

Consolidated balance sheet

Preparation unit : Nanjing Putian Telecommunications Co., Ltd..

2024/6/30

Unit : RMB

Item	Notes	2024/6/30	2023/ 12/31
Current assets:			
Cash and bank balances	V (1)	80,099,622.26	178,290,844.21
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	V (2)	11,303,605.74	23,492,416.53
Accounts receivable	V (3)	399,014,754.35	301,618,359.27
Receivables financing	V (4)	13,936,406.72	32,347,277.62
Advances paid	V (5)	11,730,599.50	10,184,683.74
Other receivable	V (6)	10,698,400.93	8,103,021.44
Including: Interest receivable			
dividend receivable			
Inventories	V (7)	154,146,538.62	122,698,778.26
Contract assets			
assets hold available for sale			
Non-current assets due within one year			
Other current assets	V (8)	4,363,941.46	3,490,759.90
Total current assets		685,293,869.58	680,226,140.97
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivable			
Long-term equity investments	V (9)	10,412,622.64	10,412,689.14
Other equity instrument investments	V (10)	741,953.00	741,953.00
Other non-current financial assets			
Investment property	V (11)	18,514,998.08	19,127,078.75
Fixed assets	V (12)	90,478,775.60	93,754,100.19
Construction in progress	V (13)		5,906.53
Productive biological assets			
Oil and gas asset			
Right-of-use asset	V (14)	2,578,097.20	
Intangible assets	V (15)	19,234,426.95	19,632,871.51

Development expenditure			
Goodwill			
Long-term prepayments	V(16)	2,237,526.68	2,299,773.18
Deferred tax assets	V(17)		
Other non-current assets	V(18)		40,899.00
Total non-current assets		144,198,400.15	146,015,271.30
Total assets		829,492,269.73	826,241,412.27

Consolidated balance sheet (continued)

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

2024/6/30

Unit : RMB

Item	Notes	2024/6/30	2023/12/31
Current liabilities:			
Short-term borrowings	V(20)	106,710,779.97	69,863,323.93
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable	V(21)	10,690,762.40	9,662,303.80
Accounts payable	V(22)	374,729,907.64	397,593,766.27
Advances received	V(23)		452,216.54
Contract liabilities	V(24)	14,916,159.30	16,720,781.30
Employee benefits payable	V(25)	17,426,260.14	17,771,367.37
Taxes payable	V(26)	1,518,627.19	5,630,992.31
Other payable	V(27)	54,635,494.39	47,119,742.53
Including: Interest payable			
dividend payable		10,846,600.00	5,692,213.38
Liability hold for sale			
Non-current liabilities due within one year			
Other current liabilities	V(28)	2,556,964.72	1,595,107.01
Total current liability		583,184,955.75	566,409,601.06
Non-current liability:			
Long-term borrowings	V(29)	175,992,705.56	176,011,976.11
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liability	V(30)	2,431,482.73	
Long-term payable			
Long-term employee compensation payable			

Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liability			
Total non-current liability		178,424,188.29	176,011,976.11
Total liability		761,609,144.04	742,421,577.17
Owners' equity (or shareholders' equity):			
Share capital	V(31)	215,000,000.00	215,000,000.00
Other equity instrument			
Including: preferred shares			
Perpetual bond			
Capital reserve	V(32)	197,955,867.58	197,097,915.40
Less: treasury stocks	V(33)	1,425,412.05	
Other comprehensive income (OCI)	V(34)	-1,854,910.00	-1,854,910.00
Special reserves			
Surplus reserve	V(35)	589,559.77	589,559.77
Undistributed profit	V(36)	-415,179,117.05	-405,721,306.51
Total owner's equity (or shareholders' equity) attributable to the parent company		-4,914,011.75	5,111,258.66
Minority shareholders' equity		72,797,137.44	78,708,576.44
Total owner's equity (or shareholders' equity)		67883125.69	83,819,835.10
Total liabilities and owners' equity (or shareholders' equity)		829,492,269.73	826,241,412.27

Parent Company Balance Sheet

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

2024/6/30

Unit : RMB

Item	Notes	2024/6/30	2023/12/31
Current assets:			
Cash and bank balances		9,073,809.54	15,685,815.50
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable		2,045,675.28	
Accounts receivable	XV(1)	76,216,324.99	80,514,189.85
Receivables financing		604,487.01	
Advances paid		5,814,171.19	4,718,011.44
Other receivable	XV(2)	39,177,577.90	40,140,274.42

Including: Interest receivable			
dividend receivable		24,553,400.00	19,400,000.00
Inventories		38,480,038.63	27,685,200.60
Contract assets			
assets hold available for sale			
Non-current assets due within one year			
Other current assets		248,985.94	141,091.78
Total current assets		171,661,070.48	168,884,583.59
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivable			
Long-term equity investments	XV (3)	112,786,040.87	112,786,107.37
Other equity instrument investment		741,953.00	741,953.00
Other non-current financial assets			
Investment property			
Fixed assets		37,442,650.11	38,937,536.51
Construction in progress			
Productive biological assets			
Oil and gas asset			
Right-of-use asset		2,578,097.20	
Intangible assets		4,086,492.88	4,149,201.22
Development expenditure			
Goodwill			
Long-term prepayments		1,505,070.18	1,570,049.02
Deferred tax assets			
Other non-current assets			
Total non-current assets		159,140,304.24	158,184,847.12
Total assets		330,801,374.72	327,069,430.71

Parent Company Balance Sheet (Continued)

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

2024/6/30

Unit : RMB

Item	Notes	2024/6/30	2023/ 12/31
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Current liabilities :			
Short-term borrowings		12, 598, 815.98	
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable		12, 004, 792.00	10, 576, 746.00
Accounts payable		121, 032, 653.26	116, 563, 709.64
Advances received			
Contract liabilities		7, 360, 575.04	7, 634, 483.45
Employee benefits payable		7, 765, 956.66	7, 930, 452.05
Taxes payable		29, 499.75	661, 283.29
Other payables		112, 186, 371.81	116, 985, 431.73
Including: Interest payable			
dividend payable			
Liability hold for sale			
Non-current liabilities due within one year			
Other current liabilities		1, 804, 456.82	992, 482.85
Total current liability		274, 783, 121.32	261, 344, 589.01
Non-current liability:			
Long-term borrowings		175, 992, 705.56	176, 011, 976.11
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liability		2, 431, 482.73	
Long-term payable			
Long-term employee compensation payable			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liability			
Total non-current liability		178, 424, 188.29	176, 011, 976.11
Total liability		453, 207, 309.61	437, 356, 565.12
Owners' equity (or shareholders' equity):			
Share capital		215, 000, 000.00	215, 000, 000.00
Other equity instrument			
Including: preferred shares			
Perpetual bond			
Capital reserve		158, 864, 042.34	158, 864, 042.34

Less: treasury stocks		1,425,412.05	
Other comprehensive income (OCI)		-1,854,910.00	-1,854,910.00
Special reserves			
Surplus reserve		589,559.76	589,559.76
Undistributed profit		-493,579,214.94	-482,885,826.51
Total owner's equity (or shareholders' equity)		-122,405,934.89	-110,287,134.41
Total liabilities and owners' equity (or shareholders' equity)		330,801,374.72	327,069,430.71

Consolidated Income Statement

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

From January to June 2024

Unit : RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Operating revenue	V (37)	348,986,240.92	392,539,877.69
Less: Operating cost	V (37)	264,438,748.73	303,199,007.67
Taxes and surcharges	V (38)	2,113,711.82	2,187,649.69
Selling expenses	V (39)	40,232,841.74	40,563,329.57
Administrative expenses	V (40)	30,517,683.59	32,677,949.24
R&D expenses	V (41)	17,847,218.56	19,422,168.02
Financial expenses	V (42)	4,303,168.64	3,758,865.48
Including: Interest expense		4,822,731.40	4,046,684.70
Interest income		549,603.32	309,650.00
Add: other income	V (43)	2,249,238.87	1,863,644.38
Investment income (losses are listed with "-")	V (44)	1,025,849.52	242,664.28
Including: investment income from associates and joint ventures		-66.50	-9,717.35
Derecognition income of financial assets measured at amortized cost			
Net exposure hedging gain (loss are listed with "-")			
Gains from changes in fair value (losses are listed with "-")			
Credit impairment loss (losses are listed with "-")	V (45)	1,966,859.78	2,379,378.23
Assets impairment loss (losses are listed with "-")	V (46)	-302,366.42	-46,540.00
Gain on assets disposal (loss are listed with "-")	V (47)	-468.86	42,412.44
II. Operating profit (loss show as "-")		-5,528,019.27	-4,787,532.65
Plus: non-operating revenue	V (48)	2,341,968.45	75,760.00
Less: non-operating expenditures	V (49)	800,754.99	827,499.78
III. Total profit (total loss is listed with "-")		-3,986,805.81	-5,539,272.43
Deduct: income tax expense	V (50)	1,370,104.91	511,674.73

IV. Net profit (net loss is listed with "-")		-5,356,910.72	-6,050,947.16
(1) Classified by business continuity:			
1.Net profits from continuing operations		-5,356,910.72	-6,050,947.16
2.Discontinued operating net profit			
(2) Classified by ownership:			
1.Net profits belong to the parent company's owner		-9,457,810.54	-10,961,896.92
2.Minority shareholder gains and losses		4,100,899.82	4,910,949.76
V. Net after-tax of other comprehensive income			
(1) Net after-tax amount of other comprehensive income attributable to owners of the parent company			
1)Other comprehensive income that cannot be reclassified into profit and loss			
1.Re-measurement of changes in defined benefit plans			
2.Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3.Changes in the fair value of other equity instrument investments			
4.Changes in fair value of the enterprise's own credit risk			
2)Other comprehensive income that will be reclassified into profit and loss			
1.Other comprehensive income that can be converted to profit or loss under the equity method			
2.Changes in the fair value of other debt investments			
3.Amount of financial assets reclassified and included in other comprehensive income			
4.Other debt investment credit impairment reserves			
5.Cash flow hedge reserve (the effective part of cash flow hedge gains and losses)			
6.Translation difference of foreign currency financial statements			
7.Other			
(2) Net after-tax amount of other comprehensive income attributable to minority shareholders			
VI. Total comprehensive income		-5,356,910.72	-6,050,947.16
(1) Total comprehensive income attributable to owners of the parent		-9,457,810.54	-10,961,896.92
(2) Total comprehensive income attributable to minority shareholders		4,100,899.82	4,910,949.76
VII. Earnings per share			
(1) Basic earnings per share		-0.04	-0.05
(2) Diluted earnings per share		-0.04	-0.05

Parent company income statement

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

From January to Jme2024

Unit : RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Operating revenue	XV (4)	11,828,284.34	46,221,763.63
Less: Operating cost	XV (4)	10,933,095.56	41,284,386.04
Taxes and surcharges		447,585.48	309,414.84
Selling expenses		3,556,132.99	5,379,918.10
Administrative expenses		15,861,196.24	17,481,142.62
R&D expenses		-	976,403.00
Financial expenses		3,277,034.82	2,571,625.34
Including: Interest expense		3,581,025.35	3,020,247.03
Interest income		307,940.40	443,798.48
Add: other income		9,574.65	
Investment income (losses are listed with "-")	XV (5)	9,725,216.13	242,664.28
Including: investment income from associates and joint ventures		-66.50	-9,717.35
Derecognition income of financial assets measured at amortized cost			
Net exposure hedging gain (loss are listed with "-")			
Gains from changes in fair value (losses are listed with "-")			
Credit impairment loss (losses are listed with "-")		2,063,316.07	2,694,169.71
Assets impairment loss (losses are listed with "-")			
Gain on assets disposal (loss are listed with "-")			
II. Operating profit (loss show as "-")		-10,448,653.90	-18,844,292.32
Plus: non-operating revenue		550,000.00	51,484.34
Less: non-operating expenditures		794,734.53	724,961.41
III. Total profit (total loss is listed with "-")		-10,693,388.43	-19,517,769.39
Deduct: income tax expense			
IV. Net profit (net loss is listed with "-")		-10,693,388.43	-19,517,769.39
(1) Net profits from continuing operations		-10,693,388.43	-19,517,769.39
(2) Discontinued operating net profit			
V. Other comprehensive income net of tax			
(1) Comprehensive income not to be reclassified to profit or loss			
1. Changes in remeasurement of defined benefit obligations			
2. Other comprehensive income not to be reclassified to profit or loss in equity method			
3. Fair value changes in other equity instrument investments			

4. Fair value changes in the enterprise's own credit risk			
(2) Comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income to be reclassified to profit or loss in equity method			
2. Gain or loss from fair value changes of other debt instruments			
3. Amount of financial assets reclassified and included in other comprehensive income			
4. Credit impairment provision of other debt investment			
5. Cash flow hedge reserve (the effective part of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements			
7. Other			
VI. Total comprehensive income		-10,693,388.43	-19,517,769.39
VII. Earnings per share:			

Consolidated statement of cash flow

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

From January to June 2024

Unit : RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		269,086,459.85	344,684,450.45
Tax Refund		1,836,129.29	1,058,502.26
Other cash received relating to operating activities	V (45)	25,446,241.95	29,110,786.49
Subtotal of cash inflow from operating activities		296,368,831.09	374,853,739.20
Cash paid for purchasing goods and receiving labor services		276,072,192.10	305,450,019.65
Cash paid to and for employees		75,097,064.11	84,102,978.32
Various taxes and fees paid		17,516,542.04	21,714,122.39
Other cash payments related to operating activities	V (45)	49,903,043.75	49,669,102.31
Subtotal of cash outflows from operating activities		418,588,842.00	460,936,222.67
Net cash flow from operating activities		-122,220,010.91	-86,082,483.47
II. Cash flow from investment activities:			
Cash received from investment			
Cash received from investment income			
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		40.00	2,800.00
Net cash received from disposal of subsidiaries and other business units			

Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		40.00	2,800.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		584,433.24	1,413,975.50
Cash Investment			
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		584,433.24	1,413,975.50
Net cash flows from investing activities		-584,393.24	-1,411,175.50
III. Cash flow from financing activities:			
Absorb cash received from investment			
Including: cash received by the subsidiary from absorbing minority shareholders' investment			
Cash received from borrowing		83,379,556.02	133,000,000.00
Other cash receipts related to financing activities	V (45)		25,555.55
Subtotal of cash inflows from financing activities		83,379,556.02	133,025,555.55
Cash paid for debt repayment		46,500,000.00	83,800,000.00
Cash paid for dividends, profits, or interest payments		8,540,842.08	4,212,938.59
Including: dividends and profits paid by subsidiaries to minority shareholders		4,000,000.00	
Other cash payments related to financing activities	V (45)	1,601,401.52	
Subtotal of cash outflows from financing activities		56,642,243.60	88,012,938.59
Net cash flow from financing activities		26,737,312.42	45,012,616.96
IV. The impact of exchange rate changes on cash and cash equivalents			33,020.09
V. Net increase in cash and cash equivalents		-96,067,091.73	-42,448,021.92
Add: the balance of cash and cash equivalents at the beginning of the period		164,177,680.11	164,384,741.39
VI. Balance of cash and cash equivalents at the end of the period		68,110,588.38	121,936,719.47

Statement of cash flow of Parent Co.

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

From January to June 2024

Unit : RMB

Item	Notes	Current period	Preceding period
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		cumulative	comparative
I. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		22,839,599.20	53,393,029.32
Tax Refund			
Other cash received relating to operating activities		14,690,330.97	7,684,967.30
Subtotal of cash inflow from operating activities		37,529,930.17	61,077,996.62
Cash paid for purchasing goods and receiving labor services		25,124,753.52	59,935,029.03
Cash paid to and for employees		18,992,397.84	24,812,074.81
Various taxes and fees paid		1,908,834.65	2,568,854.79
Other cash payments related to operating activities		8,687,235.59	9,918,806.22
Subtotal of cash outflows from operating activities		54,713,221.60	97,234,764.85
Net cash flow from operating activities		-17,183,291.43	-36,156,768.23
II. Cash flow from investment activities:			
Cash received from investment			
Cash received from investment income		4,000,000.00	
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets			2,800.00
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		4,000,000.00	2,800.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		164,195.40	392,200.00
Cash Investment			
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		164,195.40	392,200.00
Net cash flows from investing activities		3,835,804.60	-389,400.00
III. Cash flow from financing activities:			
Absorb cash received from investment			
Cash received from borrowing		12,579,556.02	110,000,000.00
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities		12,579,556.02	110,000,000.00
Cash paid for debt repayment			90,000,000.00
Cash paid for dividends, profits, or interest payments		3,358,806.97	2,723,383.89

Other cash payments related to financing activities		1,601,401.52	
Subtotal of cash outflows from financing activities		4,960,208.49	92,723,383.89
Net cash flow from financing activities		7,619,347.53	17,276,616.11
IV. The impact of exchange rate changes on cash and cash equivalents			33,020.09
V. Net increase in cash and cash equivalents		-5,728,139.30	-19,236,532.03
Add: the balance of cash and cash equivalents at the beginning of the		13,359,279.92	23,782,731.06
VI. Balance of cash and cash equivalents at the end of the period		7,631,140.62	4,546,199.03

Consolidated statement of change of equity

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

From January to June 2024

Unit : RMB

Item	Current period												
	Equity attributable to parent company										Minority shareholders' equity	Total owner's equity	
	Paid-in capital (or equity)	Other instruments equity			Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus	Surplus	undistributed profit			Subtotal
	Preferred stock	Perpetual bond	Other				Reserves	Reserves					
I. Balance at the end of the previous year	215,000,000.00				197,097,915.40		-1,854,910.00		589,559.77	-405,721,306.51	5,111,258.66	78,708,576.44	83,819,835.10
Add: Accounting policy changes													
Correction of previous errors													
Merger of enterprises under the same control													
Others													
II. Balance at the beginning of the year	215,000,000.00				197,097,915.40		-1,854,910.00		589,559.77	-405,721,306.51	5,111,258.66	78,708,576.44	83,819,835.10
III. The amount of increase or decrease in this year (decrease is listed with "-")					857,218.8	1,425,412.05				-9,457,810.54	-10,025,270.41	-5,911,439.00	-15,936,709.41
(1) Total comprehensive income										-9,457,810.54	-9,457,810.54	4,100,899.82	-5,356,910.72
(2) Owner's investment and reduction of capital					857,218.8	1,425,412.05					-567,459.87	834,261.18	266,801.31
1. Ordinary shares invested by the owner													

2. Capital invested by holders of other equity instruments													
3. The amount of share-based payment included in owner's equity													
4. Other					857,952.18	1,425,412.05					-567,459.87	834,261.18	266,801.31
(3) Profit distribution												-10,846,600.00	-10,846,600.00
1. Withdraw surplus reserve													
2. Distribution to owners (or shareholders)												-10,846,600.00	-10,846,600.00
3. Others													
(4) Internal transfer of owners' equity													
1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserves into capital (or equity)													
3. Surplus reserves make up for losses													
4. Carryover of retained earnings from changes in the defined benefit plan													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Withdraw special reserves													
2. Use special reserves													
(6) Others													
IV. Balance at the end of the period	215,000,000.00				197,955,867.58	1,425,412.05	-1,854,910.00	589,559.77	-415,179.117.05	-4,914,011.75	72,797,137.44	67,883,125.69	

Consolidated statement of change of equity(Continued)

Item	Preceding period											
	Equity attributable to parent company										Minority shareholders' equity	Total owner's equity
	Paid-in capital (or equity)	Other instruments equity			Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	undistributed profit	Subtotal		
	Preferred stock	Perpetual bond	other									
I. Balance at the end of the previous year	215,000,000.00				197,097,915.40		-1,854,910.00	589,559.77	-388,837,228.89	21,995,336.28	78,839,319.62	100,834,655.90
Add: Accounting policy changes												
Correction of previous errors												
Merger of enterprises under the same control												
Others												
II. Balance at the beginning of the year	215,000,000.00				197,097,915.40		-1,854,910.00	589,559.77	-388,837,228.89	21,995,336.28	78,839,319.62	100,834,655.90
III. The amount of increase or decrease in this year (decrease is listed with "-")									-10,961,896.92	-10,961,896.92	4,910,949.76	-6,050,947.16
(1) Total comprehensive income									-10,961,896.92	-10,961,896.92	4,910,949.76	-6,050,947.16
(2) Owner's investment and reduction of capital												
1. Ordinary shares invested by the owner												
2. Capital invested by holders of other equity instruments												
3. The amount of share-based payment included in owner's equity												
4. Other												
(3) Profit distribution												
1. Withdraw surplus reserve												
2. Distribution to owners (or shareholders)												
3. Others												
(4) Internal transfer of owners' equity												

1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserves into capital (or equity)													
3. Surplus reserves make up for losses													
4. Carryover of retained earnings from changes in the defined benefit plan													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Withdraw special reserves													
2. Use special reserves													
(6) Others													
IV. Balance at the end of the period	215,000,000.			197,097,915.		-1,854,910	589,559.7	-399,799.12	11,033,439.3	83,750,269.3	94,783,708.		
	00			40		.00	7	5.81	6	8	74		

Consolidated statement of change of equity of Parent Co.

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2024

Unit: RMB

Item	Current period										
	Paid-in capital (or equity)	Other instruments equity			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owner's equity
		Preferred stock	Perpetual bond	Other							
I. Balance at the end of the previous year	215,000,000.				158,864,042.34		-1,854,910.00		589,559.76	-482,885,826.51	-110,287,134.41
Add: Accounting policy changes											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	215,000,000.				158,864,042.34		-1,854,910.00		589,559.76	-482,885,826.51	-110,287,134.41
III. The amount of increase or decrease in this year						1,425,412.				-10,693,388.	-12,118,800.4

(decrease is listed with "-")						05				43	8
(1) Total comprehensive income										-10,693,388.43	-10,693,388.43
(2) Owner's investment and reduction of capital						1,425,412.05					-1,425,412.05
1. Ordinary shares invested by the owner											
2. Capital invested by holders of other equity instruments											
3. The amount of share-based payment included in owner's equity											
4. Other						1,425,412.05					-1,425,412.05
(3) Profit distribution											
1. Withdraw surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(4) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserves into capital (or equity)											
3. Surplus reserves make up for losses											
4. Carryover of retained earnings from changes in the defined benefit plan											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Withdraw special reserves											
2. Use special reserves											

(6) Others											
IV. Balance at the end of the period	215,000,000.00				158,864,042.34	1,425,412.05	-1,854,910.00		589,559.76	-493,579,214.94	-122,405,934.89

Consolidated statement of change of equity of Parent Co.(Continued)

Preparation unit : Nanjing Putian Telecommunications Co., Ltd.

From January to June 2023

Unit : RMB

Item	Preceding period										
	Paid-in capital (or equity)	Other instruments equity			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owner's equity
		Preferred stock	Perpetual bond	Other							
I. Balance at the end of the previous year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-471,010,021.25	-98,411,329.15
Add: Accounting policy changes											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-471,010,021.25	-98,411,329.15
III. The amount of increase or decrease in this year (decrease is listed with "-")										-19,517,769.39	-19,517,769.39
(1) Total comprehensive income										-19,517,769.39	-19,517,769.39
(2) Owner's investment and reduction of capital											
1. Ordinary shares invested by the owner											
2. Capital invested by holders of other equity instruments											
3. The amount of share-based payment included in owner's equity											
4. Other											
(3) Profit distribution											
1. Withdraw surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(4) Internal transfer of owners											

equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserves into capital (or equity)											
3. Surplus reserves make up for losses											
4. Carryover of retained earnings from changes in the defined benefit plan											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Withdraw special reserves											
2. Use special reserves											
(6) Others											
IV. Balance at the end of the period	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-490,527,790.64	-117,929,098.54

Nanjing Putian Telecommunications Co., Ltd. Notes to Financial Statements

Monetary unit: RMB Yuan

I. Company profile

Nanjing Putian Telecommunications Co., Ltd. (the “Company”), whose predecessor is Nanjing Telecommunication Facility Factory, was established as a limited liability company through financing under the approval of National Economic Institutional Reform Commission with document of approval numbered TGS [1997] 28 dated March 21, 1997. The Company is headquartered in Nanjing City, Jiangsu Province. Currently it holds a business license with unified social credit code of 91320000134878054G, with registered capital of 215,000,000.00 yuan, total share of 215,000,000.00 shares, with par value of 1 yuan per share. Among them, 115,000,000 shares are state-owned legal person shares, and 100,000,000 shares are B shares. The Company was listed on the Shenzhen Stock Exchange on May 22, 1997.

The Company belongs to telecommunication equipment manufacture industry and is mainly engaged in

R&D, production, and sale of data, wire and wireless telecommunication equipment, distribution and allocation of layout of telecommunication product, multimedia computer, digital television, vehicle electronics and conference video system. R & D, manufacturing and sales of new energy vehicle charging products and their accessories (including electric vehicle charger charging module, charging station system, split charging cabinet, outdoor integrated pile, various AC and DC charging piles and other accessories); Design and sales of new energy charging and discharging overall solutions; Electric vehicle charging operation and maintenance. R & D and sales of software and intelligent software platform. Smart city, smart elderly care and other industry information services. R & D, manufacturing, sales, installation and service of video equipment and video conference system. Agent sales of communication modified vehicles (excluding wholesale), and provide corresponding after-sales service. Design, system integration and related consulting services of communication information network engineering and computer information system engineering. Design, construction, installation and service of building intelligent system engineering. Lease of self owned assets such as houses and equipment.

The financial statements have been deliberated and approved for issue by the Board of Directors dated April 26, 2024.

The Company includes Nanjing Putian Changle Communication Equipment Co., LTD., Nanjing Putian Tianji Building Intelligence Co., LTD., and other five subsidiaries in the scope of the current consolidated financial statements, as detailed in Notes VII and VIII of the financial statements.

II. Preparation basis of the financial statements

(I) Preparation basis

The financial statements of the Company are prepared on the basis of going concern, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises-Basic Standards and specific Accounting Standards promulgated by the Ministry of Finance (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises") and based on the important accounting policies and accounting estimates described below.

(II) Assessment of the ability to continue as a going concern

The Company has no events or circumstances that would cause material doubt about its ability to go as a going concern for the 12 months from the end of the reporting period.

The company optimizes the industrial layout, focuses on the main business, continues to promote the upgrading and transformation of the business to intelligent conference, intelligent wiring, intelligent power

distribution, intelligent lighting, expand the high-quality market direction of central enterprises, finance, energy, airports, ports, military industry, promote innovation and research and development capabilities, and strive to form core and differentiated competitive advantages to improve the company's core competitiveness. In 2024, the company won the bid or signed the "National Oil and Gas Pipeline Network Group Co., LTD. Video Conference Project", with the project amount of about 85 million yuan; "Ningbo Rail Transit Line 6 Phase I distribution box (cabinet)", the project amount is about 37.33 million yuan; "Hubei Provincial Center for Disease Control and Prevention comprehensive capacity improvement (Phase I) project, the project amount of about 7.48 million yuan and other projects. The company continues to consolidate the advantages of the industry, while actively expanding the upstream and downstream industry chain of China Electronics Group synergy, 2023 sales to member units increased by 88% over the previous year.

III. Significant accounting policies and estimates

Important note: The Company has formulated specific accounting policies and estimates for transactions or matters such as impairment of financial instruments, depreciation of fixed assets, amortization of intangible assets and revenue recognition according to the actual characteristics of production and operation.

(I) Statement of compliance

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the financial position of the Company as of December 31, 2022, the operating results and cash flows of the year from January to December 2022 and other relevant information.

(II) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

(III) Operating cycle

The Company has a relatively short operating cycle for its business, an asset or a liability is classified as current if it is expected to be realized or due within 12 months.

(IV) Functional currency

The Company's functional currency is Renminbi (RMB) Yuan.

(V) Method for determining importance criteria and selection criteria

Importance of itemized items in the notes to the financial statements

The Company determines the importance of the detailed items in the notes to the financial statements, and on

the basis of the importance of the items in the financial statements, the specific items account for a certain proportion of the project, or the combined amount, while taking into account the nature of the specific items. Some items are not material to the financial statements but may be material to the notes and still need to be disclosed separately in the notes. The relevant materiality criteria for the notes to the financial statements are:

item	Materiality criteria
Material item receivables for provision for bad debts	Accounting for more than 5% of the amount of the corresponding receivables, and the amount exceeds 4 million yuan, or the provision for bad debts in the current period affects the change in profit and loss
Recovery or reversal of provisions for bad debts of significant receivables	The impact of the reversal of bad debt reserves accounts for more than 5% of the current period's bad debt reserves, and the amount exceeds 1 million yuan, or affect the change in profit and loss of the current period
Write off important receivables	Accounts for more than 5% of the corresponding receivables, and the amount exceeds 1 million yuan
Significant changes in the book value of the amount received in advance and contract assets	The change is more than 30%
Significant debt investments	Accounts for more than 5% of the debt investment, and the amount exceeds 1 million yuan
Important construction projects under construction	The amount of investment budget is large, accounting for more than 5% of the scale of existing fixed assets, and the current amount accounts for more than 10% of the total amount of the project under construction in the current period (or the ending balance accounts for more than 5%) and the amount exceeds 1 million yuan
Important capitalized research and development projects	The R&D project budget shall account for more than 5% of the total research project budget, and the current capitalization shall account for more than 10% of the total capitalization of the R&D project (or the closing balance shall account for more than 10%), and the amount shall exceed 500,000 yuan
Important accounts payable and other payables with an account age of more than 1 year	Account for more than 5% of the balance of accounts payable or other payables, and the amount exceeds 1 million yuan
Significant joint ventures or associates	Book value of a long-term equity investment of more than 10%, or investment gains (losses in absolute terms) from a joint venture or associate of more than 10% of the net profit of the consolidated statement
Significant debt restructuring	Total assets and total liabilities account for more than 10% of the corresponding items in the consolidated statement, and the absolute amount exceeds 1 million yuan, or the impact on net profit accounts for more than 10%

(VI) Accounting treatments of business combination under and not under common control

1. Accounting treatment of business combination under common control

Of a long-term equity investment under the same control enterprise merger form combined party to pay in cash, transfers non-cash assets or bear debt, as a merger of consideration, the company owners' equity on the combining date according to the combined party on the final the share of the book value of the control side of the consolidated financial statements as the initial cost of the long-term equity investment. If the merging party issues equity instruments as the merger consideration, the total par value of the issued shares shall be used as the share

capital. The difference between the initial investment cost of long-term equity investment and the book value of the combined consideration (or the total face value of the issued shares) shall be adjusted to the capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

2. Accounting treatment of business combination not under common control

For business combinations not under the same control, the merger cost is the sum of the fair value of the assets paid by the purchaser, the liabilities incurred or assumed and the equity securities issued by the purchaser on the purchase date in order to gain control over the acquired purchaser. The identifiable assets, liabilities and contingent liabilities of the purchased party that are acquired in a business combination under different control and meet the recognition conditions shall be measured at fair value on the purchase date. The difference between the buyer's cost of the merger and the fair value share of the identifiable net assets of the acquiree obtained in the merger is reflected as the value of goodwill. If the merger cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the difference between the merger cost and the fair value share of the identifiable net assets of the acquiree obtained in the merger shall be included in the non-operating income of the current period.

(VII) Compilation method of consolidated financial statements

1. Scope of consolidated financial statements

The parent company includes all subsidiaries under its control in the consolidated scope of the consolidated financial statements. The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries and are prepared by the parent Company in accordance with Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements based on other relevant information.

The Company includes all subsidiaries (including the separate entities controlled by the Company) into the scope of consolidated financial statements, including the enterprises controlled by the Company, the divisible parts of the investee units and the structured entities.

2. Unify the accounting policies, balance sheet dates and accounting periods of the parent-subsidary company

If the accounting policies or accounting periods adopted by a subsidiary are not consistent with those adopted by the Company, it shall make necessary adjustments to the financial statements of the subsidiary in accordance with the accounting policies or accounting periods adopted by the Company when preparing the consolidated financial statements.

3. Offset items in consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and subsidiaries and have offset internal transactions that occur between the Company and subsidiaries and among subsidiaries. The shares of the owners' equity of subsidiaries that do not belong to the Company shall, as minority shareholders' equity, be listed under the "minority shareholders' equity" item in the consolidated balance sheet. Long-term equity investments of the Company held by subsidiaries are considered Treasury shares of the Company and are shown as a deduction of Stockholders' equity in the consolidated balance sheet under the item of Stockholders' equity as "Less: Treasury shares".

4. Merger and acquisition of subsidiary accounting treatment

For the subsidiaries acquired by the merger of enterprises under the same control, the merger shall be deemed to have occurred when the ultimate controlling party began to exercise control, and its assets, liabilities, operating results and cash flows shall be included in the consolidated financial statements from the beginning of the merger period. For subsidiaries acquired by a merger of enterprises not under the same control, the individual financial statements shall be adjusted on the basis of the fair value of identifiable net assets on the purchase date when preparing consolidated financial statements.

5. Accounting for the disposal of subsidiaries

In the case of partial disposal of the long-term equity investment in the subsidiary without loss of control, in the consolidated financial statements, the disposal price and the disposal of the long-term equity investment shall be entitled to the difference between the shares of net assets continuously calculated by the subsidiary since the purchase date or the merger date, and the capital reserve (capital premium or equity premium) shall be adjusted. If the capital reserve is insufficient for write-down, the retained earnings shall be adjusted.

If the investor loses the right of control due to the disposal of part of the equity investment or other reasons, the remaining equity shall be remeasured according to the fair value on the date of the loss of the right of control when preparing the consolidated financial statements. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the shares of the original shareholding proportion which should enjoy the net assets continuously calculated from the purchase date or merger date of the original subsidiary, shall be included in the investment income of the period of loss of control, and the goodwill shall be written down at the same time. Other comprehensive income related to the equity investment of the original subsidiary shall be converted to current investment income when the right of control is

lost.

(VII) Classification of joint arrangements and accounting treatment of joint operations

1. Classification of joint venture arrangements

Joint venture arrangement is divided into joint venture and joint venture. If the joint venture arrangement is not reached by a single entity, it shall be classified as joint operation. A separate subject refers to a subject with a separate identifiable financial structure, including a separate legal entity and a subject without legal entity qualification but recognized by law. A joint venture arrangement through a separate entity, usually classified as a joint venture. Where the rights and obligations of the party under the joint venture arrangement have changed due to changes in relevant facts and circumstances, the party shall reassess the classification of the joint venture arrangement.

2. Accounting for joint operations

As a participant in the joint operation, the Company shall recognize the following items related to the share of interests in the joint operation and conduct accounting treatment in accordance with the relevant accounting standards for enterprises: recognize the assets or liabilities held separately and recognize the assets or liabilities held jointly according to the share; Recognize the revenue generated from the sale of the share of output enjoyed by the joint operation; To recognize the revenue generated by the sale of the output of the joint operation according to its share; Recognize expenses incurred separately and expenses incurred in joint operations by share.

The Company is a participant without joint control over the joint operation. If the company enjoys the relevant assets of the joint operation and bears the relevant liabilities of the joint operation, it shall conduct accounting treatment according to the provisions of the joint operation participant; Otherwise, according to the provisions of the relevant enterprise accounting standards for accounting treatment.

3. Accounting treatment of joint venture

The company is the joint venture party, in accordance with the "Accounting Standards for Enterprises No. 2 - Long-term Equity investment" for the joint venture investment accounting treatment; The Company is not a joint venture party, according to the extent of the impact on the joint venture accounting treatment.

(VIII) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(IX) Foreign currency translation

1. Translation of foreign currency business

The Company shall enter the foreign currency transactions in standard currency at the spot rate equivalent to the date of occurrence of the transaction. The foreign currency monetary items on the balance sheet date shall be translated at the spot exchange rate on the balance sheet date. The exchange difference arising from the difference between the spot exchange rate on the current date and the initial recognition rate or the spot exchange rate on the previous balance sheet date shall be included in the current profit and loss, except that the exchange difference of special foreign currency loans conforming to the capitalization conditions shall be capitalized and included into the cost of related assets during the capitalization period. For foreign currency non-monetary items measured at historical cost, the spot exchange rate on the transaction date shall still be adopted and the amount of the accounting standard currency shall not be changed. Foreign currency non-monetary items measured at fair value shall be converted by the spot exchange rate on the date of fair value determination. The difference between the converted amount of accounting standard currency and the original amount of accounting standard currency shall be treated as fair value changes (including exchange rate changes) and recorded into current profit and loss or recognized as other comprehensive income.

2. Translation of financial statements measured in foreign currency

If the subsidiaries, joint ventures and associated enterprises of the Company adopt a different accounting standard currency from the Company, they shall conduct accounting and preparation of consolidated financial statements after converting their foreign currency financial statements. The assets and liabilities in the balance sheet shall be translated at the spot exchange rate at the balance sheet date, and the owners' equity items shall be translated at the spot exchange rate at the time of occurrence except for the "undistributed profit" item. The income and expense items in the income statement shall be converted at the spot exchange rate on the transaction date. The balance of translation in foreign currency financial statements resulting from translation is shown as follows in owners' equity items and other comprehensive income in the balance sheet. Foreign currency cash flows shall adopt the spot rate on the date of occurrence of cash flows. The impact of exchange rate changes on cash is shown separately in the statement of cash flows. When disposing of overseas operations, the balance of translation of foreign currency statements related to the overseas operations shall be transferred into the disposal profit or loss of the current period in full or in proportion to the disposal of the overseas operations.

(X) Financial instruments

1. Classification and reclassification of financial instruments

Financial instruments refer to contracts that form the financial assets of one party and the financial liabilities or equity instruments of another party.

(1) Financial assets

The Company classifies financial assets that meet the following conditions as financial assets measured at amortized cost: ① The Company's business model of managing financial assets is to collect contract cash flow; ② The terms of the contract of the financial asset stipulate that the cash flow generated on a specified date is only the payment of the principal amount and the interest based on the outstanding principal amount.

The Company classifies the financial assets that meet the following conditions as those measured at fair value and whose changes are included in other comprehensive income: ① The Company's business model of managing financial assets aims at both collecting contract cash flow and selling the financial assets; ② The terms of the contract of the financial asset stipulate that the cash flow generated on a specified date is only the payment of the principal amount and the interest based on the outstanding principal amount.

For investments in non-trading equity instruments, the Company may, upon initial recognition, irrevocably designate them as financial assets measured at fair value and whose changes are included in other comprehensive income. The designation is made on an individual investment basis and the underlying investment meets the definition of an equity instrument from the issuer's point of view.

In addition to financial assets classified as financial assets measured at amortized cost and financial assets measured at fair value and whose changes are booked into other comprehensive income, the Company classifies them as financial assets measured at fair value and whose changes are booked into current profit and loss. In the initial recognition, if accounting mismatch can be eliminated or reduced, the Company may irrevocably designate financial assets as financial assets measured at fair value and whose changes are recorded into current profit and loss.

When the Company changes the business model of managing financial assets, it will reclassify all the affected financial assets on the first day of the first reporting period after the change of the business model, and adopt the future applicable method to conduct relevant accounting treatment from the reclassification date, without retroactive adjustment of previously recognized gains, losses (including impairment losses or gains) or interest.

(2) Financial liabilities

Financial liabilities at the initial recognition are classified as: financial liabilities measured at fair value and whose changes are booked into current profit and loss; The financial assets transfer does not meet the conditions for termination of recognition or continues to involve the financial liabilities formed by the transferred financial assets; Financial liabilities measured at amortized cost. All financial liabilities are not reclassified.

2. Measurement of financial instruments

The Company's financial instruments are initially recognized as measured at fair value. For financial assets and financial liabilities measured at fair value and whose changes are booked into current profit and loss, relevant transaction costs are directly booked into current profit and loss; For other types of financial assets or financial liabilities, related transaction costs are included in the initial recognized amount. For accounts receivable or notes receivable arising from the sale of products or the provision of services that do not contain or take into account significant financing components, the amount of consideration to which the Company is entitled to collect as expected shall be the initial recognition amount. Subsequent measurement of financial instruments depends on their classification.

(1) Financial assets

① Financial assets measured at amortized cost. After the initial recognition, such financial assets are measured by the amortized cost using the effective interest rate method. The gains or losses generated by financial assets measured at amortized cost and not belonging to any hedging relationship shall be booked into current profit and loss when recognition is terminated, reclassified, amortized according to the effective interest rate method or impairment is recognized.

② Financial assets that are measured at fair value and whose changes are booked into current profit or loss. After the initial recognition, such financial assets (except part of the financial assets belonging to the hedge relationship) shall be measured at the fair value, and the resulting gains or losses (including interest and dividend income) shall be booked into current profit and loss.

③ Investment in debt instruments that are measured at fair value and whose changes are recorded in other comprehensive income. After the initial recognition, the fair value of such financial assets is used for subsequent measurement. Interest, impairment losses or gains and exchange gains and losses calculated using the effective interest rate method are included in current profit and loss, while other gains or losses are included in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously booked into other comprehensive income shall be transferred out of other comprehensive income and booked into current

profit and loss.

(2) Financial liabilities

① Financial liabilities measured at fair value and whose changes are booked into current profit and loss.

Such financial liabilities include trading financial liabilities (including derivative instruments belonging to financial liabilities) and financial liabilities designated as measured at fair value and whose changes are booked into current profit and loss. After the initial recognition, the fair value of such financial liabilities is used for subsequent measurement. Except for the hedge accounting, the gain or loss (including interest expense) generated by the change in the fair value of trading financial liabilities is booked into current profit and loss. If a financial liability is specified as a financial liability measured at fair value and its change is included in current profit and loss, the change in the fair value of the financial liability caused by the change of the enterprise's own credit risk shall be included in other comprehensive income, and the change in other fair value shall be included in current profit and loss. If accounting mismatch in profit and loss will be caused or expanded if the impact of the change in credit risk of the financial liability is included in other comprehensive income, the Company shall book all gains or losses of the financial liability into current profit and loss.

② Financial liabilities measured at amortized cost. After the initial recognition, such financial liabilities are measured at amortized cost using the effective interest rate method.

3. The Company's method of recognizing the fair value of financial instruments

If there are financial instruments in active markets, their fair value shall be determined by quotation in active markets; If there is no active market for financial instruments, use valuation techniques to determine their fair value. Valuation techniques mainly include market method, income method and cost method. In limited cases, if recent information used to determine fair value is insufficient, or if the distribution of possible estimates of fair value is wide, and cost represents the best estimate of fair value within the range, the cost may represent its appropriate estimate of fair value within the range of distribution. The Company uses all information about the investee's performance and operations available after the initial confirmation date to determine whether the cost represents fair value.

4. Recognition basis and measurement method for transfer of financial assets and financial liabilities

(1) Financial assets

The financial assets of the Company shall be terminated if they meet one of the following conditions: (1) The contractual right to collect the cash flow of the financial assets shall be terminated; (2) The financial assets have

been transferred, and the company has transferred almost all the risks and rewards of the ownership of the financial assets; (3) The financial assets have been transferred. Although the Company has neither transferred nor retained almost all rewards on the ownership of the financial assets, it has not retained control of the financial assets.

Where the Company neither transfers nor retains almost all remuneration on the ownership of the financial assets, and retains control over the financial assets, the relevant financial assets shall be recognized according to the degree of continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

If the transfer of financial assets meets the conditions for termination of recognition as a whole, the difference between the following two amounts shall be recorded into the current profit and loss: (1) the book value of the transferred financial assets on the date of termination of recognition; (2) The sum of the consideration received due to the transfer of financial assets and the amount corresponding to the part of termination of recognition in the accumulative amount of the change in fair value directly included in other comprehensive income (the financial assets involved in the transfer are financial assets classified as measured at fair value and whose change is included in other comprehensive income).

If the partial transfer of financial assets meets the conditions for termination of recognition, the book value of the whole transferred financial assets shall be apportioned between the terminated and unterminated part according to their relative fair value on the transfer date, and then the difference of the following two amounts shall be recorded into current profit and loss: (1) The book value of the terminated recognition part on the termination of recognition date; (2) The sum of the consideration received for the part of termination recognition and the amount corresponding to the part of termination recognition in the accumulative amount of changes in fair value originally included in other comprehensive income (financial assets involved in transfer are financial assets classified as measured at fair value and whose changes are included in other comprehensive income).

(2) Financial liabilities

If the current obligation of the financial liability (or part thereof) has been discharged, the Company shall terminate the recognition of the financial liability.

If the recognition of financial liabilities (or part thereof) is terminated, the Company shall book the difference between the book value and the consideration paid into the current profit and loss.

(XI) Methods for determining expected credit losses and accounting treatment

1. Methods for determining expected credit losses

Based on expected credit losses, the Company conducts impairment accounting treatment and recognizes loss reserves for financial assets (including receivables) measured at amortized cost, financial assets classified as measured at fair value and whose changes are included in other comprehensive income (including receivables financing), lease receivables.

On each balance sheet date, the company evaluates whether the credit risk of relevant financial instruments has significantly increased since the initial recognition. The process of credit impairment of financial instruments is divided into three stages, and different accounting treatment methods are adopted for the impairment of financial instruments at different stages: (1) In the first stage, if the credit risk of the financial instrument does not increase significantly after the initial recognition, the Company shall calculate the loss reserve based on the expected credit loss of the financial instrument in the next 12 months, and calculate the interest income based on its book balance (i.e. without deducting the impairment reserve) and the actual interest rate; (2) In the second stage, if the credit risk of the financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, the Company shall measure the loss reserve according to the expected credit loss during the entire duration of the financial instrument and calculate the interest income according to its book balance and actual interest rate; (3) In the third stage, if credit impairment occurs after the initial recognition, the Company shall measure the loss reserve according to the expected credit loss during the entire duration of the financial instrument, and calculate the interest income according to its amortized cost (book balance minus impairment reserve already drawn) and the actual interest rate.

(1) Lower credit risk financial instruments measure loss reserve method

For financial instruments with lower credit risk at the balance sheet date, the Company may directly assume that the credit risk of such instruments has not increased significantly since the initial recognition, without comparing them with the credit risk at the time of their initial recognition.

If the default risk of the financial instrument is low, the debtor has a strong ability to perform its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic situation and business environment in a longer period of time, it may not necessarily reduce the borrower's ability to perform its contractual cash flow obligations, the financial instrument is regarded as having a low credit risk.

(2) How to measure loss reserve for receivables and lease receivables

① Receivables that do not contain significant financing components. For receivables that are formed from transactions regulated by Accounting Standard for Business Enterprises No. 14 - Revenue and do not have a significant financing component, the Company adopts a simplified approach that always measures the loss reserve against expected credit losses over the entire duration.

Depending on the nature of the financial instrument, the Company assesses whether credit risk is significantly increased on the basis of individual financial assets or a portfolio of financial assets. The Company divides notes receivable and accounts receivable into several combinations according to credit risk characteristics, and calculates expected credit losses on the basis of the combination. The basis for determining the combination is as follows:

Accounts receivable Portfolio 1: combination of related parties within the scope of consolidation

Accounts receivable Portfolio 2: aging portfolio

Notes Receivable Portfolio 1: Banker's Acceptance receivable

Notes Receivable Portfolio 2: Commercial Acceptance receivable

For the accounts receivable divided into portfolios, the company, by referring to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, prepares the comparison table of the expected credit loss rate between the age of accounts receivable and the entire duration of accounts receivable to calculate the expected credit loss. For notes receivable divided into portfolios, the Company calculates expected credit losses based on default risk exposure and expected credit loss rate over the entire duration by referring to historical credit loss experience, combining current situation and forecast of future economic conditions.

Accounts receivable -- a comparison of the aging of an aging portfolio with the expected credit loss rate over its entire life

Aging of account	Expected credit loss rate of accounts receivable (%)
Within 1 Year	1.00
1-2 Years	5.00
2-3 Years	10.00
3-4 Years	30.00
4-5 Years	50.00
More than 5 Years	100.00

② Receivables and lease receivables with a significant financing component.

For receivables with a significant financing component and for lease receivables regulated by Accounting Standard for Business Enterprises No. 21 - Leases, the Company measures the loss reserve in accordance with the general method known as the "three-stage" model.

(3) Other methods of measuring loss reserves for financial assets

For financial assets other than the above, such as debt investments, other debt investments, other receivables, long-term receivables other than lease receivables, the Company measures the loss reserve in accordance with the general method, namely the "three-stage" model.

The Company takes the following factors into account when assessing whether credit risk is significantly increased in the event of credit impairment of the measurement financial instruments:

The Company divides other receivables into several combinations according to the nature of the amounts, and calculates the expected credit loss on the basis of the combination. The basis for determining the combination is as follows:

Other receivables Portfolio 1: Combination of related parties within the scope of consolidation

Other receivables Portfolio 2: Financing margin portfolio

Other receivables Portfolio 3: Export tax rebates receivable portfolio

2. Accounting for expected credit losses

In order to reflect the changes of the credit risks of financial instruments since the initial recognition, the Company remeasures the expected credit losses on each balance sheet date, and the resulting increase in the loss reserve or reversal amount shall be recorded into the current profit and loss as impairment losses or gains. Write off the carrying value of the financial asset listed in the balance sheet or into the estimated liabilities or into other comprehensive income (debt investment measured at fair value and its changes into other comprehensive income).

(XII) Inventories

1. Classification of inventory

Inventory refers to finished products or commodities held by the Company in daily activities for sale, products in the process of production, materials and materials consumed in the process of production or provision of services, etc. It mainly includes raw materials, turnover materials (packaging, low-value consumable, etc.), commissioned processing materials, products in process, homemade semi-finished products, finished products (stock goods), etc.

2. Valuation method for issuing inventory

When the inventory is dispatched, the monthly weighted average method is adopted to determine the actual cost of delivery.

3. Method of drawing reserve for inventory decline

On the balance sheet date, the inventory shall be measured according to the lower of the cost and net realizable value, and the inventory decline reserve shall be calculated according to the single inventory item. However, for the inventory with a large quantity and a low unit price, the inventory decline reserve shall be calculated according to the inventory category.

On the balance sheet date, the inventory shall be measured by the lower of cost and net realizable value, and the inventory depreciation reserve shall be calculated according to the difference between the cost of inventory class and net realizable value. The net realizable value of the inventory directly used for sale shall be determined by the estimated selling price of the inventory less estimated selling expenses and related taxes in the normal course of production and operation; For inventories that need to be processed, the net realizable value shall be determined by the estimated selling price of finished products produced in the normal course of production and operation after deducting the estimated cost, estimated selling expenses and related taxes to be incurred upon completion; On the balance sheet date, if a part of the same inventory has a contract price, but the other part does not have a contract price, its net realizable value shall be determined respectively, and the corresponding cost shall be compared with it to determine the amount to be withdrawn or transferred back from the reserve for inventory declines respectively.

4. Inventory system

The company's inventory system is the perpetual inventory system.

5. Amortization method of low-value consumable products and packaging

Low - value consumable goods and packaging are amortized by one - pass method.

(XIII) Contract assets and contract liabilities

1. Contract assets

The Company presents as a contractual asset the right to receive consideration for goods or services transferred to the Customer, subject to factors other than the passage of time. Provision for impairment of contracted assets shall be made according to the expected credit loss method of financial instruments. For contract assets that do not contain a material financing component, the Company adopts a simplified method to measure

loss provisions. For contract assets that contain significant financing components, the Company measures loss provisions in accordance with the general method.

In case of impairment loss on contract assets, "asset impairment loss" shall be debited according to the amount to be written down, and the impairment provision for contract assets shall be credited; The reverse entry is made when the asset impairment provision has been transferred back.

2. Contract liabilities

Obligations of the Company to transfer goods or services to the Customer for consideration received or receivable from the customer shall be listed as contractual liabilities.

The Company presents contractual assets and contractual liabilities under the same contract on a net basis.

(XIV) Long-term equity investments

1. Initial investment cost determination

For the long-term equity investment obtained from the enterprise merger, if the enterprise merger is under the same control, the initial investment cost of the long-term equity investment shall be taken as the share of the owner's equity of the merged party in the book value of the final controlling party's consolidated financial statements on the merger date; In the case of enterprise merger not under the same control, the initial investment cost of long-term equity investment shall be taken as the merger cost determined on the purchase date; For long-term equity investment obtained by cash payment, the initial investment cost is the actual purchase price paid; For the long-term equity investment obtained by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued; The initial cost of long-term equity investment obtained through debt restructuring shall be determined in accordance with the relevant provisions of Accounting Standards for Enterprises "CASBE 12 – Debt Restructuring"; For long-term equity investment obtained by exchange of non-monetary assets, the initial investment cost shall be determined in accordance with relevant provisions of Accounting Standards for Business Enterprises "CASBE 7 – Non-cash Assets Exchange".

2. Subsequent measurement and recognition method of profit or loss

For long-term equity investments with control relationship, it is accounted for with cost method; for long-term equity investments with joint control or significant influence relationship, it is accounted for with equity method. The company for equity investment consortium, one part of through risk investment institutions, mutual funds, trust companies or similar subject, including cast the insurance fund, indirect holding, whether the above subject has a significant influence on this part of the investment, the company in accordance with the accounting

standards for enterprises “CASBE 22 – Financial Instruments: Recognition and Measurement”, and the rest of the equity method accounting.

3. Determine the basis of joint control and significant influence on the invested entity

Of the invested entity has joint control, refers to an arrangement returns have a significant impact on activity must go through the participants agreed to share control decisions, including the sale and purchase of goods or services, financial assets management, purchase and disposal of the assets, research and development activities, and financing activities, etc.; Having a significant influence on the invested entity refers to having a significant influence when holding more than 20% to 50% of the voting capital of the invested entity. Or, although less than 20%, has a significant impact if one of the following conditions is met: representation on the board of directors or a similar authority of the invested entity; To participate in the policy making process of the investee; Dispatching management personnel to the invested units; The invested entity relies on the technology or technical data of the investment company; Having important transactions with the invested units.

(XV) Investment property

The Company's investment property categories, including leased land use rights, leased buildings, land use rights held and ready to be transferred after appreciation. The initial measurement of investment property is carried out according to the cost, and the subsequent measurement is carried out according to the cost model.

The average life method is adopted for the depreciation of leased buildings in the Company's investment property, and the specific accounting policy is the same as that of fixed assets. The land-use right leased in investment property and the land-use right held and transferred after appreciation shall be amortized by the straight-line method. The specific accounting policies are the same as those for intangible assets.

(XVI) Fixed assets

1. Recognition principles of fixed assets

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

The company's fixed assets are mainly divided into: buildings and structures, machinery, electronic equipment, transport facilities, etc. The depreciation method adopts the average life method. The service life and

estimated net salvage value of fixed assets shall be determined according to the nature and usage of various types of fixed assets. At the end of the year, the service life, estimated net salvage value and depreciation method of the fixed assets shall be rechecked. If there is any difference from the original estimate, corresponding adjustment shall be made. In addition to the fixed assets that have been fully depreciated but are still in use and the land that is separately priced and recorded, the Company will calculate and depreciate all the fixed assets.

Categories	Useful life (years)	Estimated residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	15-35	3.00	2.77-6.47
Machinery	10-15	3.00	6.47-9.70
Transport facilities	6-8	3.00	12.13-16.17
Electronic equipment	4-11	3.00	8.82-24.25
Other equipment	4-11	3.00	8.82-24.25

(XVII) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress was not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

(XVIII) Borrowing costs

1. Recognition principle of capitalization of borrowing costs

Borrowing costs incurred by the Company that can be directly attributed to the purchase, construction or production of assets eligible for capitalization shall be capitalized and included in the cost of relevant assets; Other borrowing costs shall be recognized as expenses according to the amount incurred when incurred and recorded into current profits and losses. The assets that meet the capitalization conditions refer to the fixed assets, investment real estate, inventory and other assets that need to go through a fairly long period of purchase, construction or production activities to reach the predetermined state of being usable or saleable.

2. Calculation method of capitalization amount

Capitalization period refers to the period from the beginning of capitalization of borrowing costs to the end of capitalization. Periods of suspension of capitalization of borrowing costs are not included. Capitalization of

borrowing costs shall be suspended if abnormal interruption occurs in the purchase, construction or production process and the interruption lasts for more than 3 consecutive months.

The borrowing of a special loan shall be determined according to the amount of the interest expense actually incurred in the current period of the special loan, minus the interest income obtained from depositing the unused loan funds in the bank or the investment income obtained from temporary investment; Occupied general borrowings shall be calculated and determined according to the weighted average of the accumulated asset expenditure exceeding the portion of special borrowings multiplied by the capitalization rate of occupied general borrowings, and the capitalization rate shall be the weighted average interest rate of general borrowings; If there is a discount or premium on the loan, the amount of discount or premium to be amortized in each accounting period shall be determined according to the effective interest rate method, and the amount of interest for each period shall be adjusted.

The effective interest rate method is a method to calculate the amortized discount or premium or interest expense of a loan according to the effective interest rate. The effective interest rate is the future cash flow of the loan during its expected life, discounted as the interest rate used in the current book value of the loan.

(XIX) Intangible assets

1. The valuation method of intangible assets

The Company's intangible assets are initially measured at cost. The purchased intangible assets shall be regarded as the actual cost according to the actual price paid and related expenses. The actual cost of intangible assets invested by investors shall be determined according to the value stipulated in the investment contract or agreement, but if the value stipulated in the contract or agreement is unfair, the actual cost shall be determined according to the fair value. For self-developed intangible assets, the cost shall be the total amount of expenses incurred before reaching the intended use.

The Company's subsequent measurement methods for intangible assets are as follows: Intangible assets with limited service life shall be amortized by the straight-line method, and the service life and amortization method of intangible assets shall be rechecked at the end of the year. If there is any difference from the original estimate, corresponding adjustment shall be made; Intangible assets with uncertain service life are not amortized, but at the end of the year, the service life shall be rechecked. When there is conclusive evidence that the service life is limited, the service life shall be estimated and amortized according to the straight-line method.

Intangible assets with limited useful life are amortized as follows:

Items	Amortization period (years)
Software	3-10
patent right and non-patented technology	5-10
land use right	40-50

2. The judgment basis of uncertain service life

The Company will not be able to foresee the period of time that the asset will bring economic benefits to the Company, or the intangible assets with uncertain service life are identified as intangible assets with uncertain service life. The judgment basis of uncertain service life is: it comes from contractual rights or other legal rights, but the contract or legal provisions do not specify the service life; Based on the industry situation or relevant experts' arguments, it is still impossible to judge the period when intangible assets bring economic benefits to the company.

At the end of each year, the service life of intangible assets with uncertain service life is reviewed, mainly in a bottom-up way. The departments related to the use of intangible assets conduct basic review to evaluate whether the judgment basis of uncertain service life has changed.

3. Specific criteria for research and development stages of internal research and development projects, as well as specific criteria for development stage expenditures to meet the capitalization conditions

Expenditure in the research phase of internal research and development projects shall be recorded into current profits and losses when incurred; The expenditure in the development stage shall be transferred to the accounting of intangible assets if it meets the conditions of being recognized as intangible assets.

Specific criteria for dividing the research phase and development phase of an internal research and development project: (1) it is technically feasible to complete the intangible asset so that it can be used or sold; (2) it has the intention to complete the intangible asset and use or sell it; (3) The way in which intangible assets generate economic benefits, including being able to prove that there is a market for the products produced by using the intangible assets or that there is a market for the intangible assets themselves, and that the intangible assets will be used internally, being able to prove their usefulness; (4) it has the support of sufficient technology, financial resources and other resources to complete the development of the intangible asset and has the ability to use or sell the intangible asset; (5) The expenditure attributable to the development stage of the intangible asset can be measured reliably.

(XX) Impairment of part of long-term assets

If long-term equity investment, investment real estate measured by the cost model, fixed assets, intangible

assets of construction in progress and other long-term assets show signs of impairment on the balance sheet date, the impairment test shall be conducted. If the result of the impairment test shows that the recoverable amount of the asset is lower than its carrying value, the impairment reserve shall be calculated and booked into the impairment loss according to the difference.

The recoverable amount is the higher between the net fair value of the asset less the disposal charge and the present value of the expected future cash flows of the asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is the smallest set of assets that can independently generate cash inflows.

Goodwill shown separately in the financial statements, regardless of whether there is evidence of impairment, shall be tested for impairment at least annually. In the impairment test, the carrying value of goodwill is apportioned to the group of assets or combination of asset groups expected to benefit from the synergies of the business combination. If the test results show that the recoverable amount of the asset group or the asset group combination containing the apportionment of goodwill is lower than its carrying value, the corresponding impairment loss shall be recognized. The amount of impairment loss shall first offset the book value of goodwill apportioned to the asset group or asset group combination, and then offset the book value of other assets in proportion to the proportion of the book value of assets other than goodwill in the asset group or asset group combination.

Once the above-mentioned asset impairment loss is recognized, the part whose value can be recovered shall not be transferred back in the following period.

(XXI) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with an amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

(XXII) Employee benefits

Employee benefits refers to various forms of remuneration or compensation provided by the Company for obtaining services provided by employees or for terminating labor relations. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

1. Short-term employee benefits

During the accounting period when employees provide services for the company, the actual short-term

compensation is recognized as liabilities and booked into the current profits and losses, except for those required or allowed to be booked into the cost of assets by the accounting standards for enterprises. The employee welfare expense incurred by the Company shall be included in the current profit and loss or the cost of relevant assets according to the actual amount when it is actually incurred. If the employee welfare fee is non-monetary welfare, it shall be measured at fair value. The company for the medical treatment insurance premium of worker pay, industrial injury insurance, birth insurance premium of social insurance premiums and housing accumulation fund, and according to the rules extraction of the trade union and employee education funds and provide services in the workers of the accounting period, according to the provisions stipulated in the basic and provision ratio calculate and determine the corresponding compensation amount, and confirm corresponding liabilities, Include current profit or loss or related asset cost.

2. Post-employment benefits

During the accounting period when employees provide services, the payable amount calculated according to the set depository plan shall be recognized as liabilities and recorded into the current profit and loss or the cost of relevant assets. According to the formula determined by the expected cumulative benefit unit method, the welfare obligation arising from the set benefit plan shall be attributed to the period of service provided by the employee, and shall be included in the current profit and loss or the cost of relevant assets.

3. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: a. when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b. when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

4. Other long-term employee benefits

Other long-term employee benefits provided by the company to the employees that meet the conditions for setting up an escrow plan shall be dealt with in accordance with the provisions on setting up an escrow plan; In addition, identify and measure other long-term employee benefit net liabilities or net assets according to the relevant provisions of the defined benefit plan.

(XXIII) Provisions

An obligation related to a contingent event is recognized as a projected liability when it is a current

obligation undertaken by the Company and the performance of the obligation is likely to result in an outflow of economic benefits and the amount of the obligation can be measured reliably. The Company shall make initial measurement according to the best estimate of the expenditure required to fulfill the relevant current obligations. If there exists a continuous range of expenditure required and various outcomes within the range are equally likely to occur, the best estimate shall be determined as the intermediate value within the range; If more than one project is involved, calculate the best estimate based on the various possible outcomes and the associated probabilities.

On the balance sheet date, the book value of the projected liabilities shall be reviewed. If there is conclusive evidence that the book value does not truly reflect the current best estimate, the book value shall be adjusted according to the current best estimate.

(XXIV) Revenue

The Company has fulfilled its performance obligation under the contract, that is, when the customer obtains control of the relevant commodity or service, it recognizes revenue according to the transaction price apportioned to the performance obligation. To acquire the control right of relevant goods refers to to be able to dominate the use of the goods and obtain almost all the economic benefits from them. Performance obligation refers to the commitment of the company in the contract to transfer clearly distinguishable commodities to the customer. Transaction Price represents the amount of consideration that the Company expects to be entitled to collect as a result of the transfer of goods to the Customer, excluding monies received on behalf of third parties and monies that the Company expects to refund to the Customer.

Whether the performance obligation is to be performed within a certain period of time or at a certain point depends on the terms of the contract and relevant legal provisions. If the performance obligation is performed within a certain period of time, the Company recognizes revenue according to the progress of performance. Otherwise, the Company recognizes revenue at a point at which the customer acquires control of the relevant assets.

If one of the following conditions is met, the performance obligation shall be performed within a certain period of time; otherwise, the performance obligation shall be performed at a certain point: (1) The customer obtains and consumes the economic benefits arising from the Company's performance at the same time as the Company's performance; (2) The customer can control the goods under construction during the company's performance; (3) The commodities produced by the Company during the performance of the Contract have

irreplaceable uses, and the Company has the right to collect payment for the accumulated performance completed so far throughout the contract period.

For performance obligations performed within a certain period of time, the Company recognizes revenue in accordance with the progress of performance during that period. If the performance progress cannot be reasonably determined and the incurred costs are expected to be compensated, the revenue shall be recognized according to the amount of incurred costs until the performance progress can be reasonably determined. For performance obligations performed at a certain point, revenue is recognized at the point when the customer acquires control of the relevant goods or services. In determining whether the customer has acquired control of the goods, the Company considers the following indications: (1) the Company has a current collection right in respect of the goods, i.e. the customer has a current payment obligation in respect of the goods; (2) the Company has transferred the legal title of the goods to the Customer, that is, the customer has the legal title of the goods; (3) The Company has physically transferred the commodity to the customer, that is, the customer has physically possessed the commodity; (4) The Company has transferred the major risks and rewards in the ownership of the commodities to the Customer, that is, the customer has obtained the major risks and rewards in the ownership of the commodities; (5) The customer has accepted the goods; (6) Other signs indicating that the customer has acquired control of the goods.

Specific methods of revenue recognition

The Company mainly sells video conferencing products, integrated cabling products, intelligent electrical products, communication basic products and other products. The above product sales business of the company is a performance obligation performed at a certain point, and the product revenue recognition shall meet the following conditions: The company has delivered the products to the purchaser according to the contract and accepted them by the purchaser, and the amount of sales revenue of the products has been determined, the payment for goods has been recovered or the receipt of payment has been obtained, and the relevant economic benefits are likely to flow in, and the costs related to the products can be measured reliably.

(XXV) Contract cost

The contract cost of the Company includes the incremental cost incurred to obtain the contract and the contract performance cost. Incremental costs incurred to acquire a contract ("contract acquisition costs") are costs that would not have been incurred otherwise. If the cost is expected to be recovered, the Company will recognize it as a contract acquisition cost as an asset.

The cost incurred by the Company to perform the contract, which does not fall within the scope of accounting standards for enterprises such as inventory and meets the following conditions at the same time, shall be recognized as an asset as the contract performance cost:

1. The costs are directly related to a current or expected contract and include direct labor, direct materials, manufacturing expenses (or similar expenses), costs expressly borne by the User and other costs incurred solely as a result of the contract;

2. The cost increases the Company's resources for future performance obligations;

3. This cost is expected to be recovered.

The Company will recognize the contract performance costs as assets, the amortization period of the initial recognition does not exceed one year or a normal business cycle, in the balance sheet into the "inventory" item; If the amortization period is more than one year or one normal operating cycle at the time of initial recognition, "other non-current assets" will be included in the balance sheet.

The Company shall record the acquired costs of contracts recognized as assets into the "other current assets" item in the balance sheet if the amortization period at the initial recognition does not exceed one year or one normal operating cycle. If the amortization period is more than one year or one normal operating cycle at the time of initial recognition, "other non-current assets" will be included in the balance sheet.

The Company amortizes the assets recognized for contract acquisition cost and contract performance cost (hereinafter referred to as "assets related to contract cost") on the same basis as the commodity revenue recognized for the assets and records them into the current profit and loss. If the amortization period of the asset formed by the incremental cost of acquiring the contract does not exceed one year, it shall be included in the current profit and loss at the time of occurrence.

If the carrying value of the asset related to the contract cost is higher than the difference between the following two items, the Company will calculate and withdraw the excess part of the impairment reserve and recognize it as the asset impairment loss:

1. The remaining consideration expected to be obtained from the transfer of commodities related to the asset;

2. Estimate the cost to be incurred for the transfer of the related goods.

If the difference between the foregoing two items is higher than the carrying value of the asset due to the change of the factors of impairment in the previous period, it shall revert to the original provision for asset impairment and be included in the current profit and loss, provided that the carrying value of the asset after the

reversal shall not exceed the carrying value of the asset on the date of reversal assuming no provision for impairment.

(XXVI) Government grants

1. Types of government subsidies and accounting treatment

Government subsidy refers to the monetary assets or non-monetary assets that the Company obtains free of charge from the government (but does not include the capital invested by the government as the owner). If the government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. Where government subsidies are non-monetary assets, they shall be measured at fair value; If the fair value cannot be obtained reliably, it shall be measured according to the nominal amount.

Government subsidies related to daily activities shall be included in other income according to the economic business essence. Government subsidies unrelated to daily activities shall be included in non-operating income.

Government documents clearly stipulate that government subsidies for the purchase and construction of long-term assets or the formation of long-term assets by other means shall be recognized as government subsidies related to assets. If the government documents do not specify the object of subsidy, and long-term assets can be formed, the part of government subsidy corresponding to the value of the asset shall be regarded as the government subsidy related to the asset, and the rest shall be regarded as the government subsidy related to the income. It is difficult to distinguish between government subsidies as a whole as government subsidies related to benefits. Government subsidies related to assets are recognized as deferred income. The amount recognized as deferred income shall be recorded into current profits and losses in a reasonable and systematic manner during the useful life of the relevant asset.

Government subsidies other than those related to assets shall be recognized as government subsidies related to earnings. If the government subsidies related to earnings are used to compensate the relevant expenses or losses of the enterprise in the subsequent period, they shall be recognized as deferred earnings and recorded into the current profit and loss during the period when the relevant expenses are recognized. If it is used to compensate the relevant expenses or losses already incurred by the enterprise, it shall be directly recorded into the current profit and loss.

If the company obtains a policy preferential loan discount interest, and the finance allocates the discount interest funds to the lending bank, and the lending bank provides the loan to the Company at the policy preferential interest rate, the actual amount of the loan is taken as the recorded value of the loan, and the relevant

borrowing costs are calculated according to the loan principal and the policy preferential interest rate; If the finance directly appropriates the discount interest funds to the Company, the Company will offset the corresponding discount interest against the relevant borrowing costs.

2. Confirmation of government subsidies

Government grants are recognized when the conditions attached to government grants are met and can be received. The government subsidy measured according to the amount receivable shall be confirmed at the end of the period when there is solid evidence that it can meet the relevant conditions stipulated in the financial support policy and is expected to receive the financial support funds. Government subsidies other than those measured according to the amount receivable shall be recognized when the amount of subsidies is actually received.

(XXVII) Deferred income tax assets and liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. Recognize deferred tax liabilities for taxable temporary differences related to investments in subsidiaries and associates, unless the Company has control over the timing of the reversal of the temporary differences and it is likely that the reversal will not occur in the foreseeable future. For deductible temporary differences related to investments in subsidiaries and associates, deferred tax assets are recognized when such temporary differences are likely to be reversed in the foreseeable future and the amount of taxable income used to offset the deductible temporary differences is likely to be obtained in the future.

(XXVIII) Leases

1. Accounting treatment of leased assets

On the commencement date of the lease term, the Company recognizes the right to use assets and lease liabilities for leases other than short-term leases and leases of low-value assets, and recognizes depreciation

expense and interest expense, respectively, during the lease term.

The Company uses the straight-line method for each period of the lease term to charge lease payments for short-term leases and leases for low-value assets to current expenses.

(1) Right-of-use asset

The right-of-use asset is initially measured at cost, which includes: 1) the initial measurement amount of the lease liability; 2) the lease payments made on or before the start date of the lease term, if there is a lease incentive, deduct the amount of the lease incentive already enjoyed ; 3) Initial direct costs incurred by the lessee; 4) The lessee is expected to incur costs to dismantle and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the state agreed upon in the lease terms

The company depreciates right-of-use assets on a straight-line basis. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the company shall accrue depreciation over the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be obtained when the lease term expires, the company shall accrue depreciation within the shorter of the lease term and the remaining useful life of the leased asset.

In accordance with the Accounting Standards for Enterprises “ CASBE 8 - Asset Impairment”, the company determines whether the assets used for use have been impaired and carries out accounting treatment.

(2) Lease liability

The lease liability is initially measured at the present value of the outstanding lease payments on the commencement date of the lease term. The lease payment amount includes: 1) the fixed payment amount (including the substantial fixed payment amount). If there is a lease incentive, the lease incentive related amount shall be deducted; 2) variable lease payments depending on the index or ratio; 3) the amount expected to be paid according to the security residual value provided by the lessee; 4) the exercise price of the purchase option, the premise is that the lessee is reasonable to determine the exercise of the option; 5) Payment for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;

The Company uses the lease embedded interest rate as the discount rate; If it is impossible to reasonably determine the interest rate embedded in the lease, the incremental borrowing rate of the Company shall be used as the discount rate. The Company calculates the interest expense of the lease liability in each period of the lease term at a fixed periodic interest rate and records it as a financial expense. The cyclical rate refers to the discount

rate or the revised discount rate adopted by the Company.

Variable lease payments that are not included in the measurement of lease liabilities are recorded in current profit and loss when they are actually incurred.

If the Company changes the evaluation result of the option to renew the lease, terminate the lease or purchase the lease, it will re-measure the lease liability according to the present value calculated by the changed lease payment amount and the revised discount rate, and adjust the book value of the right asset accordingly. In the event of a change in the actual lease payment, the estimated payable amount of the guarantee residual or the variable lease payment depending on the index or ratio, the lease liability shall be re-measured according to the present value calculated by the changed lease payment and the original discount rate, and the carrying value of the right asset shall be adjusted accordingly.

2. Accounting treatment of leased assets

(1) Operating lease accounting treatment

In each period of the lease term, the Company adopts the straight-line method to recognize the lease receipts from the operating leases as rental income. The Company capitalizes the initial direct expenses incurred in connection with the operating lease and stages them into current earnings during the lease term on the same basis of recognition as rental income.

(2) Accounting treatment of finance lease

On the lease commencement date, the Company recognizes the difference between the sum of the financial lease receivable, the unguaranteed residual value and its present value as unrealized financing income, and recognizes it as lease income in each period in which the rent is received in the future. The initial direct expenses incurred by the Company in connection with the leasing transaction are included in the initial recorded value of the finance lease receivable.

(XXIX) Explanation of changes in major accounting policies and accounting estimates

Since the first implementation of Interpretation of Accounting Standards No. 15 in 2022, the Company has not involved the adjustment of the financial statements at the beginning of the first implementation year.

IV. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
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Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax shall be calculated on the basis of the sales of goods and taxable service income calculated in accordance with the provisions of the tax law. After deducting the input tax allowed to be deducted in the current period, the balance shall be the VAT payable.	13%、6%、5%、3%
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%、12%
Urban maintenance and construction tax	Turnover tax payable	7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Enterprise income tax	Taxable income	15%、25%

Taxpayers	Income tax rate
The Company	25%
Nanjing Putian Telege Intelligent Building Co., Ltd	15%
Nanjing Putian Datang Information Electronic Co., Ltd.	15%
Taxpayers other than the above-mentioned	25%

(II) Tax preferential policies

1. Nanjing Putian Telege Intelligent Building Co., Ltd obtained high-tech enterprise certificate in November, 2021, valid for 3 years. From 2021 to 2023, the enterprise income tax shall be paid at the reduced tax rate of 15%.

2. The subsidiary, Nanjing Putian Datang Information Electronic Co., Ltd., obtained high-tech enterprise certificate in November, 2021, valid for 3 years. From 2021 to 2023, the enterprise income tax shall be paid at the reduced tax rate of 15%.

3. The subsidiaries, Nanjing Putian Datang Information Electronic Co., Ltd. were certified as software enterprises, and some of the software products produced by Nanjing South Telecommunications Company Limited and Nanjing Putian Network Co., Ltd. are entitled to enjoy the preferential tax policy of VAT refund upon collection in accordance with the provisions of Cai Shui [2011] No.100.

V. Notes to items of consolidated financial statements

1. Cash and bank balances

Items	Closing balance	Opening balance
Cash on hand	10,398,147.68	111,078,777.09
Cash in bank	57,712,441.89	53,098,903.02
Deposit money with finance company	11,989,032.69	14,113,164.10
Other cash and bank balances	80,099,622.26	178,290,844.21

Items	Closing balance	Opening balance
Total	10,398,147.68	111,078,777.09

2. Notes receivable

(1) Categories

Items	Closing balance	Opening balance
Bank acceptance		
Trade acceptance	11,898,532.36	24,728,859.51
Less: Provision for bad debts	594,926.62	1,236,442.98
Total	11,303,605.74	23,492,416.53

(2) Notes receivable that have been endorsed or discounted at the end of the period and are not yet due on the balance sheet date

Items	The confirmation amount shall be terminated at the end of the period	The confirmation amount has not been terminated at the end of the period
Bank acceptance		
Trade acceptance	10,404,502.37	8,800,000.00
Total	10,404,502.37	8,800,000.00

The acceptor of a bank acceptance bill is a commercial bank. Due to the high creditworthiness of commercial banks, the possibility of non payment upon maturity of the bank acceptance bill is low. Therefore, our company will terminate the recognition of bank acceptance bills that have been endorsed or discounted. The drawer of commercial acceptance bills is usually a state-owned enterprise or listed company with good commercial credit and low default risk. Therefore, our company will terminate the recognition of endorsed commercial acceptance bills. If the bill is not paid upon maturity, according to the provisions of the Bill Law, the company will still bear joint and several liability to the holder.

(3) Provision for bad debts of notes receivable

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Note receivable with bad debt provision accrued on portfolio	11,898,532.36	100.00	594,926.62	5.00	11,303,605.74
Portfolio 1: trade acceptance bill	11,898,532.36	100.00	594,926.62	5.00	11,303,605.74
Total	11,898,532.36	—	594,926.62	5.00	11,303,605.74

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Note receivable with bad debt provision accrued on portfolio	24,728,859.51	100.00	1,236,442.98	5.00	23,492,416.53
Portfolio 1: trade acceptance bill	24,728,859.51	100.00	1,236,442.98	5.00	23,492,416.53
Total	24,728,859.51	—	1,236,442.98	5.00	23,492,416.53

1) Portfolio 1: Trade acceptance bills

aging	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	11,898,532.36	594,926.62	5.00
Total	11,898,532.36	594,926.62	—

(Continued)

aging	Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	24,728,859.51	1,236,442.98	5.00
Total	24,728,859.51	1,236,442.98	—

(3) Bad debt provisions for notes receivable accrual, recovered or reversed in the current period

Items	Opening balance	Changes in the current period				Closing balance
		Accrual	Recovery	Write-off	Others	
Trade acceptance	1,236,442.98	-641,516.36				594,926.62
Total	1,236,442.98	-641,516.36				594,926.62

3. Accounts receivable

(1) Disclosure according to aging

Ages	Closing balance	Opening balance
Within 1 year	319,827,458.77	203,810,673.21
1 to 2 years	4,3813,657.06	55,260,839.75
2 to 3 years	24,947,085.34	29,870,212.97
3 to 4 years	19,282,729.01	20,763,649.56
4 to 5 years	21,253,346.84	23,809,632.03
Over 5 years	167,094,051.09	166,215,013.08
Less: Allowance for doubtful accounts	197,203,573.76	198,111,661.33
Total	399,014,754.35	301,618,359.27

(2) According to the bad debt calculation and withdrawal method classification disclosure

Categories	Closing balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	76,651,216.61	12.86	76,651,216.61	100.00
Receivables with provision made on a collective basis	519,567,111.50	87.14	120,552,357.15	23.20
Aging combination	519,567,111.50	87.14	120,552,357.15	23.20
Total	596,218,328.11	100.00	197,203,573.76	33.08

Categories	Opening balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	76,074,296.15	15.22	76,074,296.15	100.00
Receivables with provision made on a collective basis	423,655,724.45	84.78	122,037,365.18	28.81
Aging combination	423,655,724.45	100.00	122,037,365.18	28.81
Total	499,730,020.60	100.00	198,111,661.33	39.64

1) Accounts receivable with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	100.00	Unable to recover
Mr. Xu	17,591,683.74	17,591,683.74	100.00	Unable to recover
China Tower Corporation Ltd.	13,819,926.92	13,819,926.92	100	Unable to recover
Putian Information Technology Co. LTD	6,065,598.36	6,065,598.36	100	Unable to recover
Ningbo Tianan Group switch Co., LTD	4,419,126.70	4,419,126.70	100	Unable to recover
Other	15,046,794.35	15,046,794.35	100	Unable to recover
Total	76,651,216.61	76,651,216.61		

2) Accounts receivable with provision made on an collective basis

① Aging combination

Ages	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)	Book balance	Provision for bad debts	Provision proportion (%)

Ages	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	309,379,768.75	3,093,797.69	1.00	203,810,673.21	2,038,106.74	1.00
1 to 2 years	54,241,117.08	2,712,055.85	5.00	55,217,219.25	2,760,860.96	5.00
2 to 3 years	24,882,620.76	2,488,262.08	10.00	29,835,462.97	2,983,546.30	10.00
3 to 4 years	15,198,484.31	4,559,545.30	30.00	14,229,702.18	4,268,910.65	30.00
4 to 5 years	16,332,848.73	8,166,424.36	50.00	21,153,452.63	10,576,726.32	50.00
Over 5 years	99,532,271.87	99,532,271.87	100.00	99,409,214.21	99,409,214.21	100.00
Total	519,567,111.50	120,552,357.15	23.20	423,655,724.45	122,037,365.18	28.81

(3) Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	Recovery	Write-off	Other changes	
Receivables with provision made on a collective basis	122,037,365.18	-1,485,008.03				120,552,357.15
Receivables with provision made on an individual basis	76,074,296.15	576,920.46				76,651,216.61
Total	198,111,661.33	-908,087.57				197,203,573.76

(4) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Dongpo Xi Laos Co., Ltd.	19,708,086.54	3.31	19,708,086.54
Mr. Xu	17,591,683.74	2.95	17,591,683.74
China Railway Electrification Bureau Group Co., LTD	14,857,356.52	2.49	535,612.51
China Tower Corporation Limited	13,819,926.92	2.32	13,819,926.92
China Railway 11 First Group electrical Engineering Co., LTD	11,167,222.11	1.87	379,801.19
Total	77,144,275.83	12.94	52,035,110.90

4. Receivables financing

Items	Closing balance	Opening balance
Notes receivable (Bank acceptance)	13,936,406.72	32,347,277.62

5. Advances paid

(1) Age analysis

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
Within 1 year	6,497,586.53	55.39	5,870,068.98	57.64
1-2 years	690,742.07	5.89	409,519.84	4.02
2-3 years	2,746,824.40	23.41	794,780.12	7.80
Over 3 years	1,795,446.50	15.31	3,110,314.80	30.54
Total	11,730,599.50	100.00	10,184,683.74	100.00

(2) Details of the top 5 debtors with largest balances

Debtors	Closing balance	Proportion to the total balance of advances paid (%)
Zhengzhou Hounuo Information Technology Co., LTD	1,332,300.00	11.36
Guangzhou good network electrical technology Co., LTD	618,355.00	5.27
Guangneng Intelligent Equipment (Zhejiang) Co., LTD	490,000.00	4.17
Shenzhen Chuangxian photoelectric Co., LTD	461,140.00	3.93
Ningbo Gete electronic Technology Co., LTD	409,914.60	3.49
Total	3,311,709.60	28.22

6. Other receivable

Items	Closing balance	Opening balance
Other receivables	52,858,800.46	50,680,676.82
Less: Allowance for doubtful accounts	42,160,399.53	42,577,655.38
Total	10,698,400.93	8,103,021.44

(1) Other receivables categorized by nature

Categories	Closing balance	Opening balance
Temporary payment receivable	37,664,843.23	38,355,242.94
Security deposit	13,625,430.65	10,413,472.88
Travel allowance	157,742.92	444,303.97
Other	1,410,783.66	1,467,657.03
Less: Allowance for doubtful accounts	42,160,399.53	42,577,655.38
Total	10,698,400.93	8,103,021.44

(2) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	8,901,198.08	4,826,760.69
1 to 2 years	3,064,326.55	3,553,362.18
2 to 3 years	1,230,564.70	1,800,397.30

3 to 4 years	1,703,399.51	1,735,195.43
4 to 5 years	1,585,678.85	2,500,896.37
Over 5 years	36,373,632.77	36,264,064.85
Less: Allowance for doubtful accounts	42,160,399.53	42,577,655.38
Total	10,698,400.93	8,103,021.44

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance		10,474,040.44	32,103,614.94	42,577,655.38
Provision for current period		-417,255.85		-417,255.85
Closing balance		10,056,784.59	32,103,614.94	42,160,399.53

(4) Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Provision for bad debts	42,577,655.38	-417,255.85				42,160,399.53

(5) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Beijing Likang general letter equipment Co., LTD	Temporary payment receivable	28,912,122.71	Over 5 years	54.70	28,912,122.71
Nanjing Putian Communication Technology Co., LTD	Security deposit	2,910,139.76	Within 1 year 2,434,619.72, 1-2year 475,520.04	5.49	2,910,139.76
Nanjing Putian Communication Industry Co., LTD	Temporary payment receivable	805,545.63	Over 3 years 805,545.63	1.52	805,545.63
Beijing Lekang Property Management Co., LTD	Security deposit	394,005.08	Within 1 year 98,501.27 1-2year 295,503.8	0.74	19,700.25
China Power Construction Company Limited Chongqing rail transit	Bid bond	300,000.00	Within 1 year	0.57	15,000.00
Total		33,321,813.18	—	63.02	32,662,508.35

7. Inventories

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for write-down	Carrying amount	Book balance	Provision for write-down	Carrying amount

Items	Closing balance			Opening balance		
	Book balance	Provision for write-down	Carrying amount	Book balance	Provision for write-down	Carrying amount
Raw materials	25,441,901.75	11,161,706.63	14,280,195.12	24,355,064.85	10,860,838.19	13,494,226.66
Work in process	7,029,791.06	2,660,490.69	4,369,300.37	5,436,730.59	2,660,490.69	2,776,239.90
Goods on hand	85,835,751.99	44,673,371.62	41,162,380.37	84,241,370.76	44,673,371.62	39,567,999.14
Goods dispatched	149,540,530.91	57,654,663.20	91,885,867.71	124,160,523.31	58,109,826.28	66,050,697.03
Products on consignment for sales	3,253,487.04	804,691.99	2,448,795.05	1,614,307.52	804,691.99	809,615.53
Total	271,101,462.75	116,954,924.13	154,146,538.62	239,807,997.03	117,109,218.77	122,698,778.26

(2) The increase or decrease of the inventory decline reserve and the impairment reserve of contract performance cost

Items	Opening balance	Increase amount in the current period		Decrease amount in the current period		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Raw materials	10,860,838.19	300,868.44				11,161,706.63
Work in process	2,660,490.69					2,660,490.69
Goods on hand	44,673,371.62					44,673,371.62
Goods dispatched	58,109,826.28	1,497.98		456,661.06		57,654,663.20
Products on consignment for sales	804,691.99					804,691.99
Total	117,109,218.77	302,366.42		456,661.06		116,954,924.13

The specific basis for determining the net realizable value and the reasons for turning back or selling the inventory depreciation reserve in the current period.

Item	Specific basis for determining net realizable value	Reasons for the reversal of inventory depreciation provisions in the current period	Reasons for the provision for depreciation of inventory sold in the current period
Raw materials	Net realizable value is determined by the estimated selling price of the relevant finished products less the estimated costs to be incurred to completion, estimated sales expenses and relevant taxes	The net realizable value of inventories for which provision was made for inventory depreciation in previous periods increased	During the current period, the inventory that was set aside for inventory depreciation at the beginning of the period has been sold
Goods dispatched	The net realizable value of the inventory is determined by the estimated selling price of the inventory less estimated selling expenses and	The net realizable value of inventories, which has been provided for the decline of	During the current period, the inventory that was set aside for inventory depreciation at

	related taxes in the normal course of production and operation	inventories in previous periods, increased	the beginning of the period has been sold
Goods on hand	The net realizable value of the inventory is determined by the estimated selling price minus the estimated selling expenses and relevant taxes in the normal course of production and operation	The net realizable value of inventories for which provision was made for inventory depreciation in previous periods increased	During the current period, the inventory that was set aside for inventory depreciation at the beginning of the period has been sold

8. Other current assets

Items	Closing balance	Opening balance
Input tax to be deducted	3,385,829.40	3,349,668.12
Advance payment of income tax	978,112.06	141,091.78
Total	4,363,941.46	3,490,759.90

9. Long-term equity investments

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
I. Subsidiary	1,294,510.00									1,294,510.00	1,294,510.00
Nanjing Putian Communication Technology Co., LTD	1,294,510.00									1,294,510.00	1,294,510.00
II. Joint ventures	10,412,689.14			-66.50						10,412,622.64	
Nanjing Puzhu optical network Co., LTD	10,412,689.14			-66.50						10,412,622.64	
Total	11,707,199.14			-66.50						11,707,132.64	1,294,510.00

10. Other equity instrument investments

Items	Closing balance	Opening balance	Dividend income	The cumulative gains	The cumulative loss	Amount of other comprehensive income transferred to retained earnings	The reason designated as measurement at fair value and its change included in other comprehensive income	Other comprehensive income is transferred to retained earnings
Nanjing Yuhua electroplating factory	420,915.00	420,915.00						
Hangzhou Hongyan Electric Appliance Co., LTD	321,038.00	321,038.00						
Beijing Likang general letter equipment Co., LTD					1,854,910.00			
Total	741,953.00	741,953.00			1,854,910.00			

Note: The investment in Nanjing Yuhua Electroplating Factory, Hangzhou Honyar Electrical Co.,Ltd. and Beijing Likong Communication Equipment Co., Ltd. are classified as other equity instrument investments, the Company measured it at fair value through other comprehensive income.

11. Investment property

(1) Investment real estate measured at cost

Items	Buildings and structures	Total
I.Original book value		
1. Opening balance	40,129,313.41	40,129,313.41
2. Increase		
(1) External purchase		
(2) Transfer of fixed assets		
3. Decrease		
(1) Disposal		
(2) Other transfer out		
4. Closing balance	40,129,313.41	40,129,313.41
II.Accumulated depreciation and amortization		
1. Opening balance	21,002,234.66	21,002,234.66
2. Increase	612,080.67	612,080.67
(1) Accrual or amortization	612,080.67	612,080.67
(2) Transfer of fixed assets		

Items	Buildings and structures	Total
3. Decrease		
(1) Disposal		
(2) other transfer out		
4. Closing balance	21,002,234.66	21,002,234.66
III.Provision for impairment		
IV.Carrying amount		
1. Closing balance	19,127,078.75	19,127,078.75
2. Opening balance	20,351,240.03	20,351,240.03

12. Fixed assets

Categories	Closing balance	Opening balance
Fixed assets	91,204,738.16	94,480,062.75
Liquidation of fixed assets		
Less: Impairment provision	725,962.56	725,962.56
Total	90,478,775.60	93,754,100.19

(1) Fixed assets

1) Details

Items	Buildings and structures	Machinery equipment	Electronic equipment	Transport facilities	Other equipment	Total
I. Original book value						
1. Opening balance	121,830,342.65	47,966,511.94	21,750,073.21	3,365,460.28	17,523,627.35	212,436,015.43
2. Increase		17,915.93	54,821.58		175,981.16	248,718.67
(1) Acquisition		17,915.93	54,821.58		175,981.16	248,718.67
3. Decrease					16,923.08	16,923.08
(1) Disposal or scrapping					16,923.08	16,923.08
4. Closing balance	121,830,342.65	47,984,427.87	21,804,894.79	3,365,460.28	17,682,685.43	212,667,811.02
II.Accumulated depreciation						
1. Opening balance	52,260,186.12	28,340,652.66	17,891,957.09	3,130,014.89	16,333,141.92	117,955,952.68
2. Increase	2,134,424.71	821,678.93	461,468.92	25,540.29	80,422.72	3,523,535.57
(1) accrual	2,134,424.71	821,678.93	461,468.92	25,540.29	80,422.72	3,523,535.57
3. Decrease					16,415.39	16,415.39
(1) Disposal/Scrapping					16,415.39	16,415.39
4. Closing balance	54,394,610.83	29,162,331.59	18,353,426.01	3,155,555.18	16,397,149.25	121,463,072.86
III.Provision for impairment						
1. Opening balance	539,124.00	11,550.65	-	-	175,287.91	725,962.56
2. Closing balance	539,124.00	11,550.65	-	-	175,287.91	725,962.56

Items	Buildings and structures	Machinery equipment	Electronic equipment	Transport facilities	Other equipment	Total
IV. Carrying amount						
1. Closing balance	66,896,607.82	18,810,545.63	3,451,468.78	209,905.10	1,110,248.27	90,478,775.60
2. Opening balance	69,031,032.53	19,614,308.63	3,858,116.12	235,445.39	1,015,197.52	93,754,100.19

2) Fixed assets temporarily idle

Items	Original book value	Accumulated depreciation	Provision for impairment	Carrying amount	Remarks
Machinery equipment	219,385.00	202,981.30	11,550.65	4,853.05	
Electronic equipment	36,000.00	34,920.00		1,080.00	
Other equipment	342,985.18	157,407.73	175,287.91	10,289.54	
Total	598,370.18	395,309.03	186,838.56	16,222.59	

3) Fixed assets leased under operating leases as of June 30, 2024

Items	Carrying amount
Buildings and structures	10,900,943.62

4) Fixed assets with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Buildings and structures	2,042,939.68	In process

13. Construction in progress

Categories	Closing balance	Opening balance
Construction in progress project		5,906.53
Total		5,906.53

1. Projects under construction

(1) Basic information of construction projects in progress

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Renewal and transformation				5,906.53		5,906.53

14. Usufruct assets

Items	Machinery and equipment	Total
Original book value		
1. Opening balance		
2. Increased amount for the current period	2,686,684.00	2,686,684.00

Items	Machinery and equipment	Total
(1) New lease	2,686,684.00	2,686,684.00
3. Closing balance	2,686,684.00	2,686,684.00
Accumulated depreciation		
1. Opening balance		
2. Increased amount for the current period	108,586.80	108,586.80
(1) Provision	108,586.80	108,586.80
3. Closing balance	108,586.80	108,586.80
Book value		
1. Ending book value	2,578,097.20	2,578,097.20
2. Opening book value		

15. Intangible assets

(1) Details

Items	Software	Land use right	Total
I. Original book value			
1. Opening balance	11,593,450.55	26,656,046.83	38,249,497.38
2. Increase	9,600.00		9,600.00
(1) other	9,600.00		9,600.00
3. Decrease			
(1) other			
4. Closing balance	11,603,050.55	26,656,046.83	38,259,097.38
II. Accumulated depreciation			
1. Opening balance	10,200,943.41	8,415,682.46	18,616,625.87
2. Increase	52,607.97	355,436.59	408,044.56
(1) accrual	52,607.97	355,436.59	408,044.56
(2) other			
3. Decrease			
(1) other			
4. Closing balance	10,253,551.38	8,771,119.05	19,024,670.43
III. Carrying amount			
1. Closing balance	1,349,499.17	17,884,927.78	19,234,426.95
2. Opening balance	1,392,507.14	18,240,364.37	19,632,871.51

16. Long-term prepayments

Items	Opening balance	Increase	Amortization	Other decrease	Closing balance
Renovation expenditure	2,299,773.18	646,268.55	487,899.05	220,616.00	2,237,526.68

17. Deferred tax assets and deferred tax liabilities

(1) Details of unrecognized deferred tax assets

Items	Closing balance	Opening balance
Deductible temporary difference	344,666,499.92	361,055,451.02
Deductible losses	286,167,413.11	250,920,070.63
Total	630,833,913.03	611,975,521.65

(2) Maturity years of deductible losses of unrecognized deferred tax assets

Maturity years	Closing balance	Opening balance	Remarks
Year 2023			
Year 2024	105,985,653.23	105,985,653.23	
Year 2025	3,031,582.45	3,031,582.45	
Year 2026	67,207,331.67	67,207,331.67	
Year 2027	55,359,032.59	55,359,032.59	
Year 2028	10,349,408.51	10,349,408.51	
Year 2029	1,622,476.49	1,622,476.49	
Year 2030	1,188,328.53	1,188,328.53	
Year 2031	9,791,047.64	9,791,047.64	
Year 2032	3,128,208.76	3,128,208.76	
Year 2033	338,021.95	338,021.95	
Total	258,001,091.82	258,001,091.82	

18. Other non-current assets

Items	Closing balance	Opening balance
Long-term asset purchase		40,899.00

19. Assets with limited ownership or use rights

Items	Closing balance				Opening balance			
	Book balance	Book value	Restricted type	Restricted case	Book balance	Book value	Restricted type	Restricted case
Other cash and bank balances	12,068,763.77	12,068,763.77	Freeze and deposit	Bank freeze 4,600,000, Guarantee deposit 7,468,763.77	14,113,164.10	14,113,164.10	Freeze and deposit	Involving litigation bank freeze 4,368,851.37, Guarantee deposit 9,744,312.73
Fixed assets	62,091,803.35	24,760,171.60	pledge	Real estate and land mortgages, etc	37,958,367.23	23,546,470.68	pledge	Real estate and land mortgages, etc
Intangible assets	7,837,407.40	5,136,398.40	pledge	Real estate and land mortgages, etc	5,033,207.40	3,344,930.14	pledge	Real estate and land mortgages, etc
Investment real estate	10,079,382.06	3,479,906.65	pledge	Real estate and land mortgages, etc				
Total	92,077,356.58	45,445,240.42			57,104,738.73	41,004,564.92		--

Other instructions: We remind users of financial statements that, apart from the above assets with title or use right restrictions, in order to entrust the parent company to apply for loans from Bank of Beijing, Jiangning Sub-branch, the Company pledged its holding equities to the parent company, which include equity of Nanjing South Telecommunications Co Ltd. 33.17 million yuan(96.99% shares of stock equity), equity of Nanjing Putian Telege Intelligent Building Co., Ltd. 4.80 million yuan(40% shares of stock equity), equity of Nanjing Putian Change Telecommunications Equipment Co., Ltd. 5.07 million yuan(50.7% shares of stock equity), equity of Nanjing Putian Network Co., Ltd. 7.80 million yuan(78% shares of stock equity), equity of Nanjing Mennekes Electric Co., Ltd. 41.14 million yuan (100% shares of stock equity). The Company has registered the equity pledge at Nanjing Jiangning Market Supervision Administration. Those equities are with use restrictions before released.

20. Short-term borrowings

(1) Details

Borrowing conditions	Closing balance	Opening balance
Pledged borrowings		
Mortgaged borrowings	7,300,000.00	16,015,446.08
credit borrowings	99,410,779.97	53,847,877.85
Total	106,710,779.97	69,863,323.93

21. Notes payable

Items	Closing balance	Opening balance
Banker's acceptance	7,485,970.40	7,885,557.80
Trade acceptance	3,204,792.00	1,776,746.00
Total	10,690,762.40	9,662,303.80

22. Accounts payable

(1) Classified by account age

Items	Closing balance	Opening balance
Within 1 year (including 1 year)	265,068,028.41	261,624,545.57
More than 1 year	109,661,879.23	135,969,220.70
Total	374,729,907.64	397,593,766.27

(2) Significant accounts payable with age over one year

Name of creditor	Closing balance	Reasons for unsettlement
Nanjing Puzhu optical network Co., LTD	20,568,725.66	Not settled
Total	20,568,725.66	

23. Advances received

Items	Closing balance	Opening balance
Within 1 year (including 1 year)		452,216.54
More than 1 year		
Total		452,216.54

24. Contract liabilities

Items	Closing balance	Opening balance
Payment for goods	14,916,159.30	16,720,781.30

1. Significant contract liabilities older than 1 year

Name of creditor	Opening balance	Reasons for unsettlement
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Name of creditor	Opening balance	Reasons for unsettlement
China Putian Information Industry Co. LTD	3,727,418.22	Not yet settled

25. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	17,771,367.37	67,171,069.00	67,516,176.23	17,426,260.14
Post-employment benefits - defined contribution plan		9,213,287.14	9,213,287.14	
Dismissal welfare		1,198,310.40	1,198,310.40	
Total	17,771,367.37	77,582,666.54	77,927,773.77	17,426,260.14

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	3,625,349.25	49,838,633.01	49,838,633.01	3,625,349.25
Employee welfare fund		2,753,211.07	2,753,211.07	
Social insurance premium		4,074,031.18	4,074,031.18	
Including: Medicare premium		3,563,985.96	3,563,985.96	
Occupational injuries premium		232,374.92	232,374.92	
Maternity premium		277,670.30	277,670.30	
Housing provident fund	3,216,865.05	4,612,851.86	4,612,851.86	3,216,865.05
Trade union fund and employee education fund	10,914,156.54	309,803.20	654,910.43	10,569,049.31
Others	14,996.53	5,582,538.68	5,582,538.68	14,996.53
Total	17,771,367.37	67,171,069.00	67,516,176.23	17,426,260.14

(3) Details of defined contribution plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium		8,829,914.83	8,829,914.83	
Unemployment insurance premium		383,372.31	383,372.31	
Total		9,213,287.14	9,213,287.14	

26. Taxes payable

Items	Closing balance	Opening balance
Value-added tax	971,056.85	2,627,413.82
Enterprise income tax		2,064,588.36
Individual income tax	107,009.73	155,936.50

Items	Closing balance	Opening balance
City maintenance and construction tax	54,069.17	212,899.11
House tax	262,194.29	278,347.94
Land use tax	74,502.60	76,065.10
Education fee surcharge, local education fee surcharge	36,478.32	149,928.29
Other tax	13,316.23	65,813.19
Total	1,518,627.19	5,630,992.31

27. Other payables

Items	Closing balance	Opening balance
Dividend payable	10,846,600.00	5,692,213.38
Other payables	43,788,894.39	41,427,529.15
Total	54,635,494.39	47,119,742.53

(1) Dividend payable

Items	Closing balance	Opening balance
Dividend of ordinary shares	10,846,600.00	5,692,213.38

(2) Other payables

1) Classification by nature of funds

Items	Closing balance	Opening balance
Suspense receivable	34,052,950.64	32,498,657.42
Installation costs not accounted for	116,487.88	231,627.19
Security deposit	2,590,691.65	2,904,038.29
Operating expenses	5,297,122.26	4,891,257.87
Others	1,731,641.96	901,948.38
Total	43,788,894.39	41,427,529.15

2) Important other payables older than 1 year or overdue

Unit name	Closing balance	Reasons not reimbursed or carried forward
China Putian Information Industry Group Co. LTD	9,580,000.00	The settlement terms have not been met
total	9,580,000.00	

28. Other current liabilities

Items	Closing balance	Opening balance
Amount of tax to be resold	1,709,382.65	1,595,107.01
indorsement	847,582.07	
total	2,556,964.72	1,595,107.01

29. Long-term borrowings

Items	Closing balance	Opening balance	Interest rate range
Pledged borrowings	175,992,705.56	176,011,976.11	3.75%-4.05%

30. Lease liability

Items	Closing balance	Opening balance
Lease payment	2,567,161.78	
Less: Financing charges not recognized	135,679.05	
Less: Lease liabilities due within one year		
total	2,431,482.73	

31. Capital stock

Items	Opening balance	Movements					Closing balance
		Issue new shares	Share dividend	Conversion of provident fund shares	Others	Subtotal	
Total shares	215,000,000.00						215,000,000.00

32. Capital reserve

Items	Opening balance	Increase	Decrease	Closing balance
Capital premium (equity premium)	137,786,640.63			137,786,640.63
Other capital reserves	59,311,274.77	857,952.18		60,169,226.95
Total	197,097,915.40	857,952.18		197,955,867.58

33. Treasury stock

Items	Opening balance	Increase	Decrease	Closing balance
Repurchase stock		1,425,412.05		1,425,412.05

34. Other comprehensive income (OCI)

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: Other comprehensive income in the previous period is transferred to profit and loss	Less: Other comprehensive income recorded in the previous period is transferred to retained income in the current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
Other comprehensive income reclassified into profit and loss	-1,854,910.00							-1,854,910.00
Including: The amount of financial assets reclassified into other comprehensive income	-1,854,910.00							-1,854,910.00
Total	-1,854,910.00							-1,854,910.00

35. Surplus reserve

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	589,559.77			589,559.77

36. Undistributed profit

Items	Current period cumulative	Preceding period comparative
Undistributed profit at the end of the previous period before adjustment	-405,721,306.51	-388,837,228.89
Adjustment of total undistributed profit at the beginning of the period (increase +, decrease -)		
Adjust the undistributed profit at the beginning of the later period	-405,721,306.51	-388,837,228.89
Add: Net profit attributable to the owner of the parent company for the period	-9,457,810.54	-10,961,896.92
Less: Appropriation of statutory surplus reserve		
Withdraw arbitrary surplus reserve		
Dividend payable on ordinary shares		
Common stock dividends converted into capital stock		
Closing balance	-415,179,117.05	-399,799,125.81

37. Operating revenue/Operating cost

(1) Details

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
I.Main operations	336,079,406.23	259,256,021.52	383,298,786.87	299,488,292.86
II.Other operations	12,906,834.69	5,182,727.21	9,241,090.82	3,710,714.81
Total	348,986,240.92	264,438,748.73	392,539,877.69	303,199,007.67

(2) Current operating income is classified according to the time of revenue recognition

Revenue recognition time	Income from main business	Other business income
Confirm at a certain point	336,079,406.23	11,284,031.12

38. Taxes and surcharges

Items	Current period cumulative	Preceding period comparative
City maintenance and construction tax	384,786.01	621,601.17
Education fee surcharge, local education fee surcharge	274,847.18	443,890.10
House tax	891,842.13	730,291.64
Land use tax	227,553.24	227,340.96
Other tax	334,683.26	164,525.82
Total	2,113,711.82	2,187,649.69

39. Selling expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	25,421,151.68	28,376,975.75
Transportation and transportation damage	82,002.90	70,112.49
Business entertainment	4,991,275.17	6,506,817.74
Travel expense	2,055,425.91	2,266,403.30
Administrative expenses	714,051.79	375,760.72
Sales service fee	2,636,417.86	437,319.92
Business publicity expenses	138,486.21	383,834.27
Conference expense	433,988.25	444,398.37
Equipment maintenance fee		7,343.54
Others	3,760,041.97	1,694,363.47
Total	40,232,841.74	40,563,329.57

40. Administrative expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	22,289,020.01	24,081,525.57
Consulting and intermediary fees	2,253,277.69	2,060,359.67
Depreciation and amortization	2,333,672.81	2,635,224.08
Administrative expenses	1,417,075.15	1,293,967.44
Rental fee	667,598.28	1,199,627.72
Travel expense	464,118.77	197,048.41
Business entertainment	231,149.93	321,276.18
Others	861,770.95	888,920.17
Total	30,517,683.59	32,677,949.24

41. R&D expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	14,357,492.47	14,555,116.56
Intermediate test fee	822,542.72	1,149,722.68
Travel expense	131,950.57	589,520.39
Material requisition	549,896.81	392,274.68
Depreciation and amortization	472,560.96	505,136.51
Commissioned development	93,578.24	1,513,752.55
Others	1,419,196.79	716,644.65
Total	17,847,218.56	19,422,168.02

42. Financial expenses

Items	Current period cumulative	Preceding period comparative
Interest expenditures	4,822,731.40	4,046,684.70
Less: Interest income	549,603.32	309,650.00
Losses on foreign exchange		
Less: gain on foreign exchange		33,020.09
Financial institution fees	29,388.96	54,850.87
Others	651.60	
Total	4,303,168.64	3,758,865.48

43. Other income

Items	Current period cumulative	Preceding period comparative	Related to assets/Related to earnings
Provincial Engineering Technology Research Center award, Provincial Enterprise Technology Center award, Jiangsu Province special small and medium-sized enterprise award	1,000,000.00		Income correlation
VAT plus deduction	875,867.67		Income correlation
Software tax refund	266,839.35	1,025,464.15	Income correlation
Nanjing Qinhuai District People's Government	60,000.00		Income correlation
Budgetary revenue to be reported	34,957.20		Income correlation
Personal income tax rebate	9,574.65		Income correlation
Receive subsidies from the management committee of Nanjing Jiangning Economic and Technological Development Zone (intelligent transformation, specialization and special new) awards	2,000.00		Income correlation
High declare subsidies		250,000.00	Income correlation

Items	Current period cumulative	Preceding period comparative	Related to assets/Related to earnings
2021 Jiangning District rescue eight freight subsidy development zones supporting		103,076.00	Income correlation
Employee training subsidy		342,921.12	Income correlation
other		142,183.11	Income correlation
Total	2,249,238.87	1,863,644.38	

44. Investment income

Items	Current period cumulative	Preceding period comparative
Income from long-term equity investments accounted for by the equity method	-66.50	-9,717.35
Investment gains from the disposal of trading financial assets		
Others	1,025,916.02	252,381.63
Total	1,025,849.52	242,664.28

45. Credit impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debt loss of notes receivable	641,516.36	881,318.68
Bad debt loss of accounts receivable	908,087.57	308,415.47
Bad debt loss of other receivables	417,255.85	1,189,644.08
Total	1,966,859.78	2,379,378.23

46. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Loss on inventory decline and impairment loss on contract performance costs	-302,366.42	-46,540.00

47. Gains on asset disposal

Items	Current period cumulative	Preceding period comparative
Gain on disposal of fixed assets	-468.86	42,412.44

48. Non-operating revenue

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Unpaid payables	2,292,392.19		2,292,392.19
Penalty income	49,576.26	51,484.34	49,576.26
Others		24,275.66	

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Total	2,341,968.45	75,760.00	2,341,968.45

49. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Loss on damage and retirement of non-current assets		109,802.21	
Penalty expenditure	25,000.00	624,965.01	25,000.00
Late fees paid	102,715.70		102,715.70
Others	673,039.29	92,732.56	673,039.29
Total	800,754.99	827,499.78	800,754.99

50. Income tax expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Current income tax expense calculated in accordance with the tax law and relevant provisions	933,363.12	598,186.15
Others	436,741.79	-86,511.42
Total	1,370,104.91	511,674.73

(2) Accounting profit and income tax expense adjustment process

Items	Amount
Profit before tax	-3,986,805.81
Income tax expenses based on tax rate applicable to the parent company	-996,701.45
Effect of different tax rate applicable to subsidiaries	1,406,556.14
Effect of prior income tax reconciliation	
The impact of non-deductible costs, expenses and losses	213,392.82
The effect of deductible temporary differences or deductible losses on deferred tax assets was not recognized in the current period	2,431,230.12
Deduction of R&D expenditures	-3,097,386.86
other effects	
Income tax expenses	1,370,104.91

51. Statement of cash flows

1. Cash related to operating activities

(1) Other cash receipts related to operating activities

Items	Current period cumulative	Preceding period comparative
Government grants	1,106,531.85	1,377,607.64

Items	Current period cumulative	Preceding period comparative
Interest income	549,603.32	307,689.80
Incomings and outgoings	23,790,106.78	27,363,612.17
Others		61,876.88
Total	25,446,241.95	29,110,786.49

(2) Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Out-of-pocket expenses	21,811,489.52	23,331,416.49
Incomings and outgoings	28,091,554.23	26,051,460.15
Others		286,225.67
Total	49,903,043.75	49,669,102.31

2. Cash related to fundraising activities

(1) Other cash receipts related to financing activities

Items	Current period cumulative	Preceding period comparative
Nanjing bank loan interest reduction refund		25,555.55

(2) Other cash payments related to financing activities

Items	Current period cumulative	Preceding period comparative
Installment financing lease payments	1,601,401.52	

(3) Changes in various liabilities arising from fundraising activities

Items	Opening balance	Increase in this period		Decrease in this period		ending balance
		Cash changes	Non cash changes	Cash changes	Non cash changes	
Short-term borrowings	69,863,323.93	83,466,746.58		46,619,290.54		106,710,779.97
long-term loan	176,011,976.11		192,705.56			175,992,705.56
Total	245,875,300.04	83,466,746.58	192,705.56	46,619,290.54		282,703,485.53

52. Supplement information to the cash flow statement

1. Supplement information to the cash flow statement

Items	Current period cumulative	Preceding period comparative
I. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-5,356,910.72	-6,050,947.16
Add: Provision for assets impairment loss	302,366.42	46,540.00

Items	Current period cumulative	Preceding period comparative
Provision for credit impairment loss	-1,966,859.78	-2,379,378.23
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets, and depreciation of investment real estate	4,135,616.24	4,247,003.60
Depreciation of right-of-use assets	108,586.80	
Amortization of intangible assets	408,044.56	452,346.09
Amortization of long-term prepayments	488,283.61	756,292.56
Loss on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	468.86	-42,412.44
Fixed assets retirement loss (Less: gains)		109,802.21
Financial assets measured at amortized cost are derecognized for income		
Losses on changes in fair value (Less: gains)		
Financial expenses (Less: gains)	4,822,731.40	4,046,684.70
Investment losses (Less: gains)	-1,025,849.52	-242,664.28
Decrease of deferred tax assets (Less: increase)		
Increase of deferred tax liabilities (Less: decrease)		
Decrease of inventories (Less: increase)	-5,052,069.50	20,696,092.14
Decrease of operating receivables (Less: increase)	-98,020,947.40	-49,712,436.69
Increase of operating payables (Less: decrease)	-21,063,471.88	-58,009,405.97
Others		
Net cash flows from operating activities	-122,220,010.91	-86,082,483.47
II. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
III. Net changes in cash and cash equivalents:		
Cash at the end of the period	68,110,588.38	121,936,719.47
Less: Cash at the beginning of the period	164,177,680.11	164,384,741.39
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	-96,067,091.73	-42,448,021.92

(2) Cash and cash equivalents

Items	Current period cumulative	Preceding period comparative
I. Cash	68,110,588.38	164,177,680.11
Including: Cash on hand		
Cash in bank on demand for payment	68,110,588.38	164,177,680.11
Cash equivalents		
Cash and cash equivalents at the end of the period	68,110,588.38	164,177,680.11

VII. Changes in the consolidation scope

NONE.

VIII. Interest in other entities

(I) Interest in subsidiaries

1. Composition of subsidiaries

(1) Details

Subsidiaries	Place of registration	Main operating place	Business nature	Holding proportion (%)		Acquisition Method
				Direct	Indirect	
Nanjing Putian Change Telecommunications Equipment Co., Ltd.	Nanjing City	Nanjing City	Manufacture	50.70		Set up
Nanjing Putian Telege Intelligent Building Ltd.	Nanjing City	Nanjing City	Manufacture	45.77		Set up
Nanjing South Telecommunications Company Limited	Nanjing City	Nanjing City	Manufacture	96.99	3.01	Set up
Nanjing Mennekes Electric Co., Ltd.	Nanjing City	Nanjing City	Manufacture	100.00		Merger of enterprises under different control
Nanjing Putian Datang Information Electronic Co., Ltd.	Nanjing City	Nanjing City	Manufacture	40.00		Merger of enterprises under different control

2. Notes

Remarks on inconsistency between holding proportion owned and voting rights proportion owned in subsidiaries

a. The Company holds 45.767% of voting rights in Nanjing Putian Telege Intelligent Building Ltd., the other voting rights are decentralized. The Company has over half member of the Board of Directors, and it not only controls this company but also has a privileged variable return by taking part in Nanjing Putian Telege Intelligent Building Ltd's related activity. The Company has the ability to impact the amount of return and control over Nanjing Putian Telege Intelligent Building

Ltd.

b. The company holds Nanjing Putian Datang Information Electronics Co., LTD. 40% equity, the company in Nanjing Putian Datang information electronics Co., LTD. As the number of board members more than half of the company's board of directors, has the power of Nanjing Putian Datang information Electronics Co., LTD., Be able to enjoy variable returns by participating in relevant activities of Nanjing Putian Datang Information Electronics Co., LTD., and have the ability to influence the amount of returns by using the power of Nanjing Putian Datang Information Electronics Co., LTD., and be able to control Nanjing Putian Datang Information Electronics Co., LTD.

3. Significant not wholly-owned subsidiaries

Subsidiaries	Holding proportion of non-controlling shareholders	Non-controlling shareholders' profit or loss	Dividend declared to non-controlling shareholders	Closing balance of non-controlling interest
Nanjing Putian Telege Intelligent Building Ltd.	54.23%	4,242,168.05	10,846,600.00	46,759,467.23

4. Main financial information of significant not wholly-owned subsidiaries

Subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Nanjing Putian Telege Intelligent Building Ltd.	211,838,903.04	33,394,602.77	245,233,505.81	143,071,680.97		143,071,680.97

(continued)

Subsidiaries	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Nanjing Putian Telege Intelligent Building Ltd.	246,175,267.24	34,479,857.17	280,655,124.41	167,761,746.25		167,761,746.25

Subsidiaries	Current period cumulative			
	Operating revenue	Net profit	Total comprehensive income	Cash inflow from operating activities
Nanjing Putian Telege Intelligent	160,947,779.17	9,268,446.68	9,268,446.68	-52,725,033.63

Building Ltd.				
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(continued)

Subsidiaries	Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash inflow from operating activities
Nanjing Putian Telege Intelligent Building Ltd.	368,898,076.14	27,498,536.16	27,498,536.16	21,821,020.40

(II) Interest in joint venture or associates

1. Aggregated financial information of insignificant joint ventures and associates

Items	Closing balance/Current period cumulative	Opening balance/Preceding period comparative
Joint ventures		
Total carrying amount of investments	10,412,622.64	10,412,689.14
Proportionate shares in the following items:		
Net profit	-133.01	-19,434.71
Total comprehensive income	-133.01	-19,434.71

VIV. Government subsidy

(一) Government grants recognised in profit or loss for the current period

Items	Current period cumulative	Preceding period comparative
Provincial Engineering Technology Research Center Award, Provincial Enterprise Technology Center Award, Jiangsu Province Specialized, Refined, Unique and New Small and Medium sized Enterprise Award	1,000,000.00	
Value added tax additional deduction	875,867.67	
Software tax refund	266,839.35	1,025,464.15
Qinhuai District People's Government of Nanjing City	60,000.00	
Pending report of budgeted income	34,957.20	
Personal income tax refund	9,574.65	
Received subsidies and rewards from the Management Committee of Nanjing Jiangning Economic and Technological Development Zone (including smart transformation, digital transformation, specialization, refinement, and innovation)	2,000.00	
High tech enterprises apply for subsidies		250,000.00

Items	Current period cumulative	Preceding period comparative
2021 Jiangning District Relief Eight Freight Subsidies Development Zone Supporting Facilities		103,076.00
Employee training subsidy		342,921.12
other		142,183.11
Total	2,249,238.87	1,863,644.38

X. Risks related to financial instruments

(I) Risk of financial instruments

The Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance. Based on such objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. Management have deliberated and approved policies concerning such risks, and details are:

(II) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Credit risk management practice

(1) Evaluation method of credit risk

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

1) Quantitative standard mainly relates to the scenario in which, on the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;

2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability;

(2) Definition of default and credit-impaired asset

The Company defines a financial asset as in default when the financial instrument meets one or more of the following criteria, which are consistent with the definition of credit impairment incurred:

1) significant financial difficulty of the debtor;

2) a breach of binding clause of contract;

3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;

4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk.

3. The opening balance and closing balance of loss provision for financial instruments are detailed in Notes V(2), V(3), V(5) and V(6) to these financial statements.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables.

In order to control such risks, the Company has taken the following measures:

(1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

(2) Receivables

The Company performs credit assessment on customers who uses credit settlement on a regular/continuous basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on receivables, to avoid significant risks in bad debts.

As the Company's accounts receivable risk points are distributed across multiple partners and multiple customers, 12.94% of the Company's accounts receivable as of June 30, 2024 (Dec 31, 2023: 14.16%) originated from the top five customers with balances, and the Company does not have significant credit concentration risk.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset on the balance sheet.

(III) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparts of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company utilized financing tools such as notes settlement, bank borrowings, etc. and adopts long and short financing methods to optimizing financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial Nanjing Putian Telecommunications Co., Ltd. 2021 Annual Report 187 banks to meet working capital requirements and expenditures.

Financial instruments classified based on remaining time period till maturity

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	106,710,779.97	106,710,779.97	106,710,779.97		
Notes payable	10,690,762.40	10,690,762.40	10,690,762.40		
Accounts payable	374,729,907.64	374,729,907.64	374,729,907.64		
Other payable	54,635,494.39	54,635,494.39	54,635,494.39		
Subtotal	546,766,944.40	546,766,944.40	546,766,944.40		

(Continued)

Items	Opening balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years

Short-term borrowings	69,863,323.93	69,863,323.93	69,863,323.93		
Notes payable					
Accounts payable	397,593,766.27	397,593,766.27	397,593,766.27		
Other payable	47,119,742.53	47,119,742.53	47,119,742.53		
Subtotal	514,576,832.73	514,576,832.73	514,576,832.73		

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market price.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market interest. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating interest financial instruments. The Company determines the proportion of fixed-rate financial instruments and floating interest rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring. The Company's interest risk relates mainly to bank borrowings with floating interest rate

2. Foreign currency risk

Foreign exchange risk refers to the risk that the fair value or future cash flow of a financial instrument may fluctuate due to changes in foreign exchange rates. The Company operates in mainland China and its main activities are denominated in renminbi, so the Company's exposure to foreign exchange movements is not material. The Company's foreign currency monetary assets and liabilities at the end of the period are detailed in the relevant notes to the financial statements.

XI. Fair value

(I) Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Closing balance
I. Recurring fair value measurement				
(1) Other equity instrument investments			741,953.00	741,953.00
Total assets at recurring fair			741,953.00	741,953.00

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Closing balance
value measurement				
I I .Non-continuous fair value measurement				
(一) Financing of receivables			13,936,406.72	13,936,406.72
Total assets that are not consistently measured at fair value			13,936,406.72	13,936,406.72

(II) Valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

1. For notes receivable, measured at par value.

2. For other equity instrument investments including Nanjing Yuhua Electroplating Factory and Hangzhou Honyar Electrical Co.,Ltd., due to no changes of operating environment and conditions and financial conditions of the invested enterprises, the Company measured at investment cost.

3. For other equity instrument investments including Beijing Likangpu Communication Equipment Co., Ltd., due to deterioration of operating environment and conditions and financial conditions of the invested enterprises, the Company measured at zero value.

XII. Related party relationships and transactions

(I) Parent company

Parent company	Place of registration	Business nature	Registered capital (Ten thousand yuan)	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
China Electric Power Rui Group Co., LTD	No.359 Jiangdong Middle Road, Jianye District, Nanjing	Electronic equipment manufacturing	1,000,000,000.00	53.49	53.49

The ultimate control party is China Electronics Technology Group Co., LTD.

(II) Status of the Company's subsidiaries

See Note "VIII. Interests in Other Entities" for details.

(III) Joint ventures and associates of the Company

For the important joint ventures or associates of the enterprise, see Note "VIII. Interests in Other Entities", other joint ventures or associates that have related party transactions with the Company in the current period, or have a balance of related party transactions with the Company in

the previous period.

Joint ventures or associates	Relationships with the Company
SEI-Nanjing Putian Optical Network Co., Ltd.	Joint ventures

(IV) Other related parties of the Company

Related parties	Relationships with the Company
China Electronics Technology (Nanjing) Electronic Information Development Co., Ltd	An affiliated company of the ultimate controlling party
Hangzhou Hikvision Technology Co., Ltd	An affiliated company of the ultimate controlling party
Nanjing Putian Hongyan Electrical Technology Co., Ltd	An affiliated company of the ultimate controlling party
Putian High tech Industry Co., Ltd	An affiliated company of the ultimate controlling party
The 28th Research Institute of China Electronics Technology Group Corporation	An affiliated company of the ultimate controlling party
Nanjing Lop Co., Ltd	An affiliated company of the ultimate controlling party
Guorui Technology Co., Ltd	An affiliated company of the ultimate controlling party
China Electronics Technology Group Corporation 14th Research Institute	An affiliated company of the ultimate controlling party
Nanjing Laisi Information Technology Co., Ltd	An affiliated company of the ultimate controlling party
Hebei Far East Communication System Engineering Co., Ltd	An affiliated company of the ultimate controlling party
Nanjing Guorui Xinwei Software Co., Ltd	An affiliated company of the ultimate controlling party
Nanjing Meichen Microelectronics Co., Ltd	An affiliated company of the ultimate controlling party
Nanjing Rail Transit System Engineering Co., Ltd	An affiliated company of the ultimate controlling party
Hangzhou Hongyan Electric Power and Electrical Co., Ltd	An affiliated company of the ultimate controlling party
Nanjing Lop Technology Co., Ltd	An affiliated company of the ultimate controlling party
Nanjing Guorui Defense System Co., Ltd	An affiliated company of the ultimate controlling party
Dongfang Communication Co., Ltd	An affiliated company of the ultimate controlling party
Tianbo Electronic Information Technology Co., Ltd	An affiliated company of the ultimate controlling party
China Electronics Technology Group Corporation 48th Research Institute	An affiliated company of the ultimate controlling party
Zhongdian Technology Taili Communication Technology Co., Ltd. Xining Branch	An affiliated company of the ultimate controlling party
China Electronics Technology Corporation Taili Communication Technology Co., Ltd. Yinchuan Branch	An affiliated company of the ultimate controlling party
Taiji Computer Co., Ltd	An affiliated company of the ultimate controlling party
Putian Rail Transit Technology (Shanghai) Co., Ltd	An affiliated company of the ultimate controlling party
China Electronics Technology Group Corporation Seventh Research Institute	An affiliated company of the ultimate controlling party
China Electronics Technology East Communication Group Co., Ltd	An affiliated company of the ultimate controlling party

Related parties	Relationships with the Company
Liyang 28th Institute System Equipment Co., Ltd	An affiliated company of the ultimate controlling party
Zhongdian Guorui Group Co., Ltd	An affiliated company of the ultimate controlling party
China Putian Information Industry Co., Ltd	An affiliated company of the ultimate controlling party
China Electronics Technology Finance Co., Ltd	An affiliated company of the ultimate controlling party
China Electronics Technology Leasing Co., Ltd	An affiliated company of the ultimate controlling party
China Electronics Technology Putian Technology Co., Ltd	An affiliated company of the ultimate controlling party
SHANGHAI POTEVIO Co Ltd	An affiliated company of the ultimate controlling party
Putian Information Technology Co., Ltd	An affiliated company of the ultimate controlling party
Putian Communication Co., Ltd	An affiliated company of the ultimate controlling party
China Electronics Technology Corporation Taili Communication Technology Co., Ltd	An affiliated company of the ultimate controlling party
Sichuang Electronics Co., Ltd	An affiliated company of the ultimate controlling party
Hangzhou Hikvision Digital Technology Co., Ltd. Nanjing Branch	An affiliated company of the ultimate controlling party
Nanjing Hikvision Digital Technology Co., Ltd	An affiliated company of the ultimate controlling party
Hangzhou Hongyan Electric Appliance Co., Ltd	An affiliated company of the ultimate controlling party
Beijing Likang Pingxin Equipment Co., Ltd	A subsidiary of the company
Nanjing Putian Information Technology Co., Ltd	An affiliated company of the ultimate controlling party
China Putian Information Industry Group Co., Ltd	An affiliated company of the ultimate controlling party

(V) Related party transactions

1. Purchase of goods, receiving of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
CLP Technology (Nanjing) Electronic Information Development Co., LTD	Telecommunication products	10,133,637.17	236,439.39
Hangzhou Hikvision Technology Co., LTD	Telecommunication products		566,256.71
Nanjing Putian Hongyan Electric Technology Co., LTD	Telecommunication products	197,923.02	293,753.99

2. Sale of goods, rendering of services

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
The 28th Research Institute of China Electronics Technology Group Corporation	Telecommunication products	10,571,709.48	8,735,812.40
Nanjing Lop Co., LTD	Telecommunication products	3,201,174.26	
Guorui Technology Co., Ltd	Telecommunication products	3,079,976.36	
The 14th Research Institute of China Electronics Technology Group Corporation	Telecommunication products	2,677,186.98	3,500,757.44

Nanjing Laisi Information Technology Co., Ltd	service fee	1,219,731.86	
Hebei Far East Communication System Engineering Co., Ltd	Telecommunication products	1,049,135.44	878,746.90
Nanjing Guorui Xinwei Software Co., Ltd	Telecommunication products	908,293.79	
Nanjing Meichen Microelectronics Co., Ltd	Service charge	607,079.66	
Nanjing Rail Transit System Engineering Co., Ltd	Telecommunication products	365,128.87	1,213,722.12
Hangzhou Hikvision Technology Co., LTD	Telecommunication products	296,681.42	
Nanjing Lop Co., LTD	Telecommunication products	258,413.13	113,151.77
Nanjing Guorui Defense System Co., Ltd	Telecommunication products	158,357.76	1,159,161.82
Dongfang Communication Co., Ltd	Telecommunication products	128,113.81	56,370.07
Tianbo Electronic Information Technology Co., Ltd	Telecommunication products	111,308.89	152,783.18
The 48th Research Institute of China Electronics Technology Group Corporation	Telecommunication products	43,504.03	
Zhongdian Technology Taili Communication Technology Co., Ltd. Xining Branch	Telecommunication products	32,743.37	
China Electronics Technology Corporation Taili Communication Technology Co., Ltd. Yinchuan Branch	Telecommunication products	32,743.37	
Taiji Computer Co., Ltd	Telecommunication products		292,513.71
Putian Rail Transit Technology (Shanghai) Co., Ltd	Telecommunication products		286,150.44
The 7th Research Institute of China Electronics Technology Group Corporation	Contract processing		252,293.57
China Electronics Technology East Communication Group Co., Ltd	Telecommunication products		80,998.50
Liyang 28th Institute System Equipment Co., Ltd	Telecommunication products		68,995.74
Nanjing Lop Co., Ltd	service fee		52,110.62

3. Our company acts as the lessor

Name of lessee	Status of leased assets	Lease income \ expenses recognized in the current period	Lease income and expenses confirmed in the previous period
Nanjing Lop Co., LTD	Income from rent and property fees	197,619.05	197,619.05
China Electronics Technology Group Corporation 14th Research Institut	Income from rent and property fees	1,413,979.03	1,075,252.26

4. The company acts as the lessee:

Name of Lessor	Status of leased assets	Lease income \ expenses recognized in the current period	Lease income and expenses confirmed in the previous period
Putian High tech Industry Co., Ltd	Rent and management fee	336,767.76	315,411.48

5. Related party loans and interest expenses

Name of related party	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
China Electric Power Rui Group Co., LTD	55,000,000.00	2023-04-03	2026-04-02	NO
China Electric Power Rui Group Co., LTD	15,000,000.00	2023-06-25	2026-06-24	NO

6. Related party entrusted loan and interest expense

Name of related party	Related transaction content	Current period cumulative	Preceding period comparative
China Putian Information Industry Co., Ltd	Principal of entrusted loan	105,800,000.00	105,800,000.00
China Putian Information Industry Co., Ltd	Loan interest	2,166,255.00	2,145,771.94
China Electronics Technology Finance Co., Ltd	Long term loan principal	70,000,000.00	70,000,000.00
China Electronics Technology Finance Co., Ltd	Long term loan principal	1,340,986.12	
China Electronics Technology Leasing Co., Ltd	Financing lease principal	2,428,798.73	
China Electronics Technology Leasing Co., Ltd	Financing lease principal	92,430.25	

7. Key management's emoluments

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	1,957,209.00	1,518,223.00

(VI) Accounts receivable, accounts payable, related parties and other unsettled items

1. Accounts receivable

项目名称	关联方	期末余额		期初余额	
		账面余额	坏账准备	账面余额	坏账准备
Bank deposits:					
	China Electronics Technology Finance Co., LTD	57,712,441.89		53,098,903.02	
Accounts receivable:					
	The 28th Research Institute of China Electronics Technology Group Corporation	12,817,383.15	305,019.43	5,106,770.00	187,793.30
	China Electronics Technology Putian Technology Co., Ltd	2,692,080.06	106,911.80	2,085,679.20	100,536.79
	Nanjing Laisi Information Technology Co., Ltd	11,436,381.90	114,363.82	10,898,694.00	108,986.94
	Nanjing Lop Co., Ltd	1,792,153.40	18,157.73	926,320.00	9,263.20
	Guorui Technology Co., Ltd	2,302,124.82	23,021.25		
	SHANGHAI POTEVIO Co Ltd	8,755,534.00	8,755,534.00	8,755,534.00	8,755,534.00
	Putian Information Technology Co., Ltd	6,065,598.36	6,065,598.36	6,065,598.36	6,065,598.36
	Hebei Far East Communication System Engineering Co., Ltd	5,590,276.02	276,379.30	7,076,527.70	452,584.61

项目名称	关联方	期末余额		期初余额	
		账面余额	坏账准备	账面余额	坏账准备
	China Electronics Technology Group Corporation 14th Research Institute	5,536,986.09	55,369.86	8,130,279.06	83,102.79
	Putian Communication Co., Ltd	4,317,924.00	1,923,756.00	4,317,924.00	1,060,171.20
	China Putian Information Industry Co., Ltd	3,222,253.45	2,926,570.09	3,222,253.45	2,926,570.09
	Nanjing Guorui Xinwei Software Co., Ltd	2,766,285.21	27,662.85	3,500,000.00	35,000.00
	Nanjing Guorui Defense System Co., Ltd	2,410,679.33	24,106.79	2,722,285.85	27,222.86
	Nanjing Meichen Microelectronics Co., Ltd	882,000.00	8,820.00	196,000.00	1,960.00
	Nanjing Rail Transit System Engineering Co., Ltd	462,750.81	27,074.89	1,735,507.81	39,802.46
	Nanjing Lop Technology Co., Ltd	292,006.85	2,920.07	7,500.00	75.00
	Tianbo Electronic Information Technology Co., Ltd	156,939.05	1,569.39	31,160.00	311.60
	Dongfang Communication Co., Ltd	136,578.59	1,365.79	20,599.99	206.00
	Sichuang Electronics Co., Ltd	135,557.43	22,896.17	135,557.43	22,896.17
	Putian Rail Transit Technology (Shanghai) Co., Ltd	90,983.70	909.84	395,458.66	6,454.16
	Taiji Computer Co., Ltd	68,986.32	801.72	261,274.32	10,416.12
	China Electronics Technology Corporation Taili Communication Technology Co., Ltd	52,238.50	596.39	44,838.50	448.39
	China Electronics Technology Group Corporation 48th Research Institute	49,159.55	491.60		
	Liyang 28th Institute System Equipment Co., Ltd	32,286.00	1,510.86	54,065.80	540.66
	China Electronics Technology (Nanjing) Electronic Information Development Co., Ltd	12,000.00	120.00	12,000.00	120.00
Subtotal		72,077,146.59	20,691,528.00	65,701,828.13	19,895,594.70
Notes receivable:					
	Nanjing Guorui Xinwei Software Co., Ltd	1,600,000.00	80,000.00		
	Tianbo Electronic Information Technology Co., Ltd			1,709,812.62	85,490.63
Subtotal		1,600,000.00	80,000.00	1,709,812.62	85,490.63
Accounts receivable financing					

项目名称	关联方	期末余额		期初余额	
		账面余额	坏账准备	账面余额	坏账准备
	Nanjing Guorui Xinwei Software Co., Ltd	123,755.03			
Prepayment:					
	Hangzhou Hikvision Technology Co., Ltd	57,505.00		57,505.00	
	Hangzhou Hikvision Digital Technology Co., Ltd. Nanjing Branch	2,766.00		2,766.00	
	China Electronics Technology (Nanjing) Electronic Information Development Co., Ltd	5,745.00			
Subtotal		66,016.00		60,271.00	
Other receivables:					
	Putian Information Technology Co., Ltd	367,800.00	367,800.00	367,800.00	367,800.00
	China Putian Information Industry Co., Ltd	1,000.00	1,000.00	1,000.00	1,000.00
	Nanjing Hikvision Digital Technology Co., Ltd	80,000.00	4,000.00	80,000.00	4,000.00
	China Electronics Technology Putian Technology Co., Ltd	31,100.00	933.00	31,100.00	1,555.00
	Nanjing Putian Hongyan Electrical Technology Co., Ltd	259,009.34	179,357.76		
	China Electronics Technology Group Corporation 14th Research Institute	108,000.00	3,240.00		
	Beijing Likang Pingxin Equipment Co., Ltd	28,912,122.71	28,912,122.71	28,912,122.71	28,912,122.71
Subtotal		29,759,032.05	29,468,453.47	29,392,022.71	29,286,477.71

2. Balance due to related parties

项目名称	关联方	期末余额	期初余额
Accounts payable: :			
	Nanjing Putian Hongyan Electrical Technology Co., Ltd	338,539.09	
	Hangzhou Hongyan Electric Appliance Co., Ltd	3.69	
	China Putian Information Industry Co., Ltd	14,918,045.42	14,918,045.42
	Hangzhou Hikvision Technology Co., Ltd		
	Putian High tech Industry Co., Ltd	25,000.00	25,000.00
Subtotal		15,281,588.20	14,943,045.42
Contract liabilities:			
	China Putian Information Industry Co., Ltd	3,727,418.22	3,727,418.22
	China Electronics Technology Group Corporation 14th Research Institute		272,253.45
	Nanjing Lop Technology Co., Ltd	52,000	46,017.70
	Nanjing Lop Technology Co., Ltd	23,619.2	
Subtotal		3,803,037.42	4,045,689.37

项目名称	关联方	期末余额	期初余额
Other payables:			
	Putian High tech Industry Co., Ltd	2,732,262.17	2,993,604.93
	Nanjing Putian Information Technology Co., Ltd	2,467,412.69	2,467,412.69
	Putian Information Technology Co., Ltd	400,000.00	400,000.00
	Putian Communication Co., Ltd	200,000.00	200,000.00
	China Putian Information Industry Co., Ltd	130,927.50	130,927.50
	China Putian Information Industry Group Co., Ltd	9,580,000.00	9,580,000.00
Subtotal		15,510,602.36	15,771,945.12

XI. Commitments and contingencies

(I) Commitments

As of June 30th, 2024, the Company has no material commitments to disclose.

(II) Contingencies

As of June 30th, 2024, the Company had no material contingencies to disclose.

XIII. Events after the balance sheet date

In 2024, the company plans to dispose of the equity of its subsidiaries Nanjing Nanman Electric Co., Ltd. and Nanjing Putian Changle Communication Equipment Co., Ltd. This matter has not been completed yet.

XIV. Other significant events

Segment reports

1. Identification basis for reportable segments

Reportable segments are identified based on operating segments which are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. The Company identified reportable segments based on products, which include video conferencing products, integrated wiring product, electrical products, wiring products, and other products. Assets and liabilities shared by different segments are allocated pro rata among segments.

The Company identified reportable segments based on products, assets and liabilities of each segment are the actual amount of its proportion in assets and liabilities, and revenue from main operations and cost of main operations are those generated or incurred by each product segment.

2. Financial information of reportable segments

Items	Video conferencing products	Integrated cabling products	Intelligent electrical products	Communications infrastructure products and others	Inter-segment offsetting
operating revenue	122,835,024.15	160,947,779.17	52,992,270.13	23,516,694.52	-11,305,527.05
Operating costs	93,788,278.20	125,377,475.84	39,588,871.50	17,862,653.17	-12,178,529.98
Investment income from joint ventures and associates				- 66.50	
Credit impairment loss	-152,089.24	224,489.92	-86,073.11	1,980,532.21	
Impairment loss	-	-300,868.44		-1,497.98	-
Depreciation and amortization expenses	56,011.09	1,261,235.56	421,497.70	3,033,276.29	-368,126.01
Total profit	5,841,289.73	9,804,175.90	2,476,158.26	-12,586,903.71	-9,521,525.99
Income tax expenses	528,105.21	535,729.22	306,270.48	-	-
Net profit	5,313,184.52	9,268,446.68	2,169,887.78	-12,586,903.71	-9,521,525.99
Total Assets	269,095,711.96	245,233,505.81	165,308,086.30	379,864,304.25	-230,009,338.59
total liabilities	164,616,285.85	143,071,680.97	108,443,528.31	480,543,337.86	-135,065,688.95

XV. Notes to items of parent company financial statements

(I) Accounts receivable

1. Disclosure according to aging

Ages	Closing balance	Opening balance
Within 1 year	41,525,745.65	37,402,082.05
Among them: within 6 months	14,784,296.55	25,082,701.87
From July to December	26,741,449.10	12,319,380.18
Subtotals within 1 year	41,525,745.65	37,402,082.05
1 to 2 years	16,430,124.24	20,967,585.95
2 to 3 years	10,834,769.48	13,476,502.08
3 to 4 years	10,226,524.95	11,129,447.83
4 to 5 years	11,520,285.22	13,713,915.65
Over 5 years	148,572,220.56	148,465,760.33

Subtotal	239,109,670.10	245,155,293.89
Less: Allowance for doubtful accounts	162,893,345.11	164,641,104.04
Total	76,216,324.99	80,514,189.85

2. According to the bad debt calculation and withdrawal method classification disclosure

Categories	Closing balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	70,104,372.00	29.32	70,104,372.00	100.00
Receivables with provision made on a collective basis	169,005,298.10	70.68	92,788,973.11	54.90
Among them: Combination 1: aging method	167,298,454.58	98.99	92,788,973.11	55.46
Combination 2: related parties	1,706,843.52	1.01		
Total	239,109,670.10	100.00	162,893,345.11	68.12

Categories	Opening balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	70,104,372.00	28.60	70,104,372.00	100.00
Receivables with provision made on a collective basis	175,050,921.89	71.40	94,536,732.04	54.01
Among them: Combination 1: aging method	173,611,186.43	99.18	94,536,732.04	54.45
Combination 2: related parties	1,439,735.46	0.82		
Total	245,155,293.89	100.00	164,641,104.04	67.16

(1) Receivables with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons
Dongpo Xi Laos Co., Ltd	19,708,086.54	19,708,086.54	100	Unable to recover
Xu Mou	17,591,683.74	17,591,683.74	100	Unable to recover
China Tower Corporation Limited	13,819,926.92	13,819,926.92	100	Unable to recover
Putian Information Technology Co., Ltd	4,514,800.91	4,514,800.91	100	Unable to recover
China Railway Signal&Communication Shanghai Engineering Group Co., Ltd	3,534,579.35	3,534,579.35	100	Unable to recover
Others	10,935,294.54	10,935,294.54	100	Unable to recover

Total	70,104,372.00	70,104,372.00	100	
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(2) Receivables with provision made on a collective basis

Combination 1: Aging combination

Ages	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	40,852,637.59	408,526.38	1.00	36,144,924.85	361,449.25	1.00
1 to 2 years	15,376,158.78	768,807.94	5.00	20,764,777.69	1,038,238.88	5.00
2 to 3 years	10,800,019.48	1,080,001.95	10.00	13,441,752.08	1,344,175.21	10.00
3 to 4 years	6,308,960.42	1,892,688.13	30.00	7,211,883.30	2,163,564.99	30.00
4 to 5 years	10,643,459.17	5,321,729.59	50.00	12,837,089.60	6,418,544.80	50.00
Over 5 years	83,317,219.14	83,317,219.14	100.00	83,210,758.91	83,210,758.91	100.00
合计	167,298,454.58	92,788,973.11	55.46	173,611,186.43	94,536,732.04	54.45

Combination 2: related parties

Ages	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Provision proportion (%)	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	673,108.06			1,257,157.20		
1 to 2 years	1,033,735.46			182,578.26		
Total	1,706,843.52			1,439,735.46		

3. Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Credit risk portfolio provision	94,536,732.04	-1,747,758.93				92,788,973.11
Accrual based on individual evaluation	70,104,372.00					70,104,372.00
Total	164,641,104.04	-1,747,758.93				162,893,345.11

4. Accounts receivable and contract assets of the top five ending balances collected by debtor

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Dongpo Xi Laos Co., Ltd.	19,708,086.54	8.24%	19,708,086.54
Mr. Xu	17,591,683.74	7.36%	17,591,683.74
China Tower Corporation Limited	13,819,926.92	5.78%	13,819,926.92
Nanjing Laisi Information Technology Co., Ltd	8,861,206.00	3.71%	88,612.06
SHANGHAI POTEVIO Co Ltd	8,755,534.00	3.66%	8,755,534.00
Total	68,736,437.20	28.75%	59,963,843.26

(II) Other receivable

Items	Closing balance	Opening balance
Dividends receivable	24,553,400.00	19,400,000.00
Other receivables	14,624,177.90	20,740,274.42
Total	39,177,577.90	40,140,274.42

1. Dividends receivable

(1) Details

Items	Closing balance	Opening balance
Subsidiaries distribute dividends	24,553,400.00	19,400,000.00

2. Other receivable

(1) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	1,430,510.86	859,803.13
Among them: within 6 months	847,559.76	387,067.07
From July to December	582,951.10	472,736.06
Subtotals within 1 year	1,430,510.86	859,803.13
1 to 2 years	12,888,329.31	19,546,598.16
2 to 3 years	1,052,514.00	1,052,514.00
3 to 4 years	1,522,193.51	1,522,193.51
4 to 5 years	1,544,678.85	2,399,479.37
Over 5 years	35,068,614.70	34,665,573.84
Subtotal	53,506,841.23	60,046,162.01
Less: Allowance for doubtful accounts	38,882,663.33	39,305,887.59
Total	14,624,177.90	20,740,274.42

(2) Classified by nature of payment

Items	Closing balance	Opening balance
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Items	Closing balance	Opening balance
Temporary payment receivable	45,135,953.98	54,281,249.32
Deposit	7,267,760.12	4,229,786.49
Travel allowance	74,000.00	401,203.05
Others	1,029,127.13	1,133,923.15
Subtotal	53,506,841.23	60,046,162.01
Less: Allowance for doubtful accounts	38,882,663.33	39,305,887.59
Total	14,624,177.90	20,740,274.42

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Balance as of January 1, 2024		8,327,792.69	30,978,094.90	39,305,887.59
Balance as of January 1, 2024 in this period				
Provision for this period		-423,224.26		-423,224.26
Balance as of June 30, 2024		7,904,568.43	30,978,094.90	38,882,663.33

(4) Provision for bad debts

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Losses on bad debts	39,305,887.59	-423,224.26				38,882,663.33

(5) Other receivables with the top five ending balances collected by debtor

Debtors	Nature of receivables	Ages	Closing balance	Proportion to the total balance of other receivables (%)	Provision for bad debts
Beijing Likangpu Telecommunications Equipment Co.,Ltd.	Current accounts	28,912,122.71	5 年以上	54.03	28,912,122.71
Nanjing Putian Communication Industry Co., Ltd.	Current accounts	805,545.63	4 年以上	1.51	805,545.63
Total		29,717,668.34	—	55.54	29,717,668.34

(III) Long-term equity investments

Items	Closing balance			Opening balance		
	Book balance	Provision	Carrying	Book balance	Provision	Carrying

		for impairment	amount		for impairment	amount
Investments in subsidiaries	103,667,928.23	1,294,510.00	102,373,418.23	103,667,928.23	1,294,510.00	102,373,418.23
Investments in associates and joint ventures	10,412,622.64		10,412,622.64	10,412,689.14		10,412,689.14
Total	114,080,550.87	1,294,510.00	112,786,040.87	114,080,617.37	1,294,510.00	112,786,107.37

1. Investments in subsidiaries

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
Nanjing Putian Changle Communication Equipment Co., Ltd.	2,610,457.00			2,610,457.00		
Nanjing Putian Telege Intelligent Building Ltd.	3,320,003.45			3,320,003.45		
Nanjing Southern Telecom Co., Ltd.	33,175,148.00			33,175,148.00		
Nanjing Mennekes Electric Co., Ltd.	57,831,012.71			57,831,012.71		
Nanjing Putian Datang Information Electronics Co., Ltd.	5,436,797.07			5,436,797.07		
Nanjing Putian Communication Technology Co., LTD	1,294,510.00			1,294,510.00		1,294,510.00
Total	103,667,928.23			103,667,928.23		1,294,510.00

2. Investments in associates and joint ventures

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
I. Joint ventures											
Nanjing Puzhu Optical Network Co., Ltd	10,412,689.14			-66.50						10,412,622.64	
Total	10,412,689.14			-66.50						10,412,622.64	

(IV) Operating revenue/Operating cost

1. Operating income and operating costs are classified by major categories

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
I.Main operations	10,079,325.99	10,900,205.84	44,665,542.44	41,053,987.42
II.Other operations	1,748,958.35	32,889.72	1,556,221.19	230,398.62
Total	11,828,284.34	10,933,095.56	46,221,763.63	41,284,386.04

2. Operating income in the current period is classified according to the time of revenue recognition

Revenue recognition time	Income from main business	Other business income
Confirm at a certain point	10,079,325.99	1,748,958.35

(V) Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under cost method	-66.50	-9,717.35
Investment income from long-term equity investments under equity method		
Investment income from disposal of long-term equity investments		
Debt restructuring gains		
Others	9,725,282.63	252,381.63
Total	9,725,216.13	242,664.28

XVI. Other supplementary information

(I) Schedule of non-recurring profit or loss

Items	Amount	Previous period amount	
		Before the adjustment	After the adjustment
Profit and loss on disposal of non-current assets, including the write-off part of the asset impairment provision	-468.86	-67,389.77	-67,389.77
Government subsidies included in the current profit and loss (closely related to the business of the enterprise, except those enjoyed in accordance with the national unified standard quota or quantitative government subsidies)	1,106,532.24	838,180.23	838,180.23
Allowance for impairment reversal of receivables tested separately for impairment		1,457,921.68	1,457,921.68
Gains and losses on debt restructuring	1,031,433.22	-88,555.00	-88,555.00
Other non-operating income and expenses other than those described above	1,541,213.46	-301,000.94	-301,000.94
Other profit and loss items that meet the definition of non-recurring gains and losses			
Minus: Impact of income tax	756,172.33	64,780.32	64,780.32

Items	Amount	Previous period amount	
		Before the adjustment	After the adjustment
Amount of influence of minority shareholders	482,944.62	212,534.83	212,534.83
Total	2,439,593.11	1,561,841.05	1,561,841.05

(II) Return on net assets(RONA) and earnings per share(EPS)

Profit of the reporting period	Weighted average RONA		EPS (yuan/share)			
	(%)		Basic EPS		Diluted EPS	
	Current period	Preceding period	Current period	Preceding period	Current period	Preceding period
Net profit attributable to shareholders of ordinary shares	-861.91	-66.38	-0.04	-0.05	-0.04	-0.05
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	-1,084.23	-75.84	-0.04	-0.05	-0.04	-0.05

Nanjing Putian Telecommunications Co., Ltd.

August 29, 2024