87 5.00				3,756,252, 125.46	165,893,72 3.38			562,217,8 90.93	5,044,894, 263.44	10,089,011 ,431.45

Item	2022										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Others							
I Balance as at the end of the prior year	601,180,52 0.00				3,909,568, 864.90	80,711,540 .00			302,797,9 98.73	3,726,954, 923.09	8,459,790, 766.72
Add: Adjustments for changes in accounting policies										75,154.64	75,154.64
Adjustments for correction of previous errors											
Other adjustments											
II Balance as at the beginning of the year	601,180,52 0.00				3,909,568, 864.90	80,711,540 .00			302,797,9 98.73	3,727,030, 077.73	8,459,865, 921.36
III Increase/ decrease in the period ("-" for decrease)	- 102,930.00				- 50,520,405 .02	48,900,814 .00				966,641,0 51.16	867,116,90 2.14
(I) Total comprehensive income										2,409,474, 299.16	2,409,474, 299.16
(II) Capital increased and reduced by owners	- 102,930.00				- 50,520,405 .02	48,900,814 .00					- 99,524,149 .02
1. Ordinary shares increased by owners	- 102,930.00				- 127,989,88 1.86	215,286,33 4.56					- 343,379,14 6.42

2. Capital increased by other equity holders											
3. Share-based payments recognized in owners' equity					28,594,844 .11	- 166,385,52 0.56					194,980,36 4.67
4. Others					48,874,632 .73						48,874,632 .73
(III) Profit distribution										- 1,442,833, 248.00	- 1,442,833, 248.00
1. Appropriation to surplus reserves											
2. Appropriation to owners (or shareholders)										- 1,442,833, 248.00	- 1,442,833, 248.00
3. Others											
(IV) Transfers within owners' equity											
1. Increase in capital (or share capital) from capital reserves											
2. Increase in capital (or share capital) from surplus reserves											
3. Surplus reserves used to offset loss											
4. Changes in defined benefit schemes transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Specific reserve											
1. Increase in the period											
2. Used in the period											
(VI) Others											
IV Balance as at the end of the period	601,077,59 0.00				3,859,048, 459.88	129,612,35 4.00			302,797,9 98.73	4,693,671, 128.89	9,326,982, 823.50

Legal representative: Ruan Liping

Chief Financial Officer: Liu Shengsong

Head of the financial department: Shen Kewei



### III Company Profile

#### 1. Company overview

√ Applicable □ Not applicable

Goneo Group Co., Ltd (hereinafter referred to as “the Company” or “Goneo”) is a joint stock limited company transformed from the former Goneo Group Limited with 31 August 2017 as the base date. It was registered with Ningbo Municipal Market Supervision Administration on 27 December 2017 and is headquartered in Ningbo City, Zhejiang Province. The Company now holds a business license with a unified social credit code of 91330282671205242Y, with a registered capital of RMB891.5409 million and a total of 891.5409 million shares (each with a par value of RMB1). Among them, there are 3.5592 million restricted public A-shares and 887.9817 million unrestricted public A-shares. The Company’s shares were listed for public trading on the Shanghai Stock Exchange on 6 February 2020.

The Company pertains to the electrical machinery and equipment manufacturing industry. It is mainly engaged in the research, development, production and sales of power connection and power extension products such as adaptors, wall switches and sockets, LED lighting and digital accessories. Products mainly include adaptors, wall switches and sockets, LED lighting and digital accessories.

These financial statements have been authorized for issue by the Second Meeting of the Third Board of Directors of the Company on 25 April 2024.

For the sake of conciseness, the subsidiaries and other related companies of the Company are hereinafter referred to by their abbreviations as follows:

Full name	Abbreviation
Subsidiaries	
Ningbo Goneo Electrics Co., Ltd.	Ningbo Goneo
Ningbo Goneo Photoelectric Technology Co., Ltd.	Goneo Photoelectric
Ningbo Goneo Digital Technology Co., Ltd.	Goneo Digital
Ningbo Goneo Precision Manufacturing Co., Ltd.	Goneo Precision
Ningbo Banmen Electric Appliance Co., Ltd.	Banmen Electric Appliance
Cixi Goneo Electrics Co., Ltd.	Cixi Goneo
Shanghai Goneo Electrics Co., Ltd.	Shanghai Goneo
Goneo International Trading (HK) Limited	Goneo HK
Ningbo Goneo Supply Chain Management Co., Ltd.	Goneo Management
Ningbo Goneo International Trading Co., Ltd.	Goneo International Trading
Ningbo Goneo Electric Sales Co., Ltd.	Electric Sales
Ningbo Xingluo Trading Co., Ltd.	Xingluo Trading
Ningbo Goneo Low Voltage Electric Co., Ltd.	Goneo Low Voltage Electric
Ningbo Goneo Domestic Electrical Appliance Co., Ltd.	Domestic Electrical Appliance
Hainan Dacheng Supply Chain Management Co., Ltd.	Hainan Dacheng
Ningbo Goneo Intelligent Technology Co., Ltd.	Intelligent Technology
Dalitek Intelligent Technology (Shanghai) Inc.	Dalitek
Shanghai Goneo Information Technology Co., Ltd.	Information Technology
Ningbo Goneo Tool Technology Co., Ltd.	Goneo Tool
Ningbo Goneo New Energy Technology Co., Ltd.	Goneo New Energy
Shenzhen Goneo Intelligent Information Co., Ltd.	Shenzhen Intelligent
Guangdong Murora Intelligent Lighting Co., Ltd.	Murora Intelligent
Ningbo Goneo Marketing Co., Ltd.	Goneo Marketing
Ningbo Qiquanyang Trading Co., Ltd.	Qiquanyang Trading

PT Goneo Electronic Indonesia	Goneo Indonesia
GONEO New Energy Europe GmbH	Goneo Germany
Goneo International Trading (SG) Pte. Ltd.	Goneo Singapore
Other related parties	
Ningbo Liangji Industrial Co., Ltd.	Liangji Industrial
Hangzhou Liangniu Hardware and Electrical Co., Ltd.	Liangniu Hardware
Hangzhou Hangniu Hardware and Electrical Co., Ltd.	Hangniu Hardware
Hangzhou Feiniu Hardware and Electrical Co., Ltd.	Feiniu Hardware
Yichang Yaoyang Trading Co., Ltd.	Yaoyang Trading
Hubei Huantian Technology Co., Ltd.	Huantian Trading
Cixi Libo Electric Co., Ltd.	Cixi Libo
Suzhou Niuweiwang Trading Co., Ltd.	Niuweiwang Trading
Beijing Chenhao Electronic Technology Co., Ltd.	Chenhao Electronic
Changde Jianke Trading Co., Ltd.	Jianke Trading
Shanghai Minshen Property Co., Ltd.	Minshen Property
Hebei Qiudi Trading Co., Ltd.	Qiudi Trading
Changde Guoxin Trading Co., Ltd.	Guoxin Trading
Cixi Shenghui Electronics Co., Ltd.	Shenghui Electronics
Ningbo Goneo Property Co., Ltd.	Goneo Property
Kunshan Gaoshu Decoration Co., Ltd.	Kunshan Gaoshu
Shanghai Jiangcheng Industrial Co., Ltd.	Jiangcheng Industrial

#### IV Preparation Basis of Financial Statement

##### 1. Basis of preparation

The financial statements of the Company are based on continuing operations.

##### 2. Continuing operations

Applicable  Not applicable

The Company does not undergo any event or situation which may cause great concern about sustainable operation ability within 12 months since the end of the reporting period.

#### V Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimation hint:

Applicable  Not applicable

##### 1. Statement on Compliance with Accounting Standards for Business Enterprises

The Company's Financial Statements are prepared in accordance with Accounting Standards for Business Enterprises, and indicate relevant information about the Company's financial status, business results and cash flow truly and completely.

##### 2. Accounting period

The fiscal year of the Company is from January 1 to December 31 of every calendar year.



**3. Operating cycle**√ Applicable  Not applicable

The operating cycle of the Company is short, and 12 months is taken as the liquidity criterion for assets and liabilities.

**4. Standard currency for accounting**

The standard currency for accounting is RMB.

**5. Method and Basis of Selection of Materiality Standards**√ Applicable  Not applicable

The Company follows the principle of materiality in the preparation and disclosure of the financial statements. The disclosures in the notes to the financial statements cover matters involving judgments about materiality standards, the methods for determining materiality thresholds, and the bases for selecting these standards are set out below:

Disclosure Matters Involving Materiality Standard Determination	Disclosure in the Notes to the Financial Statements	Method and Basis of Selection of Materiality Standards
Significant individual provision for bad debts of notes receivable	No significant individual provision for bad debts of notes receivable in the current period	Exceeding 0.3% of the total assets
Significant individual provision for bad debts of accounts receivable	No significant individual provision for bad debts of accounts receivable in the current period	Exceeding 0.3% of the total assets
Significant write-off of accounts receivables		
Significant individual provision for bad debts of other receivables	VII 8	The Company recognises individual other receivables exceeding 0.3% of the total assets as significant other receivables.
Significant construction in progress	VII 12	The Company recognises projects with amounts or balances exceeding 0.3% of the total assets as significant projects under construction.
Significant cash flows from investing activities	No significant cash flows from investing activities that require disclosure in the current period	The Company considers investing cash flows exceeding 5% of the total assets as significant investing cash flows.
Significant subsidiaries and non-wholly-owned subsidiaries	X	The Company identifies a subsidiary with operating revenue exceeding 15% of the Group's total operating revenue as a significant subsidiary or non-wholly-owned subsidiary.
Significant commitment	XVI	The Company considers commitments amounting to 0.3% of the total assets as significant commitments.
Significant subsequent events as of the balance sheet date	XVII	The Company considers events with amounts exceeding 0.3% of the total assets as significant subsequent events on the balance sheet date.

**6. Accounting treatment of business combination under the same control and business combination not under the same control**√ Applicable  Not applicable**(1) Accounting methods of business combination under the same control**

The Company's assets and liabilities acquired from business combinations will be measured according to the carrying value of the acquiree in financial statement of the final controlling party. The Company will adjust capital reserves according to proportion of the acquiree's carrying value in consolidated financial statement of the final controlling party and the balance between carrying value and the carrying value paid for combination consideration or total nominal value of issued shares; if the capital reserve is insufficient to offset such difference, the difference will be offset against retained earnings.

**(2) Accounting methods of business combination not under the same control**

On the acquisition date, the difference between the combined cost and the fair value share of the identifiable net assets of the acquiree obtained in the merger is recognized as goodwill. If the combined cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the combination, firstly, the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree and the measurement of combined cost are reviewed. If the combined cost is still less than the fair value share of identifiable net assets of the acquiree obtained in the merger after review, the difference is recorded in profit and loss of the current period.

**7. Judgment criteria for control and method of preparation of consolidated financial statements**√ Applicable  Not applicable**(1) Judgment of control**

Ownership of rights over the investee, variable returns through involvement in the investee's relevant activities, and the ability to influence the variable returns of the investee by exercising control over it are recognised as control.

**(2) Method of preparation of consolidated financial statements**

The Company as the parent brings all subsidiaries under its control into the consolidated scope of the consolidated financial statements. The consolidated financial statements are based on the financial statements of the Company as the parent and its subsidiaries and are prepared by the Company as the parent according to other relevant information and Accounting Standards for Enterprises No. 33 - Consolidated Financial Statements.

**8. Classification of joint arrangements and accounting of joint operations** Applicable √ Not applicable**9. Criteria for recognition of cash and cash equivalents**

Cash listed in cash flow statement refers to cash on hand and reserves always available for payment.

Cash equivalents refer to investments that are held for short term, highly liquid, and readily convertible to known amounts of cash and subject to insignificant risk of change in value.

## 10. Foreign currency business and conversion of foreign currency statement

√ Applicable  Not applicable

### (1) Conversion of foreign currency business

At the initial recognition of foreign currency transactions, foreign currency shall be converted into RMB at the approximate exchange rate of the spot exchange rate on the transaction date. On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on the balance sheet date, and the exchange difference arising from different exchange rates is recorded in profit and loss of the current period except the exchange difference between the principal and interest of foreign currency special loans related to the purchase and construction of assets eligible for capitalization. Foreign currency non-monetary items measured at historical cost adopt a similar exchange rate of the spot exchange rate on the transaction date, without changing their RMB amount. Foreign currency non-monetary items measured at fair value shall be converted at the spot exchange rate on the date when the fair value is determined, and the difference shall be recorded in the profit and loss of the current period or other comprehensive income.

### (2) Conversion of foreign currency financial statements

Assets and liabilities in the balance sheet shall be converted at the spot exchange rate on the balance sheet date. Except for the “undistributed profit” item, other items of owner’s equity items are converted at the spot exchange rate on the transaction date; the income and expense items in the income statement are converted at a similar exchange rate of the spot exchange rate on the transaction date. The differences arising from the above conversion of foreign currency-denominated financial statements shall be recorded in other comprehensive income.

## 11. Financial instruments

√ Applicable  Not applicable

### 1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when they are initially recognized:

(1) Financial assets measured at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through current profit or loss.

Financial liabilities are classified into the following four categories when they are initially recognized:

(1) Financial liabilities at fair value through current profit or loss; (2) financial liabilities arising from the transfer of financial assets not meeting the de-recognition criteria or from the continuing involvement in the transferred assets; (3) financial guarantee contracts which do not fall within the category of (1) or (2) above, and loan commitments which do not fall within category (1) above and made at an interest rate lower than the market rate; (4) financial liabilities measured at amortized cost.

2. Recognition basis, measurement methods and derecognition conditions for financial assets and financial liabilities

(1) Determination basis and measuring methods for financial assets and financial liabilities

A financial instrument is recognized as an asset or liability when the Company becomes a party thereto. For financial assets or financial liabilities measured at fair value through profit or loss, the transaction expenses are directly included in profit and loss of the current period; for financial assets or financial liabilities in other categories, the transaction expenses are included in the amount initially recognized. However, accounts receivable initially recognized by the Company that do not include a significant financing component or where the Company does not consider the financing component in a contract with a term not exceeding one year will be initially measured at the transaction price defined in Accounting Standard for Business Enterprises No.14-Income.

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

Financial assets are subsequently measured at amortized cost by the effective interest method. Gains or losses arising from a financial asset measured at amortized cost which does not form part of any hedging relationship are recorded in current profit or loss at the time of de-recognition, reclassification, amortization according to the effective interest method or recognition of impairment.

2) Investments in debt instruments at fair value through other comprehensive income

Such financial assets shall be subsequently measured at fair value. Interest, impairment loss or gain and exchange gain/loss calculated using the effective interest method are recorded in current profit or loss, other gains or losses are recorded in other comprehensive income. On derecognition, cumulative gains or losses that were previously recorded in other comprehensive income are transferred from other comprehensive income and recorded in current profit or loss.

3) Investments in equity instruments at fair value through other comprehensive income

Such financial assets shall be subsequently measured at fair value. Dividend received (except for the portion which forms part of investment cost recovered) is recorded in current profit or loss, other gains or losses are recorded in other comprehensive income. On derecognition, cumulative gains or losses that were previously recorded in other comprehensive income are transferred from other comprehensive income and recorded in retained earnings.

4) Financial assets at fair value through profit or loss

Gains or losses (including interest income and dividend income) arising from the subsequent measurement at fair value are recorded in current profit or loss, unless the financial asset forms part of a hedging relationship.

(3) Method for the subsequent measurement of financial liabilities

1) Financial liabilities measured at fair value through profit and loss of the current period

Such financial liabilities include transactional financial liabilities (including derivative instruments which belong to the category of financial liabilities) and financial liabilities designated as at fair value through current profit or loss. Such financial liabilities are subsequently measured at fair value. The amount of changes in the fair value of financial liabilities designated as at fair value through profit or loss, which arise from the change in the credit risk of the Company, is recorded in other comprehensive income,

unless such accounting treatment would result in or increase the accounting mismatch of gain and loss. Other gains or losses (including interest expense, except for the fair value changes arising from the change in credit risk of the Company) on such financial liabilities are recorded in current profit or loss, unless such financial liabilities form part of a hedging relationship. On derecognition, cumulative gains or losses that were previously recorded in other comprehensive income are transferred from other comprehensive income and recorded in retained earnings.

2) Financial liabilities resulting from the transfer of financial assets which does not satisfy the de-recognition criteria or from the continuing involvement in the transferred assets are measured according to the relevant provisions of the Accounting Standard for Business Enterprises No.23-Transfer of Financial Assets.

3) Financial guarantee contracts that do not fall within the category of 1) or 2) above, and loan commitments that do not fall within the category of 1) above and made at an interest rate lower than the market rate, are subsequently measured at the higher of the two following amounts after initial recognition:

① The amount of loss provision determined according to the rules related to the impairment of financial instruments; ② The remaining balance of the initially recognized amount after deducting the amount of cumulative amortization determined according to relevant rules of the Accounting Standard for Business Enterprises No.14-Income.

4) Financial liabilities measured at amortized cost

Such financial liabilities are measured at amortized cost using the effective interest method. Gains or losses arising from a financial liability measured at amortized cost which does not form part of any hedging relationship are recorded in current profit or loss at the time of de-recognition or amortization according to the effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when any of the following criteria is met:

① The contractual rights to receive the cash flows from the financial assets terminate; or

② The financial asset has been transferred, and such transfer satisfies the criteria set out in the Accounting Standard for Business Enterprises No.23-Transfer of Financial Assets regarding the de-recognition of financial assets.

2) Where the present obligation of a financial liability (or a portion thereof) has been discharged, the Company de-recognizes the financial liability (or a portion thereof).

3. Recognition basis and measurement method of financial asset transfer

If the Company has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized, and the right and obligation arising from or retained in the transfer are individually recognized as an asset or liability. If substantially all risks and rewards of ownership of the financial asset are retained, the financial asset transferred remains recognized. If the Company has not transferred or retained nearly all the risks and remunerations of ownership of the credit assets, different measures should be taken in accordance with the following circumstances respectively: (1) If the Company gives up the control of the financial assets, these financial assets shall be derecognized; (2) if the Company

does not give up the control of the financial assets, the relevant financial assets shall be recognized and the relevant liabilities shall be recognized accordingly in accordance with the extent of their continued involvement in the transferred financial assets.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts shall be recorded in profit and loss of the current period: (1) The carrying value of the transferred financial asset as of the date of derecognition; (2) Sum of the consideration received for the transfer of the financial asset, and the portion of the cumulative amount of fair value changes previously recorded in other comprehensive income that corresponds with the portion of the asset de-recognized (the transferred financial asset is an investment in debt instruments at fair value through other comprehensive income). Where a portion of the financial asset has been transferred and the transferred portion as a whole satisfies the derecognition criteria, the carrying value of the financial asset as a whole prior to its transfer is allocated between the portion of the asset derecognized and the portion that remains recognized, according to their relative fair value as of the transfer date, and the difference between the two amounts mentioned below is recorded in current profit or loss: (1) The carrying value of the derecognized portion; (2) Sum of the consideration received for the derecognition portion, and the portion of the cumulative amount of fair value changes previously recorded in other comprehensive income, which corresponds with the derecognized portion (the transferred financial asset is an investment in debt instruments at fair value through other comprehensive income).

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

The Company applies valuation techniques that are applicable in the current situation and are supported by sufficient available data and other information to determine the fair value of relevant financial assets and financial liabilities. The Company classifies the inputs of valuation techniques into the following levels and applies them accordingly:

(1) Level 1 inputs are the unadjusted quotation of the same assets or liabilities available on the active market on the measurement day;

(2) Level 2 inputs are inputs for the relevant assets or liabilities other than the level 1 inputs, which are directly or indirectly observable, including quotations for similar assets or liabilities in an active market; quotations for the same or similar assets or liabilities in an inactive market; other observable inputs other than quotations, such as interest rate and yield curve observable during normal quotation intervals; and market-tested inputs;

(3) Level 3 inputs are non-observable inputs for the relevant assets or liabilities, including interest rate and stock volatility which cannot be directly observed or cannot be verified by observable market data, the future cash flow of a retirement obligation assumed in a business combination, and financial forecast performed based on internal data.

#### 5. Impairment of financial instruments

Based on the expected credit loss, for financial assets measured in amortized cost, investment in debt instruments measured at fair value and whose changes are recorded in other comprehensive income, contract assets, lease receivables, loan commitments classified as financial liabilities measured at fair

value and whose changes are recorded in profit and loss of the current period, financial guarantee contracts that do not belong to financial liabilities measured at fair value and whose changes are recorded in the profits and losses of the current period or financial liabilities formed by the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets shall be impaired and loss reserves shall be recognized.

Expected credit loss refers to the weighted average of credit loss of financial instruments weighted with default risks. Credit loss refers to the difference between all contractual cash flow receivable by the Company under contracts which are discounted according to the original effective interest rate, and all the cash flow expected to be received, namely the present value of all cash shortfall. Specifically, financial assets acquired or derived to which credit impairment has occurred are discounted by the Company according to the credit-adjusted effective interest rate.

For the acquired or derived financial assets with credit impairment, the Company only recognizes the cumulative change of expected credit loss over the lifetime after initial recognition as the loss reserve on the balance sheet date.

For lease receivables, receivables and contract assets formed by transactions regulated by Accounting Standards for Business Enterprises No.14-Income, the Company uses simplified measurement methods to measure the loss reserve according to the expected credit loss amount over the lifetime.

For financial assets other than the above measurement methods, at each balance sheet date, the Company assesses the financial assets to see if the credit risk has significantly increased after initial recognition. If the credit risk has significantly increased after initial recognition, the Company calculates provision for loss according to the amount of expected credit loss over the lifetime of the assets; if credit risk has not significantly increased after initial recognition, the Company calculates loss provision based on expected credit loss in the future 12 months.

The Company uses available reasonable and well-founded information, including forward-looking information, to determine whether the credit risk of financial instruments has increased significantly since the initial recognition by comparing the default risk of financial instruments on the balance sheet date with the default risk on the initial recognition date.

On the balance sheet date, if the Company judges that the financial instrument only has low credit risk, it is assumed that the credit risk of the financial instrument has not increased significantly since the initial recognition.

The Company assesses the expected credit risk and measures the expected credit loss on the basis of single financial instrument or portfolios of financial instruments. When based on the portfolio of financial instruments, the Company classifies the financial instruments into different portfolios according to the common risk characteristics.

The Company re-measures expected credit loss at each balance sheet date, and the amount of increase in loss provision or the written-back amount of loss provision arising from re-measurement is recorded in current profit or loss as an impairment loss or gain. For financial assets measured at amortized cost, impairment losses were allocated to offset the carrying value of the financial asset presented in the balance

sheet. For the debt investments measured at fair value through other comprehensive income, the Company recognized its loss reserves in other comprehensive income but did not offset the carrying value of the financial asset.

#### 6. Offsetting financial assets and financial liabilities

The financial assets and financial liabilities are respectively listed in the balance sheet, not offsetting each other. However, when all the following criteria are met, financial assets and liabilities are shown on a net basis after offsetting: (1) The Company has the statutory right to offset the recognized amounts, and such right is currently enforceable; (2) The Company intends to settle the financial assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

For the transfer of financial assets where the derecognition criteria are not met, the Company may not offset the financial assets transferred against the related liabilities.

#### 12. Notes receivable

Applicable  Not applicable

##### Determination methods and accounting methods of the expected credit losses of notes receivable

Applicable  Not applicable

##### Categories of groups for which allowances for doubtful accounts are established on a grouping basis of credit risk characteristics and the basis for determining them

Applicable  Not applicable

##### Aging methodology for age-based recognition of a group of credit risk characteristics

Applicable  Not applicable

##### Judgment criteria for establishing allowances for doubtful accounts on an individual basis

Applicable  Not applicable

#### 13. Accounts receivable

Applicable  Not applicable

##### Determination methods and accounting methods of the expected credit losses of accounts receivable

Applicable  Not applicable

##### Categories of groups for which allowances for doubtful accounts are established on a grouping basis of credit risk characteristics and the basis for determining them

Applicable  Not applicable

##### Aging methodology for age-based recognition of a group of credit risk characteristics

Applicable  Not applicable

##### Judgment criteria for establishing allowances for doubtful accounts on an individual basis

Applicable  Not applicable



**14. Receivables financing**

Applicable  Not applicable

**Determination methods and accounting methods of the expected credit losses of receivables financing**

Applicable  Not applicable

**Categories of groups for which allowances for doubtful accounts are established on a grouping basis of credit risk characteristics and the basis for determining them**

Applicable  Not applicable

**Aging methodology for age-based recognition of a group of credit risk characteristics**

Applicable  Not applicable

**Judgment criteria for establishing allowances for doubtful accounts on an individual basis**

Applicable  Not applicable

**15. Other receivables**

Applicable  Not applicable

**Determination methods and accounting methods of the expected credit losses of other receivables**

Applicable  Not applicable

**Categories of groups for which allowances for doubtful accounts are established on a grouping basis of credit risk characteristics and the basis for determining them**

Applicable  Not applicable

**Aging methodology for age-based recognition of a group of credit risk characteristics**

Applicable  Not applicable

**Judgment criteria for establishing allowances for doubtful accounts on an individual basis**

Applicable  Not applicable

**16. Inventories**

Applicable  Not applicable

**Inventory categories, issue valuation method, inventory system, amortisation method for low-value consumables and packing materials**

Applicable  Not applicable

1. Classification of inventories

Inventories refer to finished goods or commodities for sale held in daily activities, unfinished goods in manufacturing process, and materials and supplies consumed in process of manufacturing products or providing services, etc.

2. Valuation method of inventories upon delivery

The cost measurement for the inventories delivered is made with a one-time weighted average method at the end of the month.

### 3. Inventory system of inventories

The perpetual inventory system is adopted for the inventories of the Company.

### 4. Amortization of low-value consumables and packing materials

#### (1) Low-value consumables

Low-value consumables are amortized with a one-time write-off method.

#### (2) Packing materials

Packing materials are amortized with a one-time write-off method.

## **Recognition standards and establishment methods for inventory valuation allowances**

Applicable  Not applicable

On the balance sheet date, inventories should be measured whichever is lower in accordance with the cost and net reliable value, and the provision for decline in value of inventories shall be made according to the difference that the cost of inventories higher than the net realizable value. For inventories directly used for sale, the net realizable value shall be determined by the estimated selling price of the inventory minus the estimated selling expenses and relevant taxes and fees in the normal production and operation process. For materials inventory requiring processing during normal process of production and operation, the net realizable value shall be determined by deducting estimated costs occurring during completion, estimated selling expenses and related taxes from estimated sale price of finished products. On the balance sheet date, some of the same inventory have contract price agreed, others not; their net realizable value shall be recognized respectively and compared with the corresponding cost to determine the amount of provision or write-back of inventory depreciation reserve.

## **Categories of groups for which inventory valuation allowances are established on a grouping basis and the basis for determining them, as well as the basis for determining net realizable value for different categories of inventories**

Applicable  Not applicable

## **Calculation method and basis for determining the net realisable value of each age group for the purpose of recognising the net realisable value of inventories based on the age of the inventories**

Applicable  Not applicable

## **17. Contract assets**

Applicable  Not applicable

### **Method and criteria for determining contract assets**

Applicable  Not applicable

The Company presented contract assets or contract liabilities on the balance sheet in accordance with the relationship between performance obligations and customer payment. The Company will set off the

contract assets and contract liabilities under the same contract and present them in net amount.

The right of the Company to receive consideration from its customers unconditionally (i.e. only depending on the passage of time) is presented as receivables, and the right to receive consideration for goods transferred to its customers (depending on factors other than the passage of time) is presented as a contract asset.

The obligation to transfer goods to customers for consideration received or receivable from customers is presented as a contract liability.

**Determination methods and accounting methods of the expected credit losses of contract assets**

Applicable  Not applicable

**Categories of groups for which allowances for doubtful accounts are established on a grouping basis of credit risk characteristics and the basis for determining them**

Applicable  Not applicable

**Aging methodology for age-based recognition of a group of credit risk characteristics**

Applicable  Not applicable

**Judgment criteria for establishing allowances for doubtful accounts on an individual basis**

Applicable  Not applicable

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

Applicable  Not applicable

**Recognition standards and accounting treatments for non-current assets or disposal groups held for sale**

Applicable  Not applicable

**Recognition standards and presentation methods for discontinued operations**

Applicable  Not applicable

**19. Long-term equity investments**

Applicable  Not applicable

1. Judgment criteria for joint control and significant influence

Joint control refers to the control the Company shares with other entities over a certain arrangement following relevant agreements by which any activity under the arrangement may be conducted only with the unanimous agreement of all participants sharing the power of control. Significant influence refers to the power to participate in making decisions on the financial and operating policies of an investee, but not to control or do joint control together with other parties over the formulation of these policies.

2. Determination of investment cost

(1) In case of a business combination under the same control, if the acquirer pays cash, transfers non-cash assets, assumes debts or issues equity securities as merger consideration, the share of the owner's equity of the acquiree obtained on combination date in the carrying value of the financial statements of the ultimate controlling party is deemed as an initial investment cost. Capital reserve is adjusted based on the difference between initial investment cost of long-term equity investment and carrying value of paid combination consideration or total nominal value of issued share; if the capital reserve is insufficient to offset such difference, the difference will be offset against retained earnings.

If business combination under the same control is realized step by step through multiple transactions, whether the multiple transactions is a "Package Deal" is determined. If the deals fell into a "Package Deal", all transactions shall be treated as a transaction to gain control. If it is not a "package deal", on the combination date, the initial investment cost of the long-term equity investment shall be determined based on the share of net assets' carrying value of the acquiree in the consolidated financial statements of the ultimate controlling party. The capital reserve is adjusted based on the difference between the initial investment cost of the long-term equity investment on the combination date and the sum of the carrying value of the long-term equity investment before the acquisition and the carrying value of the new payment consideration on the acquisition date. If the capital reserve is insufficient to offset such difference, the difference will be offset against retained earnings.

(2) For business combinations not under the same control, the fair value of the combination consideration paid by it on the acquisition date shall be its initial investment cost.

For long-term equity investment formed by a business combination achieved step by step through multiple transactions, relevant accounting treatment is performed with distinctions made between separate financial statements and consolidated financial statements:

1) In the separate financial statements, the sum of the fair value of the originally held equity investment and the additional investment cost shall be taken as the initial investment cost when converting to using the cost method.

2) In the consolidated financial statements, it is determined whether it is a "package deal". If the deals fell into a "Package Deal", all transactions shall be treated as a transaction to gain control. If it is not a "Package Deal", the equity of the acquiree held prior to the acquisition date shall be re-measured according to the fair value of the equity at the acquisition date, and the difference between the fair value and the carrying value shall be recorded in the current investment income. Where the equity of the acquiree held prior to the acquisition date involves other comprehensive income accounted for based on the equity method, etc., the other comprehensive income related to it shall be converted into the current investment income of the acquisition date. However, other comprehensive income arising from the re-measurement of net liabilities or changes in net assets of defined benefit plans by the investee is excluded.

(3) Except for business combination: If it is acquired by paying cash, the actual acquisition price shall be taken as its initial investment cost; if it is acquired by issuing equity securities, the fair value of the issued equity securities shall be taken as its initial investment cost; if it is acquired by means of debt restructuring, the initial investment cost shall be determined according to the Accounting Standards for

Business Enterprises No. 12-Debt Restructuring; if it is acquired by exchange of non-monetary assets, the initial investment cost shall be determined according to the Accounting Standards for Business Enterprises No. 7-Exchange of Non-monetary Assets.

3. Method for subsequent measurement and recognition of profit or loss

The long-term equity investment controlled by the investee shall be accounted for by the cost method; the long-term equity investment of associated enterprises and joint ventures shall be accounted for by the equity method.

4. Treatment method of investing in subsidiaries until loss of control right step by step through multiple transactions

(1) Principles for determining whether or not a transaction is a "package deal"

Multiple transactions for disposing of equity investments in subsidiaries until losing control, the Company evaluates whether such step-by-step transactions constitute a "package deal" based on the terms, conditions, disposal prices obtained separately, recipients of the equity sold, disposal methods, and timing of each step of the transactions, taking into consideration their mutual influence. Terms, conditions, and economic effects of transactions that meet one or more of the following criteria typically indicate that the multiple transactions constitute a "package deal":

- 1) The transactions are concluded simultaneously or considering their mutual influence;
- 2) The transactions together achieve a complete commercial result;
- 3) The occurrence of one transaction depends on the occurrence of at least one other transaction;
- 4) A single transaction is uneconomical but becomes economical when considered together with other transactions.

(2) Accounting treatment for transactions that are not "package deals"

1) Separate financial statements

For the disposal of long-term equity investments, the difference between the carrying value and the actual price acquired shall be recorded into profit and loss of the current period. For the remaining equity, if it still has a significant impact on the investee or implements joint control with other parties, it shall be accounted for by the equity method; if it is no longer possible to exercise control, joint control or significant influence on the investee, accounting shall be carried out in accordance with the relevant provisions of Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments.

2) Consolidated financial statements

Before the loss of control right, the difference between the disposal price and the share of net assets is continuously calculated by the subsidiary from the acquisition date or combination date corresponding to the disposal of long-term equity investment shall be adjusted, and the capital reserve (capital premium) shall be adjusted. If the capital premium is insufficient to offset, the retained earnings shall be offset.

In case of loss of control over the original subsidiary, the remaining equity shall be re-measured according to its fair value on the date of loss of control. The aggregate of the consideration obtained by disposing of the equity and the fair value of the remaining equity less the portion of the net assets of the

subsidiary that has been measured, as calculated at the original shareholding proportion, from the acquisition date or combination date is recognized in profit and loss of the current period on investments in which the control is lost, and goodwill shall be offset. Other comprehensive income, etc. related to the original subsidiary's equity investment will be converted into income from investment for the current period when the control is lost.

(3) Accounting treatment for transactions that are "package deals"

1) Individual financial statements

Each transaction is accounted for as a single disposal of a subsidiary and loss of control. However, any difference between the disposal proceeds and the carrying value of the long-term equity investment corresponding to the disposal investment is recognised in other comprehensive income in the individual financial statements, and transferred to the profit or loss of the period when control is lost.

2) Consolidated financial statements

The Company treats each transaction as a transaction that disposes of a subsidiary and loses control. However, the difference between each disposal price before losing control and the share of subsidiaries' net assets corresponding to the disposed investment shall be recognized as other comprehensive income in the consolidated financial statements, and shall be transferred into the profits and losses of the current period in case of loss of control.

## 20. Investment property

Not applicable

## 21. Fixed assets

### (1). recognition criteria

Applicable  Not applicable

The fixed assets of the Company refer to tangible assets held for production of goods, provision of labor services, lease or business with a service life of over a fiscal year. Fixed assets shall be recognized when the economic benefits are flowing in and the cost can be measured reliably.

### (2). Depreciation method

Applicable  Not applicable

Category	Depreciation method	Depreciable life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line depreciation method	20	3%	4.85%
Machinery equipment	Straight-line depreciation method	4-10	3%	9.70%-24.25%
Means of transportation	Straight-line depreciation method	2-10	3%	9.70%-48.50%

Electronic and other equipment	Straight-line depreciation method	2-10	3%	9.70%-48.50%
Fixed assets fixtures	Straight-line depreciation method	5	0%	20%

## 22. Construction in progress

Applicable  Not applicable

1. Fixed assets shall be recognized when the economic benefits are flowing in and the cost can be measured reliably. The construction in progress is measured according to the actual cost incurred before the construction of the asset reaches its intended serviceable condition.

2. When construction in progress reaches expected serviceable conditions, it will be carried forward into fixed assets based on its actual cost. For those that have reached their intended serviceable status but have not yet completed the settlement, they shall be transferred to fixed assets according to the estimated value, and the original provisional value shall be adjusted according to the actual cost after the final accounts are completed, but the depreciation already accrued shall not be adjusted.

Category	Standard and timing for transferring construction in progress to fixed assets
Buildings and constructions	Transferred to fixed assets after completion inspection and fire inspection
Machinery equipment	Transferred to fixed assets after installation, commissioning, reaching the intended usable state, and passing acceptance
Electronic and other equipment	Transferred to fixed assets after installation, commissioning, reaching the intended usable state, and passing acceptance

## 23. Borrowing costs

Applicable  Not applicable

### 1. Recognition principles for the capitalization of borrowing costs

The borrowing costs that have occurred and can be directly attributed to the acquisition, construction or production of assets eligible for capitalization are capitalized by the Company and recorded in relevant cost of assets; other borrowing costs are recognized as expenses based on the amount incurred when they occur, and shall be recorded in profit and loss of current period.

### 2. Period for capitalization of borrowing costs

(1) When all the following conditions are met by the borrowing costs, capitalization will start: 1) asset expenditure has occurred; 2) borrowing costs have occurred; 3) acquisition, construction or production activities have started in order to make the fixed asset be ready for the intended use or sale.

(2) If the acquisition, construction or production of an asset eligible for capitalization is continuously suspended for over 3 months for abnormal reasons, capitalization of the borrowing costs shall be suspended; borrowing costs incurred during the suspension shall be recognized as the current expenses until the acquisition, construction or production of the asset is resumed.

(3) When the assets with the purchase, construction or production meeting the capitalization

conditions reach the expected available or marketable state, the borrowing cost ceases to be capitalized.

### 3. Capitalization rate and capitalization amount of borrowing costs

For a specifically borrowed fund for the acquisition, construction or production of an asset eligible for capitalization, the amount of interest that shall be capitalized is determined based on the interest expenses incurred in the period when a specifically borrowed fund is obtained (including the amortization of discounts or premiums recognized according to the effective interest method) less any income earned on the unused borrowing fund as a deposit in a bank or as a temporary investment. Where a general borrowing is used for the acquisition, construction and production of an asset eligible for capitalization, the amount of interest that shall be capitalized is determined by multiplying the part of the accumulative asset disbursements in excess of the weighted average asset disbursement for the specifically borrowed fund by the capitalization rate of the general borrowing used.

## 24. Biological assets

Applicable  Not applicable

## 25. Oil and gas assets

Applicable  Not applicable

## 26. Intangible assets

### (1) Service life and determination basis, estimation, amortization method or review process

Applicable  Not applicable

1. Intangible assets include land use rights, software, etc., which are initially measured at costs.

2. Intangible assets with limited service life are properly amortized within the service life based on the expected method to realize economic benefits relating to the intangible assets. Where the expected realization method cannot be reliably determined, Straight-line Amortization Method is adopted. The details are as follows:

Item	Amortization period (year)	Amortization method
Land use right	Duration of land use	Straight line method
Software	2-5	Straight line method

## 27. Long-term assets impairment

Applicable  Not applicable

For long-term equity investments, fixed assets, construction in progress, right-of-use assets, long-term assets with limited service life and other long-term assets, if there are signs of impairment on the balance sheet date, the recoverable amount shall be estimated. Goodwill and intangible assets with uncertain service life formed by business combinations are tested for impairment every year regardless of whether there are signs of impairment. Goodwill is tested for impairment in conjunction with the asset



group or combination of asset groups to which it relates.

If the recoverable amount of the above-mentioned long-term assets is lower than its carrying value, the asset impairment reserve shall be recognized according to the difference and recorded in profit and loss of the current period.

## **28. Long-term prepaid expense**

Applicable  Not applicable

Long-term prepaid expenses are accounted for all expenses that have been paid and have an amortization period of more than one year (excluding one year). The long-term prepaid expenses are accounted for according to the actual amount incurred and are amortized averagely over the benefit period or the specified period. If the long-term deferred expenses item cannot bring benefit in the subsequent accounting period, the amortized value of the item that has not been amortized will be transferred to the profit or loss for the current period.

## **29. Contract liabilities**

Applicable  Not applicable

The Company presented contract assets or contract liabilities on the balance sheet in accordance with the relationship of performance obligations and customer payment. The Company will set off the contract assets and contract liabilities under the same contract and present them in net amount.

The right of the Company to receive consideration from its customers unconditionally (i.e. only depending on the passage of time) is presented as receivables, and the right to receive consideration for goods transferred to its customers (depending on factors other than the passage of time) is presented as contract assets.

The obligations of transferring goods to customers as a result of the consideration that the Company had received or shall receive from customers were presented as contract liabilities.

## **30. Employee remuneration**

### **(1) Accounting treatment methods of short-term remuneration**

Applicable  Not applicable

Within the accounting period when employees provide service, the actual short-term remuneration shall be recognized as liabilities and be recorded in profit and loss of the current period or relevant asset costs.

### **(2) Accounting treatment method for post-employment benefits**

Applicable  Not applicable

The Company classifies post-employment benefit plans into the defined contribution plan and the defined benefit plan.

(1) During the accounting period in which the employees provide services to the Company, the

amount to be contributed as calculated according to the defined contribution plan is recognized as a liability and recorded in the profit or loss for the current period or the related asset costs.

(2) The accounting handling of the defined benefit plan usually includes the following steps:

1) Based on the projected unit credit method, related demographic variables and financial variables are estimated by using unbiased and mutually compatible actuarial assumptions, the obligations under the defined benefit plan are measured, and the periods to which relevant obligations are attributed are determined. Meanwhile, the Company will discount the obligations incurred from a defined benefit plan, to determine present value of defined benefit plan and current service cost.

2) The deficit or surplus formed by present value of obligations to the defined benefit plan minus the fair value of assets of the defined benefit plans is recognized as one net liabilities or net profits of the defined benefit plans. If the defined benefit plans have a surplus, the Company shall measure the net profit of the defined benefit plans according to whichever is lower between the surplus and upper limit on the assets of the defined benefit plans.

3) At the end of the period, the employee compensation cost incurred in the defined benefit plan is recognized as service cost, net interest arising from the net liabilities and net assets of the defined benefit plan, and changes in the net liabilities or net assets of the remeasured defined benefit plan. Of which, the net interest arising from the net liabilities or net assets of the defined benefit plan is recorded in profit and loss of the current period or related asset cost, and changes in the net liabilities or net assets of the remeasured defined benefit plan are recorded in other comprehensive income, and is not written-back to profits and losses in subsequent accounting periods. But these amounts recognized in other comprehensive income can be transferred within the scope of equity.

**(3). Accounting treatment method for dismissal benefits**

Applicable  Not applicable

If the Company provides the employee with dismissal benefits, the Company shall recognize the employee remuneration liabilities and record them in profit or loss for the current period on the following dates (whichever is earlier): (1) the date when the Company may not unilaterally withdraw dismissal benefits provided due to termination of labor relationship plans or layoff proposals; (2) the date when the Company recognizes costs or expenses relating to the restructure of payments of dismissal benefits.

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

Applicable  Not applicable

If other long-term benefits provided by the Company to employees meet the conditions of the defined contribution plan, accounting treatment shall be carried out according to the relevant provisions of defined contribution plan. Except for that, the other long-term benefits shall be subject to the accounting handling according to the defined benefit plan. To simplify the related accounting treatment, employee compensation cost incurred in the defined benefit plan is recognized as service costs. Net interests of net liabilities or net assets of other long-term employee benefits, as well as the total net amount of changes

caused by re-measurement of net liabilities or net assets of other long-term employee benefits, will be recorded in profit and loss of the current period or the related asset costs.

### 31. Provisions

Applicable  Not applicable

### 32. Share-based payment

Applicable  Not applicable

#### 1. Category of share-based payment

The Company's share-based payment includes equity-settled share-based payment and cash-settled share-based payment.

#### 2. Relevant accounting processing for the implementation, modification, and termination of share-based payment plans

##### (1) Equity-settled share-based payment

For an equity-settled share-based payment in return for services of employees, if the right can be exercised immediately after the grant, the fair value of the equity instruments shall, on the grant date, be recorded in the relevant costs or expenses and the capital reserve shall be adjusted accordingly. For an equity-settled share-based payment in return for employee services, if the right cannot be exercised only after completing the service during the vesting period or meeting the prescribed performance conditions, then on each balance sheet date within the vesting period, the services acquired in the current period shall, based on the best estimate of the number of vested equity instruments, be recorded in the relevant costs or expenses at the fair value of the equities instruments on the grant date, and the capital reserve shall be increased accordingly.

For an equity-settled share-based payment in return for the service of any other party, if the fair value of the service of any other party can be reliably measured, it shall be measured at the fair value of the service of any other party on the acquisition date; if the fair value of the service of any other party can not be reliably measured, but the fair value of the equity instruments can be reliably measured, it shall be measured at the fair value of the equity instruments on the acquisition date and recorded in the relevant costs or expenses, and the owner's equity shall be increased correspondingly.

##### (2) Cash-settled share payment

For a cash-settled share-based payment in return for services of employees, if the right can be exercised immediately after the grant, the fair value of liabilities assumed by the Company shall, on the grant date, be recorded in the relevant costs or expenses and the liabilities shall be increased accordingly. For a cash-settled share-based payment, if the right cannot be exercised only after completing the service during the vesting period or meeting the prescribed performance conditions, on each balance sheet date within the vesting period, the services acquired in the current period shall, based on the best estimate of the information about the vesting right, be recorded in the relevant costs or expenses and the corresponding liabilities at the fair value of the liabilities assumed by the Company.

**(3) Modification and termination of share-based payment plans**

If the modification increases the fair value of the granted equity instruments, the Company shall recognize the increase of the services acquired according to the increase of the fair value of the equity instruments. If the modification increases the number of the granted equity instruments, the Company shall recognize the increased fair value of equity instruments as the increase of the services acquired. If the Company modifies the vesting conditions in a way that is favorable to employees, the Company shall consider the modified vesting conditions when processing vesting conditions.

If the modification reduces the fair value of the granted equity instruments, the Company shall continue to recognize the amount of the service acquired based on the fair value of the equity instruments on the grant date, and shall not consider the decrease of the fair value of the equity instruments. If the modification reduces the number of equity instruments, the Company shall process equity instruments by reducing some of them as the cancellation of the granted equity instruments. If the vesting conditions are modified in a way that is unfavorable to employees, the Company shall not consider the modified vesting conditions when processing vesting conditions.

If the Company cancels the granted equity instruments or settles the granted equity instruments (not including those canceled due to failure to meet vesting conditions) during the vesting period, the cancellation or settlement shall be processed as the vested right and the amount to be recognized within the remaining vesting period originally shall be recognized immediately.

**33. Preference shares, perpetual bonds and other financial instruments**

Applicable  Not applicable

**34. Revenue****(1). Accounting policy for recognition and measurement of revenue by type of business**

Applicable  Not applicable

**1. Principles of revenue recognition**

On the commencement date of a contract, the Company shall assess the contract, identify each single performance obligation in the contract, and determine that each single performance obligation is satisfied whether within a certain period of time or at a certain point in time.

When one of the following conditions is met, it belongs to fulfilling the performance obligation within a certain period of time, otherwise, it belongs to fulfilling the performance obligation at a certain point in time: (1) The customer obtains and consumes the economic benefits brought by the Company's performance while the Company performs the obligation; (2) The customer can control the goods under construction during the performance of the Company; (3) The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect amount for the cumulative performance completed so far during the whole contract period.

For the performance obligations performed within a certain period of time, the Company recognizes the revenue according to the performance progress within that period of time. When the performance

progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined. For performance obligations performed at a certain point in time, revenue is recognized at the time when the customer obtains control over related goods or services. To decide whether the customer has obtained the control over goods, the Company takes into account the following signs: (1) the enterprise has the present right to collection for the goods, meaning the customer bears the present obligation to payment for the goods; (2) the enterprise has passed the legal title to the goods to the customer, meaning the customer has had the legal title to the goods; (3) the enterprise has transferred the physical possession of the goods to the customer, meaning the customer has had the physical possession of the goods; (4) the enterprise has transferred the major risks and remunerations concerning the title to the goods to the customer, meaning the customer has obtained the major risks and remunerations concerning the title to the goods; (5) the customer has accepted the goods; (6) other signs to show that the customer has obtained the control over the goods.

## 2. Principles of revenue measurement

(1) The Company measures revenue on the basis of the transaction price allocated to each performance obligation. Transaction price is the amount of consideration that the Company is expected to be entitled to receive for transferring goods or services to customers, excluding the amount received on behalf of third parties and the amount expected to be refunded to customers.

(2) If there is variable consideration in a contract, the Company shall determine the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount that the cumulative recognized income will most likely not be significantly written-back when the relevant uncertainty is eliminated.

(3) If there is a significant financing component in a contract, the Company shall determine the transaction price according to the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest rate method during the contract period.

(4) If a contract contains two or more performance obligations, the Company shall allocate the transaction price to each single performance obligation according to the relative proportion of the single selling price of the goods promised by each single performance obligation on the commencement date of the contract.

## 3. Specific methods for revenue recognition

The Company mainly sells adaptors, wall switches and sockets, LED lighting and digital accessories.

(1) The specific time points for revenue recognition of various domestic sales methods of the Company

1) Distribution method: Revenue is recognized when the goods are sent to the designated place and the distributor receives the goods.

2) Direct sales: For direct sales by supermarkets and e-commerce, when the customer receives the goods and publishes the information on the quantity and amount of goods received on its supplier platform,

the Company recognizes the revenue when it completes the reconciliation. For sales by opening an online shop on the e-commerce platform, the Company recognizes the revenue when the customer receives the goods and confirms such receipt on the e-commerce platform. For offline direct sales to customers in Shanghai, etc., the Company recognizes the revenue when the goods are delivered to the customer.

3) Consignment method: The Company recognizes the revenue when receiving the consignment list.

(2) The Company recognizes its revenue when it has completed the customs declaration formalities and obtained the bill of lading.

**(2) Different recognition and measurement methods for revenue for different business models adopted in the same type of business**

Applicable  Not applicable

**35. Contract costs**

Applicable  Not applicable

Assets related to contract costs include costs of obtaining a contract and costs to fulfill a contract.

The Company recognizes as an asset the incremental costs of obtaining a contract if it expects to recover those costs. The costs of obtaining a contract shall be included in profit or loss if the asset's amortization period is one year or less.

If the costs incurred in fulfilling a contract are not within the scope of standards related to inventories, fixed assets or intangible assets, etc., the Company shall recognize the costs to fulfill a contract as an asset if all the following criteria are satisfied:

1. The costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing overhead cost (or a similar cost), costs that are explicitly chargeable to the customer under the contract, and other costs that are only related to the contract.

2. The costs enhance the resources of the Company that will be used in satisfying performance obligations in the future.

3. The costs are expected to be recovered.

An asset related to contract costs shall be amortized on a systematic basis that is consistent with related goods or services and included in profit or loss.

The Company shall make provision for impairment and recognize it as impairment losses on assets to the extent that the carrying amount of an asset related to the contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates less the costs expected to be incurred. If the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates minus the costs expected to be incurred is higher than the carrying amount of the asset due to the subsequent changes in the factors of impairment in previous periods, the asset impairment provisions set aside should be reversed and included in profit and loss of the current period. However, the carrying amount of the asset upon the reversal should not exceed the carrying amount of the asset on the reversal date, supposing that impairment provisions are not set aside.

**36. Government grants**

√ Applicable  Not applicable

1. Government grants are recognized when all the criteria below are satisfied: (1) The Company is able to satisfy all the conditions attached to such government grant; (2) The Company is able to receive the grants from the government. Government grants were measured at the amount received or receivable if they were monetary assets. Non-monetary government grants were measured at fair value; if the fair value could not be reliably obtained, they were measured at the nominal amount.

2. Judgment basis and accounting treatment method for government grants related to assets

Government documents stipulate that government grants used to purchase, build or otherwise form long-term assets are classified as government grants related to assets. If the government documents concerning a government grant do not specify the target of the grant, it should be determined based on the basic conditions that must be met in order to receive the grant, and government grants which are conditional upon a long-term asset acquired, constructed or otherwise formed are classified as asset-related government grants. Government grants related to assets are used to offset carrying value of assets or are recognized as deferred income. If recognized as deferred income, government grants related to assets shall be recorded in the profit and loss in stages in a reasonable and systematic manner within the useful life of the relevant asset. Government grants measured at nominal amount were directly recognized as profit or loss for the current period. If the underlying assets were sold, transferred, scrapped, or damaged before the end of the useful life, the unallocated balance of the relevant deferred income was transferred to the profit or loss for the period of assets disposal.

3. Judgment basis and accounting treatment method for government grants related to income

Government grants other than government grants related to assets were classified as government grants related to income. For government grants, including both asset-related parts and income-related parts that are difficult to be distinguished, overall government grants shall be classified as government grants related to income. Government grants related to income shall be recognized as deferred income if they are used to compensate related future expenses or losses and recorded in profit and loss of the current period during the period when relevant expenses are recognized, or shall be recognized as current profit and loss or offset the related costs if they are used to compensate related expenses or losses incurred.

4. Government grants related to daily activities are recognized as other income or used to offset relevant costs according to the substance of business activities. Government grants that are not related to daily activities are recognized as non-operating income and expenses.

5. Accounting method for interest subsidy on policy prime loans

(1) If the fiscal system allocated the funds of interest subsidies to the lending bank, and the lending bank provided loans to the Company at a policy prime interest rate, the actual loan amount received by the Company was recognised as the carrying value of the loan, and the relevant borrowing costs were calculated in accordance with the loan principal and the policy prime interest rate.

(2) If the fiscal system allocated the funds of interest subsidies to the Company directly, the Company

reduced the corresponding interest subsidies against relevant borrowing costs.

### **37. Deferred income tax assets/Deferred income tax liabilities**

Applicable  Not applicable

1. Based on the difference between the carrying value of assets and liabilities and their tax bases (the difference between the tax base and the carrying value, where tax bases of items that are not recognized as assets and liabilities can be determined according to the tax law), deferred income tax assets or deferred income tax liabilities are recognized in accordance with the applicable tax rates during the expected period in which such assets are to be recovered or such liabilities are to be settled.

2. Deferred income tax assets shall be recognized to the extent of the amount of the taxable income that is likely to be obtained and deducted from deductible temporary difference. On the balance sheet date, if there is conclusive evidence that it is probable that sufficient taxable income will be available to offset the deductible temporary differences in the future, the deferred income tax assets that have not been recognized in the previous accounting period shall be recognized.

3. The Company reviews carrying values of deferred tax assets on the balance sheet date. If it is determined that the Company is not Period likely to obtain adequate taxable income to offset benefits from deferred tax assets, the carrying values of deferred tax assets are written down. Such write-downs are reversed when it becomes probable that sufficient taxable income should be available.

4. The current income tax and deferred income tax of the Company shall be recorded in profit and loss of the current period as income tax expenses or incomes, excluding the income taxes incurred in the following circumstances: (1) Business combination; (2) Transactions or events directly recognized in the owner's equity.

5. Deferred income tax assets and deferred income tax liabilities are presented in net amount after offsetting when the following conditions are simultaneously met: (1) there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; (2) the deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity or are related to different taxable entities, but are not expected to reverse in the future in each of the periods in which the deferred income tax assets and deferred income tax liabilities are material; and the taxable entities involved intend to settle current income tax assets and current income tax liabilities on a net basis. However, in each future period in which the deferred tax assets and deferred tax liabilities are reversed, the taxable entity involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

### **38. Leases**

Applicable  Not applicable

1. The Company as the lessee

On the beginning date of the lease term, the Company will recognize the lease with a lease term not exceeding 12 months and excluding the purchase option as a short-term lease. Leases with lower value



when a single leased asset is a brand-new asset are identified as low-value asset leases. If the Company sublets or expects to sublet the leased assets, the original lease shall not be deemed as a low-value asset lease.

The Company records the payments of short-term and low-value asset leases incurred during each period of the lease term in the relevant asset costs or the profit or loss for the current period by the straight-line method/workload method.

The Company will recognize right-of-use assets and lease liabilities on the inception date of the lease term, excluding the above short-term and low-value asset leases.

#### (1) Right-of-use assets

Right-of-use assets are initially measured at costs, including: 1) The initial measurement amount of lease liabilities; 2) If there is a lease incentive for the lease payment paid on or before the start date of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted; 3) Initial direct expenses incurred by the lessee; 4) The expected cost to be borne by the lessee in order to dismantle and remove the assets leased, restore original state of the place where the assets leased are in, or restore the assets leased to the state stipulated in the lease terms.

The Company depreciates right-of-use assets on a straight-line basis. If it is reasonably certain that ownership of the leased asset(s) will be obtained at the end of the lease term, the Company depreciates the leased asset(s) over its/their remaining service life. If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter.

#### (2) Lease liabilities

On the start date of the lease term, the Company recognizes the present value of the outstanding lease payments as lease liabilities. The Company regards the interest rate implicit in lease as the rate of discount when calculating the present value of the lease payment. The incremental lending rate of the lessee will be deemed as the rate of discount, if the interest rate implicit in lease cannot be confirmed. The difference between the lease payment and its present value is regarded as an unrecognized financing expense. Interest expense is recognized at the discount rate of the present value of the recognized lease payment during each period of the lease term and is recorded in the profits and losses of the current period. Variable lease payments that are not recorded in the lease liabilities measurement are recorded in profits and losses of the current period when they are actually incurred.

After the start of the lease term, in case of any changes in actual fixed payment amount, the expected payable amount of the guarantee residual value, the index or ratio used to determine the lease payment amount, and the evaluation result or actual exercise of the purchase option, renewal option or termination option, the Company will re-calculate the lease obligation using the present value of the changed lease payment, and adjusts the carrying value of right-of-use assets accordingly. If the carrying value of right-of-use assets has been reduced to zero, while lease liabilities still needs to be further reduced, the remaining amount will be recorded in the profits and losses of the current period.

### **Judgment criteria and accounting treatments for simplified treatments for short-term leases and leases of low-value assets as lessee**

Applicable  Not applicable

### **Classification criteria and accounting treatments for leases as lessor**

Applicable  Not applicable

#### 2. The Company as lessor

On the start date of the lease term, the Company divides the lease that substantially transfers almost all risks and rewards related to the ownership of the leased assets into finance leases, except for operating leases.

##### (1) Operating leases

The Company recognizes the lease payments receivable as rental earnings in each period within the lease term on a straight-line basis. The initial direct costs related to the operating lease are capitalized, amortized within the lease term on the same basis as the recognition of rental earnings, and included in the profit or loss for the current period. Variable lease payments obtained by the Company in relation to operating leases that are not included in the lease receivable are included in the profit or loss for the current period when they are actually incurred.

##### (2) Finance leases

At the commencement date, the Company recognises the finance lease payment receivable based on the net investment in the lease (sum of the present value of unguaranteed residual value and lease receipts that are not received at the commencement date, discounted by the interest rate implicit in the lease), and derecognises assets held under the finance lease. The Company calculates and recognises interest income using the interest rate implicit in the lease over the lease term.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

#### 3. Sale and leaseback

##### (1) The Company as the lessee

The Company assesses whether the asset transfer in a sale and leaseback transaction is a sale in accordance with relevant provisions of the Accounting Standards for Business Enterprises No. 14 - Income.

If the asset transfer in a sale and leaseback transaction is a sale, the Company measures the right-of-use assets formed by the sale and leaseback based on the portion of the original asset's carrying value that is related to the use right acquired by the leaseback, and recognises related gains or losses only for the right transferred to the lessor.

If the asset transfer in a sale and leaseback transaction is not a sale, the Company continues to recognise the transferred asset and at the same time recognises a financial liability equivalent to the transfer income, and conducts corresponding accounting treatment for the financial liability in accordance with

the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

(2) The Company as the lessor

The Company assesses whether the asset transfer in a sale and leaseback transaction is a sale in accordance with relevant provisions of the Accounting Standards for Business Enterprises No. 14 - Income.

If the asset transfer in a sale and leaseback transaction is a sale, the Company applies other accounting standards for business enterprises to the accounting treatment for asset purchase, and conducts corresponding accounting treatment for asset lease in accordance with the Accounting Standard for Business Enterprises No. 21 - Leases.

If the asset transfer in a sale and leaseback transaction is not a sale, the Company does not recognise the transferred asset, but recognises a financial asset equivalent to the transfer income, and conducts corresponding accounting treatment for the financial asset in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

### 39. Other important accounting policies and accounting estimation

√ Applicable  Not applicable

1. Basis for applying hedge accounting, and accounting treatments

(1) The hedging relationship is classified into fair value hedge, cash flow hedge and hedge of net investment in foreign operations.

(2) For hedging that meets the following conditions, hedging accounting methods are used to deal with it: 1) The hedging relationship is only composed of qualified hedging instruments and hedged instruments; 2) At the beginning of hedging, the Company formally designated hedging instruments and hedged items, and prepared written documents on hedging relationship and risk management strategies and risk management objectives of the Company engaged in hedging; 3) The hedging relationship meets the requirements of hedging effectiveness.

When the hedging meets the following conditions at the same time, the Company determines that the hedging relationship meets the requirements of hedging effectiveness: 1) There is an economic relationship between the hedged item and the hedging instrument; 2) Credit risk does not play a dominant role in the value changes caused by the economic relationship between hedged items and hedging instruments; 3) The hedging ratio of the hedging relationship is equal to the ratio of the number of hedged items actually hedged by the Company to the actual number of hedging instruments, but does not reflect the imbalance of the relative weights of hedged items and hedging instruments.

The Company continuously evaluates whether the hedging relationship meets the hedging effectiveness requirements on and after the hedging start date. If the hedging relationship no longer meets the requirements of hedging effectiveness due to the hedging ratio, but the risk management objectives of the designated hedging relationship have not changed, the Company shall rebalance the hedging relationship.

(3) Hedging accounting treatment

1) Fair value hedge

① Gain or loss arising from a hedging instrument shall be recorded in profit and loss of the current period. If the hedging instrument is used to hedge a non-trading equity instrument (or a component thereof)

that is chosen to be measured at fair value and whose changes are included in other comprehensive income, the gains or losses arising from the hedging instrument are included in other comprehensive income.

② Gain or loss of a hedged item arising from hedged risk exposure shall be recorded in profit and loss of the current period and meanwhile the carrying value of the hedged item not measured at fair value shall be adjusted. If a hedged item is classified as financial assets (or a component thereof) that are measured at fair value and whose changes are recorded in other comprehensive income according to Article 18 of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, its gains or losses due to hedged risk exposure are recorded in profit and loss of the current period, and its carrying value has been measured at fair value and will not be adjusted. If the hedged item is a non-trading equity instrument investment (or a component thereof) that the Company chooses to measure at fair value and its changes are recorded in other comprehensive income, the gains or losses arising from the hedged risk exposure are recorded in other comprehensive income, and its carrying value has been measured at fair value and will not be adjusted.

If a hedged item is an unrecognized firm commitment (or a component thereof), the cumulative changes in the fair value arising from hedged risk after the designation of hedging relationship shall be recognized as an asset or liability, and the related gain or loss shall be recorded in profit and loss of the respective periods. In case of acquiring assets or bearing liabilities for performing a firm commitment, the initially recognized amount of the assets or liabilities shall be adjusted to include the cumulative changes in the fair value of the recognized hedged item.

If a hedged item is a financial instrument (or a component thereof) at measured amortized cost, the adjustment to the carrying value of the hedged item shall be amortized based on the actual interest rate recalculated on the commencement date of amortization and recorded in profit and loss of the current period. If a hedged item is classified as financial assets (or a component thereof) that are measured at fair value and whose changes are recorded in other comprehensive income according to Article 18 of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, cumulative recognized hedging gains or losses are amortized in the same manner and recorded in profit and loss of the current period, but the carrying value of financial assets (or their components) is not adjusted.

#### 2) Cash flow hedge

① The part of the gain or loss of the hedging instrument that belongs to the effective hedging is included in the other comprehensive income as a reserve for cash flow hedges, and the invalid part is included in profit and loss of the current period. The amount of reserve for cash flow hedges is recognized as the absolute amount of the lower of the following two items: A. The cumulative gains or losses of hedging instruments since hedging; B. The cumulative change in the present value of the estimated future cash flows of the hedged item since hedging.

② If a hedged item is a forecast transaction and the forecast transaction leads the Company to subsequently recognize a non-financial asset or non-financial liability, or the forecast transaction of the non-financial asset or non-financial liability forms a recognized commitment to which fair value hedge accounting is applicable, the original amount of reserve for cash flow hedges recognized in other comprehensive income shall be transferred out and recorded in the initially recognized amount of such non-financial asset or non-financial liability.

③ For other cash flow hedges, the amount of reserve for cash flow hedges originally included in other comprehensive income is transferred out during the same period when the hedged expected transaction affects the profit and loss, and is recorded in the profit and loss of the current profit.

3) Net investment hedge in a foreign operation

The part of the gains or losses formed by hedging instruments that belong to effective hedging is recognized as other comprehensive income, and when disposing of foreign operations, it is transferred out and recorded in the profit and loss of the current profit. The part of the gains or losses resulting from hedging instruments that belong to invalid hedging shall be recorded in profit and loss of the current period.

#### 40. Changes in important accounting policies and accounting estimation

##### (1) Changes in important accounting policy

Applicable  Not applicable

Unit: RMB

Contents of and reasons for changes in accounting policy	Financial statement line item which is significantly impacted	Amount of impact
The Ministry of Finance of China issued in November 2022 Interpretation No. 16, which states that “the accounting treatments of initial recognition exemption are not applicable to deferred income tax related to assets and liabilities arising from individual transactions”. The Company has adjusted its accounting policies according to Interpretation No. 16 and adopted the adjustments since 1 January 2023.	Deferred income tax assets	1,423,636.74
	Deferred income tax liabilities	1,513,382.32
	Retained earnings	-89,745.58
	Income tax expense	-90,225.33

Other notes:

This change in accounting policy is a reasonable change made by the Company in accordance with the relevant regulations and requirements of the Ministry of Finance and is in compliance with relevant laws and regulations. The implementation of the changed accounting policies can objectively and fairly reflect the financial position and operating results of the Company. This change in accounting policy will not have any material impact on the Company's financial position, operating results or cash flows for the current period, and will not be detrimental to the interests of the Company and its minority shareholders.

##### (2) Changes in important accounting estimates

Applicable  Not applicable

##### (3) Adjustments to the financial statements at the beginning of the year of implementation of the new accounting standards or interpretations of the standards for the first time since 2023

Applicable  Not applicable

#### 41. Other information

Applicable  Not applicable

## VI Taxation

### 1. Main taxes and tax rates

Major types of taxes and tax rates

√ Applicable □ Not applicable

Tax	Tax basis	Tax rate
VAT	Revenue from commodity sales and taxable services calculated according to the tax law are the basic calculation of output tax. After deducting the amount of input tax which is allowed to be deducted in the current period, the difference is the VAT payable.	13%, 9%, 6%, 5% [Note 1]
Real estate tax	Ad valorem tax: levied at 1.2% of the remaining value after deducting 30% from the original value of the housing property; Tax levied from rent: levied at 12% of the rental income.	1.2%, 12%
Urban maintenance and construction tax	Turnover tax paid	5%, 7% [Note 2]
Educational fee	Turnover tax paid	3%
Local educational fee	Turnover tax paid	By 2%
Enterprise income tax	Amount of taxable income	25%, 15%, 8.25%, 15.825%

[Note 1] The tax of the Company's main products is levied at the tax rate of 13%, and VAT of interest income is levied at the tax rate of 6%; VAT of the real estate rental income of subsidiaries Banmen Electric Appliance and Shanghai Goneo is levied at a tax rate of 5% according to the simple method; VAT of Lingbo Goneo's real estate rental income is partly levied at a tax rate of 9% and partly at 5% according to the simple method.

[Note 2] Electric Sales is levied at a tax rate of 7%, and other companies at a tax rate of 5%

Explanation of disclosure if different income tax rates apply to different corporate taxpayers

√ Applicable □ Not applicable

Name of taxpayer	Income tax rate (%)
The Company	15%
Ningbo Goneo	15%
Goneo Photoelectric	15%
Goneo Digital	15%
Domestic Electrical Appliance	15%
Goneo Low Voltage	15%
Intelligent Technology	15%
Dalitek	15%
Goneo HK	8.25%
Goneo Germany	15.825%
Other taxpayers except the above	25%

### 2. Tax concessions

1. According to the Notice on Publishing the List of the First Batch of High-tech Enterprises in Ningbo in 2021 issued by Beilun District Science and Technology Bureau of Ningbo on 19 January 2022, Ningbo Goneo and Goneo Photoelectric were recognized as high-tech enterprises in Ningbo in 2020, and

their qualification is valid for 3 years. From 2021 to 2023, Ningbo Goneo and Goneo Photoelectric enjoy a preferential corporate income tax rate of 15%.

2. According to the Notice on the Filing of the First Batch of High-tech Enterprises Identified by Ningbo City's Accreditation Authority in 2022 issued by the Office of the National Leading Group for the Identification and Management of High-tech Enterprises on 30 December 2022, the Company and Domestic Electrical Appliance were identified as high-tech enterprises in Ningbo in 2022, with a valid term of 3 years. Therefore, from 2022 to 2024, the Company and Domestic Electrical Appliance enjoy a preferential corporate income tax rate of 15%.

3. According to the Notice on Publishing the List of the Third Batch of High-tech Enterprises-to-Be in Shanghai in 2022 (H.G.Q.R.B [2022] No. 021) issued by the Shanghai High-tech Enterprise Recognition Steering Group on 14 November 2022, Dalitek was recognized as a high-tech enterprise in Shanghai in 2022. From 2022 to 2024, Dalitek enjoys a preferential corporate income tax rate of 15%.

4. According to the Public Notice on the First Batch of High-tech Enterprises Identified and Reported by the Ningbo Municipal Accreditation Organisation for Filing in 2023 issued by the Office of the National Leading Group for the Identification and Management of High-tech Enterprises on 8 December 2023, Intelligent Technology and Goneo Low Voltage were recognized as High-tech Enterprises in Ningbo in 2023, and Goneo Digital passed the High-tech Enterprise review, with a valid period of three years. As such, from 2023 to 2025, Intelligent Technology, Goneo Low Voltage, and Goneo Digital enjoy a preferential corporate income tax rate of 15%.

## VII Notes to the Consolidated Financial Statements

### 1. Monetary assets

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	14,467.69	34,167.84
Bank deposits	4,548,290,085.14	4,435,294,692.17
Other monetary assets	100,324,302.30	55,930,602.55
Interest receivable on term deposits	95,085,570.53	120,706,706.98
Total	4,743,714,425.66	4,611,966,169.54
Of which: Total amount deposited overseas	23,017,044.95	174,605.10

### 2. Held-for-trading financial assets

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance	Reasons and basis for recognition
Financial assets at fair value through profit or loss	9,727,000,000.00	6,949,000,000.00	/
Of which:			
Banking WM products	630,000,000.00	1,919,000,000.00	/
Trust product	4,617,000,000.00	1,260,000,000.00	/

Asset management plan	4,180,000,000.00	3,420,000,000.00	/
Securities return voucher	300,000,000.00	350,000,000.00	/
Total	9,727,000,000.00	6,949,000,000.00	/

Other notes:

Applicable Not applicable

(1) Description of held-for-trading financial assets with restrictions on the realisation

The closing balance of held-for-trading financial assets includes closed-end WM products worth RMB8,277 million.

(2) Details of banking WM products

Bank	Closing amount	Opening amount
China Everbright Bank Co., Ltd., Ningbo Branch	300,000,000.00	300,000,000.00
Bank of Ningbo Co., Ltd., Cixi Sub-branch	200,000,000.00	815,000,000.00
Industrial Bank Co., Ltd., Ningbo Cixi Sub-branch	110,000,000.00	
China Minsheng Bank Co., Ltd., Ningbo Cixi Sub-branch	20,000,000.00	298,000,000.00
Bank of China Limited, Cixi Guancheng Sub-branch		300,000,000.00
Bank of Ningbo Co., Ltd., Cixi Central District Sub-branch		150,000,000.00
China Merchants Bank Co., Ltd., Ningbo Hangzhou Bay New Area Sub-branch		30,000,000.00
Agricultural Bank of China Limited, Cixi Shiqiao Sub-branch		26,000,000.00
Subtotal	630,000,000.00	1,919,000,000.00

(3) Details of trust products

Trust company	Closing amount	Opening amount
SDIC Taikang Trust Co., Ltd.	1,367,000,000.00	180,000,000.00
COFCO Trust Co., Ltd.	1,300,000,000.00	50,000,000.00
Lujiazui International Trust Co., Ltd.	650,000,000.00	700,000,000.00
Minmetals International Trust Co., Ltd.	450,000,000.00	
Huaneng Guicheng Trust Co., Ltd.	300,000,000.00	300,000,000.00
China Railway Trust Co., Ltd.	250,000,000.00	
Shaanxi International Trust Co., Ltd.	200,000,000.00	
China Fortune International Trust Co., Ltd.	50,000,000.00	
Everbright Xinglong Trust Co., Ltd.	50,000,000.00	
Shanghai International Trust Co., Ltd.		30,000,000.00



Subtotal	4,617,000,000.00	1,260,000,000.00
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## (4) Asset management plan

Securities firm	Closing amount	Opening amount
Shanghai Everbright Securities Asset Management Co., Ltd.	1,800,000,000.00	1,720,000,000.00
Founder Securities Co., Ltd.	800,000,000.00	300,000,000.00
Huafu Securities Co., Ltd.	550,000,000.00	200,000,000.00
Soochow Securities Co., Ltd.	530,000,000.00	
Southwest Securities Co., Ltd.	350,000,000.00	
Shanghai Guotai Junan Securities Asset Management Co., Ltd.	100,000,000.00	
Changjiang Securities (Shanghai) Asset Management Co., Ltd.	50,000,000.00	
Shanghai Haitong Securities Asset Management Co., Ltd.		1,000,000,000.00
Shanghai Yongxing Securities Asset Management Co., Ltd.		200,000,000.00
Subtotal	4,180,000,000.00	3,420,000,000.00

## (5) Securities return voucher

Securities firm	Closing amount	Opening amount
Founder Securities Co., Ltd.	100,000,000.00	
Industrial Securities Co., Ltd.	50,000,000.00	50,000,000.00
Southwest Securities Co., Ltd.	50,000,000.00	
Sinolink Securities Co., Ltd.	50,000,000.00	50,000,000.00
Caitong Securities Co., Ltd.	50,000,000.00	130,000,000.00
Everbright Securities Co., Ltd.		120,000,000.00
Subtotal	300,000,000.00	350,000,000.00

**3. Derivative financial assets**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Hedge instruments - commodity future contract	8,263,755.00	643,100.00
Total	8,263,755.00	643,100.00

Other notes:

The Company hedged raw materials such as copper and plastic particles purchased, performed accounting treatment as cash flow hedges, and recorded the profit on the book in the derivative financial assets.

#### 4. Notes receivable

##### (1) Notes receivable listed by category

Applicable Not applicable

##### (2) Breakdown by method of establishing bad debt provisions

Applicable Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percent age (%)	Amount	Provisi on percent age (%)		Amount	Percent age (%)	Amount	Provisi on percent age (%)	
Bad debt provision established on an individual basis	3,712,829.75	100.00	3,712,829.75	100.00		3,712,829.75	100.00	3,712,829.75	100.00	
Of which:										
Bank acceptance notes										
Trade acceptance notes	3,712,829.75	100.00	3,712,829.75	100.00		3,712,829.75	100.00	3,712,829.75	100.00	
Bad debt provision established on a grouping basis										
Of which:										
Bank acceptance notes										
Trade acceptance notes										
Total	3,712,829.75	100.00	3,712,829.75	100.00		3,712,829.75	100.00	3,712,829.75	100.00	

Bad debt provision established on an individual basis:

Applicable Not applicable

Unit: RMB

Name	Closing balance
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	Gross amount	Bad debt provision	Provision percentage (%)	Reason for provision
Sunac Real Estate Group Co., Ltd.	3,712,829.75	3,712,829.75	100.00	Significant impairment risk expected
Total	3,712,829.75	3,712,829.75	100.00	/

Notes to bad debt provision established on an individual basis:

Applicable Not applicable

Note: Sunac Real Estate Group Co., Ltd. referred to the ultimate note issuers that were controlled by Sunac Real Estate Group.

Bad debt provision established on a grouping basis:

Applicable Not applicable

Bad debt provision established using the general model of expected credit loss

Applicable Not applicable

Significant change in the gross amount of a note receivable with change in loss provision in the period:

Applicable Not applicable

### (3) Bad debt provision

Applicable Not applicable

Unit: RMB

Type	Opening balance	Changes for the current period				Closing balance
		Established	Reversed or transferred-back	Charged-off/Written-off	Other changes	
Bad debt provision established on an individual basis	3,712,829.75					3,712,829.75
Bad debt provision established on a grouping basis						
Total	3,712,829.75					3,712,829.75

Of which significant amount of recovered or transferred-back bad debt provision for the current period:

Applicable Not applicable

## 5. Accounts receivable

### (1) Breakdown by aging

Applicable Not applicable

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year		
Of which: Sub-items within 1 year		
Within 1 year	273,476,497.96	233,008,605.06
Subtotal within 1 year	273,476,497.96	233,008,605.06
1 to 2 years	7,866,907.10	5,456,955.48
2 to 3 years	3,459,391.51	1,078,528.87

Over 3 years	6,542,888.61	6,932,922.28
Total	291,345,685.18	246,477,011.69

**(2) Breakdown by method of establishing bad debt provisions**

√Applicable □Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision established on an individual basis	4,182,353.15	1.44	4,182,353.15	100.00						
Of which:										
Bad debt provision established on a grouping basis	287,163,332.03	98.56	22,408,898.28	7.80	264,754,433.75	246,477,011.69	100.00	19,668,312.50	7.98	226,808,699.19
Of which:										
Total	291,345,685.18	100.00	26,591,251.43	9.13	264,754,433.75	246,477,011.69	100.00	19,668,312.50	7.98	226,808,699.19

Bad debt provision established on an individual basis:

□Applicable √Not applicable

Bad debt provision established on a grouping basis:

√Applicable □Not applicable

Unit: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provision	Provision percentage (%)
Within 1 year	271,595,825.88	13,579,791.30	5.00
1 to 2 years	5,565,226.03	556,522.60	10.00
2 to 3 years	3,459,391.51	1,729,695.77	50.00
Over 3 years	6,542,888.61	6,542,888.61	100.00
Total	287,163,332.03	22,408,898.28	7.80

Notes to bad debt provision established on a grouping basis:

□Applicable √Not applicable

Bad debt provision established using the general model of expected credit loss

□Applicable √Not applicable

Significant change in the gross amount of an account receivable with change in loss provision in the period:  
Applicable Not applicable

**(3) Bad debt provision**

Applicable Not applicable

Unit: RMB

Type	Opening balance	Changes for the current period				Closing balance
		Established	Recovered or reversed	Transferred or written-off	Other changes	
Bad debt provision established on a grouping basis	19,668,312.50	4,288,482.82		1,547,897.04		22,408,898.28
Bad debt provision established on an individual basis		4,182,353.15				4,182,353.15
Total	19,668,312.50	8,470,835.97		1,547,897.04		26,591,251.43

Of which significant amount of recovered or transferred-back bad debt provision for the current period:  
Applicable Not applicable

**(4) Top five entities with respect to accounts receivable and contract assets**

Applicable Not applicable

Unit: RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets combined	As % of the closing balance of total accounts receivable and contract assets combined	Closing balance of bad debt provision
Beijing Jingdong Century Trading Co., Ltd.	78,489,962.66			26.94	3,924,498.13
Alpha. Ltd	14,387,019.84			4.94	719,350.99
Zhejiang TMALL Technology Co., Ltd.	11,041,168.49			3.79	552,058.42
Shenzhen Oushangte Technology Co., Ltd.	7,040,593.45			2.42	352,029.67
Belkin International, Inc	6,371,890.78			2.19	318,594.54
Total	117,330,635.22			40.28	5,866,531.75

Other notes:

Applicable Not applicable

**6. Receivables financing****(1) Breakdown of receivables financing**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance notes	5,359,014.96	1,036,801.70
Total	5,359,014.96	1,036,801.70

**7. Prepayments****(1) Breakdown of prepayments by aging**

√Applicable □Not applicable

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	55,113,449.56	98.02	48,536,368.53	97.79
1 to 2 years	927,511.80	1.65	955,431.40	1.92
2 to 3 years	158,328.10	0.28	101,394.68	0.20
Over 3 years	30,644.49	0.05	42,500.00	0.09
Total	56,229,933.95	100.00	49,635,694.61	100.00

Reason for outstanding prepayments that are over 1 year and of a substantial amount:

None.

**(2) Top five entities with respect to prepayments**

√Applicable □Not applicable

Entity	Closing balance	As % of the closing balance of total prepayments
Guangxi Jingdong Qingchuan E-commerce Co., Ltd.	8,774,619.05	15.60
State Grid Zhejiang Electric Power Co., Ltd. Cixi Power Supply Company	6,058,053.53	10.77
Hangzhou Alimama Software Service Co., Ltd.	4,166,954.20	7.41
Beijing Jiahe Jingshi Culture Media Co., Ltd.	2,830,188.68	5.03
Ningbo Funde Energy Co., Ltd.	2,740,187.64	4.87
Total	24,570,003.10	43.68

Other notes

□Applicable √Not applicable

**8. Other receivables****Breakdown**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		
Other receivables	11,433,179.13	71,887,692.32
Total	11,433,179.13	71,887,692.32

Other notes:

□Applicable √Not applicable

**Other receivables****(1) Breakdown by aging**

√Applicable □Not applicable

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year		
Of which: Sub-items within 1 year		
Within 1 year	6,237,495.11	13,221,675.68
Subtotal within 1 year	6,237,495.11	13,221,675.68
1 to 2 years	5,865,665.18	5,000,909.07
2 to 3 years	2,356,920.27	111,402,564.49
Over 3 years	111,890,639.86	4,575,618.48
Total	126,350,720.42	134,200,767.72

**(2) Breakdown by nature**

√Applicable □Not applicable

Unit: RMB

Nature	Closing gross amount	Opening gross amount
Call money	110,000,000.00	110,000,000.00
Housing loan for employees	6,447,164.88	12,466,303.78
Guaranteed deposit	7,915,806.25	8,486,128.40
Others	1,987,749.29	3,248,335.54
Total	126,350,720.42	134,200,767.72

**(3) Bad debt provision**

√Applicable □Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance of 1 January 2023	1,111,083.75	925,090.91	60,276,900.74	62,313,075.40
Balance of 1 January 2023 in the Current Period	1,111,083.75	925,090.91	60,276,900.74	62,313,075.40
- Transferred to Stage 2	-293,283.26	293,283.26		
- Transferred to Stage 3		-235,692.03	235,692.03	
- Transferred back to Stage 2				
- Transferred back to Stage 1				
Amount accrued for the current period	-505,925.74	53,884.38	53,056,507.25	52,604,465.89
Amount transferred-back for the current period				
Amount charged-off for the				

current period				
Amount written-off for the current period				
Other changes				
Balance as at 31 December 2023	311,874.75	1,036,566.52	113,569,100.02	114,917,541.29

Significant change in the gross amount of an other receivable with change in loss provision in the period:

Applicable Not applicable

Basis for a significant increase in a bad debt provision and the credit risk of a financial instrument in the current period:

Applicable Not applicable

#### (4) Bad debt provision

Applicable Not applicable

Unit: RMB

Type	Opening balance	Changes for the current period				Closing balance
		Established	Reversed or transferred-back	Charged-off/Written-off	Other changes	
Bad debt provision established on an individual basis	55,500,000.00	55,000,000.00				110,500,000.00
Bad debt provision established on a grouping basis	6,813,075.40	-2,395,534.11				4,417,541.29
Total	62,313,075.40	52,604,465.89				114,917,541.29

Of which the bad debt provision recovered or transferred-back with significant amount during the current period:

Applicable Not applicable

#### (5) Top five entities with respect to other receivables

Applicable Not applicable

Unit: RMB

Entity	Closing balance	As % of the closing balance of total other receivables	Nature of other receivable	Aging	Closing balance of bad debt provision
Sunac Real Estate Group Co., Ltd.	110,000,000.00	87.06	Call money	Over 3 years	110,000,000.00
Changzhou Pa'erlingke Intelligent Lifting Lighting Equipment Co., Ltd.	1,099,532.00	0.87	Payment for goods	Over 3 years	1,099,532.00



Beijing Jingdong Century Trading Co., Ltd.	750,000.00	0.59	Security deposit	Within 1 year	37,500.00
Zhejiang Tmall Technology Co., Ltd.	643,617.22	0.51	Security deposit	Within 1 year	32,180.86
Shanghai Mehood Hotel Management Co., Ltd.	500,000.00	0.40	Security deposit	1-2 years	500,000.00
Total	112,993,149.22	89.43	/	/	111,669,212.86

[Note] The loan was provided by the Company's subsidiary Electric Sales to Sunac Real Estate Group Co., Ltd. Inclusive of seven of its subsidiaries in order to expand its sales to Sunac Group in the principal amount of RMB110,000,000.00 for a period of two years, which was guaranteed by Sunac Group.

## 9. Inventories

### (1) Category of inventories

√Applicable □Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Inventory valuation allowances or impairment allowances for contract performance costs	Carrying amount	Gross amount	Inventory valuation allowances or impairment allowances for contract performance costs	Carrying amount
Finished goods	852,787,019.73	19,542,429.66	833,244,590.07	673,207,187.70	14,761,249.29	658,445,938.41
Goods in transit	269,047,594.97		269,047,594.97	293,819,050.68		293,819,050.68
Raw materials	109,031,530.45	3,757,832.62	105,273,697.83	113,937,083.04		113,937,083.04
Work-in-progress	165,210,953.31		165,210,953.31	160,824,141.92		160,824,141.92
Commissioned products	32,755,034.14		32,755,034.14	41,122,518.19		41,122,518.19
Low-value consumables	7,979,087.01		7,979,087.01	9,948,213.19		9,948,213.19
Packaging material	7,567,102.11		7,567,102.11	7,121,510.66		7,121,510.66
Total	1,444,378,321.72	23,300,262.28	1,421,078,059.44	1,299,979,705.38	14,761,249.29	1,285,218,456.09

### (2) Inventory valuation allowances and impairment allowances for contract performance costs

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Established	Others	Reversed or charged off	Others	
Finished goods	14,761,249.29	13,753,599.47		8,972,419.10		19,542,429.66
Raw materials		3,757,832.62				3,757,832.62
Total	14,761,249.29	17,511,432.09		8,972,419.10		23,300,262.28

Reasons for charge-off/write-off of inventory valuation provisions in the current period:

Applicable Not applicable

Item	The specific basis for determining the net realizable value	Reasons for transferred-backing the reserve for inventory shrinkage	Reasons for charged-off the reserve for inventory shrinkage
Raw materials	Realizable net value determined by deducting estimated selling price of related finished products from estimated cost to completion, estimated selling expenses, and related taxes	Realizable net value of inventory for which impairment reserves were previously recognised increased during the period	Inventory for which impairment reserves were previously recognised was consumed/sold during the current period
Finished goods	The net realizable value is determined by estimated selling price deducting the estimated selling expense and the relevant taxes	Realizable net value of inventory for which impairment reserves were previously recognised increased during the period	Inventory for which impairment reserves were previously recognised was consumed/sold during the current period

Inventory valuation allowances established on a grouping basis:

Applicable Not applicable

Basis for establishing inventory valuation allowances on a grouping basis:

Applicable Not applicable

#### 10. Other current assets

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Contract acquisition costs		
Refund costs receivable		
Wealth management products	50,265,479.45	283,755,939.73
Input VAT to be credited	44,858,276.65	63,937,448.75
Advance payment of enterprise income tax	14,858,628.96	16,132,038.41
Total	109,982,385.06	363,825,426.89

Other notes:

Details of WM products:

Item	Closing balance	Opening balance	Type
Structured deposit of Ningbo Bank	50,000,000.00	150,000,000.00	Structured bank deposit
Yangguangbi Jigouying of Everbright Bank	10,000.00	10,000.00	Fixed income
Return voucher of Founder Securities		100,000,000.00	Fixed income
Structured deposit of China Merchants Bank		30,000,000.00	Structured bank deposit
Interest on structured bank deposits	255,479.45	3,745,939.73	
Total	50,265,479.45	283,755,939.73	

**11. Fixed assets****Breakdown**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	1,981,807,551.42	1,851,129,657.93
Fixed assets disposed of	4,361,393.61	3,364,852.64
Total	1,986,168,945.03	1,854,494,510.57

Other notes:

√Applicable □Not applicable

## 1) Schedule

Item	Buildings and constructions	Machinery equipment	Transportation vehicle	Electronic and other equipment	Decoration of the fixed assets	Total
I Gross amount:						
1. Opening balance	1,605,846,858.69	1,035,514,604.00	34,189,267.41	149,783,413.04	68,545,313.62	2,893,879,456.76
2. Increase in the current period	184,676,907.08	165,236,256.15	1,245,554.04	20,796,926.33	9,393,775.02	381,349,418.62
(1) Purchased	56,951,149.08	21,407,351.89	1,245,554.04	6,445,625.69	605,555.97	86,655,236.67
(2) Transfer from construction in progress	127,725,758.00	143,828,904.26		14,351,300.64	8,788,219.05	294,694,181.95
3. Decrease in the current period		67,557,139.56	1,972,484.87	6,440,948.80	649,658.49	76,620,231.72
(1) Disposal or retirement		67,557,139.56	1,972,484.87	6,440,948.80	649,658.49	76,620,231.72
4. Closing balance	1,790,523,765.77	1,133,193,720.59	33,462,336.58	164,139,390.57	77,289,430.15	3,198,608,643.66
II Accumulated depreciation						
1. Opening balance	303,349,247.38	530,004,540.52	32,585,039.05	120,306,218.02	51,289,287.89	1,037,534,332.86
2. Increase in the current period	71,453,026.70	136,382,138.35	2,066,676.20	21,400,270.53	10,215,113.16	241,517,224.94
(1) Established	71,453,026.70	136,382,138.35	2,066,676.20	21,400,270.53	10,215,113.16	241,517,224.94
3. Decrease in the current period		58,136,366.67	1,859,529.51	6,332,013.80	516,723.65	66,844,633.63
(1) Disposal or retirement		58,136,366.67	1,859,529.51	6,332,013.80	516,723.65	66,844,633.63
4. Closing balance	374,802,274.08	608,250,312.20	32,792,185.74	135,374,474.75	60,987,677.40	1,212,206,924.17
III Impairment allowances						
1. Opening balance		4,595,825.79		619,640.18		5,215,465.97
2. Increase in the current period						
3. Decrease in the current period		618,451.64		2,846.26		621,297.90
(1) Disposal or retirement		618,451.64		2,846.26		621,297.90
4. Closing balance		3,977,374.15		616,793.92		4,594,168.07
IV Carrying amount						
1. Closing carrying amount	1,415,721,491.69	520,966,034.24	670,150.84	28,148,121.90	16,301,752.75	1,981,807,551.42
2. Opening carrying amount	1,302,497,611.31	500,914,237.69	1,604,228.36	28,857,554.84	17,256,025.73	1,851,129,657.93

## 2) Fixed assets leased out under operating leases

Item	Closing carrying amount
Buildings and constructions	2,293,354.34
Subtotal	2,293,354.34

## 3) Fixed assets with pending ownership certificate

Item	Carrying amount	Reason for not obtaining ownership certificate
A technology information company in Room 301 and others, Building 7, Zone A, Yinggang East Road, Zhao Xiang Town	260,040,799.00	Delivered and procedures are in process
The 3# Factory in the Western Base of the Company and ancillary works	206,768,408.10	Information needs to be changed, and ownership certificate needs to be replaced
The 1# Factory and ancillary works in Cidong Precision Manufacturing Base of the Company	77,216,332.11	Information needs to be changed, and ownership certificate needs to be replaced
Subtotal	544,025,539.21	

**Fixed assets disposed of**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Scrapped machinery equipment yet to be completely disposed	4,361,393.61	3,364,852.64
Total	4,361,393.61	3,364,852.64

**12. Construction in progress****Construction in progress****(1) Details of construction in progress**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment allowances	Carrying amount	Gross amount	Impairment allowances	Carrying amount
R&D centre and headquarters base construction project	276,146,641.36		276,146,641.36	212,491,009.57		212,491,009.57
Base construction project for annual output of 410 million sets of wall switches and sockets	182,584,672.19		182,584,672.19	130,109,662.81		130,109,662.81
Ningbo Goneo	171,044,303.30		171,044,303.30	65,201,429.24		65,201,429.24

Longshan Community construction project						
Base construction project for annual output of 180 million sets of LED lamps	107,721,542.79		107,721,542.79	146,348,397.94		146,348,397.94
Information technology promotion project	3,371,026.55		3,371,026.55	2,814,215.88		2,814,215.88
Construction project for automation upgrading of annual output of 400 million sets of adaptors				20,761,287.51		20,761,287.51
Equipment to be installed	36,630,850.28		36,630,850.28	22,521,969.18		22,521,969.18
Other miscellaneous projects	29,086,422.09		29,086,422.09	11,209,878.41		11,209,878.41
Total	806,585,458.56		806,585,458.56	611,457,850.54		611,457,850.54

**(2) Changes in significant construction in progress during the current period**

√Applicable □Not applicable

Unit: RMB

Project	Budget	Period-beginning balance	Increase in the current period	Transferred to fixed assets in the current period	Other decreases in the current period	Period-end balance	Cumulative project investment as % of the budget	Project progress (%)	Cumulative capitalised interest	Of which: Capitalised interest in the current period	Interest capitalisation rate for the current period (%)	Funding source
R&D centre and headquarters base construction project	708,225,600.00	212,491,009.57	67,969,770.98	4,314,139.19		276,146,641.36	90.16	90.00				Raised funds
Base construction project for annual output of 180 million sets of LED lamps	743,810,500.00	146,348,397.94	92,986,257.34	131,613,112.49		107,721,542.79	29.86	35.00				Raised funds
Base construction project for annual output of 410 million sets of wall switches and sockets	1,204,528,600.00	130,109,662.81	68,787,053.37	16,312,043.99		182,584,672.19	42.32	45.00				Raised funds
Ningbo Goneo Longshan Community construction project	278,500,000.00	65,201,429.24	105,842,874.06			171,044,303.30	61.95	65.00				Own funds
Information technology promotion project	240,350,000.00	2,814,215.88	1,743,276.54	1,186,465.87		3,371,026.55	45.93	50.00				Raised funds

Construction project for automation upgrading of annual output of 400 million sets of adaptors	999,036,300.00	20,761,287.51	36,784,559.88	57,545,847.39			81.24	100.00				Raised funds
Equipment to be installed		22,521,969.18	92,238,759.97	78,129,878.87		36,630,850.28						Own funds
Total	4,174,451,000.00	600,247,972.13	466,352,552.14	289,101,487.80		777,499,036.47	/	/			/	/

**13. Right-of-use assets****(1) Details of right-of-use assets**

√Applicable □Not applicable

Unit: RMB

Item	Buildings and constructions	Total
<b>I Gross amount</b>		
1. Opening balance	36,547,808.12	36,547,808.12
2. Increase in the current period	22,613,890.22	22,613,890.22
(1) Rent	22,613,890.22	22,613,890.22
(2) Increase through consolidation		
3. Decrease in the current period	23,439,710.77	23,439,710.77
(1) Disposed amount	23,439,710.77	23,439,710.77
4. Closing balance	35,721,987.57	35,721,987.57
<b>II Accumulated depreciation</b>		
1. Opening balance	23,235,100.55	23,235,100.55
2. Increase in the current period	13,680,373.05	13,680,373.05
(1) Accrued amount	13,680,373.05	13,680,373.05
3. Decrease in the current period	19,995,937.92	19,995,937.92
(1) Disposal	19,995,937.92	19,995,937.92
4. Closing balance	16,919,535.68	16,919,535.68
<b>III Impairment allowances</b>		
1. Opening balance		
2. Increase in the current period		
(1) Accrued amount		
3. Decrease in the current period		
(1) Disposal		
4. Closing balance		
<b>IV Carrying amount</b>		
1. Closing carrying amount	18,802,451.89	18,802,451.89
2. Opening carrying amount	13,312,707.57	13,312,707.57

**(2) Impairment tests of right-of-use assets**

□Applicable √Not applicable

**Determination of the net recoverable amount (fair value less costs of disposal):**

□Applicable √Not applicable

**Determination of the recoverable amount based on the present value of the expected future cash flow:**

□Applicable √Not applicable

**Reasons for significant inconsistency between the above-mentioned information and the information adopted in the impairment tests in the prior year or external information:**

□Applicable √Not applicable



**Reasons for significant inconsistency between the information adopted in the impairment tests in the prior year and the actual situation in the year:**

□Applicable√Not applicable

**14. Intangible assets****(1) Details of intangible assets**

√Applicable □Not applicable

Unit: RMB

Item	Land use rights	Patent rights	Non-patented technologies	Software	Patent and know-how	Total
<b>I Gross amount</b>						
1. Opening balance	356,739,324.07			90,754,870.46	30,283,018.69	477,777,213.22
2. Increase in the current period	27,830,600.00			753,214.67		28,583,814.67
(1) Purchased	27,830,600.00			753,214.67		28,583,814.67
(2) Developed internally						
(3) Increase through business combination						
3. Decrease in the current period				280,041.38		280,041.38
(1) Disposal				280,041.38		280,041.38
4. Closing balance	384,569,924.07			91,228,043.75	30,283,018.69	506,080,986.51
<b>II Accumulated depreciation</b>						
1. Opening balance	46,953,887.48			74,815,020.87	30,283,018.69	152,051,927.04
2. Increase in the current period	7,215,511.89			12,275,393.05		19,490,904.94
(1) Established	7,215,511.89			12,275,393.05		19,490,904.94
3. Decrease in the current period				279,818.18		279,818.18
(1) Disposal				279,818.18		279,818.18
4. Closing balance	54,169,399.37			86,810,595.74	30,283,018.69	171,263,013.80
<b>III Impairment allowances</b>						
1. Opening balance						
2. Increase in						

the current period						
(1) Established						
3. Decrease in the current period						
(1) Disposal						
4. Closing balance						
IV Carrying amount						
1. Closing carrying amount	330,400,524.70			4,417,448.01		334,817,972.71
2. Opening carrying amount	309,785,436.59			15,939,849.59		325,725,286.18

The proportion of intangible assets developed internally by the Company at the period-end to the closing balance of intangible assets is 0.

## 15. Goodwill

### (1) Gross amount of goodwill

Applicable Not applicable

Unit: RMB

Investee or item generating goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Generated due to business combination		Disposal		
Dalitek	45,133,442.04					45,133,442.04
Total	45,133,442.04					45,133,442.04

### (2) Impairment allowances for goodwill

Applicable Not applicable

Unit: RMB

Investee or item generating goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Established		Disposal		
Dalitek		45,133,442.04				45,133,442.04
Total		45,133,442.04				45,133,442.04

### (3) Information on the asset group or combination of asset groups to which goodwill is apportioned

Applicable Not applicable

Name	Composition and basis of the asset group or combination of asset	Operating segment to which it belongs and basis	Whether it is consistent with that of the prior years

	groups to which it belongs		
Dalitek assets group	Dalitek's relevant operating assets and liabilities/The assets group can generate cash flows independently	Shanghai segment/division	Yes

Changes in the assets group or combination of assets groups

Applicable Not applicable

Other notes:

Applicable Not applicable

Approaches to calculating recoverable amounts:

Item	Carrying value of asset group or asset group combination containing goodwill	Recoverable amount	Impairment accrued during the current period
Dalitek assets group	97,849,430.93	31,438,746.96	45,133,442.04
Subtotal	97,849,430.93	31,438,746.96	45,133,442.04

(Continued)

Item	Forecast period	Parameters of the forecast period, such as revenue growth rate and profit rate, and relevant evidence to determine them	Parameters of the stable period, including growth rate and profit rate, and relevant evidence to determine them	Discount rate and relevant evidence to determine it
Dalitek assets group	The next five years	Determination based on the Company's operating performance in previous years, growth rate, industrial development level, and the management's prediction about the market development	Consistent with the figures of the final year during the forecast period	Determination according to adjustments based on the weighted average cost of capital (WACC)
Subtotal				

#### (4) Performance commitments and corresponding goodwill impairment

When goodwill is formed, there is a commitment to the results and the Reporting Period or the period preceding the Reporting Period is within the commitment period

Applicable Not applicable

Unit: RMB

Item	Performance commitment fulfilment status	Impairment amount in the previous period

	Current period			Previous period			Current period	Previous period
	Committed results	Actual results	Completion rate (%)	Committed results	Actual results	Completion rate (%)		
Dalitek	95,610,240.00	43,910,717.81	45.93	79,675,200.00	53,135,968.72	66.69	45,133,442.04	
Subtotal	95,610,240.00	43,910,717.81	45.93	79,675,200.00	53,135,968.72	66.69	45,133,442.04	

Note: The above results are for the current year's revenue from main operations.

Other notes:

Applicable Not applicable

### 16. Long-term prepaid expense

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Amortisation in the current period	Other decreases	Closing balance
2020 Special Talent Shareholding Plan	19,172,452.61	9,835,655.00	7,145,058.80		21,863,048.81
Payment for fixtures	1,191,778.17	767,160.08	1,056,294.82		902,643.43
Total	20,364,230.78	10,602,815.08	8,201,353.62		22,765,692.24

Other notes:

For details of the 2020 Special Talent Shareholding Plan, please refer to “6. Other information” under “XV Share-based Payments” of “Part X Financial Statements” herein.

### 17. Deferred income tax assets/Deferred income tax liabilities

#### (1) Deferred income tax assets before offsetting

Applicable Not applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Discount on sale accrued in advance	357,643,266.34	89,410,816.58	215,847,304.76	53,961,826.18
Unrealised profit of internal transactions	271,313,758.99	67,271,169.94	252,930,292.22	62,732,294.01
Restricted share incentive plan	94,025,510.93	16,173,194.84	75,629,104.14	12,895,430.16
Bad debt provisions	18,191,268.29	4,546,678.09	12,807,769.56	2,837,063.79
Inventory valuation allowances	16,718,107.31	2,999,271.21	11,405,652.18	2,113,928.17
2020 Special Talent Shareholding Plan	6,812,580.85	1,135,364.21	5,153,783.46	865,523.02
Lease liabilities	13,236,198.11	2,994,334.16	6,788,398.74	1,423,636.74
Deductible losses	3,851,266.00	962,816.50		
Deferred income			53,820,328.00	8,073,049.20
Total	781,791,956.82	185,493,645.53	634,382,633.06	144,902,751.27

**(2) Deferred income tax liabilities before offsetting**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Increase in valuation of assets obtained in a business combination not involving entities under common control				
Changes in the fair value of other debt investments				
Changes in the fair value of other equity investments				
Depreciation policy on fixed assets subject to tax variances	397,854,112.55	68,629,693.19	340,139,021.71	54,854,169.49
Gain and loss of hedge instrument included in the other comprehensive income			5,817,762.23	1,454,440.56
Right-of-use assets	15,382,655.83	3,536,657.20	7,136,392.05	1,513,382.32
Total	413,236,768.38	72,166,350.39	353,093,175.99	57,821,992.37

**(3) Schedule of deferred income tax assets unrecognised**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	119,511,709.36	88,836,167.52
Deductible losses	35,440,787.99	37,516,651.15
Total	154,952,497.35	126,352,818.67

**(4) Deductible losses on which deferred income tax assets were unrecognised will expire in the following years**

√Applicable □Not applicable

Unit: RMB

Year	Closing balance	Opening balance	Remark
2026		5,998,535.59	
2027		31,518,115.56	
2028	35,440,787.99		
Total	35,440,787.99	37,516,651.15	/

Other notes:

□Applicable √Not applicable

**18. Other non-current assets**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
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	Gross amount	Impairment allowances	Carrying amount	Gross amount	Impairment allowances	Carrying amount
Contract acquisition costs						
Contract performance costs						
Refund costs receivable						
Contract assets						
Prepayment for equipment acquisition	50,181,765.02		50,181,765.02	57,186,173.77		57,186,173.77
2020 Special Talent Shareholding Plan	9,574,607.00		9,574,607.00	19,321,842.00		19,321,842.00
Total	59,756,372.02		59,756,372.02	76,508,015.77		76,508,015.77

### 19. Assets with restricted ownership or right of use

√Applicable □Not applicable

Unit: RMB

Item	Closing balance				Opening balance			
	Gross amount	Carrying amount	Type of restriction	Condition of restriction	Gross amount	Carrying amount	Type of restriction	Condition of restriction
Monetary assets	243,689,624.83	243,689,624.83	Frozen	In pledge for short-term borrowings, and security deposits that cannot be withdrawn on demand	20,916,287.58	20,916,287.58	Frozen	Security deposits that cannot be withdrawn on demand
Notes receivable								
Inventories								
Fixed assets								
Intangible assets								
Total	243,689,624.83	243,689,624.83	/	/	20,916,287.58	20,916,287.58	/	/

### 20. Short-term borrowings

#### (1) Category of short-term borrowings

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Borrowings secured by pledge	200,000,000.00	
Borrowings secured by collateral		
Borrowings secured by guarantee [note]	5,000,000.00	4,000,000.00
Unsecured borrowings	382,972,102.34	840,000,000.00
Interest payable on short-term borrowings	372,073.67	1,374,749.03
Total	588,344,176.01	845,374,749.03

Notes of the category for short-term borrowings:

Note: Zhang Wenying, a minority shareholder of Dalitek, and her spouse, Zhou Yun, provided guarantee for the loan to Dalitek.

## 21. Held-for-trading financial liabilities

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Closing balance	Recognition basis
Held-for-trading financial liabilities	18,200,000.00		/
Of which:			
Investment payables	18,200,000.00		/
Financial liabilities at fair value through profit or loss			
Of which:			
Total	18,200,000.00		/

Other notes:

√Applicable □Not applicable

The contingent consideration for the Company's acquisition of Dalitek was RMB27.3 million. Dalitek has fulfilled the performance commitment in 2021 and the Company paid the contingent consideration of RMB9.1 million on 2 September 2022; Dalitek's audited revenue in 2022 and 2023 have not met the performance commitment and the remaining contingent consideration was therefore not payable. This reduced the payables for investment by RMB18.2 million and the same amount of income from changes in fair value was recognized in the current period.

## 22. Accounts payable

### (1) Breakdown of accounts payable

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Payment for goods	1,947,816,314.15	1,506,053,347.86
Engineering equipment	69,305,849.84	87,123,159.57
Payment for expense	39,535,641.41	50,485,456.10
Total	2,056,657,805.40	1,643,661,963.53

## 23. Contract liabilities

### (1) Details of contract liabilities

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Advance receipt of payment for goods	528,493,231.61	431,654,611.71
Total	528,493,231.61	431,654,611.71

## 24. Employee benefits payable

### (1) Breakdown of employee benefits payable

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I Short-term Benefits	326,610,564.37	2,021,790,969.72	1,961,196,188.03	387,205,346.06

II After-service Benefits-defined Contribution Schemes	8,414,094.64	125,113,675.01	116,078,905.08	17,448,864.57
III Severance Benefits	67,500.00	5,996,743.49	5,902,166.49	162,077.00
IV Other Benefits that are due within 1 year				
Total	335,092,159.01	2,152,901,388.22	2,083,177,259.60	404,816,287.63

**(2) Breakdown of short-term benefits**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I Salaries, Bonuses, Allowances and Subsidies	320,756,805.77	1,821,618,990.98	1,761,947,133.25	380,428,663.50
II Staff welfare		54,208,890.38	54,208,890.38	
III Social Insurance Premiums	5,736,242.65	64,111,980.15	63,389,363.48	6,458,859.32
Of which: Medical insurance premiums	5,331,811.11	59,780,595.52	59,465,480.21	5,646,926.42
Work-related injury insurance premiums	404,431.54	4,331,384.63	3,923,883.27	811,932.90
Maternity insurance				
IV Housing Allowance	117,515.95	59,040,738.45	58,840,431.16	317,823.24
V Labour Union Expense and Employee Education Budget		22,810,369.76	22,810,369.76	
VI Short-term Paid Absence				
VII Short-term Profit Sharing Plan				
Total	326,610,564.37	2,021,790,969.72	1,961,196,188.03	387,205,346.06

**(3) List of defined contribution plan**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	8,125,733.17	120,404,307.48	111,679,190.10	16,850,850.55
2. Unemployment insurance premiums	288,361.47	4,709,367.53	4,399,714.98	598,014.02
3. Supplementary pension payment				
Total	8,414,094.64	125,113,675.01	116,078,905.08	17,448,864.57

Other notes:

□Applicable√Not applicable

**25. Taxes and levies payable**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Enterprise income tax	187,097,927.11	203,734,037.13
VAT	70,436,420.37	58,417,765.49
Educational surcharges	2,308,204.30	1,838,024.51
Local educational fee	1,540,340.20	1,225,349.64
Real estate tax	13,388,952.58	10,551,939.19
Land use tax	4,853,339.15	4,827,210.48
Stamp duty	6,741,966.75	8,636,239.12
Personal income tax	5,465,677.83	4,800,514.20



Urban construction and maintenance tax	3,924,664.19	3,173,319.78
Disability allowance	15,417,409.54	3,103,966.10
Vehicle and vessel use tax	15,943.41	
Total	311,190,845.43	300,308,365.64

**26. Other payables****(1) Breakdown**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividends payable		
Other payables		
Discount on sale accrued in advance	357,643,266.34	215,847,304.76
Obligations of restricted stock repurchase within one year	79,475,388.22	94,791,611.30
Security deposits	149,562,097.52	90,292,099.16
Accrued expenses	116,657,943.25	44,520,261.35
Temporary receipts and advances payable	1,722,211.31	962,594.28
Total	705,060,906.64	446,413,870.85

Other notes:

□Applicable √Not applicable

**27. Current portion of non-current liabilities**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Current portion of long-term borrowings	393,000,000.00	
Current portion of bonds payable		
Current portion of long-term payables		
Lease obligation matured within 1 year	13,685,200.88	8,798,658.13
Current portion of long-term borrowings - interest payable	274,138.89	
Total	406,959,339.77	8,798,658.13

**28. Other current liabilities**

Other current liabilities

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Short-term bond payable		
Refunds payable		
Output VAT to be charged off	68,532,796.91	56,140,971.75
Total	68,532,796.91	56,140,971.75

Increase/decrease of the short-term bonds payable:

Applicable Not applicable

Other notes:

Applicable Not applicable

**29. Lease liabilities**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
The amount of the lease payment that has not yet been made	4,788,785.53	4,668,943.91
Minus: Unrecognised financing expenses	45,558.14	124,324.69
Total	4,743,227.39	4,544,619.22

**30. Deferred income**

Deferred income

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason for formation
Government grants	53,820,328.00	17,030,000.00	2,432,857.14	68,417,470.86	Related to assets
Total	53,820,328.00	17,030,000.00	2,432,857.14	68,417,470.86	/

Other notes:

□Applicable √Not applicable

**31. Other non-current liabilities**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Contract liabilities		
Obligations of restricted stock repurchase for over one year	86,411,741.16	34,814,148.70
Total	86,411,741.16	34,814,148.70

**32. Share capital**

√Applicable □Not applicable

Unit: RMB

	Opening balance	Increase/decrease in the current period (+/-)					Closing balance
		New issue	Bonus issue from profit	Bonus issue from capital reserves	Others	Subtotal	
Total shares	601,077,590	2,189,848		288,517,221	-243,784	290,463,285	891,540,875

Other notes:

(1) Restricted shares were granted during the current period, increasing the total shares by 2,189,848 shares and the share capital by RMB2,189,848.00; and a bonus issue from capital reserves was carried out during the current period, increasing the total shares by 288,517,221 shares and the share capital by RMB288,517,221.00.

(2) Due to the departure of employees participating in the restricted share incentive plan in the current period, the Company repurchased 243,784 shares of restricted shares, reducing the share capital by RMB243,784.00.

**33. Capital reserves**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	3,628,393,991.93	153,723,339.81	298,963,047.19	3,483,154,284.55
Other capital reserves	235,153,891.61	91,163,501.17	48,720,128.21	277,597,264.57
Total	3,863,547,883.54	244,886,840.98	347,683,175.40	3,760,751,549.12

Other notes, including a description of the increase or decrease for the current period and the reasons for the change:

(1) Restricted shares were granted during the current period, increasing capital reserves (share premium) by RMB105,003,211.60.

(2) A bonus issue from capital reserves was carried out during the current period, decreasing capital reserves (share premium) by RMB288,517,221; and restricted shares were repurchased, decreasing capital reserves (share premium) by RMB10,445,826.19.

(3) Based on the performance appraisal conditions and service vesting period of the restricted shares, the Company recognised the share-based payment cost of RMB91,163,501.17, which was recorded in capital reserves (other capital reserves).

(4) All restricted shares under the 2020 Restricted Share Incentive Plan were unlocked, the equity incentive expenditure of RMB48,720,128.21, recorded in other capital reserves in the prior period, was reclassified to capital reserves (share premium).

**34. Treasury shares**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Treasury shares	129,612,354.00	107,193,059.60	70,911,690.22	165,893,723.38
Total	129,612,354.00	107,193,059.60	70,911,690.22	165,893,723.38

Other notes, including a description of the increase or decrease for the current period and the reasons for the change:

(1) Restricted shares were granted during the current period, increasing treasury shares by RMB107,193,059.60.

(2) The departure of awardees of the restricted share incentive plans in the current period resulted in a decrease in treasury shares worth RMB10,689,610.19; the partially unlocked restricted shares in the current period caused a decrease in treasury shares worth RMB53,754,080.03; and the dividend for the current period includes locked-up restricted share incentives and the cash dividend is revocable, resulting in a decrease in treasury shares worth RMB6,468,000.00.

**35. Other comprehensive income**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount before income tax incurred in the current period	Less: amount previously recognized in other comprehensive income and currently transferred to profit or loss	Less: amount previously recognized in other comprehensive income and currently transferred to retained earnings	Less: Income tax expense	After-tax amount attributable to the Company as the parent	After-tax amount attributable to non-controlling interests	
I Other comprehensive income that will not be reclassified to profit or loss								
Of which: Changes caused by remeasurements on defined benefit schemes								
Other comprehensive income that will not be reclassified to profit or loss under the equity method								
Changes in the fair value of other equity investments								
Changes in the fair value arising from changes in own credit risk								
II Other comprehensive income that will be reclassified to profit or loss	4,389,526.95	9,180,971.20				9,180,971.20		13,570,498.15
Of which: Other comprehensive income that will be reclassified to profit or loss under the equity method								
Changes in the fair value of other debt investments								
Other comprehensive income arising from the reclassification of financial assets								

Credit impairment allowances for other debt investments								
Reserve for cash flow hedges	4,363,321.67	9,871,936.10				9,871,936.10		14,235,257.77
Differences arising from the translation of foreign currency-denominated financial statements	26,205.28	-690,964.90				-690,964.90		-664,759.62
Total other comprehensive income	4,389,526.95	9,180,971.20				9,180,971.20		13,570,498.15

Other notes, including the adjustment of the effective gain/loss on cash flow hedges to the initial recognised amount:  
None.

**36. Surplus reserves**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	302,797,998.73	259,419,892.20		562,217,890.93
Discretionary surplus reserves				
Reserve funds				
Enterprise development funds				
Others				
Total	302,797,998.73	259,419,892.20		562,217,890.93

Notes, including changes and reason of change:

Statutory surplus reserves were established based on 10% of the net profit of the Company as the parent for the current period.

**37. Retained earnings**

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
Retained earnings as at the end of the prior year before adjustment	7,756,665,030.53	6,010,878,918.97
Adjustment to opening retained earnings (“+” for increase, “-” for decrease)	-89,745.58	-179,970.91
Opening retained earnings after adjustment	7,756,575,284.95	6,010,698,948.06
Add: Net profit attributable to owners of the Company as the parent in the current period	3,870,135,376.47	3,188,709,584.89
Less: Appropriation to statutory surplus reserves	259,419,892.20	
Appropriation to discretionary surplus reserves		
Appropriation to general reserve		
Dividends payable to ordinary shareholders	1,983,555,895.20	1,442,833,248.00
Dividends for ordinary shareholders that are converted to share capital		
Closing retained earnings	9,383,734,874.02	7,756,575,284.95

Specific adjustments to the opening retained earnings:

1. An effect of RMB-89,745.58 was incurred on the opening retained earnings by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
2. An effect of RMB0.00 was incurred on the opening retained earnings by changes in accounting policies.
3. An effect of RMB0.00 was incurred on the opening retained earnings by correction of significant accounting errors.
4. An effect of RMB0.00 was incurred on the opening retained earnings by changes in combination scope arising from same control.
5. An effect of RMB0.00 was incurred on the opening retained earnings by other adjustments combined.

**38. Revenue and cost of sales****(1) Operating revenue and cost of sales**

√Applicable□Not applicable

Unit: RMB

Item	2023		2022	
	Revenue	Costs	Revenue	Costs
Principal operations	15,669,231,313.32	8,899,467,288.16	14,052,771,512.23	8,716,930,704.54
Other operations	25,524,292.92	14,717,244.11	28,601,518.71	13,151,880.54
Total	15,694,755,606.24	8,914,184,532.27	14,081,373,030.94	8,730,082,585.08
Of which: Revenue generated by contracts with customers	15,693,833,748.56	8,913,978,591.03	14,080,683,516.01	8,729,867,530.13

**39. Taxes and levies**

√Applicable□Not applicable

Unit: RMB

Item	2023	2022
Urban maintenance and construction tax	46,317,630.84	43,535,121.72
Educational surcharges	26,534,961.64	24,378,077.48
Local education surcharge	18,164,178.51	16,252,051.57
Real estate tax	16,243,518.69	10,331,309.05
Stamp duty	20,563,494.46	16,430,918.58
Land use tax	4,911,276.63	4,770,521.69
Vehicle and vessel use tax	41,465.24	44,403.17
Environment protection tax	19,642.28	15,656.64
Total	132,796,168.29	115,758,059.90

**40. Selling expense**

√Applicable□Not applicable

Unit: RMB

Item	2023	2022
Marketing expense	390,294,513.42	299,723,604.19
Employee remuneration	364,755,937.75	325,364,319.34
Advertising expense	192,142,669.81	77,484,221.03
Travel expense	59,289,771.77	43,297,989.40
Administrative expense	53,807,002.61	36,290,184.82
Lease rental	1,179,097.69	9,778,151.66
Others	8,969,167.55	8,449,188.97
Total	1,070,438,160.60	800,387,659.41

**41. Administrative expense**

√Applicable□Not applicable

Unit: RMB

Item	2023	2022
Employee remuneration	309,588,670.20	256,350,627.82
Share-based payments	98,308,559.97	84,081,337.22
Depreciation and amortisation	64,818,434.02	52,172,006.88
Office expense	58,115,972.47	45,742,988.76
House and equipment maintenance expense	27,812,968.10	21,657,342.01



Tax	26,961,305.32	3,082,509.25
Consultant service expense	19,765,182.88	16,904,014.09
Lease rental	8,361,416.56	9,285,328.92
Business entertainment expense	8,118,461.86	5,668,555.03
Others	4,347,581.13	5,651,663.90
Total	626,198,552.51	500,596,373.88

**42. R&D expense**

√Applicable□Not applicable

Unit: RMB

Item	2023	2022
R&D of adaptors	267,326,234.98	249,597,370.31
R&D of wall switches and sockets	184,030,365.79	154,925,908.04
R&D of LED	82,511,039.76	67,196,736.33
R&D of digital accessories	58,579,343.70	51,413,278.02
R&D of household appliances	35,641,121.17	25,044,926.07
R&D of circuit breakers	19,437,610.52	15,897,548.30
R&D of smart door locks	15,229,440.10	12,858,419.10
R&D of smart lighting	10,672,230.59	11,361,893.94
Total	673,427,386.61	588,296,080.11

**43. Finance costs**

√Applicable□Not applicable

Unit: RMB

Item	2023	2022
Interest costs	28,282,578.99	35,925,352.09
Interest income	-136,526,600.97	-137,795,215.87
Exchange profit and loss	-1,681,603.84	-6,216,803.18
Auxiliary expense	1,780,809.64	812,258.47
Cash discount	-365,529.46	-718,892.47
Total	-108,510,345.64	-107,993,300.96

**44. Other income**

√Applicable□Not applicable

Unit: RMB

By nature	2023	2022
Government grants related to income	189,400,866.48	130,991,587.24
Over-deduction in the calculation of the taxable income amount for value added tax	57,939,648.64	
Return of auxiliary expense for individual income tax withheld	1,978,429.43	1,712,485.52
Employment VAT reduction or exemption for veterans and key groups	1,637,350.00	236,650.00
Government grants related to assets	2,432,857.14	
Total	253,389,151.69	132,940,722.76

**45. Return on investment**

√Applicable□Not applicable

Unit: RMB

Item	2023	2022
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Return on long-term equity investments measured using the equity method		
Income from the disposal of long-term equity investments		
Income derived during the period of holding held-for-trading financial assets		
Dividend income derived during the period of holding other equity investments		
Interest income derived during the period of holding debt investments		
Interest income derived during the period of holding other debt investments		
Income from the disposal of held-for-trading financial assets		
Income from the disposal of other equity investments		
Income from the disposal of debt investments		
Income from the disposal of other debt investments		
Income from debt restructuring		
Return on investments in bank's wealth management products	190,904,769.99	279,374,491.92
Income from the disposal of financial instruments	7,786,015.00	-7,385,680.00
Of which: futures investments	7,786,015.00	-7,385,680.00
Total	198,690,784.99	271,988,811.92

**46. Gain on changes in fair value**

√Applicable □Not applicable

Unit: RMB

Source of gain on changes in fair value	2023	2022
Held-for-trading financial assets		
Of which: Gain on changes in the fair value of derivative financial instruments		
Held-for-trading financial liabilities	18,200,000.00	
Investment property measured at fair value		
Of which: Gain on changes in the fair value of financial liabilities at fair value through profit or loss	18,200,000.00	
Total	18,200,000.00	

Other notes:

For details, please refer to “21. Held-for-trading financial liabilities” under “VII Notes to the Consolidated Financial Statements” of “Part X Financial Statements” herein.

**47. Credit impairment loss**

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
Loss on bad debts of notes receivable		
Bad debt loss of accounts receivable		
Bad debt loss of other receivables		
Impairment loss on investment in debt obligations		
Impairment loss on other investment in debt obligations		
Bad debt loss of long-term receivables		
Impairment loss on financial guarantees		
Contractual asset impairment loss		
Bad debt loss	-61,075,301.86	-30,470,523.21
Total	-61,075,301.86	-30,470,523.21

**48. Asset impairment loss**

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
I Impairment loss on contract assets		
II Inventory valuation loss and impairment loss on contract performance costs	-17,511,432.09	-11,504,455.94
III Impairment Loss on Long-term Equity Investment		
IV Impairment Loss on Investment Property		
V Impairment loss on fixed assets		
VI Depreciation Loss of Engineering Materials		
VII Impairment Losses on Construction in Progress		
VIII Impairment Losses on Productive Living Assets		
IX Impairment Losses of Oil & Gas Assets		
X Impairment Losses on Intangible Assets		
XI Impairment losses on Goodwill	-45,133,442.04	
XII Others		
Total	-62,644,874.13	-11,504,455.94

**49. Gains on disposal of assets**

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
Gains on disposal of fixed assets	-5,484,474.02	-3,139,686.69
Total	-5,484,474.02	-3,139,686.69

**50. Non-operating income**

Details of non-operating income:

√Applicable □Not applicable

Unit: RMB

Item	2023	2022	Amount recognized in exceptional gains and losses
Total gains on the disposal of non-current assets			
Of which: Gains on the disposal of fixed assets			
Gains on the disposal of intangible assets			
Gains on the swap of non-monetary assets			
Donations received			
Government grants			
Damages for infringement and contract breaching	1,949,809.06	2,952,203.08	1,949,809.06
Default revenue of suppliers	563,915.11	498,535.51	563,915.11
Default revenue of dealers	13,132.00	17,277.64	13,132.00
Payment not required to be made		12,773.55	
Others	247,026.80	303,573.54	247,026.80
Total	2,773,882.97	3,784,363.32	2,773,882.97

Other notes:

Applicable Not applicable

### 51. Non-operating expenses

Applicable Not applicable

Unit: RMB

Item	2023	2022	Amount recognized in exceptional gains and losses
Total loss on the disposal of non-current assets	130,259.28	841,203.58	130,259.28
Of which: Loss on the disposal of fixed assets			
Loss on the disposal of intangible assets			
Loss on the swap of non-monetary assets			
Donations made	193,224,919.52	62,500,296.94	193,224,919.52
Compensation expense	225,015.70		225,015.70
Others	155,174.38	47,161.99	155,174.38
Total	193,735,368.88	63,388,662.51	193,735,368.88

Other notes:

Details of donations:

Item	2023	2022
Cixi General Institution of Charity	119,480,000.00	56,275,000.00
Red Cross Society of China Cixi Branch	67,427,494.72	4,688,737.42
Renovation of the Guyaopu Village	3,000,000.00	
New Energy Class, Industrial College, College of Science and Technology, Ningbo University	1,000,000.00	
Ningbo University Sports College Basketball Team	1,000,000.00	
Shanghai Charity Foundation		1,000,000.00
Other petty donations	1,317,424.80	536,559.52
Subtotal	193,224,919.52	62,500,296.94

**52. Income tax expense****(1) Income tax expense**

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
Current income tax expense	696,800,556.63	589,710,229.89
Deferred income tax expense	-24,792,095.68	-20,805,042.29
Total	672,008,460.95	568,905,187.60

## Reconciliation between accounting profit and income tax expense

Unit: RMB

Item	2023	2022
Gross profit	4,536,334,952.36	3,754,456,143.17
Income tax expense based on the applicable tax rate of the Company as the parent	680,450,242.85	563,168,421.48
Effects of different tax rates of subsidiaries	54,734,255.39	87,944,503.29
Effects of adjustments to income tax of the prior period	-11,123,948.89	237,402.68
Effects of non-deductible costs, expenses and losses	1,269,258.03	793,597.28
Effects of the utilization of deductible losses on which deferred income tax assets were unrecognized in the prior period	-1,887,198.57	-10,088,778.03
Effects of deductible temporary differences or losses on which deferred income tax assets are unrecognized in the current period	37,870,938.40	13,199,517.70
Effect of over-deduction in the calculation of the taxable amount in relation to R&D costs	-89,305,086.26	-77,819,239.95
Over-deduction in the calculation of the taxable amount in relation to fixed assets in the fourth quarter		-8,530,236.85
Income tax expense	672,008,460.95	568,905,187.60

**53. Other comprehensive income**

√Applicable □Not applicable

For details of other comprehensive income after tax, please refer to “35. Other comprehensive income” under “VII Notes to the Consolidated Financial Statements” of “Part X Financial Statements” herein.

**54. Cash flow statement items****(1) Cash flows from operating activities**

Cash generated from other operating activities:

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
Income from government subsidy	206,430,866.48	184,811,915.24
Deposit received	223,283,524.93	94,815,279.98
Interest income	45,509,126.14	76,560,589.37
Return of housing loan for employees	3,591,449.23	8,172,679.13
Others	5,655,825.32	5,675,054.71
Total	484,470,792.10	370,035,518.43

Cash used in other operating activities:

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
Out-of-pocket expense	842,934,130.51	982,834,528.81
Deposit payment	159,339,465.18	58,237,557.33
Donation expenditure	191,475,200.00	62,500,296.94
Housing loan for employees	1,130,000.00	3,821,203.62
Others	7,868,577.93	4,072,643.97
Total	1,202,747,373.62	1,111,466,230.67

**(2) Cash flows from investing activities**

Cash generated from important investing activities:

□Applicable √Not applicable

Cash used in important investing activities:

□Applicable √Not applicable

Cash generated from other investing activities:

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
Redemption of investments such as bank wealth management	8,999,638,611.27	9,314,400,000.00
Return of futures margin	76,930,219.61	298,315,309.31
Received interest on call money		1,000,000.00
Total	9,076,568,830.88	9,613,715,309.31

Cash used in other investing activities:

√Applicable □Not applicable

Unit: RMB

Item	2023	2022
Investment expenditure such as bank wealth management	11,958,753,025.00	10,321,800,000.00
Payment for futures margin	93,800,000.00	293,700,000.00

Total	12,052,553,025.00	10,615,500,000.00
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**(3) Cash flows from financing activities**

Cash generated from other financing activities:

Applicable Not applicable

Cash used in other financing activities:

Applicable Not applicable

Unit: RMB

Item	2023	2022
Term deposits in pledge	200,000,000.00	
Repayment of lease liabilities	12,347,289.52	13,844,786.80
Repurchase of share incentives	10,689,707.63	222,802,913.86
Total	223,036,997.15	236,647,700.66

Changes in liabilities incurred in financing activities:

Applicable Not applicable**55. Supplementary information to the cash flow statement****(1) Supplementary information to the cash flow statement**Applicable Not applicable

Unit: RMB

Supplementary information	2023	2022
<b>1. Reconciliation of net profit to net cash generated from/used in operating activities:</b>		
Net profit	3,864,326,491.41	3,185,550,955.57
Add: Asset impairment allowances	62,644,874.13	11,504,455.94
Credit impairment loss	61,075,301.86	30,470,523.21
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive living assets	241,517,224.94	222,420,678.01
Amortization of right-of-use assets	13,680,373.05	14,110,005.67
Amortization of intangible assets	19,490,904.94	20,494,628.97
Amortization of long-term prepaid expense	8,201,353.62	8,006,255.46
Loss on the disposal of fixed assets, intangible assets and other long-term assets (“-” for gain)	5,484,474.02	3,139,686.69
Loss on the retirement of fixed assets (“-” for gain)	130,259.28	841,203.58
Loss on changes in fair value (“-” for gain)	-18,200,000.00	
Finance costs (“-” for income)	-64,416,499.68	-30,687,370.90
Loss on investment (“-” for income)	-198,690,784.99	-271,988,811.92
Decrease in deferred income tax assets (“-” for increase)	-40,590,894.26	-24,893,024.32
Increase in deferred income tax liabilities (“-” for decrease)	14,344,358.02	3,808,544.99
Decrease in inventories (“-” for increase)	-153,504,804.57	100,544,363.75
Decrease in operating receivables (“-” for increase)	-25,388,458.25	-72,562,204.17
Increase in operating payables (“-” for decrease)	946,014,423.86	-220,315,149.21

Others	91,163,501.17	77,469,476.84
Net cash generated from/used in operating activities	4,827,282,098.55	3,057,914,218.16
<b>2. Significant investing and financing activities that involve no cash proceeds or payments:</b>		
Conversion of debt to capital		
Current portion of convertible corporate bonds		
Fixed assets under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	1,332,186,205.30	1,925,343,174.98
Less: Opening balance of cash	1,925,343,174.98	2,552,716,453.54
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-593,156,969.68	-627,373,278.56

**(2) Breakdown of cash and cash equivalents**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
I Cash	1,332,186,205.30	1,925,343,174.98
Of which: Cash on hand	14,467.69	34,167.84
Bank deposits that can be readily drawn on demand	1,275,537,060.14	1,890,294,692.17
Other monetary assets that can be readily drawn on demand	56,634,677.47	35,014,314.97
Deposits in the central bank that can be used for payment		
Deposits in banks and other financial institutions		
Borrowings from banks and other financial institutions		
II Cash equivalents		
Of which: Bond investments that will be due within three months		
III Cash and cash equivalents, end of the period	1,332,186,205.30	1,925,343,174.98
Of which: Restricted cash and cash equivalents of the Company as the parent and subsidiaries within the Group		

**(3) Items that were restricted in use but still presented as cash and cash equivalents**

√Applicable □Not applicable

Unit: RMB

Item	2023	Reason
Raised funds	554,934,817.54	Raised funds can only be used in raised funds invested projects.
Total	554,934,817.54	/



**(4) Monetary assets that were not recorded in cash and cash equivalents**

√Applicable □Not applicable

Unit: RMB

Item	2023	2022	Reason
Term deposits	3,272,753,025.00	2,545,000,000.00	With obtaining interest income as the primary purpose
Interest receivable on term deposits	95,085,570.53	120,706,706.98	Not in the Company's account
Futures margins	40,681,592.44	13,774,515.95	Not withdrawable on demand
Security deposits for letters of guarantee	3,008,032.39	7,141,771.63	Not withdrawable on demand
Total	3,411,528,220.36	2,686,622,994.56	/

Other notes:

√Applicable □Not applicable

Changes in liabilities incurred in financing activities:

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Change in cash	Change in non-cash items	Change in cash	Change in non-cash items	
Short-term borrowings	845,374,749.03	1,055,972,102.34	27,415,774.51	1,340,418,449.87		588,344,176.01
Long-term borrowings (inclusive of the current portion of long-term borrowings)		393,000,000.00	274,138.89			393,274,138.89
Lease liabilities (inclusive of the current portion of lease liabilities)	13,343,277.35		17,432,440.44	12,347,289.52		18,428,428.27
Total	858,718,026.38	1,448,972,102.34	45,122,353.84	1,352,765,739.39		1,000,046,743.17

**56. Monetary items denominated in foreign currencies****(1) Monetary items denominated in foreign currencies**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Monetary assets	-	-	24,775,126.37
Of which: USD	3,211,721.50	7.0827	22,747,659.87
EUR	257,587.74	7.8592	2,024,433.57
HKD	2,639.78	0.9062	2,392.17
GBP	13.9	9.0411	125.67
IDR	1,030,185.00	0.0005	515.09
Accounts receivable	-	-	26,367,296.92
Of which: USD	3,722,774.78	7.0827	26,367,296.92

**57. Leases****(1) As the lessor**

Operating leases as the lessor:

Applicable Not applicable

Unit: RMB

Item	Lease income	Of which: Income related to variable lease payments and not included in lease receipts
Building space	921,857.68	
Total	921,857.68	

Operating leases as the lessor:

Applicable Not applicable

Reconciliation of undiscounted lease receipts to net investment in leases:

Applicable Not applicable

Undiscounted lease receipts for the next five years:

Applicable Not applicable**VIII R&D Expenditures****(1) Presented by nature of expenditure**Applicable Not applicable

Unit: RMB

Item	2023	2022
Employee remuneration	406,595,244.35	355,037,509.43
Direct expenditures	197,805,013.87	170,137,510.77
Depreciation and amortization	13,096,686.15	13,144,547.42
Others	55,930,442.24	49,976,512.49
Total	673,427,386.61	588,296,080.11
Of which: expensed R&D expenditures	673,427,386.61	588,296,080.11
Capitalised R&D expenditures		

**IX Changes to the Scope of the Consolidated Financial Statements****1. Business combinations not involving entities under common control**Applicable Not applicable**(1) Business combinations not involving entities under common control in the current period**Applicable Not applicable**(2) Cost of acquisition and goodwill**Applicable Not applicable**(3) Identifiable assets and liabilities of acquirees on the date of acquisition**Applicable Not applicable**(4) Gains or losses arising from the remeasurement at fair value of equity interests held before the dates of acquisition**

Indicate whether there were business combinations which were achieved by stages and of which control was obtained in the Reporting Period.

Applicable Not applicable

**(5) Inability to reasonably determine the acquisition consideration or the fair value of acquirees' identifiable assets and liabilities at acquisition dates or the period-ends of the combinations**

Applicable Not applicable

**(6) Other notes**

Applicable Not applicable

**2. Business combinations involving entities under common control**

Applicable Not applicable

**(1) Business combinations involving entities under common control in the current period**

Applicable Not applicable

**(2) Cost of acquisition**

Applicable Not applicable

**(3) Fair value of assets and liabilities of acquirees on the date of acquisition**

Applicable Not applicable

**3. Counter-purchases**

Applicable Not applicable

**4. Disposal of subsidiaries**

Indicate whether there was any transaction or matter in the current period where the Company ceased to control a subsidiary.

Applicable Not applicable

Other notes:

Applicable Not applicable

Indicate whether Company ceased to control a subsidiary in multiple disposals of its investment in the subsidiary.

Applicable Not applicable

Other notes:

Applicable Not applicable

**5. Changes to the scope of the consolidated financial statements due to other reasons**

Changes to the scope of the consolidated financial statements due to other reasons (incorporation, liquidation, etc.):

Applicable Not applicable

Company name	How the interest in the subsidiary was obtained	Time when the interest was obtained	The Company's capital contribution	As % of the subsidiary's total capital
Qiquanyang Trading	Incorporated	September 2023	RMB10,000	100.00%
Goneo Germany	Incorporated	May 2023	EUR25,000	100.00%
Goneo Indonesia	Incorporated	November 2023		100.00%
Goneo Singapore	Incorporated	October 2023		100.00%

On 5 September 2023, Qiquanyang Trading completed the business registration procedures, and obtained a business license with a unified social credit code of 91330282MACU320T5A, with a registered capital of RMB10 million, and a 100% shareholding by the Company's subsidiary Information Technology, which incorporated it. As at 31 December 2023, Information Technology's paid-up capital contribution was RMB10,000. Therefore, since the date of its establishment, Qiquanyang Trading has been included in the scope of the consolidated financial statements.

Goneo Germany was incorporated in Frankfurt, Germany in 22 May 2023 with a registered capital of EUR25,000 and a 100% shareholding by Goneo HK. As at 31 December 2023, Goneo HK's paid-up capital contribution was EUR25,000. Therefore, since the date of its establishment, Goneo Germany has been included in the scope of the consolidated financial statements.

Goneo Singapore was incorporated in Singapore on 20 October 2023 with a 100% shareholding by Goneo HK and a registered capital of USD50,000. As at 31 December 2023, Goneo HK's paid-up capital contribution was nil. Since the date of its establishment, Goneo Singapore has been included in the scope of the consolidated financial statements.

Goneo Indonesia was incorporated in Indonesia on 17 November 2023 with a registered capital of USD2.1021 million. It was incorporated with joint investments from the Company's subsidiaries Goneo HK and Goneo Singapore, with a 90% shareholding by Goneo HK and the rest 10% by Goneo Singapore. As at 31 December 2023, the paid-up capital contributions of Goneo HK and Goneo Singapore were both nil. Since the date of its establishment, Goneo Indonesia has been included in the scope of the consolidated financial statements.

**6. Others**

Applicable Not applicable

**X Interests in Other Entities****1. Interests in subsidiaries****(1) Subsidiaries**

√Applicable □Not applicable

Unit: RMB'0,000

Subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	The Company's interest		How the subsidiary was obtained
					Direct	Indirect	
Ningbo Goneo	Ningbo, Zhejiang	10,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Combination under common control
Goneo Photoelectricity	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Goneo Digital	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Banmen Electrical Appliances	Ningbo, Zhejiang	1,034.70	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Goneo Precision Manufacturing	Ningbo, Zhejiang	10,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Electric Sales	Ningbo, Zhejiang	10,000	Ningbo, Zhejiang	Commercial	100.00		Combination under common control
Cixi Goneo	Ningbo, Zhejiang	3,066	Ningbo, Zhejiang	Commercial	100.00		Combination under common control
Shanghai Goneo	Shanghai	3,800	Shanghai	Commercial	100.00		Combination under common control
Goneo Management	Ningbo, Zhejiang	10,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Goneo International Trade	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Hong Kong Goneo	Hong Kong		Hong Kong	Commercial	100.00		Combination under common control
Xingluo Trading	Ningbo, Zhejiang	500	Ningbo, Zhejiang	Commercial	100.00		Combination under common control
Goneo Low Voltage Electric Electrical	Ningbo, Zhejiang	2,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Household Electrical Appliances	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Hainan Dacheng	Sanya, Hainan	1,000	Sanya, Hainan	Commercial services	100.00		Incorporated
Intelligent Technology	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Dalitek	Shanghai	1,500	Shanghai	Commercial	70.00		Combination not under common control

Information technology	Shanghai	10,000	Shanghai	Commercial	100.00		Incorporated
Goneo Tools	Ningbo, Zhejiang	3,840	Ningbo, Zhejiang	Commercial	62.00		Incorporated
Goneo New Energy	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Murora Intelligent	Guangdong	10,000	Guangdong	Manufacturing industry	100.00		Incorporated
Shenzhen Intelligent	Shenzhen	1,000	Shenzhen	Manufacturing industry	100.00		Incorporated
Goneo Marketing	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated

Notes of shareholding percentage in subsidiaries different from voting percentage:  
None.

Basis of holding half or less voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:  
None.

Basis of controlling significant structural entities incorporated in the scope of combination:  
None.

Basis of determining whether the Company is the agent or the mandator  
None.

## (2) Substantial non-wholly-owned subsidiaries

Applicable Not applicable

Unit: RMB

Subsidiary	Non-controlling interests	Net profit or loss attributable to non-controlling interests in the current period	Declared dividends for non-controlling interests in the current period	Closing balance of non-controlling interests
Dalitek	30.00%	-4,385,637.44		12,112,829.51

Holding proportion of non-controlling interests in subsidiary different from voting proportion:  
Applicable Not applicable

Other notes:  
Applicable Not applicable

## (3) Key financial information of substantial non-wholly-owned subsidiaries

Applicable Not applicable

Unit: RMB

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dalitek	54,160,179.57	4,311,638.29	58,471,817.86	17,842,776.42	252,943,070.07	18,095,719.49	70,440,095.63	7,160,779.01	77,604,874.64	19,948,974.82	2,661,009.99	22,609,984.81

Subsidiary	2023				2022			
	Operating revenue	Net profit	Total comprehensive	Net cash generated from/use	Operating revenue	Net profit	Total comprehensive	Net cash generated from/use

			ive income	d in operating activities			ive income	d in operating activities
Dalitek	43,910,717.81	- 14,618,791.46	- 14,618,791.46	- 8,096,766.95	53,135,968.72	- 10,528,764.40	- 10,528,764.40	- 4,681,119.04

## XI Government Grants

### 1. Government grants recognized at the receivable amount at the period-end

Applicable Not applicable

Reasons for not receiving the expected government grant at the expected time:

Applicable Not applicable

### 2. Liabilities associated with government grants

Applicable Not applicable

Unit: RMB

Financial statement line item	Opening balance	Increase in the government grant in the current period	Amount recorded in non-operating income in the current period	Transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income	53,820,328.00	17,030,000.00		2,432,857.14		68,417,470.86	Related to assets
Total	53,820,328.00	17,030,000.00		2,432,857.14		68,417,470.86	/

### 3. Government grants recorded in profit or loss

Applicable Not applicable

Unit: RMB

Type	2023	2022
Related to income	191,833,723.62	130,991,587.24
Total	191,833,723.62	130,991,587.24

## XII Risks Related to Financial Instruments

### 1. Risks on financial instruments

Applicable Not applicable

The Company is engaged in risk management to achieve balance between risks and returns, minimizing the negative effects of risks on its operation performance and maximizing the interests of its shareholders and other equity investors. Based on that risk management goal, the fundamental strategy of its risk management is to identify and analyse various risks facing the Company, establish an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope.

The Company faces various risks related to financial instruments in its routine activities, mainly including credit risk, liquidity risk market risk. The management has reviewed and approved the policies of managing those risks, which are summarised as follows.

(I) Credit risk



Credit risk means the risk of financial losses incurred to the other party when one party of a financial instrument is unable to fulfil its obligations.

#### 1. Practices of credit risk management

##### (1) Methods for evaluating credit risk

On each balance sheet date, the Company shall evaluate whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. After determining whether the credit risk has increased significantly since the initial recognition, the Company shall consider obtaining reasonable and reliable information without paying unnecessary extra costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. On the basis of the single financial instrument or combination of financial instruments with similar credit risk characteristics, the Company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative and qualitative criteria prevails, the Company shall believe the credit risk of financial instruments has increased significantly:

1) The quantitative criteria are mainly that the probability of default in the remaining period at the balance sheet date increases by more than a certain percentage from the time of initial recognition;

2) The qualitative criteria are mainly material adverse changes in the debtor's operating or financial status, changes in the existing or expected technical, market, economic or legal environment that will have a material adverse impact on the debtor's ability to repay the Company.

##### (2) Definition of default and asset with credit impairment

When a financial instrument meets one or more of the following conditions, the Company shall define the financial asset as having defaulted, and its criteria are consistent with the definition of having incurred credit impairment:

1) The debtor has major financial difficulties;

2) The debtor violates the binding clauses of the contract against the debtor;

3) The debtor is likely to go bankrupt or undergo other financial restructuring;

4) The creditor, out of economic or contractual considerations related to the debtor's financial difficulties, gives concessions to the debtor which would not have been made in any other circumstances.

##### 2. Measurement of expected credit losses

The key parameters for measuring expected credit loss included default probability, loss given default and exposure at default. The Company considered quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method, repayment method, etc.) to establish a model of probability of default, default loss ratio and default risk exposure.

3. For details of the reconciliation statements of opening balance and closing balance of financial instrument loss provision, please refer to "4. Notes receivable", "5. Accounts receivable", "6. Receivables financing", and "8. Other receivables" under "VII Notes to the Consolidated Financial Statements" of "Part X Financial Statements" herein.

##### 4. Credit risk exposure and credit risk concentrations

The Company's credit risk mainly comes from monetary assets and accounts receivable. To control the aforementioned relevant risks, the Company has adopted the following measures.

##### (1) Monetary assets

The Company places the bank deposit and its monetary assets with financial institutions of high credit ratings. Thus, its credit risk is low.

##### (2) Accounts receivable

The Company continuously conducted credit assessments for customers who trade on credit lines. Based on the credit assessment result, the Company chooses to trade with recognised customers with good credit and monitor the balance of the accounts receivable from them to ensure that the Company will not face any significant bad debt risk.

Due to the Company merely trades with the authorised third party with good credit, the guarantee is not required. Credit risk concentration is managed in accordance with the customers. As at 31 December 2023, there were certain credit concentration risks in the Company, and 41.28% of the accounts receivable of the Company (44.01% on 31 December 2022) came from the top 5 customers by balance. The Company hasn't held any guarantee or other credit enhancement for accounts receivable and contract assets.

The maximum credit risk exposure the Company undertook shall be the carrying value of each financial asset on balance sheet.

#### (II) Liquidity risk

Liquidity risk refers to the risk of fund shortage occurring when the Company fulfils the settlement obligation in the mode of cash delivery or other financial assets. Liquidity risk may originate from the failure to sell financial assets at fair value as soon as possible; or from the other party's failure to pay off its contractual debts; or from the earlier maturity of debts; or from the failure to generate the expected cash flow.

To control the risk, the Company comprehensively used a variety of financing methods such as bank clearing and bank borrowing, and adopted the appropriate combination of long-term and short-term financing methods to optimise the financing structure and maintain a balance between financing sustainability and flexibility. The Company has obtained the line of credit from a number of commercial banks to satisfy its operation fund needs and capital expenditure.

Financial liabilities classified by remaining maturity:

Item	As at the end of the current period				
	Carrying amount	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	981,618,314.90	992,128,718.24	992,128,718.24		
Held-for-trading financial liabilities					
Accounts payable	2,056,657,805.40	2,056,657,805.40	2,056,657,805.40		
Other payables	705,060,906.64	705,060,906.64	705,060,906.64		
Current portion of non-current liabilities	13,685,200.88	14,116,740.15	14,116,740.15		
Lease liabilities	4,743,227.39	4,788,785.53		4,788,785.53	
Subtotal	3,761,765,455.21	3,772,752,955.96	3,767,964,170.43	4,788,785.53	

(Continued)

Item	As at the end of the prior period				
	Carrying amount	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	845,374,749.03	857,063,545.21	857,063,545.21		
Held-for-trading financial liabilities	18,200,000.00	18,200,000.00	18,200,000.00		
Accounts payable	1,643,661,963.53	1,643,661,963.53	1,643,661,963.53		
Other payables	446,413,870.85	446,413,870.85	446,413,870.85		
Current portion of non-current liabilities	8,798,658.13	9,116,363.36	9,116,363.36		
Lease liabilities	4,544,619.22	4,668,943.91		4,668,943.91	
Subtotal	2,966,993,860.76	2,979,124,686.86	2,974,455,742.95	4,668,943.91	

(III) Market risk

Market risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market prices. Market risk mainly includes interest rate risk and foreign exchange risk.

1. Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market interest rates. Interest-bearing financial instruments with fixed interest rates may bring the fair value interest rate risk to the Company, while those with floating interest

rate may bring the cash flow interest rate risk to the Company. The Company will determine the proportion between the financial instruments with fixed interest rate and those with floating interest rate in combination with market environment, and maintain an appropriate portfolio of financial instruments through regular review and monitoring. The interest rate risk of cash flows facing the Company is mainly related to the bank loans calculated by floating interest rate of the Company.

As at 31 December 2023, the Company had no borrowings with floating income, and the interest rate change would not have a significant influence on the Company's gross profit and shareholders' equity.

## 2. Foreign exchange risk

Foreign exchange risk refers to the risk that may lead to the changes of fair value of financial instruments or future cash flows due to fluctuation in exchange rate. The Company operates in mainland China, and the main activities are recorded by RMB. Thus, the foreign exchange market risk undertaken is insignificant for the Company.

For details of the Company's foreign currency monetary assets and liabilities at the end of the Current Period, please refer to "56. Monetary items denominated in foreign currencies" under "VII Notes to the Consolidated Financial Statements" of "Part X Financial Statements" herein.

## 2. Hedges

### (1) The Company conducts hedging operations for risk management

Applicable Not applicable

Other notes:

Applicable Not applicable

The Company used commodity future contracts to hedge the expected bulk-purchase of raw materials of copper and plastic particles to avoid the risk of fluctuations in the future cash flows caused by the fluctuations in the price of raw materials.

The Company's specific hedging methods are described below:

Hedged items	Expected bulk-purchase of raw materials such as copper and plastic particles
Hedge instruments	Commodity future contracts
Hedging method	Commodity future purchase contracts locked in changes of price in expected raw materials bulk-purchase contract

Both the hedging instruments (commodity futures contracts) and the hedged items (expected bulk-purchase of raw materials) are based on variables such as copper and plastic prices. The Company, guided by the Group Purchasing Decision Committee and based on actual raw material demand for production, conducts hedging to safeguard against price fluctuations effectively. The aforementioned hedging is highly effective. Cash flow hedging is adopted for such hedging activities.

Additionally, the Company, in accordance with its risk management strategy, hedges certain raw materials such as silver, aluminium, and tin. However, due to factors such as quantity conversion, the hedging may not be highly effective after futures closing, resulting in ineffective hedging portions being included in investment income.

As of 31 December 2023, the amount of futures margin occupied by the Company reported under other monetary funds was RMB40,681,592.44. The commodity futures contracts purchased by the Company were reported under derivative financial assets, with a fair value of RMB8,263,755.00 at the end of the period. The Company recognised pre-tax gains from fair value changes of cash flow hedging instruments included in other comprehensive income of RMB14,235,257.77, which is expected to gradually transfer to the Company's profit and loss statement during subsequent raw material procurement periods.

In 2023, due to hedging, the Company recognised operating costs of RMB7,739,285.00 in the profit and loss statement, and ineffective hedging of silver, aluminium, and tin accounted for RMB7,786,015.00 in investment income.

**(2) The Company conducts qualifying hedging operations and applies hedge accounting**

Applicable Not applicable

Other notes:

Applicable Not applicable

**(3) The Company conducts hedging operations for risk management, expects to achieve its risk management objectives, but does not apply hedge accounting.**

Applicable Not applicable

Other notes:

Applicable Not applicable

**3. Transfer of financial assets**

**(1) Classification of transfer methods**

Applicable Not applicable

**(2) Financial assets derecognised due to transfer**

Applicable Not applicable

**(3) Transferred financial assets that continue to be involved**

Applicable Not applicable

Other notes:

Applicable Not applicable

**XIII Disclosure of Fair Value**

**1. Closing fair value of assets and liabilities measured at fair value**

Applicable Not applicable

Unit: RMB

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
<b>I Continuous fair value measurement</b>				
(I) Held-for-trading financial assets	8,263,755.00		9,782,624,494.41	9,790,888,249.41
1. Financial assets at fair value through profit or loss				
(1) Debt investments				
(2) Equity investments				
(3) Derivative financial assets	8,263,755.00			8,263,755.00
(4) Bank's wealth management and other products			9,727,000,000.00	9,727,000,000.00
(5) Receivables financing			5,359,014.96	5,359,014.96
(6) Other current assets			50,265,479.45	50,265,479.45

2. Designated financial assets at fair value through profit or loss				
(1) Debt investments				
(2) Equity investments				
(II) Other debt investments				
(III) Other equity investments				
(IV) Investment property				
1. Land use rights for rental				
2. Buildings for rental				
3. Land use rights held for the purpose of sale for appreciation				
(V) Living assets				
1. Consumptive living assets				
2. Productive living assets				
<b>Total assets continuously measured at fair value</b>	8,263,755.00		9,782,624,494.41	9,790,888,249.41
(VI) Held-for-trading financial liabilities				
1. Financial liabilities at fair value through profit or loss				
Of which: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Designated financial liabilities at fair value through profit or loss				
<b>Total liabilities continuously measured at fair value</b>				
<b>II Non-continuous fair value measurement</b>				
(I) Assets held for sale				
<b>Total assets not continuously measured at fair value</b>				
<b>Total liabilities not continuously measured at fair value</b>				

## 2. Basis for determining the market prices of continuous and non-continuous Level 1 fair value measurement items

Applicable Not applicable

The Company's Level 1 fair value measurement items were derivative financial assets (futures contracts), of which the fair value was determined based on the open quotations in the futures market.

## 3. Continuous and non-continuous Level 2 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters

Applicable Not applicable

**4. Continuous and non-continuous Level 3 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters**

√Applicable □Not applicable

As the bank's wealth management products, trust products, etc. held by the Company had lower expected rates of return and smaller changes in fair value, their fair value was determined at their initially recognised costs.

The estimated fair value of structured deposits held by the Company was based on the principal amount and interest accrued at a determined rate.

Receivables financing held by the Company are measured at the face amount as a reasonable estimate of fair value.

**5. Continuous and non-continuous Level 3 fair value measurement items, information on the adjustment between the opening and closing carrying amounts, and sensitivity analysis of unobservable parameters**

□Applicable √Not applicable

**6. If a continuous fair value measurement item was converted between levels for the current period, the reasons for such conversion and the policies for determining the conversion point**

□Applicable √Not applicable

**7. Valuation technique changes incurred in the current period and the reasons for such changes**

□Applicable √Not applicable

**8. Fair value of financial assets and financial liabilities not measured at fair value**

□Applicable √Not applicable

**9. Others**

□Applicable √Not applicable

**XIV Related Parties and Related-party Transactions****1. The Company's parent company**

√Applicable □Not applicable

Unit: RMB'0,000

Name of the Company's parent company	Place of registration	Nature of business	Registered capital	The parent company's shareholding percentage in the Company	The parent company's voting right percentage in the Company
Liangji Industrial	Ningbo, Zhejiang	Investment	50,000	53.79	53.79

Notes to the Company's parent company:

Ruan Liping and Ruan Xueping are the joint actual controllers of the Company, and the two jointly hold 100% of Liangji Industrial, 53.79% of the equity of the Company through Liangji Industrial, directly hold 30.24% of the equity of the Company, and indirectly holds 0.68% of the voting rights of the Company through Ningbo Ninghui Investment Management Partnership (Limited Partnership).

The ultimate controllers of the Company are Ruan Liping and Ruan Xueping.

**2. Subsidiaries of the Company**

Details of the subsidiaries of the Company are in the notes

Applicable Not applicable

The Company's subsidiaries are detailed in "1. Interests in subsidiaries" under "X Interests in Other Entities" of "Part X Financial Statements" herein.

**3. Joint ventures and associated enterprises of the Company**

Details of joint ventures and associated enterprises of the Company are in the notes

Applicable Not applicable

The following are the circumstances of other joint ventures or associated enterprises that have a balance with the Company for the current period or that have formed balances from related-party transactions with the Company for the previous period

Applicable Not applicable

Other notes

Applicable Not applicable

**4. Other related party**

Applicable Not applicable

Name of other related party	Relationship with the Company
Shenghui Electronics	A company controlled by Liangji Industrial
Goneo Property	A company controlled by Liangji Industrial
Minshen Property	Actual controller Ruan Liping holds 30% of the shares, and actual controller Ruan Xueping holds 20% of the shares
Liangniu Hardware	A company controlled by the actual controller, Ruan Liping's wife's brother Pan Minfeng and his wife Xu Yirong
Hangniu Hardware	A company controlled by the actual controller, Ruan Liping's wife's brother Pan Minfeng and his wife Xu Yirong
Feiniu Hardware	The actual controller Ruan Liping's wife's brother Pan Minfeng and his wife Xu Yirong's son Pan Qianliang holds 55% of the shares, and Xu Yirong holds 45% of the shares
Kunshan Gaoshu	A company controlled by Sun Xiaoping, spouse of Ruan Xueping, the actual controller
Ruan Shuhong	Daughter of the actual controller Ruan Liping
Jiangcheng Industrial	A company controlled by Zhu Huning, the spouse of Ruan Shuhong, daughter of Ruan Liping, the actual controller
Niuweiwang Trading	A company controlled by Yu Shoufu, father of Director Cai Yingfeng's daughter's spouse
Cixi Libo	An entity controlled by Cai Libo, sister of Director Cai Yingfeng
Jianke Trading	A company controlled by the Ying Jianguo, brother-in-law of Director Cai Yingfeng
Guoxin Trading	A company controlled by Ying Jianguo, brother-in-law of Director Cai Yingfeng
Yaoyang Trading	Zhang Meina, sister of Senior Executive Zhang Lina, holds 100% of the shares
Huantian Trading	Xu Yanhao, son of Zhang Meina, sister of Senior Executive Zhang Lina, holds 32% of the shares
Qiudi Trading	A company controlled by the siblings of the spouse of Senior Executive Li Guoqiang
Chenhao Electronics	A company controlled by Xia Zhonggui, brother of Supervisor Li Yu's spouse, and his spouse Zeng Minhui

**5. Related-party transactions****(1) Related-party transactions involving purchase and sale of goods, as well as receipt and rendering of services**

Purchases of goods/receipt of services:

Applicable Not applicable

Sale of goods/rendering of services:

Applicable Not applicable

Unit: RMB			
Related party	Contents of transaction	2023	2022
Hangniu Hardware	Adapters, wall switches, LEDs, digital accessories	40,461,383.23	36,858,578.23
Liangniu Hardware	Adapters, wall switches, LEDs, digital accessories	14,005,203.73	13,079,962.46
Feiniu Hardware	Adapters, digital accessories	1,479,757.39	1,481,704.60
Subtotal of Hangniu Hardware		55,946,344.35	51,420,245.29
Guoxin Trading	Adapters, LEDs, digital accessories	12,578,951.10	7,242,317.55
Jianke Trading	Adapters, LEDs, digital accessories	917.43	3,625,007.82
Subtotal of Guoxin Trading		12,579,868.53	10,867,325.37
Niuweiwang Trading	Adapters, LEDs	24,592,948.77	21,583,182.90
Cixi Libo	Adapters, LEDs, digital accessories	14,240,501.18	12,230,224.20
Huantian Trading	Adapters, LEDs, digital accessories	13,575,262.69	14,088,847.19
Qiudi Trading	Adapters, LEDs, digital accessories	8,060,800.82	5,174,741.27
Chenhao Electronics	Digital accessories, adapters	1,420,756.10	1,116,890.54
Kunshan Gaoshu	Adapters, wall switches, LEDs, digital accessories	167,924.26	
Minshen Property	Adapters, wall switches, LEDs, digital accessories	79,392.18	252,151.56
Jiangcheng Industrial	Adapters, wall switches, LEDs, digital accessories	14,380.89	
Goneo Property	Illuminaries	9,611.57	
Total		130,687,791.34	116,733,608.32

Notes to related-party transactions involving purchase and sale of goods, as well as receipt and rendering of services:

Applicable Not applicable**(2) Management entrustment and contracting between the Company and related parties**

The Company as the trustee of management/contractor:

Applicable Not applicable

Notes to related-party transactions with the Company as the trustee of management/contractor:

Applicable Not applicable

The Company as the trustor of management/contractee:

Applicable Not applicable

Notes to related-party transactions with the Company as the trustor of management/contractee:

Applicable Not applicable**(3) Leases between the Company and related parties**

The Company as the lessor:

Applicable Not applicable



The Company as the lessee:

Applicable Not applicable

Unit: RMB

Lessor	Type of the leased asset	Rental expense of simplified short-term leases and low-value asset leases (if applicable)		Variable lease payments that are not covered in the measurement of the lease liabilities (if applicable)		Rent payable		Interest expense on lease liabilities borne		Added right-of-use assets	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Ruan Shuhong	Buildings and constructions					959,138.91	798,806.97	46,722.44	29,123.59		
Shenghui Electronics	Buildings and constructions		233,539.20								

Notes to leases between the Company and related parties:

Applicable Not applicable

**(4) Guarantees between the Company and related parties**

The Company as the guarantor:

Applicable Not applicable

The Company as the guaranteed party:

Applicable Not applicable

Notes to guarantees between the Company and related parties:

Applicable Not applicable**(5) Loans between the Company and related parties**Applicable Not applicable**(6) Asset transfers and debt restructuring involving related parties**Applicable Not applicable**(7) Remuneration of key management**Applicable Not applicable

Unit: RMB'0,000

Item	2023	2022
Remuneration of key management	3,397.19	2,507.90

**(8) Other related-party transactions**Applicable Not applicable**6. Amounts due from and to related parties****(1) Amounts due from related parties**Applicable Not applicable**(2) Amounts due to related parties**Applicable Not applicable

Unit: RMB

Item	Related party	Closing gross amount	Opening gross amount
Contract liabilities	Guoxin Trading	1,024,406.47	527,657.82
Contract liabilities	Hangniu Hardware	891,269.85	2,387,446.01
Contract liabilities	Huantian Trading	628,223.79	234,326.66
Contract liabilities	Liangniu Hardware	375,514.78	126,617.06
Contract liabilities	Cixi Libo	220,379.32	437,257.56
Contract liabilities	Qiudi Trading	193,819.28	3,955.24
Contract liabilities	Niuweiwang Trading	191,186.78	883,947.33
Contract liabilities	Goneo Property	42,521.60	
Contract liabilities	Chenhao Electronics	5,232.07	245.67
Contract liabilities	Yaoyang Trading	3,461.19	3,461.19
Contract liabilities	Feiniu Hardware	3,004.00	90,790.88
Contract liabilities	Jianke Trading		194,410.70
Subtotal		3,579,019.13	4,890,116.12
Other payables	Liangniu Hardware	70,000.00	70,000.00
Other payables	Hangniu Hardware	70,000.00	70,000.00
Other payables	Feiniu Hardware	20,000.00	20,000.00
Other payables	Subtotal of Hangniu Hardware	160,000.00	160,000.00
Other payables	Yaoyang Trading	30,000.00	30,000.00
Other payables	Chenhao Electronics	30,000.00	20,000.00
Other payables	Cixi Libo	30,000.00	30,000.00

Other payables	Qiudi Trading	23,000.00	23,000.00
Other payables	Huantian Trading	20,000.00	20,000.00
Other payables	Guoxin Trading	20,000.00	20,000.00
Other payables	Niuweiwang Trading	20,000.00	20,000.00
Subtotal		333,000.00	323,000.00

**(3) Other items**

Applicable Not applicable

**7. Commitments involving related parties**

Applicable Not applicable

**8. Others**

Applicable Not applicable

**XV Share-based Payments****1. Equity instruments**

Applicable Not applicable

Type of awardee	Granted in the current period		Exercised in the current period		Unlocked in the current period		Lapsing in the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
	Management	2,189,848	107,193,059.60			1,287,648	53,754,080.03	243,784
Total	2,189,848	107,193,059.60			1,287,648	53,754,080.03	243,784	10,689,610.19

Quantity unit: Share Currency unit: RMB

Issued and outstanding share options or other equity instruments at the period-end:

Applicable Not applicable

**2. Equity-settled share-based payments**

Applicable Not applicable

Unit: RMB

Method of determining the fair value of equity instruments at the date of grant	The fair value of restricted shares is the closing price at the date of grant
Important parameters for the fair value of equity instruments at the date of grant	The fair value of restricted shares is the closing price at the date of grant
Basis for determining the number of exercisable equity instruments	Number of persons expected to exercise multiplied by the number of grants per person
Reasons for significant differences between current and prior period estimates	No
Cumulative amount of equity-settled share-based payments recorded in capital reserves	230,319,626.77

Other notes:

**(1) Restricted Share Incentive Plan in 2020**

According to the resolutions of the 12th Meeting of the 1st Board of Directors of the Company and the 2019 Annual General Meeting, the Company granted 613,800 restricted shares to 441 employees who met the conditions for the grant at a price of RMB76.13 per share on 3 June 2020.

The main performance appraisal requirements for restricted shares: For the first release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2020 was not less than the average of the previous three fiscal years (i.e. 2017 - 2019); for the second release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2021 was not lower than the average of the previous three fiscal years (i.e. 2018 - 2020); for the third release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2022 was not lower than the average of the previous three fiscal years (i.e. 2019 - 2021).

In 2023, the Company's Restricted Share Incentive Plan in 2020 recognised equity incentive expenses of RMB1,872,164.21. As of 31 December 2023, all the restricted shares under the Restricted Share Incentive Plan in 2020 had been unlocked.

(2) Restricted Share Incentive Plan in 2021

According to the resolutions of the 5th Meeting of the 2nd Board of Directors of the Company and the 2020 Annual General Meeting, the Company granted 668,400 restricted shares to 523 employees who met the conditions for the grant at a price of RMB88.15 per share on 4 June 2021.

The main performance appraisal requirements for restricted shares: For the first release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2021 was not less than 110% of the average of the previous three fiscal years (i.e. 2018 - 2020); for the second release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2022 was not less than 110% of the average of the previous three fiscal years (i.e. 2019 - 2021); for the third release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2023 was not less than 110% of the average of the previous three fiscal years (i.e. 2020 - 2022).

In 2023, the Company's Restricted Share Incentive Plan in 2020 recognised equity incentive expenses of RMB9,611,450.86.

(3) Restricted Share Incentive Plan in 2022

According to the resolutions of the 10th and 12th Meeting of the 2nd Board of Directors of the Company and the 2021 Annual General Meeting, the Company implemented the restricted share Incentive Plan with shares of the Company's common stock repurchased from the secondary market. The Company granted 1,501,800 restricted shares to 646 employees who met the conditions for the grant at a price of RMB63.06 per share on 20 May 2022.

The main performance appraisal requirements for restricted shares in 2022: For the first release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2022 was not less than 110% of the average of the previous three fiscal years (i.e. 2019 - 2021); for the second release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2023 was not less than 110% of the average of the previous three fiscal years (i.e. 2020 - 2022); for the third release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2024 was not less than 110% of the average of the previous three fiscal years (i.e. 2021 - 2023).

In 2023, the Company's Restricted Share Incentive Plan in 2022 recognised equity incentive expenses of RMB39,869,660.23.

(4) Restricted Share Incentive Plan in 2023

According to the resolutions of the 18th Meeting of the 2nd Board of Directors of the Company and the 2022 Annual General Meeting, the Company granted 2,189,848 restricted shares to 750 employees who met the conditions for the grant at a price of RMB48.95 per share on 9 June 2023.

The main performance appraisal requirements for restricted shares in 2023: For the first release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2023 was not less than 110% of the average of the previous three fiscal years (i.e. 2020 - 2022); for the second release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2024 was not less than 110% of the average of the previous three fiscal years (i.e. 2021 - 2023); for the third release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2025 was not less than 110% of the average of the previous three fiscal years (i.e. 2022 - 2024).

In 2023, the Company's restricted Share Incentive Plan in 2023 recognised equity incentive expenses of RMB39,810,225.87.

### 3. Cash-settled share-based payments

Applicable Not applicable

### 4. Share-based payments in the current period

Applicable Not applicable

Unit: RMB

Type of awardee	Equity-settled share-based	Cash-settled share-based
-----------------	----------------------------	--------------------------

	payments	payments
Management	91,163,501.17	
Total	91,163,501.17	

## 5. Modification and termination of share-based payments

Applicable Not applicable

## 6. Others

Applicable Not applicable

On 23 April 2020, the Company held the 11th Meeting of the 1st Board of Directors, where the Special Talent Shareholding Plan (hereinafter referred to as the “shareholding plan”) was deliberated and adopted, which granted shares of the Shareholding Plan to eligible employees of the Company. The number of people involved included supervisors, specially introduced talents and talents with special contribution. The source of funds for the shareholding plan is the special fund of the shareholding plan accrued by the Company, and the total amount is RMB50 million. The total number of shares in the shareholding plan is 50 million, with an amount of RMB1 per share.

As of 31 December 2023, the Company had granted 40,425,393 shares under the shareholding plan, with 9,574,607 ungranted shares. The Company presents the granted share of the plan as the long-term prepaid expense, confirmed the amortisation of expense by the evaluation period, and presents the portion not granted as the other non-current assets. In 2023, the Company’s amortisation by service period was included in the administrative expense of RMB7,145,058.80.

## XVI Commitments and Contingencies

### 1. Significant commitments

Applicable Not applicable

Significant ongoing commitments on the balance sheet date, as well as the nature and amounts involved:

As of 31 December 2023, the Company’s investment projects with funds raised through public offering are as follows:

Project	Raised funds investment amount (RMB’0,000)	Cumulatively used amount of raised funds (RMB’0,000)
Construction project for a base with annual output of 180 million sets of LED lamps, and R&D centre and headquarters	115,203.61	86,185.73
Channel end construction and brand promotion project	84,745.75	78,268.23
Base construction project for annual output of 410 million sets of wall switches and sockets	75,452.86	50,972.50
Construction project for automation upgrading of annual output of 400 million sets of adaptors	58,883.63	47,836.88
Information technology promotion project	16,035.00	11,038.16
Total	350,320.85	274,301.50

### 2. Contingencies

#### (1) Significant ongoing contingencies on the balance sheet date

Applicable Not applicable

#### (2) The Company shall make it clear if it has no significant contingencies that are required to be disclosed.

Applicable Not applicable

**(3) Other information**

Applicable Not applicable

**XVII Events after the Balance Sheet Date****1. Significant non-adjustment matters**

Applicable Not applicable

**2. Profit distribution**

Applicable Not applicable

Unit: RMB

Profit or dividends to be distributed	2,763,776,569.90
Approved and declared profit or dividends to be distributed	

**3. Return of sales**

Applicable Not applicable

**4. Other events after the balance sheet date**

Applicable Not applicable

**(1) The 2024 Restricted Share Incentive Plan**

According to the 2024 Restricted Share Incentive Plan approved at the Second Meeting of the Third Board of Directors on 25 April 2024, the Company intends to grant a total of 2,430,000 restricted shares to 888 awardees at a certain price. The plan is subject to final approval by a general meeting of shareholders.

The restricted shares granted under the incentive plan will be subject to performance appraisal in three unlocking years/periods, with the achievement of the performance requirements as the condition for the unlocking of the restricted shares for the awardees. For the first unlocking period, the operating revenue or net profit in 2024 shall be no less than the average of the previous three fiscal years (i.e. 2021-2023) and no less than 110% of the average of the previous two fiscal years (i.e. 2022-2023); for the second unlocking period, the operating revenue or net profit in 2025 shall be no less than the average of the previous three fiscal years (i.e. 2022-2024) and no less than 110% of the average of the previous two fiscal years (i.e. 2023-2024); and for the third unlocking period, the operating revenue or net profit in 2026 shall be no less than the average of the previous three fiscal years (i.e. 2023-2025) and no less than 110% of the average of the previous two fiscal years (i.e. 2024-2025).

**(2) 2024 Special Talent Shareholding Plan**

According to the 2024 Special Talent Shareholding Plan passed at the 2nd Meeting of the 3rd Board of Directors held by the Company on 25 April 2024, the Company plans to offer equity incentives to the talent playing a crucial role in the Company's overall operating performance and its medium- and long-term development, including directors (independent directors are not eligible unless otherwise specified), supervisors, senior management, and core talent. The source of relevant funds is the Company's employee long-term incentive rewards.

The underlying shares obtained in each batch of this shareholding plan (including first granting and reserved granting) are granted in four phases. The proportion of underlying shares granted in each phase

is 25%, 25%, 25%, and 25%, respectively. The underlying shares of a first granting shall be granted respectively after 12 months, 24 months, 36 months, or 48 months from the date when the Company releases them to this shareholding plan for the first time. The underlying shares of a reserved granting shall be granted respectively after 12 months, 24 months, 36 months, or 48 months from the releasing date according to the reserved granting agreement. The actual releasing proportion and number of the underlying shares in each year shall be determined based on the Company's operating performance and relevant individual performance assessment.

If the Company's operating performance targets concerning this shareholding plan are achieved, the management committee will sell the batch of corresponding underlying shares according to market conditions and the proceeds will be distributed to holders based on their holding proportions after deducting relevant taxes (including personal income tax) in accordance with the law, or transfer the corresponding underlying shares to a holder's personal securities account in a non-trading manner. Unallocated underlying shares and relevant dividends belong to the Company.

To meet the performance assessment target for releasing each batch of underlying shares concerning the shareholding plan, the operating revenue or net profit in the current year shall not be lower than the average of the previous three fiscal years and also not be less than 110% of the average of the previous two fiscal years.

### (3) The Company's share repurchase plan

The Company held the Second Meeting of the Third Board of Directors on 25 April 2024, where it intended to repurchase its shares through a call auction transaction with its own funds, and the repurchase price shall not exceed RMB156 per share (inclusive); the total amount of repurchase shall not be less than RMB250,000,000 (inclusive) and shall not exceed RMB350,000,000 (inclusive), and the repurchase period shall be within 12 months from the date when the Company's Board of Directors deliberates and adopts the repurchase scheme.

The shares repurchased by the Company will be used for equity incentives at an appropriate time in the future, and will be granted within three years after the date of the announcement of the implementation of the share repurchase and the announcement of the change of shares. If it is not granted, the Company will perform the procedures for deducting the registered capital in accordance with the law, and the shares not transferred will be retired.

## **XVIII Other Significant Events**

### **1. Correction of prior accounting errors**

#### **(1) Retrospective restatement method**

Applicable Not applicable

#### **(2) Prospective application method**

Applicable Not applicable

### **2. Significant debt restructuring**

Applicable Not applicable

**3. Swap of assets****(1) Swap of non-monetary assets**

Applicable Not applicable

**(2) Swap of other assets**

Applicable Not applicable

**4. Annuity plans**

Applicable Not applicable

**5. Discontinued operations**

Applicable Not applicable

**6. Segment information****(1) Basis for the determination of the reporting segment and accounting policies**

Applicable Not applicable

The Company determines the reporting segments on the basis of the regional divisions, the revenue from principal operations and the cost of principal operations are divided based on the final sales places, and the assets and liabilities are divided based on the locations of the operating entities.

**(2) Financial information of reporting segments**

Applicable Not applicable

Unit: RMB

Item	Domestic	Overseas operations of domestic companies	Overseas operations of overseas companies	Offset among segments	Total
Revenue from principal operations	15,494,120,354.44	175,092,663.92	18,294.96		15,669,231,313.32
Cost of principal operations	8,772,144,247.50	127,323,040.66			8,899,467,288.16

Item	Domestic	Overseas	Offset among segments	Total
Total assets	19,739,114,169.42	23,091,555.51		19,761,948,042.96
Total liabilities	5,301,788,871.97	5,307.23		5,301,483,026.64

**(3) Reasons shall be given if the Company has no reporting segments or is unable to disclose the total assets and liabilities of the reporting segments.**

Applicable Not applicable

**(4) Other information**

Applicable Not applicable

**7. Other significant transactions and matters that may affect decision-making of investors**

Applicable Not applicable

**8. Other information**

Applicable Not applicable



**XIX Notes to Key Items of the Financial Statements of the Company as the Parent****1. Accounts receivable****(1) Breakdown by aging**

√Applicable □Not applicable

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year		
Of which: Sub-items within 1 year		
Within 1 year	294,467,965.34	359,382,480.21
Subtotal within 1 year	294,467,965.34	359,382,480.21
1 to 2 years		
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	294,467,965.34	359,382,480.21

**(2) Breakdown by method of establishing bad debt provisions**

√Applicable □Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision established on an individual basis										
Bad debt provision established on a grouping basis	294,467,965.34	100.00	14,723,398.27	5.00	279,744,567.07	359,382,480.21	100.00	17,969,124.01	5.00	341,413,356.20
Total	294,467,965.34	/	14,723,398.27	/	279,744,567.07	359,382,480.21	/	17,969,124.01	/	341,413,356.20

**(3) Bad debt provision**

√Applicable □Not applicable

Unit: RMB

Type	Opening balance	Changes for the current period				Closing balance
		Established	Recovered or reversed	Transferred or written-off	Other changes	

Bad debt provision established on a grouping basis	17,969,124.01	- 3,245,725.74				14,723,398.27
Total	17,969,124.01	- 3,245,725.74				14,723,398.27

**(4) Accounts receivable written off in the current period**

Applicable Not applicable

Significant accounts receivable written off:

Applicable Not applicable

Notes to the accounts receivable written off:

Applicable Not applicable

**(5) Top five entities with respect to accounts receivable and contract assets**

Applicable Not applicable

Unit: RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets combined	As % of the closing balance of total accounts receivable and contract assets combined	Closing balance of bad debt provision
Information Technology	176,686,946.05		176,686,946.05	60.00	8,834,347.30
Electric Sales	113,146,238.40		113,146,238.40	38.42	5,657,311.92
China Railway Construction Group Co., Ltd.	992,800.00		992,800.00	0.34	49,640.00
Intelligent Technology	747,334.44		747,334.44	0.25	37,366.72
Chongqing Seres New Electric Vehicle Sales Co., Ltd.	490,495.95		490,495.95	0.17	24,524.80
Total	292,063,814.84		292,063,814.84	99.18	14,603,190.74

**2. Other receivables****Breakdown**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable	1,100,000,000.00	1,700,000,000.00
Other receivables	833,070,108.44	1,056,026,303.85
Total	1,933,070,108.44	2,756,026,303.85

**Interest receivable****(1) Classification of interest receivable**

Applicable Not applicable

**(2) Significant overdue interest**

Applicable Not applicable

**(3) Breakdown by method of bad debt provision establishment**

Applicable Not applicable

**(4) Bad debt provision established using the general model of expected credit loss**

Applicable Not applicable

Significant change in the gross amount of interest receivable with change in loss provision in the period:

Applicable Not applicable

**(5) Bad debt provision**

Applicable Not applicable

**(6) Interest receivable written off in the current period**

Applicable Not applicable

**Dividends receivable****(7) Dividends receivable**

Applicable Not applicable

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Ningbo Goneo	1,100,000,000.00	1,200,000,000.00
Electric Sales		500,000,000.00
Total	1,100,000,000.00	1,700,000,000.00

**(8) Significant dividends receivable that are over one year**

Applicable Not applicable

**(9) Breakdown by method of bad debt provision establishment**

Applicable Not applicable

**(10) Bad debt provision established using the general model of expected credit loss**

Applicable Not applicable

Significant change in the gross amount of dividends receivable with change in loss provision in the period:

Applicable Not applicable

**(11) Bad debt provision**

Applicable Not applicable

**(12) Dividends receivable written off in the current period**

Applicable Not applicable

**Other receivables****(13) Breakdown by aging**

Applicable Not applicable

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year		
Of which: Sub-items within 1 year		
Within 1 year	731,770,734.60	437,048,066.18
Subtotal within 1 year	731,770,734.60	437,048,066.18
1 to 2 years	152,898,549.49	711,594,599.88
2 to 3 years	558,432.05	791,002.18
Over 3 years	729,436.58	1,570,245.20

3 to 4 years		
4 to 5 years		
Over 5 years		
Total	885,957,152.72	1,151,003,913.44

**(14) Breakdown by nature**

√Applicable □Not applicable

Unit: RMB

Nature	Closing gross amount	Opening gross amount
Intercourse funds	881,424,411.48	1,143,058,695.61
Guaranteed deposit	1,694,367.06	1,858,945.12
Housing loan for employees	2,053,072.80	4,768,468.33
Others	785,301.38	1,317,804.38
Total	885,957,152.72	1,151,003,913.44

**(15) Bad debt provision**

√Applicable □Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance of 1 January 2023	21,852,403.31	71,159,459.99	1,965,746.29	94,977,609.59
Balance of 1 January 2023 in the Current Period				
- Transferred to Stage 2	-7,644,927.47	7,644,927.47		
- Transferred to Stage 3		-55,843.21	55,843.21	
- Transferred back to Stage 2				
- Transferred back to Stage 1				
Amount accrued for the current period	22,381,060.88	-63,458,689.30	-1,012,936.89	-42,090,565.31
Amount transferred-back for the current period				
Amount charged-off for the current period				
Amount written-off for the current period				
Other changes				
Balance as at 31 December 2023	36,588,536.72	15,289,854.95	1,008,652.61	52,887,044.28

Significant change in the gross amount of an other receivable with change in loss provision in the period:  
Applicable Not applicable

**(16) Bad debt provision**

Applicable Not applicable

Unit: RMB

Type	Opening balance	Changes for the current period				Closing balance
		Established	Reversed or transferred-back	Charged-off/Written-off	Other changes	
Bad debt provision established on a grouping basis	94,977,609.59	42,090,565.31	-			52,887,044.28
Total	94,977,609.59	42,090,565.31	-			52,887,044.28

Of which the bad debt provision recovered or transferred-back with significant amount during the current period:

Applicable Not applicable

**(17) Other receivables written off in the current period**

Applicable Not applicable

Significant other receivables written off:

Applicable Not applicable

Notes to the other receivables written off:

Applicable Not applicable

**(18) Top five entities with respect to other receivables**

Applicable Not applicable

Unit: RMB

Entity	Closing balance	As % of the closing balance of total other receivables	Nature of other receivable	Aging	Closing balance of bad debt provision
Ningbo Goneo	307,049,080.03	34.66	Transaction amount	Within 1 year	15,352,454.00
	38,494,341.56	4.34	Transaction amount	1-2 years	3,849,434.16
Electric Sales	255,432,408.44	28.83	Transaction amount	Within 1 year	12,771,620.42
Cixi Goneo	64,000,000.00	7.22	Transaction amount	Within 1 year	3,200,000.00
	112,700,000.00	12.72	Transaction amount	1-2 years	11,270,000.00
Goneo Photoelectricity	70,568,493.67	7.97	Transaction amount	Within 1 year	3,528,424.68
Information Technology	30,848,038.18	3.48	Transaction amount	Within 1 year	1,542,401.91
Total	879,092,361.88	99.22	/	/	51,514,335.17

**(19) Centrally managed funds presented in other receivables**

Applicable Not applicable

**3. Long-term equity investments**

Applicable Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment provision	Carrying amount	Gross amount	Impairment provision	Carrying amount
Investments in subsidiaries	805,126,253.60	62,736,731.14	742,389,522.46	688,178,210.52		688,178,210.52
Investments in joint ventures and associates						
Total	805,126,253.60	62,736,731.14	742,389,522.46	688,178,210.52		688,178,210.52

**(1) Investments in subsidiaries**

√Applicable □Not applicable

Unit: RMB

Investee	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Impairment provision established in the current period	Closing balance of impairment provision
Ningbo Goneo	156,847,510.96	15,247,961.84		172,095,472.80		
Goneo Photoelectricity	22,266,150.16	6,435,640.46		28,701,790.62		
Goneo Digital	21,036,126.97	6,690,670.01		27,726,796.98		
Banmen Electrical Appliances	11,834,384.06	289,762.45		12,124,146.51		
Goneo Precision Manufacturing	104,730,804.30	2,930,339.07		107,661,143.37		
Cixi Goneo	43,569,472.13	7,932.84		43,577,404.97		
Shanghai Goneo	42,319,121.07	402,841.31		42,721,962.38		
Goneo Management	30,127,384.46	96,591.41		30,223,975.87		
Goneo International Trade	3,331,613.44		46,270.94	3,285,342.50		
Electric Sales	21,810,748.47	6,918,407.74		28,729,156.21		
Xingluo Trading	9,910,274.20			9,910,274.20		
Goneo Low Voltage	2,937,223.01	1,058,722.33		3,995,945.34		
Household Electrical Appliances	5,463,647.05	4,493,459.14		9,957,106.19		
Hainan Dacheng	10,000,000.00			10,000,000.00		
Intelligent Technology	2,929,997.01	1,655,655.00		4,585,652.01		
Dalitek	91,000,000.00			91,000,000.00	62,736,731.14	62,736,731.14
Information technology	104,999,859.03	9,612,836.02		114,612,695.05		
Goneo New Energy	600,000.00	9,926,482.71		10,526,482.71		

Shenzhen Intelligent	1,271,829.22	3,227,461.01		4,499,290.23		
Murora Intelligent	1,192,064.98	15,252,892.66		16,444,957.64		
Goneo HK		23,749,318.78		23,749,318.78		
Goneo Tools		6,200,000.00		6,200,000.00		
Goneo Marketing		2,797,339.24		2,797,339.24		
Total	688,178,210.52	116,994,314.02	46,270.94	805,126,253.60	62,736,731.14	62,736,731.14

[Note] The investment in Goneo International Trade was reduced by RMB46,270.94 in the current period due to the reversal of previously recognized equity incentive expense as a result of the resignation of equity incentive employee before the unlocking in the current period.

## (2) Investments in joint ventures and associates

Applicable Not applicable

## (3) Impairment tests of long-term equity investments

## 4. Operating revenue and cost of sales

### (1) Details of operating revenue and cost of sales

Applicable Not applicable

Unit: RMB

Item	2023		2022	
	Revenue	Costs	Revenue	Costs
Principal operations	6,013,474,226.02	4,189,846,946.77	5,488,247,628.07	4,258,503,387.22
Other operations	32,739,253.21	17,370,305.83	39,346,073.23	21,125,679.79
Total	6,046,213,479.23	4,207,217,252.60	5,527,593,701.30	4,279,629,067.01
Of which: Revenue generated by contracts with customers	6,024,523,530.53	4,195,601,773.35	5,503,428,124.33	4,271,075,267.90

### (2) Breakdown of operating revenue and cost of sales

Applicable Not applicable

Other notes:

Applicable Not applicable

### (3) Notes to contract performance obligations

Applicable Not applicable

### (4) Notes to allocation to residual contract performance obligations

Applicable Not applicable

### (5) Significant contract change or significant adjustment to the transaction price

Applicable Not applicable

## 5. Return on investment

Applicable Not applicable

Unit: RMB

Item	2023	2022
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Return on long-term equity investments measured using the cost method	1,500,000,000.00	1,700,000,000.00
Return on long-term equity investments measured using the equity method		
Income from the disposal of long-term equity investments		
Income derived during the period of holding held-for-trading financial assets		
Dividend income derived during the period of holding other equity investments		
Interest income derived during the period of holding debt investments		
Interest income derived during the period of holding other debt investments		
Income from the disposal of held-for-trading financial assets		
Income from the disposal of other equity investments		
Income from the disposal of debt investments		
Income from the disposal of other debt investments		
Income from debt restructuring		
Return on investments in bank's wealth management products, etc.	57,162,295.01	111,912,481.21
Total	1,557,162,295.01	1,811,912,481.21

## 6. Other information

Applicable Not applicable

### XX Supplementary Information

#### 1. Schedule of exceptional gains and losses in the current period

Applicable Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-5,614,733.30	
Government grants recognised in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	191,833,723.62	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	7,786,015.00	



Capital occupation charges on a non-financial enterprise that are recognised in profit or loss	331,702.44	
Gain or loss on assets entrusted to other entities for investment or management	190,904,769.99	
Gain or loss on loan entrustments		
Asset losses due to acts of God such as natural disasters		
Reversed portions of impairment allowances for receivables which are tested individually for impairment		
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments		
Current profit or loss on subsidiaries obtained in business combinations involving entities under common control from the period-begin to combination dates, net		
Gain or loss on non-monetary asset swaps		
Gain or loss on debt restructuring		
One-off costs incurred by the Company as a result of discontinued operations, such as expenses for employee arrangements		
One-time effect on profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payments recognized due to cancellation and modification of equity incentive plans		
Gain or loss on changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payments		
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using the fair value method		
Income from transactions with distinctly unfair prices		
Gain or loss on contingencies that are unrelated to the Company's normal business operations		
Income from charges on entrusted management		
Non-operating income and expense other than the above	-172,631,226.63	
Other gains and losses that meet the definition of exceptional gain/loss		
Less: Income tax effects	45,407,663.66	
Non-controlling interests effects (net of tax)	255,755.27	
Total	166,946,832.19	

Items unlisted in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items are identified as exceptional and the items are of a significant amount, and exceptional gain/loss items listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items are identified as recurrent.

Applicable  Not applicable

Other notes:

Applicable  Not applicable

## 2. Return on equity (ROE) and earnings per share (EPS)

Applicable  Not applicable

Profit in the Reporting Period	Weighted average ROE (%)	EPS	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	29.20	4.36	4.36
Net profit attributable to ordinary shareholders of the Company before exceptional gains and losses	27.94	4.18	4.17

## 3. Accounting data differences under domestic and overseas accounting standards

Applicable  Not applicable

## 4. Other information

Applicable  Not applicable

Chairman of the Board: Ruan Liping

Date when this Report was authorized for issue: 25 April 2024

## Revised information:

Applicable  Not applicable