

Foshan Electrical and Lighting Co., Ltd.

The semi-annual financial report 2024

Financial Statements

I Auditor's Report

Whether the interim report has been audited?

Yes No

The interim report of the Company has not been audited.

II Financial Statements

Currency unit for the financial statements and the notes thereto: RMB

1. Consolidated Balance Sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

30 June 2024

Unit: RMB

Item	30 June 2024	1 January 2024
Current assets:		
Monetary assets	3,191,608,973.70	3,596,049,654.55
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	106,928,328.01	152,529,775.41
Derivative financial assets		
Notes receivable	968,135,967.44	1,057,352,267.60
Accounts receivable	2,452,672,368.91	2,093,499,280.40
Accounts receivable financing	296,834,332.74	443,201,960.02
Prepayments	55,984,559.55	34,508,638.92
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	57,278,936.88	49,108,300.85
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	1,713,501,547.83	1,971,171,641.14
Including: data resources		
Contract assets	2,366,030.73	4,252,013.94
Assets held for sale	17,147,339.84	17,147,339.84
Current portion of non-current assets		
Other current assets	195,745,670.47	109,292,399.14
Total current assets	9,058,204,056.10	9,528,113,271.81
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations	1,124,498,738.94	454,822,905.25
Long-term receivables		
Long-term equity investments	180,633,275.87	179,188,555.15
Investments in other equity instruments	674,411,551.40	699,762,746.35

Item	30 June 2024	1 January 2024
Other non-current financial assets		
Investment property	160,155,678.54	163,636,347.41
Fixed assets	3,481,812,429.68	3,453,214,586.47
Construction in progress	1,070,611,321.57	1,174,533,505.11
Productive living assets		
Oil and gas assets		
Right-of-use assets	4,980,388.38	8,812,320.64
Intangible assets	395,232,106.46	434,549,913.99
Including: data resources		
Development costs		
Including: data resources		
Goodwill	421,831,593.46	421,831,593.46
Long-term prepaid expense	220,312,810.06	190,362,699.25
Deferred income tax assets	124,528,040.70	106,283,766.95
Other non-current assets	157,198,709.48	119,327,703.18
Total non-current assets	8,016,206,644.54	7,406,326,643.21
Total assets	17,074,410,700.64	16,934,439,915.02
Current liabilities:		
Short-term borrowings	124,850,000.00	220,019,877.73
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	2,052,737,312.65	2,271,174,787.69
Accounts payable	2,971,638,357.60	2,875,980,206.64
Advances from customers	231,062.59	466,872.69
Contract liabilities	136,319,866.46	235,335,693.28
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	197,680,567.52	193,830,812.66
Taxes payable	80,226,629.71	42,940,157.30
Other payables	614,845,550.63	362,491,923.01
Including: Interest payable		
Dividends payable	184,293,387.60	
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	380,199,297.64	343,914,214.45
Other current liabilities	194,436,120.52	95,008,427.01
Total current liabilities	6,753,164,765.32	6,641,162,972.46
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	274,397,540.10	253,093,421.29
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	1,976,953.14	4,310,967.92
Long-term payables		
Long-term employee benefits payable		

Item	30 June 2024	1 January 2024
Provisions	16,495,438.86	14,277,087.30
Deferred income	67,417,473.08	75,185,461.27
Deferred income tax liabilities	166,936,684.37	174,806,746.25
Other non-current liabilities		205,769.48
Total non-current liabilities	527,224,089.55	521,879,453.51
Total liabilities	7,280,388,854.87	7,163,042,425.97
Owners' equity:		
Share capital	1,548,778,230.00	1,548,778,230.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	914,336,325.66	914,336,325.66
Less: Treasury stock	82,165,144.15	82,165,144.15
Other comprehensive income	337,823,638.67	360,027,027.59
Specific reserve	4,407,364.68	1,213,325.92
Surplus reserves	107,944,679.06	107,944,679.06
General reserve		
Retained earnings	3,443,244,158.89	3,435,308,364.11
Total equity attributable to owners of the Company as the parent	6,274,369,252.81	6,285,442,808.19
Non-controlling interests	3,519,652,592.96	3,485,954,680.86
Total owners' equity	9,794,021,845.77	9,771,397,489.05
Total liabilities and owners' equity	17,074,410,700.64	16,934,439,915.02

Legal representative: Wan Shan

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Liang Yuefei

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 June 2024	1 January 2024
Current assets:		
Monetary assets	1,196,626,652.19	1,756,256,289.35
Held-for-trading financial assets	99,400.00	
Derivative financial assets		
Notes receivable	100,797,978.25	90,413,382.59
Accounts receivable	894,653,466.59	840,003,427.41
Accounts receivable financing	13,529,700.40	105,327,382.82
Prepayments	5,701,515.48	7,334,575.29
Other receivables	723,060,470.78	558,342,534.44
Including: Interest receivable		
Dividends receivable		
Inventories	299,958,974.53	462,793,053.42
Including: data resources		
Contract assets	2,366,030.73	4,252,013.94
Assets held for sale		
Current portion of non-current assets		
Other current assets	868,495.65	8,244,786.97
Total current assets	3,237,662,684.60	3,832,967,446.23
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations	1,124,498,738.94	454,822,905.25
Long-term receivables		
Long-term equity investments	2,561,988,701.78	2,502,623,981.06

Item	30 June 2024	1 January 2024
Investments in other equity instruments	634,332,982.60	659,684,177.55
Other non-current financial assets		
Investment property	45,659,514.37	47,163,026.83
Fixed assets	836,040,870.57	651,197,430.25
Construction in progress	55,054,639.18	205,106,029.03
Productive living assets		
Oil and gas assets		
Right-of-use assets	5,134,011.70	5,082,521.44
Intangible assets	59,236,789.26	93,932,977.96
Including: data resources		
Development costs		
Including: data resources		
Goodwill		
Long-term prepaid expense	22,824,457.66	29,727,301.65
Deferred income tax assets	38,868,999.60	36,285,162.26
Other non-current assets	93,456,548.50	48,331,060.62
Total non-current assets	5,477,096,254.16	4,733,956,573.90
Total assets	8,714,758,938.76	8,566,924,020.13
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	907,228,805.34	982,735,414.37
Accounts payable	1,043,067,777.80	977,444,406.30
Advances from customers		
Contract liabilities	63,423,644.02	145,086,858.16
Employee benefits payable	82,707,806.22	64,958,645.43
Taxes payable	31,796,289.03	20,946,142.07
Other payables	593,057,848.13	324,137,191.03
Including: Interest payable		
Dividends payable	184,293,387.60	
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	4,949,546.08	1,377,403.64
Other current liabilities	96,594,079.44	82,802,283.98
Total current liabilities	2,822,825,796.06	2,599,488,344.98
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	262,647.65	3,705,117.80
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	58,942,641.95	63,366,691.06
Other non-current liabilities		
Total non-current liabilities	59,205,289.60	67,071,808.86
Total liabilities	2,882,031,085.66	2,666,560,153.84
Owners' equity:		
Share capital	1,548,778,230.00	1,548,778,230.00
Other equity instruments		

Item	30 June 2024	1 January 2024
Including: Preferred shares		
Perpetual bonds		
Capital reserves	909,058,541.44	909,058,541.44
Less: Treasury stock	82,165,144.15	82,165,144.15
Other comprehensive income	338,309,557.35	359,858,073.06
Specific reserve	3,493,553.56	897,781.74
Surplus reserves	339,248,748.30	339,248,748.30
Retained earnings	2,776,004,366.60	2,824,687,635.90
Total owners' equity	5,832,727,853.10	5,900,363,866.29
Total liabilities and owners' equity	8,714,758,938.76	8,566,924,020.13

Legal representative: Wan Shan

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Liang Yuefei

3. Consolidated Income Statement

Unit: RMB

Item	H1 2024	H1 2023
1. Revenue	4,784,545,767.42	4,566,062,729.02
Including: Operating revenue	4,784,545,767.42	4,566,062,729.02
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	4,531,278,513.54	4,299,771,626.28
Including: Cost of sales	3,861,658,076.61	3,733,474,828.88
Interest expense		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	37,916,939.23	37,443,299.13
Selling expense	175,810,829.30	131,921,130.00
Administrative expense	226,332,962.51	200,946,085.42
R&D expense	260,165,950.63	226,148,905.26
Finance costs	-30,606,244.74	-30,162,622.41
Including: Interest expense	11,047,212.70	14,255,244.44
Interest income	25,938,447.85	24,520,047.73
Add: Other income	60,151,413.19	27,389,992.05
Return on investment ("-" for loss)	38,017,499.24	22,449,570.63
Including: Share of profit or loss of joint ventures and associates	1,444,720.72	1,186,031.53
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	-601,447.40	-22,153,522.56
Credit impairment loss ("-" for loss)	-38,270,808.58	-18,947,421.03

Item	H1 2024	H1 2023
Asset impairment loss (“-” for loss)	-36,958,804.89	-16,390,888.73
Asset disposal income (“-” for loss)	-99,108.79	110,475.52
3. Operating profit (“-” for loss)	275,505,996.65	258,749,308.62
Add: Non-operating income	3,054,859.55	2,440,914.48
Less: Non-operating expense	486,217.43	4,780,570.32
4. Profit before tax (“-” for loss)	278,074,638.77	256,409,652.78
Less: Income tax expense	24,632,382.12	31,304,364.49
5. Net profit (“-” for net loss)	253,442,256.65	225,105,288.29
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	253,442,256.65	225,105,288.29
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent (“-” for net loss)	192,229,182.38	168,935,232.54
5.2.1 Net profit attributable to non-controlling interests (“-” for net loss)	61,213,074.27	56,170,055.75
6. Other comprehensive income, net of tax	-22,766,075.54	-49,800,869.38
Attributable to owners of the Company as the parent	-22,203,388.92	-50,939,650.35
6.1 Items that will not be reclassified to profit or loss	-21,548,515.71	-52,237,967.85
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	-21,548,515.71	-52,237,967.85
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-654,873.21	1,298,317.50
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-654,873.21	1,298,317.50
6.2.7 Other		
Attributable to non-controlling interests	-562,686.62	1,138,780.97
7. Total comprehensive income	230,676,181.11	175,304,418.91
Attributable to owners of the Company as the parent	170,025,793.46	117,995,582.19
Attributable to non-controlling	60,650,387.65	57,308,836.72

Item	H1 2024	H1 2023
interests		
8. Earnings per share		
8.1 Basic earnings per share	0.1252	0.1252
8.2 Diluted earnings per share	0.1241	0.1240

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Wan Shan

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Liang Yuefei

4. Income Statement of the Company as the Parent

Unit: RMB

Item	H1 2024	H1 2023
1. Operating revenue	1,799,801,338.92	1,767,119,810.22
Less: Cost of sales	1,377,838,357.05	1,475,930,147.80
Taxes and surcharges	15,272,851.85	14,118,151.89
Selling expense	111,657,013.75	76,993,414.88
Administrative expense	98,157,531.70	77,700,935.31
R&D expense	83,461,134.06	72,152,520.98
Finance costs	-18,473,106.96	-23,728,727.28
Including: Interest expense	205,821.60	3,685,018.81
Interest income	8,056,174.38	7,478,589.21
Add: Other income	11,207,995.85	1,095,070.80
Return on investment ("-" for loss)	38,136,678.31	27,748,972.71
Including: Share of profit or loss of joint ventures and associates	1,444,720.72	1,186,031.53
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	99,400.00	-23,059,475.00
Credit impairment loss ("-" for loss)	-22,899,921.83	-9,630,073.47
Asset impairment loss ("-" for loss)	-5,911,919.35	-1,814,506.09
Asset disposal income ("-" for loss)		
2. Operating profit ("-" for loss)	152,519,790.45	68,293,355.59
Add: Non-operating income	1,706,418.89	36,865.24
Less: Non-operating expense	127,113.54	745,254.33
3. Profit before tax ("-" for loss)	154,099,095.80	67,584,966.50
Less: Income tax expense	18,488,977.50	3,301,961.09
4. Net profit ("-" for net loss)	135,610,118.30	64,283,005.41
4.1 Net profit from continuing operations ("-" for net loss)	135,610,118.30	64,283,005.41
4.2 Net profit from discontinued operations ("-" for net loss)		
5. Other comprehensive income, net of tax	-21,548,515.71	-52,237,967.85
5.1 Items that will not be reclassified to profit or loss	-21,548,515.71	-52,237,967.85
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or		

Item	H1 2024	H1 2023
loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments	-21,548,515.71	-52,237,967.85
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for investments in other debt obligations		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	114,061,602.59	12,045,037.56
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: Wan Shan

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Liang Yuefei

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2024	H1 2023
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	4,381,995,484.08	3,850,932,261.31
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	82,383,727.52	100,132,103.39
Cash generated from other operating activities	119,388,419.41	141,107,593.13
Subtotal of cash generated from operating activities	4,583,767,631.01	4,092,171,957.83

Item	H1 2024	H1 2023
Payments for commodities and services	3, 124, 222, 860. 48	2, 663, 359, 134. 35
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	731, 015, 486. 26	687, 281, 073. 20
Taxes paid	151, 177, 949. 87	204, 166, 141. 70
Cash used in other operating activities	192, 758, 289. 79	149, 496, 551. 38
Subtotal of cash used in operating activities	4, 199, 174, 586. 40	3, 704, 302, 900. 63
Net cash generated from/used in operating activities	384, 593, 044. 61	387, 869, 057. 20
2. Cash flows from investing activities:		
Proceeds from disinvestment	305, 000, 000. 00	190, 981, 292. 12
Return on investment	24, 056, 243. 57	22, 659, 407. 23
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	22, 544, 055. 06	1, 402, 000. 00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	351, 600, 298. 63	215, 042, 699. 35
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	159, 583, 095. 03	109, 147, 876. 06
Payments for investments	1, 024, 000, 000. 00	110, 000, 000. 00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		360, 759. 99
Subtotal of cash used in investing activities	1, 183, 583, 095. 03	219, 508, 636. 05
Net cash generated from/used in investing activities	-831, 982, 796. 40	-4, 465, 936. 70
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings raised	200, 111, 329. 57	126, 598, 725. 21
Cash generated from other financing activities	7, 224, 809. 91	381, 437. 71
Subtotal of cash generated from financing activities	207, 336, 139. 48	126, 980, 162. 92
Repayment of borrowings	136, 959, 822. 56	323, 893, 000. 00
Interest and dividends paid	39, 360, 714. 14	160, 367, 407. 65
Including: Dividends paid by subsidiaries to non-controlling interests	29, 139, 436. 44	30, 294, 736. 68
Cash used in other financing activities	11, 501, 309. 43	2, 303, 428. 02
Subtotal of cash used in financing activities	187, 821, 846. 13	486, 563, 835. 67
Net cash generated from/used in financing activities	19, 514, 293. 35	-359, 583, 672. 75
4. Effect of foreign exchange rates changes on cash and cash equivalents	14, 380, 245. 23	4, 930, 576. 64

Item	H1 2024	H1 2023
5. Net increase in cash and cash equivalents	-413,495,213.21	28,750,024.39
Add: Cash and cash equivalents, beginning of the period	3,101,252,943.88	1,945,971,307.26
6. Cash and cash equivalents, end of the period	2,687,757,730.67	1,974,721,331.65

Legal representative: Wan Shan

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Liang Yuefei

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2024	H1 2023
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,714,147,588.24	1,496,145,578.96
Tax rebates	37,731,938.65	53,498,627.75
Cash generated from other operating activities	39,430,747.84	33,751,986.68
Subtotal of cash generated from operating activities	1,791,310,274.73	1,583,396,193.39
Payments for commodities and services	1,212,273,623.36	1,035,027,746.06
Cash paid to and for employees	231,944,514.55	232,728,601.56
Taxes paid	59,269,827.89	35,941,134.26
Cash used in other operating activities	68,770,731.65	56,041,082.96
Subtotal of cash used in operating activities	1,572,258,697.45	1,359,738,564.84
Net cash generated from/used in operating activities	219,051,577.28	223,657,628.55
2. Cash flows from investing activities:		
Proceeds from disinvestment		100,000,000.00
Return on investment	24,016,123.90	27,483,617.76
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	22,433,746.58	
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	35,000,000.00	
Subtotal of cash generated from investing activities	81,449,870.48	127,483,617.76
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	27,169,498.35	11,143,401.81
Payments for investments	714,920,000.00	
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	178,883,363.61	
Subtotal of cash used in investing activities	920,972,861.96	11,143,401.81
Net cash generated from/used in investing activities	-839,522,991.48	116,340,215.95
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		178,893,000.00

Item	H1 2024	H1 2023
Interest and dividends paid		119,898,677.90
Cash used in other financing activities		
Subtotal of cash used in financing activities		298,791,677.90
Net cash generated from/used in financing activities		-298,791,677.90
4. Effect of foreign exchange rates changes on cash and cash equivalents	9,378,014.06	1,541,521.95
5. Net increase in cash and cash equivalents	-611,093,400.14	42,747,688.55
Add: Cash and cash equivalents, beginning of the period	1,610,082,668.66	461,062,144.20
6. Cash and cash equivalents, end of the period	998,989,268.52	503,809,832.75

Legal representative: Wan Shan

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Liang Yuefei

7. Consolidated Statements of Changes in Owners' Equity

H1 2024

Unit: RMB

Item	H1 2024													Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent														
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
1. Balance as at the end of the period of prior year	1,548,778,230.00				914,336,325.66	82,165,144.15	360,027,027.59	1,213,325.92	107,944,679.06		3,435,308,364.11		6,285,442,808.19	3,485,954,680.86	9,771,397,489.05
Add: Adjustment for change in accounting policy															
Adjustment for correction of previous error															
Other adjustments															
2. Balance as at the beginning of the Reporting Period	1,548,778,230.00				914,336,325.66	82,165,144.15	360,027,027.59	1,213,325.92	107,944,679.06		3,435,308,364.11		6,285,442,808.19	3,485,954,680.86	9,771,397,489.05
3. Increase/decrease in the period ("for")							-22,203	3,194,038			7,935,794		-11,073	33,697,91	22,624,35

Item	H1 2024														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other			Subtotal
decrease)							,388.92	.76			.78		,555.38	2.10	6.72
3.1 Total comprehensive income							-22,203.388.92				192,229.182.38		170,025.793.46	60,650.387.65	230,676.181.11
3.2 Capital increased and reduced by owners															
3.2.1 Ordinary shares increased by owners															
3.2.2 Capital increased by holders of other equity instruments															
3.2.3 Share-based payments included in owners' equity															
3.2.4 Other															
3.3 Profit distribution											-184,293.387.60		-184,293.387.60	29,139.436.44	-213,432.824.04
3.3.1 Appropriation to surplus reserves															
3.3.2 Appropriation to general reserve															
3.3.3 Appropriation to owners (or shareholders)											-184,293.387.60		-184,293.387.60	29,139.436.44	-213,432.824.04
3.3.4															

Item	H1 2024																
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other			Subtotal		
Preferred shares		Perpetual bonds	Other														
Other																	
3.4 Transfers within owners' equity																	
3.4.1 Increase in capital (or share capital) from capital reserves																	
3.4.2 Increase in capital (or share capital) from surplus reserves																	
3.4.3 Loss offset by surplus reserves																	
3.4.4 Changes in defined benefit schemes transferred to retained earnings																	
3.4.5 Other comprehensive income transferred to retained earnings																	
3.4.6 Other																	
3.5 Specific reserve								3,194,038.76						3,194,038.76	2,186,960.89	5,380,999.65	
3.5.1 Increase in the period								4,940,359.02						4,940,359.02	3,049,660.90	7,990,019.92	
3.5.2 Used in the period								1,746,320.26						1,746,320.26	862,700.00	2,609,020.27	
3.6 Other																	
4. Balance as at the end of	1,548,				914,33	82,165	337,82	4,407,	107,94				3,443,	6,274,	3,519,	9,794,	

Item	H1 2024														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other			Subtotal
Preferred shares		Perpetual bonds	Other												
the Reporting Period	778,230.00				6,325.66	,144.15	3,638.67	364.68	4,679.06		244,158.89		369,252.81	652,592.96	021,845.77

H1 2023

Unit: RMB

Item	H1 2023														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other			Subtotal
Preferred shares		Perpetual bonds	Other												
1. Balance as at the end of the period of prior year	1,361,994,647.00				7,245,971.54	82,165,144.15	498,141,018.70		91,359,027.15		3,296,490,572.2		5,173,066,095.6	3,427,280,735.5	8,600,346,831.6
Add: Adjustment for change in accounting policy											-54,747.02		-54,747.02	-47,032.17	-101,779.19
Adjustment for correction of previous error															
Other adjustments															
2. Balance as at the beginning of the Reporting Period	1,361,994,647.00				7,245,971.54	82,165,144.15	498,141,018.70		91,359,027.15		3,296,490,572.20		5,173,066,095.64	3,427,280,735.58	8,600,245,052.2
3. Increase/decrease in the period ("-" for decrease)											34,035,764.4		16,903,882.51	27,014,104.4	10,110,217.53
3.1 Total comprehensive income											168,935.2		117,995.5	57,308.83	175,304.4

Item	H1 2023																
	Equity attributable to owners of the Company as the parent													Non-controlling interests	Total owners' equity		
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal				
Preferred shares		Perpetual bonds	Other														
Increase in capital (or share capital) from capital reserves																	
3.4.2 Increase in capital (or share capital) from surplus reserves																	
3.4.3 Loss offset by surplus reserves																	
3.4.4 Changes in defined benefit schemes transferred to retained earnings																	
3.4.5 Other comprehensive income transferred to retained earnings																	
3.4.6 Other																	
3.5 Specific reserve																	
3.5.1 Increase in the period																	
3.5.2 Used in the period																	
3.6 Other																	
4. Balance as at the end of the Reporting Period	1,361,994,647.00				7,245,971.54	82,165,144.15	447,201,368.35		91,359,027.15		3,330,471,596.34		5,107,466.23	3,454,247,803.72	8,610,355.95		

Legal representative: Wan Shan

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Liang Yuefei

8. Statements of Changes in Owners' Equity of the Company as the Parent

H1 2024

Unit: RMB

Item	H1 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surpluses reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the period of prior year	1,548,778,230.00				909,058,541.44	82,165,144.15	359,858,073.06	897,781.74	339,248,748.30	2,824,687,635.90		5,900,363,866.29
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments												
2. Balance as at the beginning of the Reporting Period	1,548,778,230.00				909,058,541.44	82,165,144.15	359,858,073.06	897,781.74	339,248,748.30	2,824,687,635.90		5,900,363,866.29
3. Increase/decrease in the period ("-" for decrease)							-21,548,515.71	2,595,771.82		-48,683,269.30		-67,636,013.19
3.1 Total comprehensive income							-21,548,515.71			135,610,118.30		114,061,602.59
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												

Item	H1 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
3.2.4 Other												
3.3 Profit distribution										- 184,293,387.60		- 184,293,387.60
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										- 184,293,387.60		- 184,293,387.60
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve								2,595,771.82				2,595,771.82

Item	H1 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
3.5.1 Increase in the period								4,106,091.11				4,106,091.11
3.5.2 Used in the period								1,510,319.29				1,510,319.29
3.6 Other												
4. Balance as at the end of the Reporting Period	1,548,778,230.00				909,058,541.44	82,165,144.15	338,309,557.35	3,493,553.56	339,248,748.30	2,776,004,366.60		5,832,727,853.10

H1 2023

Unit: RMB

Item	H1 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
1. Balance as at the end of the period of prior year	1,361,994,647.00				7,426,635.62	82,165,144.15	498,788,284.79		322,663,096.39	2,810,316,233.41		4,919,023,753.06
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments												
2. Balance as at the beginning of the Reporting Period	1,361,994,647.00				7,426,635.62	82,165,144.15	498,788,284.79		322,663,096.39	2,810,316,233.41		4,919,023,753.06
3. Increase/decrease in the period ("-" for decrease)							-52,237,967.85			-70,616,459.29		-122,854,427.14
3.1 Total comprehensive income							-52,237,967.85			64,283,005.41		12,045,037.56
3.2 Capital increased and reduced												

Item	H1 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other												
3.3 Profit distribution									- 134,899,464.70			- 134,899,464.70
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)									- 134,899,464.70			- 134,899,464.70
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined												

Item	H1 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surpluses reserves	Retained earnings	Other	Total owners' equity
		Preferred shares	Perpetual bonds	Other								
benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the Reporting Period	1,361,994,647.00				7,426,635.62	82,165,144.15	446,550,316.94		322,663,096.39	2,739,699,774.12		4,796,169,325.92

Legal representative: Wan Shan

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Liang Yuefei

III Company profile

(I) Basic information

Foshan Electrical and Lighting Co., Ltd. (hereinafter referred to as "the Company"), a joint-stock limited company jointly founded by Foshan Electrical and Lighting Company, Nanhai Wuzhuang Color Glazed Brick Field, and Foshan Poyang Printing Industrial Co. on 20 October 1992 by raising funds under the approval of YGS (1992) No. 63 Document issued by the Joint Examination Group for Experimental Enterprises in Stock System of Guangdong Province and the Economic System Reform Commission of Guangdong Province, is an enterprise with its shares held by both the corporate and the natural persons. As approved by China Securities Regulatory Commission with Document (1993) No. 33, the Company publicly issued 19.3 million shares of social public shares (A shares) to the public in October 1993, and was listed in Shenzhen Stock Exchange for trade on 23 November 1993. The Company was approved to issue 50,000,000 B shares on 23 July 1995. And,

as approved to change into a foreign-invested stock limited company on 26 August 1996 by (1996) WJMZEHZ No. 466 Document issued by the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China. On 11 December 2000, as approved by China Securities Regulatory Commission with ZJGS Zi [2000] No. 175 Document, the Company additionally issued 55,000,000 A shares. At approved by the Shareholders' General Meeting 2006, 2007, 2008, 2014 and 2017 the Company implemented the plan of capitalization of capital reserve, after the transfer, the registered capital of the Company has increased to RMB1,399,346,154.00. The Company held the 26th Meeting of the 9th Board of Directors on 14 January 2022, where the Proposal on Cancelling Some Shares of the Company's Repurchase Special Securities Account was deliberated and adopted. The repurchased 13 million A shares were used for the equity incentive plan. The remaining 18,952,995 A shares and the repurchased 18,398,512 B shares, totaling 37,351,507 shares, were all deregistered. On 8 February 2022, it was confirmed by Shenzhen Branch of CSDC that the number of repurchased public shares canceled this time was 37,351,507, accounting for 2.67% of the total share capital of the Company before the cancellation, including 18,952,995 A shares and 18,398,512 B shares. Upon the cancellation of the shares, the total share capital of the Company was changed from 1,399,346,154 shares to 1,361,994,647 shares. The Company's registered capital was changed to RMB1,361,994,647.00. On 14 March 2023, the Company held the 39th Meeting of the Ninth Session of the Board of Directors and considered and passed the Proposal on the *Company's Compliance with the Conditions for the Issuance of A Shares to Specific Objects*, and the Board of Directors agreed that the Company should apply for the issuance of shares to specific objects to the Shenzhen Stock Exchange ("SZSE"). According to the resolutions passed at the 39th Meeting of the Ninth Board of Directors and the First Extraordinary General Meeting of 2023, the Company applied for the issuance of ordinary shares (A shares) not exceeding 30% of the total share capital, i.e., not exceeding 408,598,394 shares to specific investors, and 186,783,583 shares were actually issued. After the issuance of shares, the total share capital of the Company changed from 1,361,994,647 shares to 1,548,778,230 shares, and the registered capital of the Company changed to RMB One Billion, Five Hundred and Forty-eight Million, Seven Hundred and Seventy-eight Thousand, Two Hundred and Thirty (RMB1,548,778,230.00).

Credibility code of the Company: 91440000190352575W.

Legal representative: Mr. Wan Shan

Corporate domicile: No. 64, Fenjiang North Road, Chancheng District, Foshan, Guangdong Province

Office address: No. 8, Zhihui Road, Chancheng District, Foshan, Guangdong Province

Main business of the company and its subsidiaries (hereinafter referred to as “the Company”): lighting products, electro technical products, vehicle lamp products, epitaxy and chip products, LED packaging and component products, trade and other products.

The business term of the Company is long-term, which was calculated from the date of issuance of License of Business Corporation.

(II) Authorized issuer and date of approval of the financial report

The Financial Report was approved and authorized for issue by the Board of Directors on 30 August 2024.

(III) Consolidation scope of financial statements

The consolidation scope of the financial statement during the Reporting Period including the Company and FSL Chanchang Optoelectronics Co., Ltd. (referred to as “Chanchang Company”), Foshan Taimei Times Lamp Co., Ltd. (referred to as “Taimei Company”), Nanjing Fozhao Lighting Components Co., Ltd. (referred to as “Nanjing Fozhao”), FSL (Xinxiang) Lighting Co., Ltd. (referred to as “Xinxiang Company”), Foshan Fozhao Zhicheng Technology Co., Ltd. (referred to as “Zhicheng Company”), FSL Zhida Electric Technology Co., Ltd. (referred to as “Zhida Company”), Foshan Hortilite Optoelectronics Co., Ltd. (referred to as “Hortilite Company”), Fozhao (Hainan) Technology Co., Ltd. (referred to as “Hainan Technology”), Foshan Kelian New Energy Technology Co., Ltd. (referred to as “Foshan Kelian”), Nanning Liaowang Auto Lamp Co., Ltd. (referred to as “Nanning Liaowang”), Foshan NationStar Optoelectronics Co., Ltd. (referred to as “NationStar Optoelectronics”), Foshan Sigma Venture Capital Co., Ltd. (referred to as “Sigma”) and Fozhao Huaguang (Maoming) Technology Co., Ltd. (referred to as “Huaguang Maoming”) in total 13 subsidiaries and Liuzhou Guige Lighting Technology Co., Ltd. (referred to as “Liuzhou Lighting”), Liuzhou Guige Foreshine Technology Co., Ltd. (referred to as “Liuzhou Foreshine”), Chongqing Guinuo Lighting Technology Co., Ltd. (referred to as “Chongqing Guinuo”), Qingdao Guige Lighting Technology Co., Ltd. (referred to as “Qingdao Lighting”), Indonesia Liaowang Auto Lamp Co., Ltd. (referred to as “Indonesia Liaowang”), Foshan NationStar Electronic Manufacturing Co., Ltd. (referred to as “Guoxing Electronic”), Foshan NationStar Semiconductor Co., Ltd. (referred to as “NationStar Semiconductor”), Nanyang Baoli Vanadium Industry Co., Ltd. (referred to as “Baoli Vanadium Industry”), Guangdong New Electronic Information Ltd. (referred to as “New Electronic”), NationStar Optoelectronics (Germany) Co., Ltd. (referred to as “Germany NationStar”), Guangdong Fenghua Semiconductor Technology Co., Ltd. (referred to as “Fenghua Semiconductor”) and Gaozhou NationStar Lighting Technology Co., Ltd. (referred to as “Gaozhou NationStar”) in total 12 sub-subsidiary.

Given that Nanyang Baoli Vanadium Industry Co., Ltd. (Baoli Vanadium) is in a state of non-continuing operations, the Financial Statements H1 2024 of Baoli Vanadium were formulated at fair value or costs whichever was lower.

The scope of consolidation of the financial statements for this period increased by one subsidiary, Fozhao Huaguang (Maoming) Technology Co., Ltd. (referred to as “Huaguang Maoming”) and one sub-subsidiary, Gaozhou NationStar Lighting Technology Co., Ltd. (referred to as “Gaozhou NationStar”), compared with the previous period. See Note IX “Changes in the scope of consolidation” and Note X “Interests in other entities” for details.

IV Basis for Preparation of Financial Statements

1. Preparation Basis

The Company's financial statements are prepared on a going concern basis, based on transactions and events that actually occur, in accordance with the provisions of the Accounting Standards for Business Enterprises - Basic Guidelines and specific accounting standards issued by the Ministry of Finance (hereinafter referred to as “ASBEs”), as well as the relevant provisions of “No. 15 of the Rules Governing the Preparation of Information Disclosures by Companies Offering Securities to the Public - General Provisions on Financial Reporting” of the China Securities Regulatory Commission and on the basis of the significant accounting policies and accounting estimates formulated.

2. Going Concern

The Company has the ability to continue as a going concern for at least 12 months from the end of the Reporting Period and there are no material matters affecting its ability to continue as a going concern.

V Important Accounting Policies and Estimations

Reminders of the specific accounting policies and accounting estimations:

The following significant accounting policies and accounting estimates of the Company have been formulated in accordance with ASBEs. Operations not mentioned are treated in accordance with the relevant accounting policies in the ASBE.

1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company are in compliance with the Accounting Standards for Business Enterprises, which factually and completely present the Company’s and the consolidated financial positions, business results and cash flows, as well as other relevant information of the Company.

2. Fiscal Year

A fiscal year starts on January 1st and ends on December 31st according to the Gregorian calendar.

3. Operating Cycle

An operating cycle for the Company is 12 months, which is also the classification criterion for the liquidity of its assets and liabilities.

4. Recording Currency

Renminbi is the recording currency for the statements of the Company.

5. Methods for Determining materiality standards and selection criteria

Applicable Not applicable

1. Materiality of Financial Statement Items

The Company determines the materiality of financial statement items based on the principle of whether such items affect the users of financial statements making economic decisions in terms of both the nature and amount. The materiality of financial statement items in terms of the amount is determined based on a certain percentage of relevant items in total assets, total liabilities, net assets, operating income, and net profit. The materiality of financial statement items in terms of nature is based on factors with a significant impact on the Company's financial position and operating results, such as whether they are part of routine operating activities, whether they result in changes in profit or loss, and whether they affect regulatory indicators.

2. Materiality of Detailed Items in the Notes to Financial Statement Items

The Company determines the materiality of detailed items in the notes to financial statement items based on the materiality of the financial statement items. This determination is made by considering a certain percentage of the specific item, or a combination of the amount of the item, taking into account the nature of the specific item. Certain items that are not material to the financial statements may be material to the notes and still require separate disclosure in the notes. The materiality criteria related to the notes to the financial statement items are:

Item	Materiality criteria
Significant accounts receivable with bad debt provision separately accrued	The individual amount accounts for more than 10% of the account receivable or bad debt provision, and the amount exceeds RMB10 million.
Bad debt provision of accounts receivable collected or reversed with significant amount in this year	Individual amount accounts for more than 10% of the current reversal of bad debt provision, and the amount exceeds RMB10 million.
Significant verification of accounts receivable in this year	The individual amount accounts for more than 10% of the account receivable or bad debt provision, and the amount exceeds RMB10 million.
Significant construction in progress	The ending balance of an individual construction in progress accounts for more than 10%, and the amount exceeds RMB50 million.
Significant accounts payable/other payables over one year	The individual amount accounts for more than 10% of accounts payable over 1 year/other payables, and the amount exceeds RMB10 million.
Significant cash flows generated from investment activities	Cash flows of an individual investment accounts for more than 3% of the net assets at the period-end, and the amount exceeds RMB100 million.
Significant non-wholly-owned subsidiary	Minority shareholders hold more than 5% interest and any of

	the items of total assets, net assets, operating revenues and net profits of the subsidiary accounts for more than 10% of the corresponding items in the consolidated financial statements.
Significant joint ventures or associated enterprises	The investment income generated from joint ventures or associated enterprises (The loss is calculated in absolute terms) accounts for more than 10% of the net profit of consolidated financial statements.
Significant debt reorganization	The influence of individual amount on net profit exceeds 10%.
Significant commitments	The amount of an individual commitment exceeds RMB10 million.
Significant contingency	The amount of money involved in cases exceeds RMB10 million.

6. Accounting Methods for Business Combination Involving Enterprises under and not under the Same Control

1. Business combination under the same control

In case of a long-term equity investment resulting from a business combination under the same control, if the acquirer pays cash, transfers non-cash assets, assumes debts as merger consideration, the share of the Company's equity of the acquiree obtained on combination date in the carrying value of the financial statements of the ultimate controlling party is deemed as an initial investment cost of long-term equity investments. If the acquirer issues equity instruments as consideration for a combination, the total par value of the shares issued is treated as equity. The difference between the initial investment cost of a long-term equity investment and the carrying amount of the consideration for consolidation (or the total nominal value of shares issued) shall be adjusted to capital surplus; if capital surplus is not sufficient to offset the difference, retained earnings shall be adjusted.

2. Business combination not involving entities under the same control

In case of business combination involving enterprises not under the same control, the combination costs shall be the total fair values of the assets paid, liabilities incurred or assumed and the equity securities issued on the date of acquisition by the acquirer in exchange for control on the acquiree. Identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a business combination not under the same control that qualify for recognition are measured at fair value on the date of acquisition. The acquirer recognizes as goodwill the difference between the combination costs and the fair value share of the identifiable net assets of the acquiree obtained in the combination. If the combination costs are less than the fair value share of the acquiree's identifiable net assets obtained in the combination, the difference between the combination costs still less than the fair value share of the acquiree's identifiable net assets obtained in the combination after review shall be included in the non-operating revenue for the current period.

7. Criteria for Judging Control and Methods for Preparing Consolidated Financial Statements

1. Judgment criteria for control

The scope of consolidation of the consolidated financial statements is determined on the basis of control. An investee is considered to be controlled if the following three elements are present: the possession of power over the investee, the enjoyment of variable returns as a result of participating in the relevant activities of the investee, and the ability to use the power over the investee to affect the amount of returns.

2. Preparation methods for consolidation financial statements

(1) Unification of accounting policies, balance sheet dates and accounting periods of parent and subsidiary companies

If the accounting policies and accounting period adopted by the subsidiaries are inconsistent with those of the Company, necessary adjustments are made in accordance with the accounting policies and accounting period of the Company when preparing the consolidated financial statements.

(2) Offsetting items in the consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries and have been offset by internal transactions that occurred between the Company and its subsidiaries and between subsidiaries. The share of owners' equity of subsidiaries that do not belong to the Company is presented as minority interests in the consolidated balance sheet under the item of shareholders' equity as "minority interests". Long-term equity investments held by subsidiaries are deemed as the Company's treasury stock and presented as a deduction from shareholders' equity in the consolidated balance sheet under the item "Less: treasury stock".

(3) Accounting treatment of the acquisition of subsidiaries through consolidation

For subsidiaries acquired through a business combination under common control, the assets, liabilities, operating results, and cash flows are included in the consolidated financial statements from the beginning of the period of consolidation as if the business combination had occurred at the time the ultimate controlling party began to exercise control; for subsidiaries acquired through a business combination, not under the same control, the fair value of the identifiable net assets on the acquisition date is used as the basis for preparing the consolidated financial statements. The financial statements are adjusted based on the fair value of the identifiable net assets on the acquisition date.

(4) Accounting treatment of disposal of subsidiaries

If a long-term equity investment in a subsidiary is partially disposed of without loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the long-term equity investment calculated on an ongoing basis from the acquisition date or the consolidation date is adjusted to capital surplus in the consolidated financial statements, and retained earnings is adjusted if the capital surplus is not sufficient to cover the reduction. If the control over the investee is lost due to the disposal of part of equity investments, the residual equity are re-measured at fair value on the date of loss of control. The aggregate of the consideration obtained by disposing of the equity and the fair value of the remaining equity less the portion of the net assets of the subsidiary that has been measured, as calculated at the original shareholding proportion, from the acquisition date or combination date is recognized in profit and loss of the current period on investments in which the control is lost, and goodwill shall be offset. Other comprehensive income related to the equity investments in the former subsidiary shall be included in the return on investment for the current period when the Company lost the control.

8. Classification of Joint Operation Arrangements and Accounting Methods for Joint Operations

1. Classification of joint arrangements

Joint arrangements are divided into joint operations and joint ventures. The joint arrangements not reached through separate entities are classified as joint operations. Separate entities refer to entities with separate identifiable financial structures, including separate legal entities and entities that do not have legal entity status but are recognized by law. The joint arrangements reaching through separate entities are usually classified as joint ventures. Where changes in relevant facts and circumstances result in changes in the rights and obligations of the joint venture parties in the joint venture arrangement, the joint venture parties shall reassess the classification of the joint venture arrangement.

2. Accounting treatment of joint operations

As a participant in a joint operation, the Company recognizes the following items related to its share of interest in the joint operations. It accounts for them following the relevant Accounting Standards for Business Enterprises: Recognition of assets or liabilities held separately, and recognition of assets or liabilities held jointly on a share basis; recognition of revenue from the sale of the share of output from the joint operation to which it is entitled; recognition of revenue from the joint operation arising from the sale of output on a share basis; and recognition of expenses incurred separately, and recognition of expenses incurred in the joint operation on a share basis.

If the Company is a participant in a joint operation that does not enjoy joint control, and it owns the underlying assets of the joint operation and assumes the liabilities related to the joint operation, the accounting treatment of the joint operation partner shall be referred to; otherwise, the accounting treatment shall be carried out in accordance with the relevant enterprise accounting standards.

3. Accounting treatment of joint ventures

If the Company is a joint venture partner, it shall account for its investment in joint ventures following the provisions of Accounting Standards for Business Enterprises No. 2-Long-term Equity Investments; if the Company is a non-joint venture partner, it shall account for its investment in such joint ventures based on the extent of its influence on such joint ventures.

9. Recognition Criteria of Cash and Cash Equivalents

Cash, as determined by the Company in preparing the statement of cash flows, represents the Company's cash on hand and deposits that are readily available for disbursement. Cash equivalents identified in the preparation of the statement of cash flows are investments that are held for a short period of time, are highly liquid, are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

10. Translation of Transactions and Financial Statements Denominated in Foreign Currencies

1. Conversion of foreign currency business

Foreign currency shall be recognized by employing systematic and reasonable methods, and shall be translated into the amount in the functional currency at the exchange rate which is approximate to the spot exchange rate of the transaction date. Exchange differences arising from the difference between the spot rate on that date and the spot rate at initial recognition or on the previous balance sheet date are recognized in profit or loss, except for exchange differences on special borrowings in foreign currencies that qualify for capitalization, which are capitalized in the period in which they are capitalized and charged to the cost of the related assets. Non-monetary items measured at historical costs in foreign currencies are still translated at the spot exchange rate on the transaction date with the amount of standard currency for accounting unchanged. Non-monetary items measured at fair value in foreign currencies are translated at the spot exchange rate on the date when the fair value is determined. The difference between the amount of standard currency for accounting after translation and the original amount shall be treated as a change in fair value (including exchange rate changes) and recognized in current profit or loss or in other comprehensive income.

2. Conversion of foreign currency financial statements

If the Company's subsidiaries, joint ventures, and affiliated business use a different bookkeeping base currency from the Company's, they need to convert their foreign currency financial statements before conducting accounting and preparing consolidated financial statements. The assets and liabilities in the balance sheet shall be translated at the spot rate on the balance sheet date. All items of owners' equity, except for "undistributed profit", shall be translated at the spot exchange rate at the time of occurrence. Items under revenue and expenses in the income statement are translated at the spot exchange rate on the transaction date. The exchange difference in translating foreign operations arising from the translation are shown under other comprehensive income in the owner's equity line in the balance sheet. Cash flows in foreign currencies shall be translated at the spot exchange rate on the date of occurrence of the cash flows. The impact of exchange rate changes on cash is presented separately in the cash flow statement. When an overseas operation is disposed of, the foreign currency statement translation difference related to the overseas operation is transferred to the current profit and loss of the disposal in full or in proportion to the disposal of the overseas operation.

11. Financial Instruments

1. Classification, recognition and measurement of financial instruments

(1) Financial assets

Based on the business model for managing financial assets and the contractual cash flow characteristics of financial assets, the Company classifies its financial assets into the following three categories:

a) Financial assets are measured at the amortized cost. The business model of the Company for managing such financial assets aims at obtaining contractual cash flow, and the characteristics of contractual cash flow of such financial assets are basically the same as basic borrowing arrangement, namely the cash flow arising on a specific

date, which are solely payments of principal and interest on the principal amount outstanding. Interest income is subsequently recognized on such financial assets on the basis of the effective interest method.

b) Financial assets at fair value and changes included in other comprehensive income The business model of the Company for managing such financial assets aims at receiving contractual cash flow as well as selling, and the characteristics of contractual cash flow of such financial assets are basically the same as basic borrowing arrangement. Such financial assets are subsequently measured at fair value with changes recognized in other comprehensive income, except for interest income, impairment losses or gains calculated in accordance with the effective interest method and foreign exchange gains or losses recognized in the current profit or loss.

c) Financial assets measured at fair value through profit or loss for the current period Financial assets held that are not classified as at amortized cost and at fair value through other comprehensive income are measured at fair value, with gains or losses (including interest and dividend income) recognized in profit or loss for the current period. On initial recognition, a financial asset may be irrevocably designated as financial asset at fair value through profit or loss if the accounting mismatch can be eliminated or reduced. The designation shall not be revoked once made.

For instruments in non-business equity instruments, the Company may irrevocably assign such investments as financial assets (equity instruments) measured at fair value through other comprehensive income at initial recognition. The assignment is made based on investments by item, and the relevant investments meet the definition of an equity instrument from the issuer's perspective. Such financial assets are subsequently measured at fair value, and except for dividends received (except for the portion which forms part of investment cost recovered), which are recognized in profit or loss, all other related gains and losses are recognized in other comprehensive income and are not subsequently transferred to current profit or loss.

(2) Financial liabilities

On initial recognition, financial liabilities are classified into the following categories:

a) Financial liabilities measured at fair value through profit and loss for the current period. Such financial liabilities are subsequently measured at fair value, and the resulting gains or losses are recognized in profit or loss for the current period.

b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

c) Financial liabilities measured at amortized cost. Such financial liabilities are measured at amortized cost using the effective interest method.

2. Method for recognizing the fair value of financial instruments

For a financial instrument with an active market, its fair value is determined by its quoted price in the active market; for a financial instrument without an active market, its fair value is determined by valuation techniques. Under limited circumstances, if the information used to determine fair value is insufficient, or if the range of possible estimates of fair value is wide and the cost represents the best estimate of fair value within that range, the cost may represent its appropriate estimate of fair value within that range of distribution. The Company uses all information available after the initial recognition date about the investee's performance and operations to determine whether the cost represents fair value.

3. Derecognition of financial instruments

A financial asset is derecognized when one of the following conditions is met: (1) the contractual right to receive cash flows from the financial asset is terminated; (2) the financial asset is transferred and the conditions for derecognition are met.

If the present obligation of a financial liability is discharged in whole or in part, the discharged portion is derecognized. If an existing liability is replaced by another financial liability from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, the existing financial liability is derecognized and a new financial liability is recognized simultaneously. All regular acquisitions or sales of financial assets are recognized and derecognized on a transaction date basis.

12. Notes Receivable

The determination methods and accounting methods of notes receivable are detailed in Note V-13. Accounts Receivable.

13. Accounts Receivable

1. Measurement of expected credit loss

The Company uses expected credit losses as the basis for impairment accounting and recognizes an allowance for bad debts for financial assets measured at amortized cost (including accounts receivable, including notes receivable and accounts receivable), financing receivables, lease receivables, and other receivables.

2. Recognition method for expected credit losses

The general approach to expected credit losses is that: the Company assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition on each balance sheet date, divides the process of credit impairment of financial instruments into three stages, and applies different accounting treatments to the impairment of financial instruments at different stages: (1) in the first stage, if the credit risk of a financial instrument has not increased significantly since the initial recognition, the Company will measure the loss reserves according to the amount equivalent to the expected credit losses in the next 12 months, and calculate the interest revenue according to the book balance (i.e., before deducting the provision for impairment) and the actual interest rate; (2) In the second stage, if the credit risk of a financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, the Company will measure the loss reserves based on the expected credit loss over the entire life of the financial instrument and calculates interest revenue based on the carrying amount of the financial instrument and the effective interest rate; (3) In the third stage, if credit impairment occurs after the initial recognition, the Company will measure the loss reserves based on the expected credit loss over the life of the financial instrument and calculates interest revenue based on the amortized cost (carrying amount less provision for impairment) and the effective interest rate.

The simplified approach for expected credit losses is to always measure the allowance for losses at an amount equal to the expected credit losses throughout their lives.

3. Accounting methods of the expected credit losses

To reflect the changes in credit risk of financial instruments since initial recognition, the Company remeasures expected credit losses at each balance sheet date. The resulting increase or reversal amount of the loss provision should be recognized as an impairment loss or gain in profit or loss and offset against the carrying amount of the financial asset as stated in the balance sheet or included in projected liabilities, depending on the type of financial instrument (loan commitments or financial guarantee contracts).

4. Method of the provision for losses on the measurement of receivables, lease receivables

(1) Receivables with no significant financing component. For receivables arising from transactions governed by Accounting Standard for Business Enterprises No. 14 - Revenue that do not have a significant financing component, the Company uses a simplified approach whereby the allowance for losses is always measured on the basis of expected credit losses throughout their lives.

①Accounts receivable of expected credit losses withdrawn individually

Rationale for a single provision for expected credit losses	Objective evidence of impairment
Individual accruals for expected credit losses	The impairment tests are conducted separately for accounts receivable individually accrued. An impairment loss is recognized based on the difference between the present value of future cash flows and their carrying amount, and an expected credit loss is recorded

②Accounts Receivable with Expected Credit Losses Provision Based on Credit Risk Portfolio

Portfolio name	Basis for portfolio recognition	Determination method of expected credit losses
Business portfolio of general lighting and auto lamps	General lighting, auto lamps and other relevant business with the Company as the parent and the subsidiary Nanning Liaowang as the representative, this portfolio takes the aging of accounts receivable as the credit risk characteristics	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life and calculate the expected credit loss by consulting historical experience in credit losses, combining current situation and prediction for future economic situation.
Business portfolio of LED packaging and components	LED packaging, components and other relevant business with the subsidiary NationStar Optoelectronics as the representative, this portfolio takes the aging of accounts receivable as the credit risk characteristics	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life and calculate the expected credit loss by consulting historical experience in credit losses, combining current situation and prediction for future economic situation.
Internal business portfolio	Related parties and internal transactions	Other methods

Notes Receivable for which the Expected Credit Loss is Withdrawn by Credit Risk Characteristics

Portfolio name	Basis for portfolio recognition	Determination method of expected credit losses
Portfolio 1	Bank acceptance bill	Low credit risk with no provision for bad debts
Portfolio 2	Trade acceptance	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life and calculate the expected credit loss by consulting historical experience in credit losses, combining current situation and prediction for future economic situation.

The aging analyses are based on their date of entry into the accounts.

Among portfolios, expected credit losses accrued by aging analysis:

Aging	Expected credit loss rate	
	Business portfolio of general lighting and auto lamps	Business portfolio of LED packaging and components
Within 1 year (including 1 year)	3%	2%
1 to 2 years	10%	10%
2 to 3 years	30%	30%
3 to 4 years	50%	50%
4 to 5 years	80%	80%
Over 5 years	100%	100%

(2) Receivables and lease receivables containing significant financing components.

For receivables with significant financing components and lease receivables, the Company measures the provision for losses in accordance with the general method, i.e., the "three-stage" model. The credit risk characteristics grouping, the aging calculation method based on the credit risk characteristics grouping, and the criteria for determining individual provisioning are consistent with the recognition standards for those without financing components.

5. Method of measuring loss provision for other financial assets

For financial assets other than those mentioned above, such as debt investments, other debt investments, other receivables and long-term receivables other than lease receivables, the Company measures the allowance for losses in accordance with the general method, i.e. the "three-stage" model.

(1) Categories of bad debt provision according to credit risk characteristics and basis of determination

The Company divides other receivables into certain credit risk combinations based on the nature of the amounts. It calculates expected credit losses based on the combinations, and the basis for determining the combinations is as below:

Portfolio name	Basis for portfolio recognition
Portfolio 1: Deposit, security deposit	Based on nature of accounts
Portfolio 2: Amounts from related parties	Based on nature of accounts
Portfolio 3: Advances on behalf of others	Based on nature of accounts

(2) Aging calculation method for recognizing credit risk combinations based on aging

Refer to the description of receivables with no significant financing components.

(3) Criteria for determining the bad debt provision based on individual items

Refer to the description of receivables with no significant financing components.

14. Accounts Receivable Financing

The determination methods and accounting methods of receivables financing are detailed in Note V-13. Accounts Receivable.

15. Other Receivables

The determination methods and accounting methods of expected credit losses of other receivables is the same as that of accounts receivable, as detailed in Note V-13. Accounts Receivable.

16. Contract Assets

The Company presents the right to receive consideration for goods or services that have been transferred to the customer (and which is dependent on factors other than time-lapse) as a contract asset. The provision for impairment of contract assets is made with reference to the method of determining expected credit losses in this note.

Contract assets are categorized into the following portfolios according to credit risk characteristics:

Portfolio	Determination basis
Portfolio 1: General lighting and lamps business portfolio	General lighting, automotive lamps and related businesses represented by the parent company and its subsidiary Nanning Liaowang. This portfolio uses the aging of accounts receivable as the credit risk characteristic.
Portfolio 2: LED packaging and components business portfolio	LED packaging, components and other related businesses represented by subsidiary NationStar Optoelectronics. This portfolio uses the aging of accounts receivable as the credit risk characteristic
Portfolio 3: Internal business portfolio	This portfolio involves related-party transactions and internal transactions

17. Inventory

1. Classification of inventories

Inventories refer to the Company's finished goods or commodities for sale held in daily activities, unfinished goods in manufacturing process, and materials and supplies consumed in process of manufacturing products or providing services, etc. Inventories mainly include raw materials, goods in process, materials in transit, finished goods, commodities, turnover materials, materials commissioned for processing, etc. Turnover materials include low-value consumables and packaging materials.

2. Pricing method of issuing inventories

Inventories are valued at the actual cost of the acquisition, and the inventory costs include procurement costs and processing costs. Inventories are valued using the weighted average method when being issued.

3. Inventory system of inventories

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

4. Amortization of low-value consumables and packing materials

The one-off charge-off method is used for low-value consumables and packaging materials.

5. Criteria for Recognizing and Accrual method of provision for decline in value of inventories

Net realizable value refers to the amount after deducting the cost estimated until completion, estimated selling expenses, and relevant taxes from the estimated selling price of the inventory. The Company determines the net realizable value of inventories based on solid evidence obtained and after taking into consideration the purpose for which the inventory is held, and the impact of post-balance sheet events.

The net realizable value of finished goods, materials for sale, and other merchandise inventories used directly for sale is determined in the normal course of production and operation as the estimated selling price of such inventories, less estimated selling expenses, and related taxes.

The net realizable value of material inventories subject to processing is determined in the normal course of production operations as the estimated selling price of the finished goods produced, less the estimated costs to be incurred to completion, estimated selling expenses, and related taxes. The Company determines the net realizable value of inventories based on solid evidence obtained and after taking into consideration the purpose for which the inventory is held, and the impact of post-balance sheet events.

18. Assets Held for Sale

1. Recognition criteria and accounting treatment for non-current assets classified as held for sale or disposal groups

A non-current asset or disposal group whose carrying value will be recovered principally through sale rather than through continuing use is classified as held for sale and meets the following conditions: first, it is immediately available for sale under current conditions based on the customary practice for sales of such assets or disposal groups in similar transactions; and second, it is highly probable that the sale will occur, i.e., the enterprise has already resolved on a plan for the sale and has obtained a firm commitment to purchase, and it is expected that the sale is expected to be completed within one year. The relevant regulations require the approval of the relevant or regulatory authority of the enterprise before the sale shall have been approved.

When the Company initially measures or remeasures non-current assets or disposal groups held for sale on the balance sheet date, if the carrying value is higher than the fair value minus the net amount of the sale costs, the carrying value will be written down to the net amount of fair value minus the sale costs. The amount written down will be recognized as asset impairment loss and included in current profit and loss, and provision for impairment of assets held for sale will be made.

The amount of asset impairment loss recognized for disposal groups held for sale shall be offset against the carrying value of goodwill in the disposal group first, and then against the carrying value of each non-current asset

proportionately according to the proportion of the carrying value of each non-current asset in the disposal group as defined in the applicable measurement of the "Accounting Standards for Business Enterprises - Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations".

2. Recognition criteria and presentation of discontinued operations

Discontinued operations is a separately distinguishable component that meets one of the following conditions and that has been disposed of by the Company or classified by the Company as held for sale: the component represents a separate principal business or a separate principal operating area; the component is part of a related program of proposed dispositions of a separate principal business or a separate principal operating area; The component is a subsidiary acquired specifically for resale.

The Company presents gains and losses from continuing operations and gains and losses from discontinued operations separately in the statement of income. Operating gains and losses, such as impairment losses and reversal amounts for discontinued operations, and gains and losses on disposals are presented as gains and losses from discontinued operations. The revenues, expenses, gross profit, income tax expense (benefit) and net profit from discontinued operations, impairment losses recognized on assets or disposal groups of discontinued operations and the amount of their reversal, total gain or loss on disposal of discontinued operations, income tax expense (benefit) and net gain or loss on disposal, net cash flows from operating activities, investing activities and financing activities of discontinued operations, and gains and losses from continuing operations and gains and losses from discontinued operations attributable to owners of the parent company are disclosed in the notes.

19. Investment in Debt Obligations

Not applicable

20. Other Investment in Debt Obligations

The determination methods and accounting methods of other investment in debt obligations are detailed in Note V-11. Financial Instruments.

21. Long-term Receivables

Not applicable

22. Long-term Equity Investments

1. Judgment criteria for joint control and significant influence

Joint control means that activities that have a significant impact on the return of an arrangement must be decided upon with the unanimous consent of the participants sharing control, including sales and purchases of goods or services, management of financial assets, purchases and disposals of assets, research and development activities, and financing activities. Significant influence refers to the condition where an investor holds between 20% to 50% of the voting capital in an investee, generally indicating a significant influence. Or, although less than 20%, having a significant influence when one of the following conditions is met: Representation on the board of directors or similar authority of the investee; participation in the policy-making process of the investee; assignment of management personnel to the investee; reliance of the investee on the technology or technical information of the investee; and major transactions with the investee.

2. Determination of initial investment cost

For long-term equity investments acquired through a business combination, in the case of a business combination under the same control, the initial investment cost of the long-term equity investment shall be the share of the owners' equity of the party being combined in the consolidated financial statements of the ultimate controlling party on the combination date; in the case of a business combination not under the same control, the initial investment cost of the long-term equity investment shall be the cost of combination determined on the acquisition

date; for long-term equity investments acquired by paying cash, the initial investment cost is the actual purchase price paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued; for long-term equity investments acquired through debt restructuring, the initial investment cost is determined in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 12-Debt Restructuring*; for long-term equity investments acquired through exchange of non-monetary assets, the initial investment cost is determined in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 7-Exchange of Non-monetary Assets*.

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

Long-term equity investments in which the Company can exercise control over the investees are accounted for by the cost method, and long-term equity investments in associates and joint ventures are accounted for by the equity method. If a portion of the Company's equity investments in affiliates is held indirectly through venture capital institutions, mutual funds, trust companies, or similar entities, including investment-linked funds, regardless of whether the above entities have significant influence over this portion of the investment, the Company treats it in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments* and accounts for the remaining portion with the equity method.

23. Investment Properties

Measurement model of investment property

Measurement of cost method

Depreciation or amortization method

The Company's investment property include leased land use rights, leased buildings, and land use rights held and ready to be transferred after appreciation. Investment property is initially measured according to cost, and then measured by cost model.

The Company uses the composite life depreciation method for buildings leased out of investment properties, and the specific accounting policies are the same as those for fixed assets. Land use rights leased out of investment properties and land use rights held and intended to be transferred after appreciation are amortized through the straight-line method with the same accounting policies as those for the intangible assets segment.

24. Fixed Assets

(1) Recognition conditions

The fixed assets refer to tangible assets held for production of goods, provision of labour services, lease or business with a service life of over a fiscal year. Recognition is made when the following conditions are met: The economic benefits associated with the fixed-asset will probably flow to the enterprise; the cost of the fixed-asset can be measured reliably.

(2) Depreciation method

Category	Depreciation method	Depreciable life	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line depreciation method	3-36 years	1%-10%	31.67%-3.17%
Machinery equipment	Straight-line depreciation method	2-11 years	1%-10%	47.50%-8.18%

Transportation equipment	Straight-line depreciation method	5-10 years	1%-10%	19.00%-9.50%
Electronic equipment	Straight-line depreciation method	2-8 years	1%-10%	47.50%-11.88%
Other equipment	Straight-line depreciation method	5 years	5%-10%	19%-18%

The Company's fixed assets are mainly classified into: buildings and structures, machinery and equipment, electronic equipment, transportation equipment, other equipment, etc. The depreciation method is the average annual limit method. The service lives and estimated residual values of fixed assets are determined according to the nature and utilization of each category of fixed assets. At the end of the year, the service lives, estimated residual values and depreciation methods of fixed assets are reviewed, and adjustments are made accordingly if there are differences from the original estimates. All fixed assets are depreciated, except for fully depreciated fixed assets that continue to be used and land that is separately accounted for.

25. Construction in Progress

The Company's construction in progress is divided into two types: Construction on a self-operation basis and a contracted basis. The criteria and time point for carrying forward construction in progress to fixed assets are based on the construction in progress reaching its intended state of use. The standard for determining the intended usable condition shall be one of the following: The physical construction (including installation) of the fixed assets has been fully completed or substantially completed; production or trial operation has been conducted, and the results show that the assets can operate normally or can steadily produce qualified products, or the results of the trial operation show that they can function normally or operate; the amount of expenditure on the fixed assets constructed is little or almost no longer incurred; the fixed assets acquired have met the design or contract requirements, or are substantially consistent with the design or contract requirements.

26. Borrowing Costs

1. Recognition principles for the capitalization of borrowing costs

If the borrowing costs incurred by the Company can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions, they shall be capitalized and included in the costs of the underlying assets; other borrowing costs recognized as costs according to the amount incurred shall be included in the profit and loss for the current period. Assets eligible for capitalization refer to assets, such as fixed assets, investment properties, and inventories that require a long period for their acquisition or production activities to reach the expected usable or saleable status.

2. Calculation of capitalization amount

The capitalization period refers to the period from when the capitalization of borrowing costs starts to when the capitalization stops. The period during which capitalization of borrowing costs is suspended is not included. Capitalization of borrowing costs shall be suspended if there is an abnormal interruption in the course of acquisition or production and the interruption lasts for more than three consecutive months.

Borrowing of special borrowings is determined by the interest expense incurred in the period of the special borrowings, less the interest revenue expenditure earned by depositing the unused borrowed funds in banks or the investment income earned by making temporary investments; the appropriation of general borrowings is determined by multiplying the weighted average amount of asset expenses over the portion of special borrowings by the capitalization rate of the general borrowings appropriated, which is the weighted average interest rate of general borrowings; if there is a discount or premium on borrowings, the amount of discount or premium to be

amortized in each accounting period is determined by the effective interest rate method. The amount of interest is adjusted for each period.

The effective interest rate method is a method of calculating the amortized discount or premium or interest expense on a borrowing based on its effective interest rate. The effective interest rate method calculates the amortized discount or premium or interest expense on a borrowing based on its effective interest rate.

27. Living Assets

Not applicable

28. Oil and Gas Assets

Not applicable

29. Intangible Assets

1. Pricing method of intangible assets

The Company initially measures the intangible assets at cost. For the acquired intangible assets, the actual prices paid and related expenses shall be regarded as the actual costs. The actual cost of intangible assets invested by investors shall be recognized according to the value agreed upon in the investment contract or agreement. In case of unfair contract or agreement, the actual cost shall be recognized according to the fair value. The cost of self-developed intangible assets shall be the total expenditure incurred before they reach the intended use.

2. Service life and its determination basis, estimation, amortization method, or review procedure

Intangible assets with finite service lives are amortized on a straight-line basis over their service lives, and the service lives and amortization methods of intangible assets are reviewed at the end of the year and adjusted accordingly if there are differences from the original estimates. Intangible assets with indefinite service lives are not amortized, but are reviewed at the end of the year for service lives and estimated when there is conclusive evidence that the service life is finite.

The useful life and its determination basis and amortization method of intangible assets with restricted useful life:

Category	Useful life	Determination basis of useful life	Amortization method
Land use right	20-50	Duration of land use rights	Method of line
Patent use right	5-20	Expected number of years of benefit	Method of line
Software use right	3-10	Expected number of years of benefit	Method of line

The intangible assets are regarded as intangible assets with uncertain service life if the term during which they can bring economic benefits to the Company is unforeseeable or if their usage period is uncertain. The bases for determining of uncertain service life are: The intangible assets come from contractual or other legal rights, but the contract or laws have no certain stipulations of the service life; the term during which the intangible assets bring economic benefits to the Company is still unforeseeable even with consideration of peer status or demonstrations of related professionals.

At the end of each year, the review of service life of intangible assets with uncertain service life mainly adopts the method of reviewing from lower department to upper department, where departments related to the use of intangible assets shall conduct the basic review and make assessment of whether the determining basis of uncertain service life changes.

3. The scope of R&D expenditure collection and the related accounting treatment

The scope of the Company's R&D expenditures is mainly formulated based on the Company's research and development projects, which mainly includes: including R&D personnel's employee remuneration, direct input

expenses, depreciation expenses and long-term amortization expenses, design expenses, equipment commissioning expenses, amortization expenses of intangible assets, commissioned external research and development expenses, and other expenses, etc.

Expenditures incurred during the research phase of an internal research and development project are recognized in profit or loss when incurred; expenditures incurred during the development phase that meet the conditions for recognition as an intangible asset are transferred to intangible asset accounting.

Specific criteria for dividing the research phase and development phase of internal research and development projects: The expenditures in internal research and development projects of the Company are classified into expenditures in research stage and expenditures in development stage. The expenditures in research stage are included in the current profits and losses when incurred. The expenditures in development stage are recognized as intangible assets when meeting the following conditions:

- (1) The completion of the intangible assets makes it technically feasible for using or selling;
- (2) Having the intention to complete and use or sell the intangible assets;
- (3) The way in which an intangible asset generates economic benefits, including the proof that the products produced with the intangible assets can be sold in a market or the proof of its usefulness if the intangible assets can be sold in a market and will be used internally;
- (4) Having sufficient technical, financial resources and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;
- (5) Expenditure attributable to the development stage of intangible assets can be measured reliably.

The cost of self-developed intangible assets includes the total expenditure incurred after meeting intangible assets recognition criterion and before reaching intended use. Expenditures that have been expensed in previous periods are no longer adjusted.

30. Impairment of Long-term Assets

For long-term assets having the indication of impairment on balance sheet date such as long-term equity investments, investment property measured in cost mode, fixed assets, construction in progress, productive living assets measured in cost mode, oil and gas assets, and intangible assets, the Company shall test the impairment. If the impairment test results indicate that the recoverable amount of the asset is lower than its book value, the impairment provision shall be made at the difference and included in the impairment loss.

The recoverable amount is the higher of the fair value of the asset minus the disposal cost and the present value of the expected future cash flow of the asset. The provision for impairment of assets is calculated and recognized on the basis of individual assets. If it is difficult to estimate the recoverable amount of individual assets, the recoverable amount of the asset group shall be recognized by the asset group to which the asset belongs. The asset group is the smallest portfolio of assets that can generate cash inflows independently.

Goodwill presented separately in the financial statements shall be tested for impairment every year, whether or not there is any indication of impairment. The book value of the goodwill shall be apportioned to the asset group or portfolio of asset groups that is expected to benefit from the synergies of the business combination when the impairment test is conducted. The corresponding impairment loss is recognized if the test results indicate that the recoverable amount of the asset group or portfolio of asset groups containing the apportioned goodwill is lower than its book value. The amount of the impairment loss shall offset the book value of the goodwill apportioned to the asset group or portfolio of asset groups, and offset the book value of other assets in proportion according to the proportion of the book value of other assets except the goodwill in the asset group or portfolio of asset groups.

Once the impairment loss of the above asset is recognized, the portion that the value is restored will not be written back in subsequent periods.

31. Long-term Prepaid Expense

Long-term prepaid expense refers to general expenses with the apportioned period over one year (excluding one year) that have occurred but are attributable to the current and future periods. Long-term prepaid expense shall be amortized averagely within benefit period. In case of no benefit in the future accounting period, the amortized value of such item that fails to be amortized shall be transferred into the current profits and losses.

32. Contract Liabilities

The Company presents the obligation of transferring goods to or providing services for customers for consideration received or receivable as a contract liability. The Company presents contract asset and contract liability under the same contract on a net basis.

33. Payroll

Employee benefits refer to all forms of remuneration or compensation given by the Company for services rendered by employees or for the termination of employment relationships. Employee benefits mainly include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(1) Accounting treatments for short-term benefits

The short-term compensation actually happened during the accounting period when the active staff offering the service for the Company should be recognized as liabilities and is included in the current profits and losses except for those required or allowed to be included in the assets cost by the Accounting Standards for Business Enterprises. The employee services benefits actually happened in the Company shall be included in the current profits and losses or relevant assets cost according to the actual amount. Of which the non-monetary benefits should be measured according to the fair value. During the accounting term in which employees provide service, the Company calculates and determines the corresponding payroll amount in accordance with the withdrawal basis and withdrawal proportion specified in regulations with the social insurance premiums such as medical insurance premiums, industrial injury insurance premium and birth insurance premium, housing fund, and the labour union budget and employee education budget withdrawn in regulations, and then recognizes it as liabilities that are included in the current profits and losses or relevant assets cost.

(2) Accounting treatment of the welfare after demission

The payable and deposit amount calculated according to the defined contribution plan during the accounting period when the active staff offering the service for the Company is recognized as liabilities and is included in the current profits and losses or relevant assets cost. The benefit obligations arising from the defined benefit plan shall be attributable to the period in which the employees provide services based on the formula determined by expected cumulative welfare unit method and included in current profits and losses or cost of relevant asset.

(3) Accounting treatment of the demission welfare

When offering the demission welfare, the Company shall recognize the payroll liabilities incurred from the demission welfare on the earlier of the date when the Company could not unilaterally withdraw the demission welfare offered by the plan or layoff proposal owing to termination of the labour relationship or the date when the Company recognizes the cost related to the reorganization of the payment of the demission welfare, and include the payroll liabilities into the current profits and losses:

(4) Accounting treatment of the welfare of other long-term staffs

The other long-term welfare that the Company offers to the staff, if met with the setting drawing plan, shall be disposed of according to the relevant setting drawing plan; except for that, net liabilities or net assets of the welfare of other long-term staff shall be recognized and measured according to the setting drawing plan.

34. Accrued liabilities

The obligation pertinent to contingencies shall be recognized as provisions when that obligation is a current obligation of the Company, and it is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation, while the amount of the obligation can be measured in a reliable way. The Company conducts the initial measurement in accordance with the best estimate of the necessary expenses for the performance of the current obligation. If there is a sequent range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined in accordance with the midpoint estimate within the range; if the contingencies concern two or more items, the best estimate shall be calculated and determined in accordance with all possible outcomes and the relevant probabilities.

Review of the book value of provisions shall be conducted on the balance sheet date. The book value shall be adjusted in accordance with the current best estimate when there is definite evidence indicating that the book value cannot reflect the current best estimate in faithfulness.

35. Share-based Payment

Not applicable

36. Other Financial Instruments such as Preferred Shares and Perpetual Bonds

Not applicable

37. Revenue

Disclosure of accounting policies adopted for revenue recognition and measurement by type of business

The Company recognizes revenue based on the transaction price apportioned to the performance obligation in a contract when the customer obtains control of the underlying good or service. Obtaining control of related goods refers to that customers can control the use of the goods and obtain almost all the economic benefits from the goods. A performance obligation is a contractual commitment by the Company to transfer a clearly distinguishable commodity to a customer. The transaction price is the amount of consideration that the Company expects to be entitled to receive as a result of the transfer of the commodity to the customer, excluding amounts collected on behalf of third parties and amounts that the Company expects to return to the customer.

Whether the performance obligation is to be fulfilled within a certain period of time or at a certain point in time depends on the terms of the contract and the relevant legal provisions. If the performance obligation is fulfilled within a certain period of time, the Company recognizes revenue in accordance with the progress of performance. Otherwise, the Company recognizes revenue at a point in time when the customer obtains control of the underlying asset.

The Company determines whether the Company's status is that of a principal or agent when engaging in a transaction based on whether it has control over the goods or services prior to transferring them to the customer. If the Company is able to control the goods or services before transferring them to the customer, the Company is the principal responsible party and recognizes revenue based on the total consideration received or receivable. Otherwise, the Company shall recognize revenue as an agent based on the amount of commissions or fees to which it is expected to be entitled, which shall be determined at the net amount of the total consideration received or receivable less the price payable to other related parties, or at the established commission amount or percentage, etc.

Specific principles and measurement methods for revenue recognition by business type: The Company recognizes revenue from general lighting products, LED packaging and component products, automotive lamp products, trading and other products as follows:

(1) Recognition of domestic sales revenue: Under the conventional settlement mode, the Company has delivered goods that have passed inspection to the purchaser as required by the purchaser; the amount of revenue has been determined, a sales invoice has been issued and the payment has been received or is expected to be recovered; under the consignment sales settlement mode, the Company recognizes sales revenue when the product is issued and the settlement notice is issued after the customer inspection is qualified.

(2) Recognition of export sales revenue: The Company has produced goods according to the requirements stipulated in the sales contract, and completed the export declaration procedures after the goods have passed inspection; products have been loaded on board; the amount of revenue has been determined, an export sales invoice has been issued, and the payment has been received or is expected to be recovered.

Different business models for the same type of business involving different revenue recognition and measurement methods: None.

38. Contract Costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer. Incremental costs of obtaining a contract ("contract acquisition costs") are costs that won't have been incurred if the contract is not acquired. The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs.

Costs incurred for the performance of a contract that do not fall within the scope of other enterprise accounting standards, such as inventory, are recognized as an asset as contract performance costs when the following conditions are simultaneously met: The cost is directly related to a current or anticipated acquisition of a contract and includes direct labour, direct materials, manufacturing overhead (or similar costs), costs explicitly attributable to the user, and other costs incurred solely as a result of that contract; the cost increases the resources available to meet future performance obligations; and the cost is expected to be recovered.

Contract performance costs recognized as assets are included in "Inventory" on the balance sheet if the amortization period at the initial recognition doesn't exceed one year or one normal operating cycle; if the amortization period at the initial recognition is more than one year or one normal operating cycle, they are included in "Other non-current assets" on the balance sheet.

Contract acquisition cost recognized as assets are included in "Other current assets" on the balance sheet if the amortization period at the initial recognition doesn't exceed one year or one normal operating cycle; if the amortization period at the initial recognition is more than one year or one normal operating cycle, they are included in "Other non-current assets" on the balance sheet.

The Company amortizes the assets recognized for contract acquisition costs and contract performance costs on the same basis as the revenue recognition of the merchandise to which the assets relate, and recognizes them in profit or loss for the current period. Assets formed from the incremental cost of acquiring a contract with an amortization period of not more than one year are recognized in profit or loss for the current period when it occurs.

If the carrying amount of an asset related to the cost of a contract exceeds the difference between the following two items, the Company makes an allowance for impairment and recognizes an asset impairment loss for the excess: the remaining consideration expected to be received for the transfer of the merchandise to which the asset relates; and the estimated costs to be incurred for the transfer of the related merchandise.

If the two differences above are higher than the book value of the assets due to the subsequent changes in the impairment factors in previous periods, the asset impairment provisions set aside should be reversed and recognized as profit and loss of the current period. However, upon the reversal, the book value of the assets shall not exceed the book value of the assets on the reversal date, supposing that impairment provisions are not set aside.

39. Government Subsidies

1. Category of and accounting treatment for government subsidies

Government subsidies refer to the monetary assets or non-monetary assets obtained by the Company from the government (excluding the capital invested by the government as an equity holder). If a government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value, and shall be measured at a nominal amount when the fair value cannot be obtained reliably.

Government subsidies related to the daily activities are included in other income in accordance with the nature of economic business. Government subsidies unrelated to the daily activities are included in non-operating revenue.

Government subsidies are recognized as asset-related subsidies when stipulated by government documents to be used for acquisition, construction or otherwise formation long-term assets. Government subsidies without subsidy object specified by the government document shall be recognized as asset-related subsidies.

Government subsidies other than asset-related government subsidies are recognized as government subsidies related to income. Government subsidies related to income used to compensate the relevant costs, expenses or losses of the Company in the subsequent period shall be recognized as deferred income, and shall be included in the current profit and loss during the period of confirming the relevant cost, expenses or losses; subsidies used to compensate the relevant costs, expenses or losses incurred by the Company shall be directly included in the current profits and losses.

2. Recognition time of government subsidies

Government subsidies shall be recognized when the Company satisfies the conditions attached to the government subsidies and is able to receive them. Government subsidies measured according to the receivable amount shall be recognized when there is positive evidence at the end of the period that they can meet the relevant conditions stipulated by the financial support policies and are expected to receive financial support funds. Other government subsidies other than government subsidies measured by amount receivable are recognized when the Company actually receives the subsidies.

40. Deferred Income Tax Assets/Deferred Income Tax Liabilities

1. Recognition of deferred income tax

The Company recognizes the deferred income tax assets or deferred income tax liabilities in accordance with the applicable tax rate during the estimated period of recapturing the assets or paying the liabilities for the different amount between the book value of assets or liabilities and its tax base (for items not recognized as assets and liabilities, if its tax basis can be determined according to the tax law, the tax basis is recognized as the different amount).

2. Measurement of deferred income tax

The recognition of deferred income tax assets is subject to the amount of taxable income obtained to offset the deductible temporary differences. On the balance sheet date, deferred income tax assets without recognition during the former accounting period shall be recognized if there are definite indications representing that it is probable to have sufficient taxable income to offset the deductible temporary differences during the future period. If it is likely that sufficient taxable income will not be available to offset the benefit of the deferred income tax assets in the future period, the book value of the deferred income tax assets will be written down.

For taxable temporary differences related to the investment in subsidiaries and associated enterprises, the deferred income tax liabilities are recognized unless the time of temporary differences reversal can be controlled by the Company and are probably not to be reversed in foreseeable future. For deductible temporary differences related to the investment in subsidiaries and associated enterprises, the deferred income tax assets are recognized if the temporary differences are probably to be reversed in foreseeable future and it is likely to have taxable income to offset the deductible temporary differences.

3. Basis for netting off deferred income taxes

Deferred income tax assets and deferred income tax liabilities are presented in net amount after offsetting when the following conditions are simultaneously met: there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; the deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity or are related to different taxable entities, but are not expected to reverse in the future in each of the periods in which the deferred income tax assets and deferred income tax liabilities are material; and the taxable entities involved intend to settle current income tax assets and current income tax liabilities on a net basis. However, in each future period in which the deferred tax assets and deferred tax liabilities are reversed, the taxable entity involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

41. Lease

The Company assesses whether a contract is a lease or contains a lease at the inception date of the contract. A contract is a lease or contains a lease if one of the parties to the contract has given up the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

(1) Accounting treatment for leases as the lessee

1. On the start date of the lease term, the Company deems the right-of-use assets and lease liabilities of all the operating leases except for the short-term leases and low-value leases, and recognizes the depreciation expense and interest expense respectively within the lease term.

(1) Right-of-use assets

After the commencement date of the lease term, the Group uses the cost for initial measurement of right-of-use assets. This cost includes the initial measurement amount of the lease liability, lease payments made on or before the commencement date of the lease term net of lease incentives, and initial direct cost.

If it is reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leasehold property over its estimated remaining service life. If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leased assets over the lease term or the remaining service life, whichever is shorter. When the recoverable amount is less than the carrying amount of the right-of-use asset, the carrying amount is written down to the recoverable amount.

(2) Lease liabilities

The Company initially measures the lease liabilities at the current value of the lease payments outstanding at the start date of the lease term. Lease payments include fixed payments and payments that are reasonably certain to be made when the option to purchase or terminate the lease is exercised. Variable lease payments that are not covered in the measurement of the lease liabilities are included in current profit or loss when actually incurred.

The Company uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the rate of discount. Interest expense on the lease liability for each period during the lease term is calculated on the basis of a fixed periodic rate, i.e., the discount rate used by the Company or a revised discount rate, and is included in finance costs.

2. Judgment criteria and accounting treatment for short-term leases and leases of low-value assets as a lessee for simplified treatment

For short-term leases with a lease term of no exceeding 12 months and leases where the brand-new value of a single asset is less than RMB40,000, the Company has elected not to recognize right-of-use assets and lease liabilities, and to charge the related rental expenses to current profit or loss or the cost of the related assets on a straight-line basis for each period during the lease term.

(2) Accounting treatment of leases as the lessor

The Company recognizes leases that transfer substantially all the risks and rewards associated with ownership of the leased asset as finance leases at the inception of the lease, and leases other than these are classified as operating leases.

(1) Accounting treatment of operating leases

Rental income from operating leases is recognized on a straight-line basis over the lease term. Initial direct expenses are capitalized and recognized as current income in instalments over the lease term on the same recognition basis as rental income, and variable rentals not included in lease receipts are recognized as rental income when they are actually incurred.

(2) Accounting treatment of financial lease

On the inception of a lease, the difference between the sum of finance lease receivable and unguaranteed residual value and its present value is recognized as unrealised lease income by the Company, which is recognized as lease income in each period when the rent is received in the future and the finance lease asset is derecognized. Initial direct costs are included in the initial recorded value of the finance lease receivable.

42. Other Significant Accounting Policies and Estimates

(1) Safety production expenses

Operating in the electrical machinery and equipment manufacturing industry, the Company has accrued safety production expenses in accordance with the relevant provisions of the Management Measures for the Provision and Use of Enterprise Production Safety Costs (C.Z. [2022] No. 136) jointly issued by the Ministry of Finance and the Ministry of Emergency Management on 21 November 2022. Safety production expenses, when accrued, are included in costs or current profit or loss of relevant products and in the "Special Reserve" account. When safety production expenses are used within the prescribed scope and are operating expenses, they are directly used to offset the special reserves. If they form fixed assets, the expenses incurred are first aggregated under the "Construction in Progress" account, and when the safety projects are completed and reach the predetermined usable state, they are recognised as fixed assets. Meanwhile, the special reserves are offset as per the cost of forming fixed assets, and an equivalent amount of accumulated depreciation is recognised. The aforesaid fixed assets will not be depreciated as accrued in the future period.

43. Changes in Main Accounting Policies and Estimates

(1) Change in accounting policies

Applicable Not applicable

Unit: RMB

Changes to the accounting policies and why	Name of statement item materially affected	Amount affected
The <i>Interpretation No. 17 of the Accounting Standards for Business Enterprises</i> (C.K. [2023] No. 21) issued by the Ministry of Finance on 25 October 2023 stipulates contents about "Classification of Current Liabilities and Non-current Liabilities", "Disclosure of Financing Arrangement of Suppliers" and "Accounting Treatment for Sale-leaseback Transactions", which shall be implemented since 1 January 2024.	No impact	0.00

(2) Changes in accounting estimates

Applicable Not applicable

(3) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2024

Applicable Not applicable

44. Other

None

VI. Taxes**1. Main Taxes and Tax Rates**

Category of taxes	Tax basis	Tax rate
VAT	Sales volume from goods selling or taxable service	3%, 6%, 9%, 13%
Urban maintenance and construction tax	Turnover tax payable	7%, 5%
Enterprise income tax	Taxable income	11%, 15%, 25%
Education surcharge	Turnover tax payable	3%
Local educational surtax	Turnover tax payable	2%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate
The Company, Zhida Company, Chanchang Company, Haolaite Company, Nanning Liaowang, Chongqing Guinuo, Liuzhou Lighting, Liuzhou Foreshine, Qingdao Lighting, NationStar Optoelectronics, NationStar Semiconductor, Germany NationStar, Fenghua Semiconductor	15%
Indonesia Liaowang	11%
Other subsidiaries	25%

2. Tax Preference

1. The Company passed the review of high-tech enterprises in 2023 and obtained the certificate of high-tech enterprise (Certificate No. GR202344003659) approved by the Guangdong Provincial Department of Science and Technology, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Service of State Taxation Administration. According to relevant regulations, the Company is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2023.

2. Subsidiary Zhida Company passed the review of high-tech enterprises in December 2022 and obtained the certificate of high-tech enterprise (Certificate No.: GR202244009711) approved by the Guangdong Provincial Department of Science and Technology, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Service of State Taxation Administration. According to the relevant regulations, Zhida Company is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2022.

3. Subsidiary Chanchang Company passed the audit of high-tech enterprises in December 2021 and obtained the certificate of high-tech enterprise (Certificate No.: GR202144000342) approved by the Guangdong Provincial Department of Science and Technology, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Service of State Taxation Administration. According to the relevant regulations, Chanchang Company is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2021. In

accordance with the relevant provisions of the *Enterprise Income Tax Law of the People's Republic of China*, Chanchang Company shall prepay the enterprise income tax for fiscal year 2024 at a tax rate of 15%.

4. Subsidiary Haolaite Company passed the review of high-tech enterprises in 2022 and obtained the certificate of high-tech enterprise (Certificate No. GR202244003711) approved by the Guangdong Provincial Department of Science and Technology, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Service of State Taxation Administration. According to relevant regulations, Haolaite Company is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2022.

5. Subsidiary Nanning Liaowang passed the review of high-tech enterprises in 2023 and obtained the certificate of high-tech enterprise (Certificate No. GR202345001098) approved by the Science and Technology Department of the Guangxi Zhuang Autonomous Region, the Department of Finance of Guangxi Zhuang Autonomous Region, and the Guangxi Zhuang Autonomous Region Tax Service of State Taxation Administration. According to relevant regulations, Nanning Liaowang is entitled to a reduced enterprise income tax rate of 15% for three years starting from 2023.

6. Chongqing Guinuo, a wholly-owned subsidiary of Nanning Liaowang, enjoys the tax incentives of reducing and exempting enterprise income tax for the development of western China since 1 January 2019, and is entitled to a reduced enterprise income tax rate of 15% after examination by and filing with the tax authorities.

7. Liuzhou Lighting, a wholly-owned subsidiary of Nanning Liaowang, passed the review of high-tech enterprise in 2022 and obtained the certificate of high-tech enterprise (Certificate No.: GR202245001221). According to relevant regulations, Liuzhou Lighting will pay enterprise income tax at a reduced rate of 15% for three years starting from 2022.

8. Liuzhou Fuxuan, a wholly-owned subsidiary of Nanning Liaowang, passed the review of high-tech enterprise in November 2021 and obtained the certificate of high-tech enterprise (Certificate No.: GR202145001045) approved by the Science and Technology Department of the Guangxi Zhuang Autonomous Region, the Department of Finance of Guangxi Zhuang Autonomous Region, and the Guangxi Zhuang Autonomous Region Tax Service of State Taxation Administration. According to relevant regulations, Liuzhou Fuxuan will pay enterprise income tax at a reduced rate of 15% for three years starting from 2021. In accordance with the relevant provisions of the *Enterprise Income Tax Law of the People's Republic of China*, Liuzhou Fuxuan shall prepay the enterprise income tax for fiscal year 2024 at a tax rate of 15%.

9. Qingdao Lighting, a wholly-owned subsidiary of Nanning Liaowang, passed the review of high-tech enterprise on 14 December 2022 and obtained the certificate of high-tech enterprise (Certificate No.: GR202237100785) approved by the Qingdao Municipal Science and Technology Bureau, the Qingdao Municipal Finance Bureau, and the Qingdao Municipal Tax Service of State Taxation Administration. According to relevant regulations, Qingdao Optoelectronics will pay enterprise income tax at a reduced rate of 15% for three years starting from 2022.

10. Subsidiary NationStar Optoelectronics was recognized as a high-tech enterprise on 16 December 2008, and its certificate number was GR200844000097. It was re-recognized as a high-tech enterprise in 2023, and its new certificate number is GR202344017343. According to relevant regulations, NationStar Optoelectronics will pay enterprise income tax at a reduced rate of 15% for three years starting from 2023.

11. NationStar Semiconductor, a wholly-owned subsidiary of NationStar Optoelectronics, was recognized as a high-tech enterprise on 10 October 2015, and its certificate number was GR201544001238. It was re-recognized as a high-tech enterprise in 2021, and its new certificate number is GR202144008779. According to relevant regulations, NationStar Semiconductor will pay enterprise income tax at a reduced rate of 15% for three years starting from 2021. In accordance with the relevant provisions of the *Enterprise Income Tax Law of the People's Republic of China*, NationStar Semiconductor shall prepay the enterprise income tax for fiscal year 2024 at a tax

rate of 15%.

12. Fenghua Semiconductor, a majority-owned subsidiary of NationStar Optoelectronics, was recognized as a high-tech enterprise on 16 December 2008, and its certificate number was GR200844000295. It was re-recognized as a high-tech enterprise in 2021, and its new certificate number is GR202144008851. According to relevant regulations, Fenghua Semiconductor will pay enterprise income tax at a reduced rate of 15% for three years starting from 2021. In accordance with the relevant provisions of the *Enterprise Income Tax Law of the People's Republic of China*, Fenghua Semiconductor shall prepay the enterprise income tax for fiscal year 2024 at a tax rate of 15%.

13. Indonesia Liaowang, a wholly-owned subsidiary of Nanning Liaowang, is located in the country where Indonesia's statutory corporate income tax rate is 22%, and there are local incentives for medium, small and micro enterprises to reduce or waive income tax by 50%, therefore, Indonesia Liaowang is subject to a preferential tax rate of 11% for the payment of enterprise income tax.

3. Other

Pay in accordance with the relevant provisions of the tax law.

VII. Notes to Main Items of Consolidated Financial Statements

1. Monetary Assets

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	41,943.58	42,466.76
Bank deposits	1,335,829,321.44	1,942,320,219.96
Other monetary assets (Note 1)	498,287,775.41	466,064,741.94
Deposits placed with finance companies (Note 2)	1,345,958,937.00	1,179,154,268.07
To-be-received interest (Note 3)	11,490,996.27	8,467,957.82
Total	3,191,608,973.70	3,596,049,654.55
Of which: Total amount deposited overseas	30,746,333.12	31,405,378.56

Other notes:

Note 1: Other monetary assets were security deposits for notes and performance bonds, as well as investments placed with security firm and the balance with e-commerce platforms, of which the security deposits for notes and performance bonds were restricted assets (see “31. Assets with Restricted Ownership or Right of Use” in Note “VII Notes to Consolidate Financial Statements”).

Note 2: Deposits placed with finance companies refer to the amount deposited with Guangdong Rising Finance Co., Ltd.

Note 3: To-be-received interest was interest receivable on undue bank deposits and term deposits as of the end of the Reporting Period, which is not recognised as cash and cash equivalents.

2. Trading Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets at fair value through profit or loss	106,928,328.01	152,529,775.41
Of which:		
Wealth management products	105,825,131.94	151,550,477.63
Equity instrument investments	1,003,796.07	979,297.78
Others	99,400.00	
Total	106,928,328.01	152,529,775.41

Other notes:

Naught.

3. Derivative Financial Assets

Naught

4. Notes Receivable

(1) Notes Receivable Listed by Category

Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	882,662,892.04	984,928,441.40
Commercial acceptance bill	85,473,075.40	72,423,826.20
Total	968,135,967.44	1,057,352,267.60

(2) Disclosure by Withdrawal Methods for Bad Debts

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Notes receivable withdrawn bad debt provision by group	969,880,315.91	100.00%	1,744,348.47	0.18%	968,135,967.44	1,058,830,304.87	100.00%	1,478,037.27	0.14%	1,057,352,267.60
Of which:										
Bank acceptance bill	882,662,892.	91.01%	0.00	0.00%	882,662,892.04	984,928,441.	93.02%	0.00	0.00%	984,928,441.40

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
	04					40				
Commercial acceptance bill	87,217,423.87	8.99%	1,744,348.47	2.00%	85,473,075.40	73,901,863.47	6.98%	1,478,037.27	2.00%	72,423,826.20
Total	969,880,315.91	100.00%	1,744,348.47	0.18%	968,135,967.44	1,058,830,304.87	100.00%	1,478,037.27	0.14%	1,057,352,267.60

Withdrawal of bad debt provision by group: RMB1,744,348.47 of bad debt provision by bank acceptance bill.

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Within one year	87,217,423.87	1,744,348.47	2.00%
Total	87,217,423.87	1,744,348.47	

Notes:

Please refer to Note V-13. Accounts Receivable for details.

If adopting the general mode of expected credit loss to withdraw bad debt provision of notes receivable:

Applicable Not applicable

(3) Bad Debt Provision Withdrawn, Reversed or Collected during the Reporting Period

Information of bad debt provision withdrawn:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawn	Reversal or recovery	Write-off	Others	
Commercial acceptance bill	1,478,037.27	266,311.20				1,744,348.47
Total	1,478,037.27	266,311.20				1,744,348.47

Of which, bad debt provision collected or reversed with significant amount:

Applicable Not applicable

(4) Notes Receivable Pledged by the Company at the Period-end

Unit: RMB

Item	Amount pledged at the period-end
Bank acceptance bill	609,340,614.44
Total	609,340,614.44

(5) Notes Receivable which Had Endorsed by the Company or Had Discounted and Had not Due on the Balance Sheet Date at the Period-end

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not recognition termination at the period-end
Bank acceptance bill	214,209,835.91	141,027,788.82
Total	214,209,835.91	141,027,788.82

(6) Notes Receivable with Actual Verification for the Reporting Period

Naught

5. Accounts Receivable**(1) Disclosure by Aging**

Unit: RMB

Ageing	Ending carrying balance	Beginning carrying balance
Within one year (including one year)	2,300,520,301.54	1,944,758,964.52
One to two years	155,076,064.08	151,569,005.90
Two to three years	118,368,497.46	99,249,444.34
Over three years	58,543,775.35	40,389,042.02
Three to four years	24,878,664.34	9,919,239.39
Four to five years	5,320,094.97	7,074,054.82
Over five years	28,345,016.04	23,395,747.81
Total	2,632,508,638.43	2,235,966,456.78

(2) Disclosure by Withdrawal Methods for Bad Debts

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable for which bad debt provision accrued separately	85,206,971.63	3.24%	50,838,105.55	59.66%	34,368,866.08	25,780,344.44	1.15%	21,977,900.85	85.25%	3,802,443.59
Of which:										
Accounts receivable withdrawal of bad debt provision by	2,547,301,666.80	96.76%	128,998,163.97	5.06%	2,418,303,502.83	2,210,186,112.34	98.85%	120,489,275.53	5.45%	2,089,696,836.81

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
portfolio										
Of which:										
(1) Business portfolio of general lighting and auto lamps	1,862,285.38 2.77	70.74%	114,586,762.69	6.15%	1,747,698,620.08	1,698,428,474.56	75.96%	109,583,622.27	6.45%	1,588,844,852.29
(2) Business portfolio of LED packaging and components	685,016,284.03	26.02%	14,411,401.28	2.10%	670,604,882.75	511,757,637.78	22.89%	10,905,653.26	2.13%	500,851,984.52
Total	2,632,508,638.43	100.00%	179,836,269.52	6.83%	2,452,672,368.91	2,235,966,456.78	100.00%	142,467,176.38	6.37%	2,093,499,280.40

Category name of bad debt provision accrued by item: Bad debt provision accrued by item of RMB50,838,105.55.

There is no significant individual provision for bad debts for accounts receivable in the current period.

Withdrawal of bad debt provision by group: Withdrawal of bad debt provision of RMB114,586,762.69 for the portfolio of general lighting and auto lamps; Withdrawal of bad debt provision of RMB14,411,401.28 for the portfolio of LED packaging and component business.

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
(1) Business portfolio of general lighting and auto lamps	1,862,285,382.77	114,586,762.69	6.15%
(2) Business portfolio of LED packaging and components	685,016,284.03	14,411,401.28	2.10%
Total	2,547,301,666.80	128,998,163.97	

Notes:

Please refer to Note V-13. Accounts Receivable for details.

If adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable:

Applicable Not applicable

(3) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

Information of bad debt provision withdrawn:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period					Ending balance
		Withdrawal	Write-off for the previous period and transferred-back for the current	Reversal or recovery	Write-off	Others	

			period				
Accounts receivable for which bad debt provision accrued separately	21,977,900.85	28,734,766.44	131,576.26	6,138.00			50,838,105.55
Accounts receivable withdrawal of bad debt provision by portfolio	120,489,275.53	8,508,917.49			29.05		128,998,163.97
Total	142,467,176.38	37,243,683.93	131,576.26	6,138.00	29.05		179,836,269.52

Of which, bad debt provision collected or reversed with significant amount: Naught.

The amount of expected credit losses accrued in the current period was RMB37,243,683.93, the amount of prior period write-offs reversed in the current period was RMB131,576.26, the amount of expected credit losses recovered or reversed in the current period was RMB6,138.00, the amount of expected credit losses written off in the current period was RMB29.05, which is RMB5,839.52 different from the amount of credit impairment loss accrued in the current period of RMB37,243,385.45, which is due to the difference in translation of foreign currency statements at the end of the period.

(4) Accounts Receivable with Actual Verification during the Reporting Period

Unit: RMB

Item	Amount verified
Accounts receivable with actual verification	29.05

Of which, verification of significant accounts receivable: Naught.

Notes to verification of accounts receivable:

The amount of accounts receivable written off in the current period was RMB29.05, and the bad debt provision was RMB29.05. The approval procedure was performed in accordance with provisions of the bad debt management system of the Company.

(5) Top Five Accounts Receivable and Contract Assets in Ending Balance Collected According to the Arrears Party

Unit: RMB

Name of the entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to total ending balance of accounts receivable and contract assets	Ending balance of bad debt provision of accounts receivable and impairment provision for contract assets
No. 1	173,240,516.01		173,240,516.01	6.57%	5,197,215.48
No. 2	136,060,695.38		136,060,695.38	5.16%	4,081,820.86
No. 3	132,880,329.94		132,880,329.94	5.04%	3,986,409.90
No. 4	126,697,107.97		126,697,107.97	4.81%	3,803,407.33
No. 5	86,002,105.06		86,002,105.06	3.26%	2,656,192.76

Name of the entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to total ending balance of accounts receivable and contract assets	Ending balance of bad debt provision of accounts receivable and impairment provision for contract assets
Total	654,880,754.36		654,880,754.36	24.84%	19,725,046.33

6. Contract Assets

(1) List of Contract Assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Bad debt provision	Carrying value	Carrying amount	Bad debt provision	Carrying value
Contract assets	3,380,043.90	1,014,013.17	2,366,030.73	6,074,305.63	1,822,291.69	4,252,013.94
Total	3,380,043.90	1,014,013.17	2,366,030.73	6,074,305.63	1,822,291.69	4,252,013.94

(2) Significant Changes in the Amount of Carrying Value and the Reason in the Reporting Period

There was no significant change in the book value during the Reporting Period.

(3) Disclosure by Withdrawal Methods for Bad Debts

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Withdrawal of bad debt provision by group	3,380,043.90	100.00%	1,014,013.17	30.00%	2,366,030.73	6,074,305.63	100.00%	1,822,291.69	30.00%	4,252,013.94
Of which:	Of which:									
Business portfolio of general lighting and auto lamps	3,380,043.90	100.00%	1,014,013.17	30.00%	2,366,030.73	6,074,305.63	100.00%	1,822,291.69	30.00%	4,252,013.94
Total	3,380,043.90	100.00%	1,014,013.17	30.00%	2,366,030.73	6,074,305.63	100.00%	1,822,291.69	30.00%	4,252,013.94

Withdrawal of bad debt provision by group: Withdrawal of bad debt provision of RMB1,014,013.17 for the portfolio of general lighting and auto lamps.

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Business portfolio of general	3,380,043.90	1,014,013.17	30.00%

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
lighting and auto lamps			
Total	3,380,043.90	1,014,013.17	

Notes:

Please refer to Note V-16. Contract Assets

Withdrawal of bad debt provision by adopting the general mode of expected credit loss

Applicable Not applicable

(4) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

Unit: RMB

Item	Withdrawal of the Current Period	Reversal or recovery in the Reporting Period	Verification	Reason
Provision for impairment of contract assets		808,278.52		
Total		808,278.52		

Of which, bad debt provision collected or reversed with significant amount: Naught.

(5) Contract Assets Written-off in Current Period

Naught.

7. Accounts Receivable Financing

(1) Accounts Receivable Financing Listed by Category

Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	296,834,332.74	443,201,960.02
Total	296,834,332.74	443,201,960.02

(2) Disclosure by Withdrawal Methods for Bad Debts

Naught.

The basis for the division of each phase and the withdrawal proportion of bad debt provision

Please refer to Note V-13. Accounts Receivable for details.

Explanation of significant changes in the accounts receivable financing book balance with changes in loss reserves in the current period: Naught

(3) Bad Debt Provision Withdrawal, Reversed or Recovered in the Current Period

Naught.

(4) Accounts Receivable Financing Pledged by the Company at the Period-end

Unit: RMB

Item	Amount pledged at the period-end
Bank acceptance bill	31,596,200.00
Total	31,596,200.00

(5) Accounts Receivable Financing Which Had Endorsed by the Company or Had Discounted and Had not Due on the Balance Sheet Date at the Period-end

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not recognition termination at the period-end
Bank acceptance bill	288,485,094.80	
Total	288,485,094.80	

(6) Accounts Receivable Financing with Actual Verification for the Current Period

Naught.

(7) The Changes of Accounts Receivable Financing in the Reporting Period and the Changes in Fair Value

Naught.

(8) Other Notes

Naught.

8. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	57,278,936.88	49,108,300.85
Total	57,278,936.88	49,108,300.85

(1) Interest Receivable**1) Category of Interest Receivable**

Naught

2) Significant Overdue Interest

Naught

3) Disclosure by Withdrawal Methods for Bad Debts

Applicable Not applicable

4) Bad Debt Provision Withdrawal, Reversed or Recovered in the Current Period

Naught.

5) Interests Receivable Written-off in Current Period

Naught.

(2) Dividends Receivable

1) Category of Dividends Receivable

Naught.

2) Significant Dividends Receivable Aged over One Year

Naught.

3) Disclosure by Withdrawal Methods for Bad Debts

Applicable Not applicable

4) Bad Debt Provision Withdrawal, Reversed or Recovered in the Current Period

Naught.

5) Dividends Receivable with Actual Verification during the Reporting Period

Naught.

(3) Other Receivables

1) Other Receivables Disclosed by Account Nature

Unit: RMB

Nature	Ending carrying balance	Beginning carrying balance
Other intercourse	59,879,773.01	65,389,794.88
Performance bond	30,112,547.74	17,686,774.68
VAT export tax refunds	5,905,055.39	4,708,061.84
Staff borrow and petty cash	2,054,163.39	1,589,234.30

Nature	Ending carrying balance	Beginning carrying balance
Rent, water & electricity fees	1,116,434.75	817,043.94
Total	99,067,974.28	90,190,909.64

2) Disclosure by Aging

Unit: RMB

Ageing	Ending carrying balance	Beginning carrying balance
Within one year (including one year)	55,131,877.28	46,054,067.53
One to two years	7,593,228.99	7,676,026.75
Two to three years	1,578,581.30	2,219,050.74
Over three years	34,764,286.71	34,241,764.62
Three to four years	6,180,482.37	5,990,920.12
Four to five years	3,620,295.50	4,583,526.14
Over five years	24,963,508.84	23,667,318.36
Total	99,067,974.28	90,190,909.64

3) Disclosure by Withdrawal Methods for Bad Debts

 Applicable Not applicable

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Bad debt provision separately accrued	31,541,239.47	31.84%	31,541,239.47	100.00%	0.00	31,541,239.47	34.97%	31,541,239.47	100.00%	0.00
Of which:										
Withdrawal of bad debt provision by group	67,526,734.81	68.16%	10,247,797.93	15.18%	57,278,936.88	58,649,670.17	65.03%	9,541,369.32	16.27%	49,108,300.85
Of which:										
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:	67,526,734.81	68.16%	10,247,797.93	15.18%	57,278,936.88	58,649,670.17	65.03%	9,541,369.32	16.27%	49,108,300.85
Total	99,067,974.28	100.00%	41,789,037.40	42.18%	57,278,936.88	90,190,909.64	100.00%	41,082,608.79	45.55%	49,108,300.85

Category name of bad debt provision accrued by item: Bad debt provision accrued by item of RMB31,541,239.47.

Unit: RMB

Name	Beginning balance	Ending balance
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	Carrying amount	Provision for impairment	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdrawal
Customer A	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	100.00%	Less likely to be recovered
Total	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00		

Withdrawal of bad debt provision by group: Withdrawal of bad debt provision of RMB10,247,797.93 based on credit risk characteristic portfolio

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:	67,526,734.81	10,247,797.93	15.18%
Total	67,526,734.81	10,247,797.93	

Notes:

Please refer to Note V-13. Accounts Receivable for details.

Withdrawal of bad debt provision by adopting the general mode of expected credit loss:

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2024	1,342,723.92	7,982,242.94	31,757,641.93	41,082,608.79
Balance of 1 January 2024 in the Current Period				
Withdrawal of the Current Period	253,833.88	502,594.73		756,428.61
Amount written-off for the current period			50,000.00	50,000.00
Balance of 30 June 2024	1,596,557.80	8,484,837.67	31,707,641.93	41,789,037.40

The basis for the division of each phase and the withdrawal proportion of bad debt provision

Please refer to Note V-13. Accounts Receivable for details.

Changes of carrying amount with significant amount changed of loss provision in the current period

Applicable Not applicable

4) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

Information of bad debt provision withdrawn:

Unit: RMB

Category	Beginning	Changes in the Reporting Period	Ending balance
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	balance	Withdrawal	Reversal or recovery	Charged-off/Written-off	Others	
Other receivables	41,082,608.79	756,428.61		50,000.00		41,789,037.40
Total	41,082,608.79	756,428.61		50,000.00		41,789,037.40

The amount of expected credit losses accrued during the current period was RMB756,428.61, the amount of expected credit losses recovered or reversed during the current period was RMB0.00, and the amount of expected credit losses verified during the current period was RMB50,000.00, which was RMB4,683.32 different from the amount of expected credit losses on other receivables accrued during the current period of RMB761,111.93, which was due to the difference in translation of foreign currency statements at the end of the current period.

Of which the bad debt provision reversed or recovered with significant amount during the Reporting Period: Naught.

5) Particulars of the Actual Verification of Other Receivables during the Reporting Period

Unit: RMB

Item	Amount verified
Customer A	50,000.00

Of which the verification of significant other receivables: Naught.

6) Top 5 of the Ending Balance of the Other Receivables Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Ageing	Proportion to total ending balance of other receivables (%)	Ending balance of bad debt provision
No. 1	Other intercourse	20,000,000.00	Over five years	20.19%	20,000,000.00
No. 2	Other intercourse	15,883,375.00	Within one year	16.03%	476,501.25
No. 3	Performance bond	10,000,000.00	Within one year	10.09%	300,000.00
No. 4	VAT export tax refunds	5,905,055.39	Within one year	5.96%	177,151.66
No. 5	Other intercourse	5,000,000.00	One to two years	5.05%	5,000,000.00
Total		56,788,430.39		57.32%	25,953,652.91

7) Presentation in Other Receivables Due to the Centralised Management of Fund

Naught.

9. Prepayments

(1) Listed by Aging

Unit: RMB

Ageing	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion

Ageing	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within one year	48,852,140.71	87.26%	27,750,424.91	80.42%
One to two years	3,253,316.42	5.81%	3,496,897.72	10.13%
Two to three years	1,227,273.96	2.19%	665,594.01	1.93%
Over three years	2,651,828.46	4.74%	2,595,722.28	7.52%
Total	55,984,559.55		34,508,638.92	

Notes of the reasons of the prepayment aging over one year with significant amount but failed settled in time: Naught.

(2) Top Five of the Ending Balance of the Prepayments Collected according to the Prepayment Target

Name of the entity	Relationship with the Company	Ending balance	Ageing	Proportion to total prepayments (%)
No. 1	Unrelated party	8,406,000.00	Within one year	15.01%
No. 2	Unrelated party	4,791,920.00	Within one year	8.56%
No. 3	Unrelated party	3,997,613.78	Within one year	7.14%
No. 4	Unrelated party	2,772,000.00	Within one year	4.95%
No. 5	Unrelated party	1,990,400.00	Within one year	3.56%
Total		21,957,933.78		39.22%

Other notes: Naught.

10. Inventory

Whether the Company needs to comply with disclosure requirements for real estate industry
No

(1) Category of Inventory

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves of inventory or depreciation reserves of contract performance cost	Carrying value	Carrying amount	Falling price reserves of inventory or depreciation reserves of contract performance cost	Carrying value
Raw materials	344,053,149.04	15,495,808.86	328,557,340.18	305,927,108.28	13,862,774.27	292,064,334.01
Goods in process	205,009,533.55		205,009,533.55	247,880,117.38		247,880,117.38
Inventory goods	958,249,713.55	172,754,438.69	785,495,274.86	1,051,891,889.47	146,951,222.27	904,940,667.20
Goods in transit	277,403,732.59	3,513,495.97	273,890,236.62	425,003,429.61	9,197,980.38	415,805,449.23
Semi-finished goods	96,587,205.46	4,911,245.36	91,675,960.10	96,957,960.11	4,480,118.25	92,477,841.86
Low-value consumables	1,916,139.64		1,916,139.64	1,322,185.78		1,322,185.78

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves of inventory or depreciation reserves of contract performance cost	Carrying value	Carrying amount	Falling price reserves of inventory or depreciation reserves of contract performance cost	Carrying value
Others	26,957,062.88		26,957,062.88	16,681,045.68		16,681,045.68
Total	1,910,176,536.71	196,674,988.88	1,713,501,547.83	2,145,663,736.31	174,492,095.17	1,971,171,641.14

(2) Data Resources Recognised as Inventory

Naught.

(3) Falling Price Reserves of Inventory and Depreciation Reserves of Contract Performance Cost

Unit: RMB

Item	Beginning balance	Increase		Decrease		Ending balance
		Withdrawal	Others	Reversal or write-off	Others	
Raw materials	13,862,774.27	3,185,716.44		1,552,681.85		15,495,808.86
Inventory goods	146,951,222.27	30,846,707.82		5,043,491.40		172,754,438.69
Goods in transit	9,197,980.38	388,014.16		6,072,498.57		3,513,495.97
Semi-finished goods	4,480,118.25	1,324,501.82		893,374.71		4,911,245.36
Total	174,492,095.17	35,744,940.24		13,562,046.53		196,674,988.88

Provision for depreciation in value of inventories by portfolio: Naught.

Provision standards for depreciation in value of inventories by group

Please refer to Note V-17. Inventory.

(4) Notes to the Ending Balance of Inventories Including Capitalised Borrowing Expense

Naught

(5) Amortisation Amount of Contract Performance Cost during the Reporting Period

Naught

11. Held-for-Sale Assets

Unit: RMB

Item	Ending carrying balance	Depreciation reserves	Ending carrying value	Fair value	Estimated disposal expense	Estimated disposal time
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Houses, buildings and land involved in expropriation	17,147,339.84		17,147,339.84	183,855,895.00	55,718,333.95	31 December 2024
Total	17,147,339.84		17,147,339.84	183,855,895.00	55,718,333.95	

Other notes:

Note: For details, see Part X-XVIII. Other Major Events-8. Other: “Demolition Matters of Nanjing Fozhao” of this Report. The estimated disposal costs include employee resettlement fees, compensation for the termination of the original tenant’s contract, and taxes related to the proceeds of demolition.

12. Current Portion of Non-current Assets

Naught.

13. Other Current Assets

Unit: RMB

Item	Ending balance	Beginning balance
Term deposits (note)	108,700,000.00	700,000.00
Input tax of VAT to be certified and deducted	79,617,000.29	94,451,130.80
Advance payment of enterprise income tax	4,381,508.30	11,454,058.94
Others	3,047,161.88	2,687,209.40
Total	195,745,670.47	109,292,399.14

Other notes:

Note: This is a fixed deposit with a term not exceeding one year from the date of purchase.

14. Investments in Debt Obligations

Naught

15. Other Investments in Debt Obligations

(1) List of Other Investments in Debt Obligations

Unit: RMB

Item	Beginning balance	Accrued interest	Interest adjustment	Change in fair value in the Reporting Period	Ending balance	Cost	Accumulated changes in fair value	Accumulated impairment provision recognised in other comprehensive income	Note
Purchase held-to-maturity investments in 2023	454,822,905.25	6,714,288.43			411,537,193.68	400,000,000.00			Large deposit certificate of a bank
Purchase held-		5,961,545.			712,961,54	707,000,0			Large

Item	Beginning balance	Accrued interest	Interest adjustment	Change in fair value in the Reporting Period	Ending balance	Cost	Accumulated changes in fair value	Accumulated impairment provision recognised in other comprehensive income	Note
to-maturity investments in 2024		26			5.26	00.00			deposit certificate of a bank
Total	454,822,905.25	12,675,833.69			1,124,498,738.94	1,107,000,000.00			

Changes in the impairment provision for other investments in debt obligations during the current period: Naught.

(2) Significant Other Investments in Debt Obligations at the Period-end

Unit: RMB

Item	Ending balance					Beginning balance				
	Par value	Coupon rate	Actual interest rate	Maturity date	Overdue principal	Par value	Coupon rate	Actual interest rate	Maturity date	Overdue principal
Large deposit certificate of Everbright Bank	100,000,000.00	3.30%	3.30%	6 January 2026		100,000,000.00	3.30%	3.30%	6 January 2026	
Large deposit certificate of Bank of Communications	50,000,000.00	2.90%	2.90%	31 August 2026		50,000,000.00	2.90%	2.90%	31 August 2026	
Large deposit certificate of Everbright Bank	100,000,000.00	2.90%	2.90%	3 November 2026		150,000,000.00	2.90%	2.90%	3 November 2026	
Large deposit certificate of Bank of Guangzhou	150,000,000.00	2.95%	2.95%	1 December 2026		150,000,000.00	2.95%	2.95%	1 December 2026	
Large deposit certificate of Bank of Guangzhou	212,000,000.00	2.75%	2.75%	5 February 2027						
Large deposit certificate of Everbright Bank	55,000,000.00	2.60%	2.60%	5 February 2027						
Large deposit certificate of Huaxia Bank	143,000,000.00	2.60%	2.60%	5 February 2027						
Large deposit certificate of China Merchants Bank	82,000,000.00	2.60%	2.60%	5 February 2027						
Large deposit certificate of Huaxia Bank	150,000,000.00	2.60%	2.60%	8 March 2027						
Large deposit certificate of	35,000,000.00	2.60%	2.60%	29 March 2027						

Item	Ending balance					Beginning balance				
	Par value	Coupon rate	Actual interest rate	Maturity date	Overdue principal	Par value	Coupon rate	Actual interest rate	Maturity date	Overdue principal
China Merchants Bank										
Large deposit certificate of China Merchants Bank	30,000,000.00	2.60%	2.60%	30 April 2027						
Total	1,107,000,000.00					450,000,000.00				

(3) Status of Accrued Depreciation Reserves

Naught.

The basis for the division of each phase and the withdrawal proportion of bad debt provision

Please refer to Note V-20. Other Debt Investments

(4) Status of Other Investments in Debt Obligations Written-off in Current Period

Naught.

16. Other Equity Instrument Investments

Unit: RMB

Item	Beginning balance	Gains recorded in other comprehensive income in the current period	Losses recorded in other comprehensive income in the current period	Accumulative gains recorded in other comprehensive income in the current period	Accumulative losses recorded in other comprehensive income in the current period	Dividend income recognised in current year	Ending balance	Reason for assigning to measure in fair value and the changes included in other comprehensive income
Gotion High-tech Co., Ltd.	368,376,506.50		40,264,408.85	245,097,612.52		1,713,379.10	328,112,097.65	Equity instruments not held for trading
Xiamen Bank Co.,Ltd.	290,807,671.05	14,913,213.90		152,763,278.12		17,781,139.65	305,720,884.95	Equity instruments not held for trading
Guangdong Rising Finance Co., Ltd.	30,000,000.00					496,154.24	30,000,000.00	Equity instruments not held for trading
Beijing Guangrong Lianmeng Semiconductor lighting Industry Investment Centre (L.P.)	7,078,568.80						7,078,568.80	Equity instruments not held for trading

Item	Beginning balance	Gains recorded in other comprehensive income in the current period	Losses recorded in other comprehensive income in the current period	Accumulative gains recorded in other comprehensive income in the current period	Accumulative losses recorded in other comprehensive income in the current period	Dividend income recognised in current year	Ending balance	Reason for assigning to measure in fair value and the changes included in other comprehensive income
Foshan Nanhai District United Guangdong New Light Source Industry Innovation Centre	3,000,000.00						3,000,000.00	Equity instruments not held for trading
China Guangfa Bank Co.,Ltd.	500,000.00						500,000.00	Equity instruments not held for trading
Total	699,762,746.35	14,913,213.90	40,264,408.85	397,860,890.64		19,990,672.99	674,411,551.40	

Derecognition in the current period: Naught.

Disclosure of non-trading equity instrument investment by items

Unit: RMB

Item	Dividend income recognised	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure in fair value and the changes included in other comprehensive income	Reason for other comprehensive income transferred to retained earnings
Gotion High-tech Co., Ltd.	1,713,379.10	245,097,612.52			Not satisfied with the condition of trading equity instrument	Not applicable
Xiamen Bank Co.,Ltd.	17,781,139.65	152,763,278.12			Not satisfied with the condition of trading equity instrument	Not applicable
Guangdong Rising Finance Co., Ltd.	496,154.24	644,988.33			Not satisfied with the condition of trading equity instrument	Not applicable
Beijing Guangrong Lianmeng Semiconductor lighting Industry Investment Centre (L.P.)		995,839.20			Not satisfied with the condition of trading equity instrument	Not applicable
Total	19,990,672.99	399,501,718.17				

Other notes:

Naught.

17. Long-term Receivables

Naught.

18. Long-term Equity Investment

Unit: RMB

Investee	Beginning balance (carrying value)	Beginning balance of impairment provision	Increase/decrease								Ending balance (carrying value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Gains and losses recognised under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
I. Joint Ventures												
II. Associated Enterprises												
Shenzhen Primatronix (Nanho) Electronics Ltd.	179,188,555.15				1,444,720.72						180,633,275.87	
Sub-total	179,188,555.15				1,444,720.72						180,633,275.87	
Total	179,188,555.15				1,444,720.72						180,633,275.87	

The recoverable amount is determined based on the net amount of the fair value minus disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the expected future cash flow

Applicable Not applicable

The reason for the discrepancy between the foregoing information and the information used in the impairment tests in prior years or external information

Naught.

The reason for the discrepancy between the information used in the Company's impairment tests in prior years and the actual situation of those years

Naught.

Other notes:

Naught.

19. Other Non-current Financial Assets

Naught.

20. Investment Property**(1) Investment Property Adopting the Cost Measurement Mode**

Applicable Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construction in Progress	Total
I. Original carrying value				
1. Beginning balance	204,959,267.68			204,959,267.68
2. Increased amount of the period				
3. Decreased amount of the period				
4. Ending balance	204,959,267.68			204,959,267.68
II. Accumulative depreciation and accumulative amortisation				
1. Beginning balance	41,322,920.27			41,322,920.27
2. Increased amount of the period	3,480,668.87			3,480,668.87
(1) withdrawal or amortisation	3,480,668.87			3,480,668.87
3. Decreased amount of the period				
4. Ending balance	44,803,589.14			44,803,589.14
III. Depreciation reserves				
1. Beginning balance				
2. Increased amount of the period				
3. Decreased amount of the period				
4. Ending balance				
IV. Carrying value				
1. Ending Carrying Value	160,155,678.54			160,155,678.54
2. Beginning carrying value	163,636,347.41			163,636,347.41

The recoverable amount is determined based on the net amount of the fair value minus disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the expected future cash flow

Applicable Not applicable

The reason for the discrepancy between the foregoing information and the information used in the impairment tests in prior years or external information

Naught.

The reason for the discrepancy between the information used in the Company's impairment tests in prior years and the actual situation of those years

Naught.

(2) Investment Property Adopting the Fair Value Measurement Mode

Applicable Not applicable

(3) Projects Converted to Investment Properties and Measured at Fair Value

Naught.

(4) Investment Property Failed to Accomplish Certification of Property

As of 30 June 2024, the relevant property certificates for the LED Workshop and R&D Workshop 18 are still in progress. The Management believes that obtaining such property certificates is not subject to any substantive legal obstacles and has no significant adverse impact on the Company's normal operations.

21. Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	3,479,919,717.47	3,451,760,127.91
Disposal of fixed assets	1,892,712.21	1,454,458.56
Total	3,481,812,429.68	3,453,214,586.47

(1) List of Fixed Assets

Unit: RMB

Item	Buildings and structures	Machinery equipment	Transportation equipment	Electronic equipment	Other (Note 1)	Total
I. Original carrying value						
1. Beginning balance	2,159,878,650.29	5,130,492,486.84	38,514,056.09	72,880,741.85	91,765,712.00	7,493,531,647.07
2. Increased amount of the period	212,787,304.72	70,908,098.55	1,234,254.48	4,095,032.92	2,126,126.53	291,150,817.20
(1) Purchase	952,939.08	18,657,431.70	764,584.07	3,693,065.72	429,561.67	24,497,582.24
(2) Transfer from	211,834,365.64	51,281,113.60	409,670.41	401,967.20	1,696,564.86	265,623,681.71

Item	Buildings and structures	Machinery equipment	Transportation equipment	Electronic equipment	Other (Note 1)	Total
Construction in progress						
(3) Other (Note 2)		969,553.25	60,000.00			1,029,553.25
3. Decreased amount of the period	144,238,068.90	11,956,506.64	685,299.70	260,308.44	389,072.60	157,529,256.28
(1) Disposal or scrap		10,991,457.51	679,081.00	260,078.93	384,334.40	12,314,951.84
(2) Equipment transformation		398,251.96				398,251.96
(3) Other (Note 2)	144,238,068.90	566,797.17	6,218.70	229.51	4,738.20	144,816,052.48
4. Ending balance	2,228,427,886.11	5,189,444,078.75	39,063,010.87	76,715,466.33	93,502,765.93	7,627,153,207.99
II. Accumulated amortisation						
1. Beginning balance	772,209,491.83	3,107,267,227.12	28,949,352.01	51,404,295.01	74,136,436.53	4,033,966,802.50
2. Increased amount of the period	49,689,862.40	200,996,187.31	1,420,192.61	4,304,261.54	3,202,985.76	259,613,489.62
(1) Withdrawal	49,689,862.40	200,996,187.31	1,420,192.61	4,304,261.54	3,202,985.76	259,613,489.62
3. Decreased amount of the period	142,072,380.30	10,771,429.68	654,866.28	249,869.95	369,024.20	154,117,570.41
(1) Disposal or scrap		10,245,692.75	648,709.76	249,642.74	359,531.17	11,503,576.42
(2) Equipment transformation		209,802.10				209,802.10
(3) Other (Note 2)	142,072,380.30	315,934.83	6,156.52	227.21	9,493.03	142,404,191.89
4. Ending balance	679,826,973.93	3,297,491,984.75	29,714,678.34	55,458,686.60	76,970,398.09	4,139,462,721.71
III. Depreciation reserves						
1. Beginning balance		7,800,885.08		3,037.99	793.59	7,804,716.66
2. Increased amount of the period						
(1) Withdrawal						
3. Decreased amount of the period		33,947.85				33,947.85
(1) Disposal or scrap						
(2) Equipment		33,947.85				33,947.85

Item	Buildings and structures	Machinery equipment	Transportation equipment	Electronic equipment	Other (Note 1)	Total
transformation						
4. Ending balance		7,766,937.23		3,037.99	793.59	7,770,768.81
IV. Carrying value						
1. Ending carrying value	1,548,600,912.18	1,884,185,156.77	9,348,332.53	21,253,741.74	16,531,574.25	3,479,919,717.47
2. Beginning carrying value	1,387,669,158.46	2,015,424,374.64	9,564,704.08	21,473,408.85	17,628,481.88	3,451,760,127.91

Note 1: Fixed Assets - Other refer to cooling system and sewage treatment station of NationStar Optoelectronics and instruments and implement of Nanning Liaowang.

Note 2: The original carrying value and accumulated depreciation, as well as other increases or decreases, are due to the addition of ancillary facilities to properties and buildings, and the transfer to other non-current assets because of purchase and storage.

(2) List of Temporarily Idle Fixed Assets

Naught.

(3) Fixed Assets Leased out by Operation Lease

Naught.

(4) Fixed Assets Failed to Accomplish Certification of Property

Other notes:

The Company's Fuwan Standard Workshop J3, Fuwan Standard Workshop K1, Building 8 of Gaoming Family Dormitory, Fuwan Staff Dormitory Building 7, Family Dormitory Building 3 to 6, Staff Village Dormitory Building A, Staff Village Dormitory Building 2, 3, 5, 6, 10 to 13, Staff Dormitory Building 1 to 4, Fuwan Energy Saving Lamp Workshop 2, Glass Workshop 8, Glass Workshop 9, Fluorescent Lamp Workshop, Standard Workshop A, R&D Workshop 11 to 14, Kelian Building, and LED Workshop 1-3 have been completed and put into use and carried forward fixed assets. As at 30 June 2024, the relevant property certificates are still in progress. The Management believes that obtaining such property certificates is not subject to any substantive legal obstacles and has no significant adverse impact on the Company's normal operations.

In addition, the ten-story comprehensive building, Building 1 of Block A, Building 3 of Block B, etc., have no property ownership certificates due to historical matters, and these properties and buildings are involved in the

“pending expropriation” project, which is planned to be implemented by the relevant government departments, as detailed in Note VII-30. Other Non-current Assets.

(5) Impairment Test of Fixed Assets

Applicable Not applicable

(6) Proceeds from Disposal of Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
Applying for scrapping indisposed equipment	1,892,712.21	1,454,458.56
Total	1,892,712.21	1,454,458.56

22. Construction in Progress

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	1,070,611,321.57	1,174,533,505.11
Total	1,070,611,321.57	1,174,533,505.11

(1) List of Construction in Progress

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Construction in progress	1,072,138,876.56	1,527,554.99	1,070,611,321.57	1,176,061,060.10	1,527,554.99	1,174,533,505.11
Total	1,072,138,876.56	1,527,554.99	1,070,611,321.57	1,176,061,060.10	1,527,554.99	1,174,533,505.11

(2) Changes in Significant Construction in Progress during the Reporting Period

Unit: RMB

Item	Budget	Beginning balance	Increased amount	Transferred in fixed assets	Other decreased amounts	Ending balance	Proportion of accumulative investment in constructions to budget	Job schedule	Accumulative amount of interest capitalisation	Of which: Amount of capitalised interests for the Reporting Period	Capitalisation rate of interests for the Reporting Period	Capital resources
The Project of the Geely Industrial Park	1,714,546,700.00	467,955,507.68	24,826,921.02			492,782,428.70	32.87%	32.87%	633,494.78	71,131.68	3.47%	Self-financing and borrowing
Kelian	726,738,	265,818,75	1,931,02		1,570,667.8	266,179,	41.63%	93.00%	36,640,953.0			Self-

Item	Budget	Beginning balance	Increased amount	Transferred in fixed assets	Other decreased amounts	Ending balance	Proportion of accumulative investment in constructions to budget	Job schedule	Accumulative amount of interest capitalisation	Of which: Amount of capitalised interests for the Reporting Period	Capitalisation rate of interests for the Reporting Period	Capital resources
Building	900.00	1.84	6.18		7	110.15			2			financing and borrowing
FSL Hainan Industrial Park I	310,400,000.00	165,138,431.72	12,008,236.18			177,146,667.90	62.21%	63.00%				Fund raising and self-financing
Gaoming office building	212,135,300.00	164,777,145.48	52,955,808.81	211,834,365.64		5,898,588.65	3.03%	95.00%				Self-financing
Total	2,963,820,900.00	1,063,689,836.72	91,721,992.19	211,834,365.64	1,570,667.87	942,006,795.40			37,274,447.80	71,131.68	3.47%	

(3) List of the Withdrawal of the Depreciation Reserves for Construction in Progress

Naught.

(4) Impairment Test of Construction in Progress

Applicable Not applicable

(5) Engineering Materials

Naught.

23. Productive Living Assets

(1) Productive Living Assets Adopting Cost Measurement Mode

Applicable Not applicable

(2) Impairment Testing of Productive Living Assets Adopting Cost Measurement Mode

Applicable Not applicable

(3) Productive Living Assets Adopting Fair Value Measurement Mode

Applicable Not applicable

24. Oil and Gas Assets

Applicable Not applicable

25. Right-of-use Assets**(1) List of Right-of-use Assets**

Unit: RMB

Item	Houses and buildings	Total
I. Original carrying value		
1. Beginning balance	16,811,584.09	16,811,584.09
2. Increased amount of the period	4,650,661.92	4,650,661.92
(1) Leased in	4,650,661.92	4,650,661.92
3. Decreased amount of the period	8,156,616.28	8,156,616.28
(1) Disposal	8,156,616.28	8,156,616.28
4. Ending balance	13,305,629.73	13,305,629.73
II. Accumulated amortisation		
1. Beginning balance	7,999,263.45	7,999,263.45
2. Increased amount of the period	4,097,193.56	4,097,193.56
(1) Withdrawal	4,097,193.56	4,097,193.56
3. Decreased amount of the period	3,771,215.66	3,771,215.66
(1) Disposal	3,771,215.66	3,771,215.66
4. Ending Balance	8,325,241.35	8,325,241.35
III. Depreciation reserves		
1. Beginning balance		
2. Increased amount of the period		
3. Decreased amount of the period		
4. Ending balance		
IV. Carrying value		
1. Ending carrying value	4,980,388.38	4,980,388.38
2. Beginning carrying value	8,812,320.64	8,812,320.64

(2) Impairment Test of Right-of-use Assets□Applicable Not applicable**26. Intangible Assets****(1) List of Intangible Assets**

Unit: RMB

Item	Land use right	Patent	Non-patent technology	Software use rights	Total
I. Original carrying value					
1. Beginning balance	491,170,315.79	24,227,977.69		74,865,934.65	590,264,228.13
2. Increased amount of the period	53,752.18			5,904,368.98	5,958,121.16

Item	Land use right	Patent	Non-patent technology	Software use rights	Total
(1) Purchase	53,752.18			5,904,368.98	5,958,121.16
3. Decreased amount of the period	69,584,050.87				69,584,050.87
(1) Disposal	69,584,050.87				69,584,050.87
4. Ending balance	421,640,017.10	24,227,977.69		80,770,303.63	526,638,298.42
II. Accumulated amortisation					
1. Beginning balance	109,627,032.21	24,185,151.93		21,902,130.00	155,714,314.14
2. Increased amount of the period	4,920,465.90	3,903.10		5,624,943.38	10,549,312.38
(1) Withdrawal	4,920,465.90	3,903.10		5,624,943.38	10,549,312.38
3. Decreased amount of the period	34,857,434.56				34,857,434.56
(1) Disposal	34,857,434.56				34,857,434.56
4. Ending balance	79,690,063.55	24,189,055.03		27,527,073.38	131,406,191.96
III. Depreciation Reserves					
1. Beginning balance					
2. Increased amount of the period					
3. Decreased amount of the period					
4. Ending balance					
IV. Carrying value					
1. Ending carrying value	341,949,953.55	38,922.66		53,243,230.25	395,232,106.46
2. Beginning carrying value	381,543,283.58	42,825.76		52,963,804.65	434,549,913.99

The proportion of intangible assets formed from the internal R&D of the Company at the period-end to the ending balance of intangible assets was 0.00%.

(2) Data Resources Recognised as Intangible Assets

Naught.

(3) Land Use Right with Certificate of Title Uncompleted

Naught.

(4) Impairment Test of Intangible Assets

Applicable Not applicable

27. Goodwill**(1) Original Carrying Value of Goodwill**

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase		Decrease		Ending balance
		Formed by business combination		Disposal		
Nanning Liaowang Auto Lamp Co., Ltd.	16,211,469.82					16,211,469.82
Foshan NationStar Optoelectronics Co., Ltd.	405,620,123.64					405,620,123.64
Total	421,831,593.46					421,831,593.46

28. Long-term Prepaid Expense

Unit: RMB

Item	Beginning balance	Increased amount	Amortisation amount of the period	Other decreased amount	Ending balance
Mould	130,329,590.74	115,507,296.40	65,168,696.17	13,253,649.00	167,414,541.97
Expense on maintenance and decoration	49,146,320.04	6,751,286.13	10,426,803.16		45,470,803.01
Boarding box	667,938.96	39,889.35	210,439.49		497,388.82
Others	10,218,849.51	830,927.90	4,119,701.15		6,930,076.26
Total	190,362,699.25	123,129,399.78	79,925,639.97	13,253,649.00	220,312,810.06

Other notes: Other decrease amount of moulds was mainly due to the provision for impairment and the sales of moulds

29. Deferred Income Tax Assets/Deferred Income Tax Liabilities**(1) Deferred Income Tax Assets that Had not Been Off-set**

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	435,105,859.50	66,462,224.17	390,622,029.71	59,298,411.33
Unrealised profit of internal transactions	110,879,700.14	16,631,955.04	37,737,392.89	5,660,608.94
Deductible loss	121,241,173.91	21,149,566.84	124,708,331.49	22,015,171.66
Estimated expense	50,202,680.16	7,530,402.02	46,135,701.47	6,920,355.22
Depreciation of fixed assets	49,521,055.65	7,428,158.35	54,793,929.61	8,219,089.44
Accrued liabilities	16,495,438.86	2,474,315.82	14,277,087.30	2,141,563.09

Changes in the fair value of trading financial assets	726,609.03	108,991.36	751,107.32	112,666.10
Lease liabilities and others	17,716,016.40	2,742,427.10	12,750,617.72	1,915,901.17
Total	801,888,533.65	124,528,040.70	681,776,197.51	106,283,766.95

(2) Deferred Income Tax Liabilities Had not Been Off-set

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Assets assessment appreciation from business consolidation not under the same control	81,212,531.53	12,181,879.73	83,667,098.60	12,550,064.79
Changes in fair value of other investments in equity instruments	392,010,890.64	58,801,633.60	417,362,085.59	62,604,312.84
One-off depreciation of fixed assets	626,634,231.58	94,353,357.81	649,066,960.98	97,598,859.53
Changes in the fair value of trading financial assets	1,659,245.00	248,886.75	1,559,845.00	233,976.75
Right-of-use assets and others	8,442,450.83	1,350,926.48	12,108,349.60	1,819,532.34
Total	1,109,959,349.58	166,936,684.37	1,163,764,339.77	174,806,746.25

(3) Deferred Income Tax Assets or Liabilities Listed by Net Amount after Off-set

Unit: RMB

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Amount of deferred income tax assets or liabilities after off-set at the period-end	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Amount of deferred income tax assets or liabilities after off-set at the period-begin
Deferred income tax assets		124,528,040.70		106,283,766.95
Deferred income tax liabilities		166,936,684.37		174,806,746.25

(4) List of Unrecognised Deferred Income Tax Assets

Naught.

(5) Deductible Losses of Unrecognised Deferred Income Tax Assets will Due in the Following Years

Naught.

30. Other Non-current Assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Long-term assets to be disposed (note)	80,601,020.69		80,601,020.69	41,955,426.17		41,955,426.17
Prepaid long-term assets acquisition funds	44,550,073.05		44,550,073.05	36,085,714.00		36,085,714.00
Advance payment for equipment and project	31,752,262.94		31,752,262.94	40,991,898.73		40,991,898.73
Prepayment for equity acquisition	10,000,000.00	10,000,000.00		10,000,000.00	10,000,000.00	
Others	295,352.80		295,352.80	294,664.28		294,664.28
Total	167,198,709.48	10,000,000.00	157,198,709.48	129,327,703.18	10,000,000.00	119,327,703.18

Other notes:

Note: The Company intends to hand over the plots of land located on the south and north sides of the Gongye Road to the government for revitalisation in the form of “pending expropriation”. When the government successfully sells the plots through a public auction, the Company will be given the compensation for the land transfer according to the policy. The buildings and constructions to be revitalised include the plant of LED Workshop 3, the added plant of LED Workshop 3, the large plant in the south area (single-end workshop), the plant in the north area (four buildings), spark plug workshop of energy saving lamps warehouse, T8 Workshop 1 (Building 2), LED Workshop 2, Building 14 of Iodine Lamp Workshop 3155m, the Company’s new finished goods warehouse 3662M2, materials warehouse (east end of single-end workshop), North Zone LPG station, T5 warehouse in the North Zone, ten-story comprehensive building, Building 1 of Block A, Building 3 of Block B, etc.

31. Assets with Restricted Ownership or Right of Use

Unit: RMB

Item	Period-end				Period-beginning			
	Carrying amount	Carrying value	Type of restriction	Status of restriction	Carrying amount	Carrying value	Type of restriction	Status of restriction
Monetary Assets	492,360,246.76	492,360,246.76	Restricted use	Bill deposit, guarantee deposit,	486,328,752.85	486,328,752.85	Restricted use	Bill deposit, guarantee deposit,

Item	Period-end				Period-beginning			
	Carrying amount	Carrying value	Type of restriction	Status of restriction	Carrying amount	Carrying value	Type of restriction	Status of restriction
				pre-sale house payment, etc				pre-sale house payment, etc
Notes receivable	750,368,403.26	750,368,403.26	Pledge, endorsed or discounted but not yet due	Pledge of bill pool, bills receivable endorsed or discounted and not due	873,275,556.80	873,275,556.80	Pledge, endorsed or discounted but not yet due	Pledge of bill pool, bills receivable endorsed or discounted and not due
Fixed assets	326,522,715.93	211,662,443.02	Pledge	Mortgage guarantee of related parties	326,522,715.93	219,746,331.38	Pledge	Mortgage guarantee of related parties
Intangible assets	15,551,408.00	10,497,200.96	Pledge	Mortgage guarantee of related parties	15,551,408.00	10,652,715.04	Pledge	Mortgage guarantee of related parties
Accounts receivable financing	31,596,200.00	31,596,200.00	Pledged	Pledge of bill pool	120,221,199.92	120,221,199.92	Pledged	Pledge of bill pool
Total	1,616,398,973.95	1,496,484,494.00			1,821,899,633.50	1,710,224,555.99		

32. Short-term Borrowings

(1) Category of Short-term Borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Pledged loans	39,850,000.00	
Mortgage loans	20,000,000.00	83,330,000.00
Credit borrowings	65,000,000.00	70,000,000.00
Acceptance bill discount		66,689,877.73
Total	124,850,000.00	220,019,877.73

(2) List of the Short-term Borrowings Overdue but not Returned

Naught.

33. Trading Financial Liabilities

Naught.

34. Derivative Financial Liabilities

Naught.

35. Notes Payable

Unit: RMB

Category	Ending balance	Beginning balance
Bank acceptance bill	2,052,737,312.65	2,256,122,566.65
letter of credit		15,052,221.04
Total	2,052,737,312.65	2,271,174,787.69

The total amount of the due but not paid notes payable at the end of the period was of RMB0.00.

36. Accounts Payable**(1) List of Accounts Payable**

Unit: RMB

Item	Ending balance	Beginning balance
Accounts payable	2,971,638,357.60	2,875,980,206.64
Total	2,971,638,357.60	2,875,980,206.64

(2) Significant Accounts Payable Aging over One Year or Overdue

Unit: RMB

Item	Ending balance	Reason for not repayment or carry-over
No. 1	53,279,803.09	It has not reached the settlement period
Total	53,279,803.09	

37. Other Payables

Unit: RMB

Item	Ending balance	Beginning balance
Dividends payable	184,293,387.60	
Other payables	430,552,163.03	362,491,923.01
Total	614,845,550.63	362,491,923.01

(1) Interest Payable

Naught.

(2) Dividends Payable

Unit: RMB

Item	Ending balance	Beginning balance
Ordinary share dividends	184,293,387.60	
Total	184,293,387.60	

Other notes: Including significant dividends payable unpaid for over one year, the unpaid reason shall be disclosed: Naught.

(3) Other Payables**1) Other Payables Listed by Nature**

Unit: RMB

Item	Ending balance	Beginning balance
Transaction amount	140,671,169.10	122,073,392.43
Relevant expense of sales	109,951,518.01	88,852,388.08
Performance bond	96,000,687.89	76,508,284.65
Payments for demolition	34,898,417.30	36,592,784.44
Payment for equity transfer	5,000,000.00	5,000,000.00
Others	44,030,370.73	33,465,073.41
Total	430,552,163.03	362,491,923.01

2) Significant Other Accounts Payable Aging over One Year or Overdue

Unit: RMB

Item	Ending balance	Reason for not repayment or carry-over
Unit A	100,046,577.48	It has not reached the settlement period
Total	100,046,577.48	

38. Advances from Customers**(1) List of Advances from Customers**

Unit: RMB

Item	Ending balance	Beginning balance
Advance payments received	231,062.59	466,872.69
Total	231,062.59	466,872.69

(2) Significant Advances from Customers Aging over One Year or Overdue

Naught.

39. Contract Liability

Unit: RMB

Item	Ending balance	Beginning balance
Advances on sales	136,319,866.46	235,335,693.28
Total	136,319,866.46	235,335,693.28

Significant contract liabilities aging over one year: Naught.

40. Payroll Payable**(1) List of Payroll Payable**

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
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Item	Beginning balance	Increase	Decrease	Ending balance
I. Short-term salary	192,578,525.70	687,220,124.10	683,439,069.76	196,359,580.04
II. Post-employment benefit-defined contribution plans	1,252,286.96	60,736,517.03	60,667,816.51	1,320,987.48
III. Termination benefits		712,550.73	712,550.73	
Total	193,830,812.66	748,669,191.86	744,819,437.00	197,680,567.52

(2) List of Short-term Salary

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Salary, bonus, allowance, subsidy	189,203,378.17	605,069,847.01	600,337,718.86	193,935,506.32
2. Employee welfare	39,743.10	29,828,256.30	29,828,433.13	39,566.27
3. Social insurance	513,915.45	27,467,949.85	27,520,016.05	461,849.25
Of which: Medical insurance premiums	432,930.31	25,411,232.75	25,462,669.89	381,493.17
Work-related injury insurance	80,985.14	2,056,717.10	2,057,346.16	80,356.08
4. Housing fund	498,319.50	19,702,612.21	19,681,009.93	519,921.78
5. Labour union budget and employee education budget	2,323,169.48	5,151,458.73	6,071,891.79	1,402,736.42
Total	192,578,525.70	687,220,124.10	683,439,069.76	196,359,580.04

(3) List of Defined Contribution Plans

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Basic pension benefits	941,107.39	56,317,069.74	56,310,872.05	947,305.08
2. Unemployment insurance	29,771.68	2,015,785.00	2,015,259.25	30,297.43
3. Annuity	281,407.89	2,403,662.29	2,341,685.21	343,384.97
Total	1,252,286.96	60,736,517.03	60,667,816.51	1,320,987.48

Other notes:

The Company participates in the scheme of pension insurance and unemployment insurance established by government agencies as required. According to the scheme, fees are paid to it on a monthly basis and at the rate of stipulated by government agencies. In addition to the above monthly deposit fees, the Company no longer assumes further payment obligations. Corresponding expenses are recorded into the current profits or losses or the cost of related assets when incurred.

41. Taxes Payable

Unit: RMB

Item	Ending balance	Beginning balance
VAT	37,093,526.88	15,318,825.56
Corporate income tax	24,245,663.48	17,336,516.13
Personal income tax	1,648,953.58	3,796,001.53
City maintenance and construction tax	3,270,422.27	1,905,489.83
Property tax	8,849,819.79	1,260,207.36
Education surcharge	2,260,139.15	1,423,582.17
Land use tax	1,320,801.82	247,268.25
Others	1,537,302.74	1,652,266.47
Total	80,226,629.71	42,940,157.30

42. Liabilities Held for sale

Naught.

43. Non-current Liabilities Due within One Year

Unit: RMB

Item	Ending balance	Beginning balance
Current portion of long-term borrowings	376,755,861.52	339,846,622.13
Current portion of lease liabilities	3,443,436.12	4,067,592.32
Total	380,199,297.64	343,914,214.45

44. Other Current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Pending chanover output VAT and others	8,817,198.94	23,162,317.81
Reversed notes that are endorsed and undue	185,618,921.58	71,846,109.20
Total	194,436,120.52	95,008,427.01

Increase/decrease of the short-term bonds payable: Naught.

45. Long-term Borrowings**(1) Category of Long-term Borrowings**

Unit: RMB

Item	Ending balance	Beginning balance
Mortgage loans	36,511,789.18	27,754,169.97
Credit borrowings	614,641,612.44	565,185,873.45
Less: Current portion of long-term borrowings	376,755,861.52	339,846,622.13
Total	274,397,540.10	253,093,421.29

46. Bonds Payable

Naught.

47. Lease Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Leasing liabilities	5,420,389.26	8,378,560.24
Less: current portion of lease liabilities	3,443,436.12	4,067,592.32
Total	1,976,953.14	4,310,967.92

Other notes:

Analysis of maturity fate of lease liabilities

Item	Ending balance	Beginning balance
One to two years	1,885,905.40	1,637,899.09
Two to five years	91,047.74	2,673,068.83
Total	1,976,953.14	4,310,967.92

48. Long-term Accounts Payable

Naught.

49. Long-term Employee Benefits Payable

Naught.

50. Provisions

Unit: RMB

Item	Ending balance	Beginning balance	Formed reason
Product quality assurance	16,495,438.86	14,277,087.30	Provision for product quality guarantee expenses
Total	16,495,438.86	14,277,087.30	

51. Deferred Income

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Formed reason
Government grants	75,185,461.27	12,184,500.00	19,952,488.19	67,417,473.08	Government allocations
Total	75,185,461.27	12,184,500.00	19,952,488.19	67,417,473.08	

Other notes:

Item	Beginning balance	Amount of newly subsidy	Amount recorded into non-operating income in the Reporting Period	Amount recorded into other income in the Reporting Period	Amount offset cost in the Reporting Period	Other changes	Ending balance	Related to assets/related income
Government grants related to assets	63,950,864.78	6,763,500.00		11,549,664.02			59,164,700.76	
The Projects of the Production Expansion and Technological Transformation of Components of Small-spacing and Outdoor LED Displays	14,068,497.44			2,032,275.84			12,036,221.60	Related to assets
The Project of the Innovation in Packaging Technology and Technological Transformation of Key Packaging Equipment of LEDs with High Colour Rendering Index for Illumination	7,623,293.17			785,363.70			6,837,929.47	Related to assets
2023 Award Funds Project for Industrial Enterprise Expansion Investment, Technological Innovation and Quality Improvement of Hainan Province		4,763,500.00					4,763,500.00	Related to assets
The Project of the Innovation in Packaging Technology and Technological Transformation of Key Packaging Equipment of LEDs with Small Spacing for Display	4,832,954.10			548,355.48			4,284,598.62	Related to assets
2022 Award Funds Project for Industrial Enterprise Expansion Investment, Technological Innovation and Quality Improvement of Hainan Province	4,137,000.00						4,137,000.00	Related to assets
The Subsidy for Metal-organic Chemical Vapour Deposition (MOCVD)	7,084,696.84			4,800,912.92			2,283,783.92	Related to assets
The First Batch of 2022 Special Funds for Industrial Technological Transformation by the Finance Bureau of Liang Jiang New Area	2,047,999.99			128,000.00			1,919,999.99	Related to assets
The Project of Resource Conservation and Environmental Protection	2,440,481.00			671,246.82			1,769,234.18	Related to assets
The Second Batch of Support Funds for the "Technological Transformation of Thousands of Enterprises" in the Guangxi Zhuang Autonomous Region for 2021	1,566,666.58			100,000.02			1,466,666.56	Related to assets
The 2019 Second Batch of Special Funds of RMB3 million for the Industrial and Information Development of the City	1,500,000.00			150,000.00			1,350,000.00	Related to assets
Special Project on Deep-sea		1,200,000.00					1,200,000.00	Related to

Item	Beginning balance	Amount of newly subsidy	Amount recorded into non-operating income in the Reporting Period	Amount recorded into other income in the Reporting Period	Amount offset cost in the Reporting Period	Other changes	Ending balance	Related to assets/related income
Technology Industry Promotion (Industry Development Category) of Hainan Deep-Sea Technology Innovation Centre - Project on Building and Commercial Operation of Deep-sea Lighting Product Production Line		0.00					00.00	assets
The First Batch of Special Funds for the Industrial and Information Development for the Guangxi Zhuang Autonomous Region for 2017 (Technological Transformation) for Liuzhou Guige	1,366,666.93			199,999.98			1,166,666.95	Related to assets
The Project of the First Batch of Support Funds for Enterprises in Liuzhou City for 2017 for Liuzhou Guige	1,200,000.00			150,000.00			1,050,000.00	Related to assets
Research and Development and Industrialisation Project of Potassium Nitride-based Rf Devices in the Field of Next Generation Mobile Communication	857,384.58			56,798.76			800,585.82	Related to assets
Research on the Third-generation Semiconductor Power Device and Module Packaging Technology		800,000.00					800,000.00	Related to assets
The 2019 14th Batch of Industrial Support Funds of RMB1.5 million	750,000.00			75,000.00			675,000.00	Related to assets
Intelligent Technology Reform Project of LED Packaging Workshop in Geely Industrial Park (Phase I)	620,755.00						620,755.00	Related to assets
The First Batch of 2022 Special Funds for Micro, Small, and Medium Enterprises	560,000.01			35,000.00			525,000.01	Related to assets
The Innovation Fund for Enterprises in Liudong New Area for 2017 for Liuzhou Guige	600,000.00			75,000.00			525,000.00	Related to assets
The Project of the Third Batch of Special Funds of Innovation-driven Development for the Guangxi Zhuang Autonomous Region for 2018 for Liuzhou Guige	520,000.00			48,000.00			472,000.00	Related to assets
LED Technology for Efficient Cultivation in Modern Agriculture and Its Demonstrative Application	607,172.60			143,251.56			463,921.04	Related to assets
The Project of Support Funds for Enterprises in Liuzhou City for 2020 for Liuzhou Guige	516,666.57			100,000.02			416,666.55	Related to assets
The Key Labs of Semiconductor	434,562.			37,718.7			396,843	Related to

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Item	Beginning balance	Amount of newly subsidy	Amount recorded into non-operating income in the Reporting Period	Amount recorded into other income in the Reporting Period	Amount offset cost in the Reporting Period	Other changes	Ending balance	Related to assets/related income
Micro Display Enterprises in Guangdong Province (for 2020)	60			0			.90	assets
The Project of Key Technologies and Industrialisation of Silica-based Gallium Nitride Power Components	380,250.00			30,495.00			349,755.00	Related to assets
The Project of Research and Development and Industrialisation of NB-IoT-based Multi-Mode Low-Power Wide-Area Internet of Things Node Chips and Packaging Technology	361,725.80			18,915.90			342,809.90	Related to assets
The Project of Financial Support for Developing Liuzhou City into an Industrial Internet of Things (IIOT) Demonstration City for 2021 for Liuzhou Guige	421,333.24			79,000.02			342,333.22	Related to assets
The Demonstration of Industrial Internet of Things (IIOT) Applications for LED Production Control	380,668.88			67,332.78			313,336.10	Related to assets
Others	9,072,089.45			1,216,996.52			7,855,092.93	Related to assets
Government grants related to income	11,234,596.49	5,421,000.00		8,402,824.17			8,252,772.32	
The Research on the Key Technology of 4K/8K Full-colour Micro-LED Displays with Ultra High Definition (UHD)	4,962,516.28			2,911,576.13			2,050,940.15	Related to income
2023 Automotive Lamp Production Digitalisation Workshop Technology Improvement Project	765,000.00	1,030,000.00		94,000.00			1,701,000.00	Related to income
Research on Key Technologies of the Third Generation of High Frequency Semiconductor Electronic Power Module in Colleges and Universities	1,705,474.54			33,235.86			1,672,238.68	Related to income
The Research on Full-colour and Integrated Packaging of Micro-LED Display with High Brightness and Contrast	1,770,402.30			877,192.23			893,210.07	Related to income
The Fund for the Intelligent Transformation and Upgrading Projects of Automobile Enterprises for 2021	487,333.22			34,000.02			453,333.20	Related to income
The Fund for the Project of the Management Committee of the Liuzhou High-tech Industrial Development Zone	448,000.12			31,999.98			416,000.14	Related to income
The Guangdong-Hong Kong-Macao	350,000.			3,983.07			346,016	Related to

Item	Beginning balance	Amount of newly subsidy	Amount recorded into non-operating income in the Reporting Period	Amount recorded into other income in the Reporting Period	Amount offset cost in the Reporting Period	Other changes	Ending balance	Related to assets/related income
Joint Lab of Intelligent Micro-nano Photoelectric Technology	00						.93	income
The Special Fund of the Science and Technology Department of the Guangxi Zhuang Autonomous Region for Innovation-driven Development for 2020	340,000.00			30,000.00			310,000.00	Related to income
Epitaxial Growth and Chip Fabrication Techniques for High-Performance Deep Ultraviolet LED	400,000.00			400,000.00				Related to income
Others	5,870.03	4,391,000.00		3,986,836.88			410,033.15	Related to income
Total	75,185,461.27	12,184,500.00		19,952,488.19			67,417,473.08	

52. Other Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Pending chagerover output VAT		205,769.48
Total		205,769.48

53. Share Capital

Unit: RMB

	Beginning balance	Increase/decrease (+/-)					Ending balance
		New issues	Bonus shares	Bonus issue from profit	Others	Sub-total	
Total shares	1,548,778,230.00						1,548,778,230.00

Other notes:

Item/Investor	Beginning balance		Increase	Decrease	Ending balance	
	Invested amount	Proportion			Invested amount	Proportion
Restricted shares	197,537,241.00	12.75%		140,165,794.00	57,371,447.00	3.70%
Unrestricted shares	1,351,240,989.00	87.25%	140,165,794.00		1,491,406,783.00	96.30%
Total	1,548,778,230.00	100.00%	140,165,794.00	140,165,794.00	1,548,778,230.00	100.00%

54. Other Equity Instrument

Naught.

55. Capital Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Capital premium (premium on stock)	907,090,354.12			907,090,354.12
Other capital reserves	7,245,971.54			7,245,971.54
Total	914,336,325.66			914,336,325.66

Other notes, including a description of the increase or decrease for the current period and the reasons for the change: Naught.

56. Treasury Shares

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Treasury shares (A-share)	82,165,144.15			82,165,144.15
Total	82,165,144.15			82,165,144.15

Other notes, including a description of the increase or decrease for the current period and the reasons for the change: Naught.

57. Other Comprehensive Income

Unit: RMB

Item	Beginning balance	Reporting Period						Ending balance
		Income before taxation in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred to profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred to retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
I. Other comprehensive income that may not subsequently be reclassified to profit or loss	359,730,272.74	- 25,351,194.95			- 3,802,679.24	- 21,548,515.71		338,181,757.03
Changes in fair value of other investments in equity instruments	359,730,272.74	- 25,351,194.95			- 3,802,679.24	- 21,548,515.71		338,181,757.03
II. Other comprehensive income that may be reclassified to profit or loss	296,754.85	- 1,217,559.83				- 654,873.21	- 562,686.62	- 358,118.36
Differences arising from translation of foreign	296,754.85	- 1,217,559.83				- 654,873.21	- 562,686.62	- 358,118.36

Item	Beginning balance	Reporting Period						Ending balance
		Income before taxation in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred to profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred to retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
currency-denominated financial statements								
Total of other comprehensive income	360,027,027.59	26,568,754.78	-		3,802,679.24	22,203,388.92	-562,686.62	337,823,638.67

Other notes, including the note to the adjustment of the initial recognition amount of hedged item transferred from the effective gain/loss on cash flow hedges:

Naught.

58. Specific Reserve

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Production safety reserve	1,213,325.92	4,940,359.02	1,746,320.26	4,407,364.68
Total	1,213,325.92	4,940,359.02	1,746,320.26	4,407,364.68

Other notes, including a description of the increase or decrease for the current period and the reasons for the change:

The increase in the current year represents the safety production expenses accrued in accordance with the proportion stipulated in the Notice on issuing the *Management Measures for the Provision and Use of Enterprise Production Safety Costs* (C.Z. [2022] No. 136), and the decrease in the current year represents the actual safety production expenses incurred.

59. Surplus Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Statutory surplus reserve	66,264,408.10			66,264,408.10
Discretionary surplus reserve	41,680,270.96			41,680,270.96
Total	107,944,679.06			107,944,679.06

60. Retained Profits

Unit: RMB

Item	Reporting Period	Same period of last year
Beginning balance of retained earnings before adjustments	3,435,308,364.11	3,296,490,575.52

Item	Reporting Period	Same period of last year
Beginning balance of total retained earnings of adjustments (“+” for increase, “-” for decrease)		-54,747.02
Beginning balance of retained earnings after adjustments	3,435,308,364.11	3,296,435,828.50
Add: Net profit attributable to owners of the Company as the parent	192,229,182.38	290,357,652.22
Less: Withdrawal of statutory surplus reserves		16,585,651.91
Dividend of ordinary shares payable	184,293,387.60	134,899,464.70
Ending retained earnings	3,443,244,158.89	3,435,308,364.11

List of adjustment of beginning retained earnings:

- (1) RMB0.00 beginning retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- (2) RMB0.00 beginning retained earnings was affected by changes in accounting policies.
- (3) RMB0.00 beginning retained earnings was affected by correction of significant accounting errors.
- (4) RMB0.00 beginning retained earnings was affected by changes in combination scope arising from same control.
- (5) RMB0.00 beginning retained earnings was affected totally by other adjustments.

Note: Due to changes in accounting policies from the previous year, the retained profits at the beginning of the previous year were RMB-54,747.02.

61. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	4,641,840,263.11	3,761,579,956.02	4,405,159,052.69	3,604,574,132.92
Other operations	142,705,504.31	100,078,120.59	160,903,676.33	128,900,695.96
Total	4,784,545,767.42	3,861,658,076.61	4,566,062,729.02	3,733,474,828.88

Breakdown information of operating revenue and cost of sales:

Unit: RMB

Category of contracts	Total	
	Operating revenue	Cost of sales
Business type	4,784,545,767.42	3,861,658,076.61
Of which:		
General lighting products	1,718,962,585.41	1,268,088,979.58
LED packaging and component products	1,323,471,292.10	1,099,752,921.69
Vehicle lamp products	1,045,063,423.50	852,898,599.13
Trade and other products	697,048,466.41	640,917,576.21
By operating places	4,784,545,767.42	3,861,658,076.61
Of which:		
Domestic	3,747,878,177.49	2,991,223,462.34
Overseas	1,036,667,589.93	870,434,614.27

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations that have been contracted but not yet performed or not

completed at the end of the Reporting Period was RMB248,672,435.17.

62. Taxes and Surtaxes

Unit: RMB

Item	Reporting Period	Same period of last year
Urban maintenance and construction tax	11,477,398.90	11,300,137.99
Education surcharge	5,817,380.58	5,980,104.43
Property tax	12,240,976.04	11,009,535.41
Land use tax	1,862,982.54	3,483,007.51
Vehicle and vessel use tax	11,539.44	11,986.96
Stamp duty	4,090,236.94	3,297,666.10
Local education surcharge	2,386,760.07	2,165,938.97
Environmental protection tax	19,936.01	41,537.23
Embankment fee	2,613.03	128.45
Deed tax		146,289.40
Others	7,115.68	6,966.68
Total	37,916,939.23	37,443,299.13

63. Administrative Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Employee benefits	130,927,710.77	125,958,952.18
Depreciation charge	39,408,441.47	25,811,976.14
Office expenses	18,519,960.05	13,062,802.09
Intermediary agency fee	5,246,590.63	4,119,910.31
Engineering decoration cost	4,801,504.22	6,357,723.64
Rent of land and management charge	4,141,330.16	1,104,528.44
Amortisation of intangible assets	4,114,485.79	4,630,270.87
Utilities	3,149,472.00	4,491,149.48
Labour cost	2,666,214.20	1,731,130.54
Security fund for the disabled	30,023.52	102,385.50
Party building funds		87,374.01
Others	13,327,229.70	13,487,882.22
Total	226,332,962.51	200,946,085.42

64. Selling Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Employee benefits	72,432,535.06	57,961,009.41
Business propagandise fees and advertising fees	53,863,531.30	30,216,805.26
After-sales expenses	8,564,114.94	6,867,083.35
Office expenses	6,876,969.60	2,944,396.54
Sales promotion fees	6,294,529.20	7,233,896.10
Business travel charges	5,507,517.26	4,858,839.15
Commercial insurance premium	3,232,729.39	3,582,158.77
Others	19,038,902.55	18,256,941.42

Item	Reporting Period	Same period of last year
Total	175, 810, 829. 30	131, 921, 130. 00

65. Development Costs

Unit: RMB

Item	Reporting Period	Same period of last year
Personnel and labour costs	126, 235, 339. 99	108, 806, 040. 39
Direct investment expenses	82, 440, 945. 66	74, 178, 886. 31
Depreciation expenses and long-term prepaid expenses	22, 649, 859. 13	22, 819, 097. 36
Cost of outsourcing external R&D	3, 917, 155. 30	188, 759. 61
Design fees	1, 696, 516. 00	406, 394. 30
Amortisation charge of intangible assets	28, 166. 42	125, 382. 49
Other Fees	23, 197, 968. 13	19, 624, 344. 80
Total	260, 165, 950. 63	226, 148, 905. 26

Other notes:

In respect of R&D expense incurred by the Company, expense other than that on bench-scale and pilot-scale production is included in R&D expense; and sales revenue of products from bench-scale and pilot-scale production is included in core business revenue and the relevant costs are included in cost of sales of core business.

66. Finance Cost

Unit: RMB

Item	Reporting Period	Same period of last year
Interest costs	11, 047, 212. 70	14, 255, 244. 44
Less: Interest income	25, 938, 447. 85	24, 520, 047. 73
Foreign exchange gains or losses	-17, 140, 676. 80	-21, 315, 108. 34
Handling charge and others	1, 425, 667. 21	1, 417, 289. 22
Total	-30, 606, 244. 74	-30, 162, 622. 41

67. Other Income

Unit: RMB

Sources	Reporting Period	Same period of last year
The Deductible Input Tax for Advanced Manufacturing Enterprises	30, 052, 926. 81	
The Tax Incentives for The Poor	5, 435, 946. 87	2, 247, 050. 00
The Subsidy for Metal-organic Chemical Vapour Deposition (MOCVD)	4, 800, 912. 92	8, 258, 085. 76
The Research on the Key Technology of 4K/8K Full-colour Micro-LED Displays with Ultra High Definition (UHD)	2, 911, 576. 13	1, 338, 901. 10
The Projects of the Production Expansion and Technological Transformation of Components of Small-spacing and Outdoor LED Displays	2, 032, 275. 84	2, 032, 275. 84
CAE software Research Project for Multi-physics Field Coupling Simulation of NationStar LED Products	1, 890, 966. 85	
Manufacturing Operation Management MOM Prototype Software	1, 880, 000. 00	

Sources	Reporting Period	Same period of last year
Research Project for NationStar Manufacturing Scenarios		
The Research on Full-colour and Integrated Packaging of Micro-LED Display with High Brightness and Contrast	877, 192. 23	116, 069. 52
The Project of the Innovation in Packaging Technology and Technological Transformation of Key Packaging Equipment of LEDs with High Colour Rendering Index for Illumination	785, 363. 70	1, 014, 030. 94
The Project of Resource Conservation and Environmental Protection	671, 246. 82	904, 683. 72
Support Fund for the Digital Intelligent Transformation of the Manufacturing Industry	592, 548. 00	172, 700. 00
The Project of the Innovation in Packaging Technology and Technological Transformation of Key Packaging Equipment of LEDs with Small Spacing for Display	548, 355. 48	510, 442. 92
Chancheng District Government Quality Award	500, 000. 00	
Reward Funds for Smart Factory Demonstration Enterprises and Digital Workshops	500, 000. 00	
Return of handling charges for withholding and remittance	479, 040. 08	737, 693. 99
Epitaxial Growth and Chip Fabrication Techniques for High-Performance Deep Ultraviolet LED	400, 000. 00	
Enterprise with 5A Quality Management Maturity	400, 000. 00	
Standardised Strategy Municipal Subsidy Funds	370, 000. 00	
Incentive for standard products of Foshan City	360, 000. 00	400, 000. 00
Incentive Subsidy for Digital and Intelligent Demonstration Workshop of Foshan City in 2022		2, 000, 000. 00
Subsidy for Industrial Logistics in the Second Quarter of 2022		808, 200. 00
The Research on the Key Technology of Full-colour Micro-LED Displays with High Brightness and Contrast		506, 013. 47
The 2021 "100 Enterprises Strive for the First Place" bonus		500, 000. 00
The Visible Light Communication and Positioning System for the Industrial Internet of Things (IIOT)		473, 516. 21
2022 Special Funds of Nanhai District, Foshan City for Promoting High-quality Development of Foreign Trade		347, 360. 00
Enterprise R&D Reward and Subsidy		333, 200. 00
Others	4, 663, 061. 46	4, 689, 768. 58
Total	60, 151, 413. 19	27, 389, 992. 05

68. Net Gain on Exposure Hedges

Naught.

69. Gains from Changes in Fair Value

Unit: RMB

Sources	Reporting Period	Same period of last year
Financial assets held for trading	-601, 447. 40	905, 952. 44
Trading financial liabilities		-23, 059, 475. 00
Total	-601, 447. 40	-22, 153, 522. 56

70. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
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Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	1, 444, 720. 72	1, 186, 031. 53
Investment income from disposal of trading financial assets	2, 911, 077. 39	2, 649, 651. 54
Dividend income from holding of other equity instrument investment	19, 990, 672. 99	16, 686, 333. 81
Interest income of investment in other debt obligations during holding period	13, 671, 028. 14	
Investment income from financial products and structural deposits		1, 927, 553. 75
Total	38, 017, 499. 24	22, 449, 570. 63

71. Credit Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year
Bad debt loss on notes receivable	-266, 311. 20	-512, 338. 76
Bad debt loss on accounts receivable	-37, 243, 385. 45	-19, 672, 657. 13
Bad debt loss on other receivables	-761, 111. 93	1, 237, 574. 86
Total	-38, 270, 808. 58	-18, 947, 421. 03

72. Asset Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year
I. Loss on inventory valuation and contract performance cost	-29, 752, 322. 32	-14, 576, 382. 64
IV. Loss on impairment of fixed assets		-1, 500, 990. 00
XI. Loss on impairment of contract Assets	808, 278. 52	-313, 516. 09
XII. Others	-8, 014, 761. 09	
Total	-36, 958, 804. 89	-16, 390, 888. 73

73. Assets Disposal Income

Unit: RMB

Sources	Reporting Period	Same period of last year
Gains/losses from the disposal of non-current assets	-99, 108. 79	110, 475. 52
Total	-99, 108. 79	110, 475. 52

74. Non-operating Income

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
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Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Government grants		11,000.00	
Total income from scrap of non-current assets	320,853.22	37,753.32	320,853.22
Of which: income from scrap of fixed assets	320,853.22	37,753.32	320,853.22
Income from default money	1,460,120.49	11,400.00	1,460,120.49
Confiscated income	54,273.27	106,635.54	54,273.27
Others	1,219,612.57	2,274,125.62	1,219,612.57
Total	3,054,859.55	2,440,914.48	3,054,859.55

75. Non-operating Expense

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Losses from damage and scrap of non-current assets	156,010.36	1,547,347.79	156,010.36
Of which: Loss on disposal of fixed assets	156,010.36	1,547,347.79	156,010.36
Penalty and fine for delaying payment	204,491.05	1,842,755.41	204,491.05
Others	125,716.02	1,390,467.12	125,716.02
Total	486,217.43	4,780,570.32	486,217.43

76. Income Tax Expense

(1) List of Income Tax Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Current income tax expense	31,645,407.23	34,309,667.76
Deferred income tax expense	-7,013,025.11	-3,005,303.27
Total	24,632,382.12	31,304,364.49

(2) Adjustment Process of Accounting Profit and Income Tax Expense

Unit: RMB

Item	Reporting Period
Profit before taxation	278,074,638.77
Current income tax expense accounted at statutory/applicable tax rate	41,711,195.82
Influence of applying different tax rates by subsidiaries	600,242.10
Influence of income tax before adjustment	2,642,987.97
Influence of non-taxable income	-3,691,644.03
Influence of non-deductible costs, expenses and losses	9,442.91
The effect of using deductible losses of deferred income tax assets that have not been recognised in the previous period	-6,851,117.26
Influence of unrecognised deductible temporary differences	8,588,753.73

and deductible losses	
Influence of deduction	-18,377,479.12
Income tax expenses	24,632,382.12

77. Other Comprehensive Income

Refer to Note VII Notes to Main Items of Consolidated Financial Statements-57 for details.

78. Cash Flow Statement

(1) Cash Related to Operating Activities

Cash generated from other operating activities

Unit: RMB

Item	Reporting Period	Same period of last year
Margin	22,370,050.64	35,010,552.18
Deposit interest	22,332,393.90	19,310,323.07
Income from subsidy	20,458,063.38	10,420,346.33
Income from waste	14,076,991.86	12,864,885.36
Rental income from property and equipment, utility	2,272,907.82	3,406,219.56
Others	37,878,011.81	60,095,266.63
Total	119,388,419.41	141,107,593.13

Cash used in other operating activities

Unit: RMB

Item	Reporting Period	Same period of last year
Administrative expense paid in cash	61,546,270.39	56,194,828.30
Selling expense paid in cash	46,645,367.15	31,789,893.32
Finance costs paid in cash	1,012,751.95	1,521,292.79
Returned cash deposit	52,147,104.25	28,216,695.73
Others	31,406,796.05	31,773,841.24
Total	192,758,289.79	149,496,551.38

(2) Cash Related to Investing Activities

Cash generated from other investing activities

Naught.

Significant cash received related to investing activities

Naught.

Notes to other cash payments related to financing activities:

Naught.

Cash used in other investing activities

Unit: RMB

Item	Reporting Period	Same period of last year
Others		360,759.99
Total		360,759.99

(3) Cash Related to Financing Activities

Cash generated from other financing activities

Unit: RMB

Item	Reporting Period	Same period of last year
Recapture bank acceptance bill margin	7,224,809.91	381,437.71
Total	7,224,809.91	381,437.71

Cash used in other financing activities

Unit: RMB

Item	Reporting Period	Same period of last year
Payment for cash deposit of bank acceptance bills	10,803,556.41	2,124,043.19
Payment for financing intermediary fees, etc	211,897.22	
Others	485,855.80	179,384.83
Total	11,501,309.43	2,303,428.02

Changes in liabilities arising from financing activities

Applicable Not applicable

Unit: RMB

Item	Beginning balance	Increase		Decrease		Ending balance
		Cash	Non-cash	Cash	Non-cash	
Short-term borrowings	220,019,877.73	89,896,989.00		85,000,000.00	100,066,866.73	124,850,000.00
Long-term loans	253,093,421.29	110,214,340.57	10,114,335.27	51,909,636.00	47,114,921.03	274,397,540.10
Other payables - equity transfer payments	5,000,000.00					5,000,000.00
Non-current liabilities due within one year	343,914,214.45		64,060,020.14		27,774,936.95	380,199,297.64
Leasing liabilities	4,310,967.92		7,958,032.33	433,063.09	9,858,984.02	1,976,953.14
Total	826,338,481.39	200,111,329.57	82,132,387.74	137,342,699.09	184,815,708.73	786,423,790.88

(4) Explanation for Presentation of Cash Flows on a Net Basis

Naught.

(5) Significant Activities and Financial Impact that Do Not Involve Current Cash Receipts and Disbursements but Affect the Company's Financial Position or May Affect the Company's Cash Flows in the Future

Naught.

79. Supplemental Information for Cash Flow Statement

(1) Supplemental Information for Cash Flow Statement

Unit: RMB

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash generated from/used in operating activities:		
Net profit	253,442,256.65	225,105,288.29
Add: Provision for impairment of assets	75,229,613.47	35,338,309.76
Depreciation of fixed assets, oil-gas assets, and productive living assets	263,094,158.49	261,275,385.66
Depreciation of right-of-use assets	4,097,193.56	4,213,175.21
Amortisation of intangible assets	10,549,312.38	6,138,499.52
Amortisation of long-term deferred expenses	79,925,639.97	33,792,488.83
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains: negative)	99,108.79	-110,475.52
Losses from scrapping of fixed assets (gains: negative)	-164,842.86	1,509,594.47
Losses from changes in fair value (gains: negative)	601,447.40	22,153,522.56
Finance costs (gains: negative)	-6,093,464.10	14,255,244.44
Investment loss (gains: negative)	-38,017,499.24	-22,449,570.63
Decrease in deferred income tax assets (increase: negative)	-18,244,273.75	-3,951,966.78
Increase in deferred income tax liabilities ("-" for decrease)	-4,067,382.64	946,663.51
Decrease in inventory ("-" for increase)	227,917,770.99	367,566,004.75
Decrease in operating receivables ("-" for increase)	-250,051,969.33	-492,079,133.11
Increase in operating payables ("-" for decrease)	-219,105,024.82	-65,833,973.76
Others	5,380,999.65	0.00
Net cash generated from/used in operating activities	384,593,044.61	387,869,057.20
2. Significant investing and financing activities without involvement of cash receipts and payments		
Transfer of debts into capital		
Current portion of convertible corporate bonds		
Fixed assets leased in for financing		

Supplemental information	Reporting Period	Same period of last year
3.Net increase/decrease of cash and cash equivalents:		
Ending balance of cash	2, 687, 757, 730. 67	1, 974, 721, 331. 65
Less: Beginning balance of cash	3, 101, 252, 943. 88	1, 945, 971, 307. 26
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-413, 495, 213. 21	28, 750, 024. 39

(2) Net Cash Paid For Acquisition of Subsidiaries

Naught.

(3) Net Cash Received from Disposal of the Subsidiaries

Naught.

(4) Cash and Cash Equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	2, 687, 757, 730. 67	3, 101, 252, 943. 88
Including: Cash on hand	41, 943. 58	42, 466. 76
Bank deposits available on demand	2, 667, 512, 806. 58	3, 097, 947, 293. 67
Other monetary assets on demand	20, 202, 980. 51	3, 263, 183. 45
III. Ending balance of cash and cash equivalents	2, 687, 757, 730. 67	3, 101, 252, 943. 88

(5) Presentation of Cash and Cash Equivalents that Are Subject to Certain Restrictions on Their Usage

Naught.

(6) Monetary Funds Other than Cash and Cash Equivalents

Unit: RMB

Item	Reporting Period	Same period of last year	Reason for not classifying the item as cash and cash equivalents
Bill deposit, guarantee deposit, pre-sale house payment, etc	492,360,246.76	535,698,818.93	Specific purpose
To-be-received interest	11,490,996.27	8,255,130.73	Interest receivable on undue bank deposits and term deposits as of the end of the Reporting Period
Total	503,851,243.03	543,953,949.66	

(7) Notes on Other Significant Activities

Naught.

80. Notes to Items of the Statements of Changes in Owners' Equity

Notes to names under the item of "Other" in the adjusted ending balance for the same period of last year and the corresponding amount:

Naught.

81. Foreign Currency Monetary Items**(1) Foreign Currency Monetary Items**

Unit: RMB

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary Assets			240,519,383.87
Including: USD	30,122,860.10	7.1268	214,679,599.36
EUR	163,298.07	7.6617	1,251,140.82
HKD	51,810.41	0.91268	47,286.32
IDR	55,273,327,410.47	0.000444	24,541,357.37
Accounts receivable			367,246,194.87
Including: USD	50,952,638.99	7.1268	363,129,267.55
EUR	446,529.92	7.6617	3,421,178.29
HKD	24,796.39	0.91268	22,631.17
IDR	1,516,031,205.42	0.000444	673,117.86
Other receivables			1,391.14
Of which: IDR	3,133,197.00	0.000444	1,391.14
Accounts payable			23,156,860.15
Including: USD	2,631,991.97	7.1268	18,757,680.37
EUR	189,530.79	7.6617	1,452,128.05
IDR	6,637,503,901.41	0.000444	2,947,051.73
Other current assets			286,788.25
Of which: IDR	645,919,472.76	0.000444	286,788.25

(2) Notes to Overseas Entities Including: for Significant Overseas Entities, Main Operating Place, Recording Currency and Selection Basis Shall Be Disclosed; If There Are Changes in Recording Currency, Relevant Reasons Shall Be Disclosed.

Applicable Not applicable

82. Leases**(1) The Company Served as the Lessee:**

Applicable Not applicable

Item	Amount
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Item	Amount
Simplified short-term lease charges recognised in the cost of the related assets or in current profit or loss	198,758.23
Total cash outflows related to leases	2,508,044.34

Variable lease payments that are not covered in the measurement of the lease liabilities

Applicable Not applicable

Simplified short-term lease or lease expense for low-value assets

Applicable Not applicable

Circumstances involving sale and leaseback transactions

Naught.

(2) The Company Served as the Lessor:

Operating leases with the Company as lessor

Applicable Not applicable

Unit: RMB

Item	Lease income	Of which: income related to variable lease payments not included in lease receipts
House lease and others	7,202,722.94	0.00
Total	7,202,722.94	0.00

Finance leases with the Company as lessor

Applicable Not applicable

Undiscounted lease receipts for each of the next five years

Applicable Not applicable

Reconciliation of undiscounted lease receipts to net investment in leases

Naught.

(3) Recognition of Gain or Loss on Sales under Finance Leases with the Company as a Manufacturer or Distributor

Applicable Not applicable

83. Data Resources

Naught.

84. Others

Naught.

VIII. Research and Development Expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Personnel and labour costs	126,235,339.99	108,806,040.39
Direct investment expenses	111,116,478.82	72,326,399.46
Depreciation expenses and long-term prepaid expenses	22,649,859.13	22,819,097.36
Cost of outsourcing external R&D	3,917,155.30	188,759.61
Design fees	1,696,516.00	406,394.30
Amortisation charge of intangible assets	28,166.42	125,382.49
Other Fees	23,197,968.13	23,046,628.13
Total	288,841,483.79	227,718,701.74
Including: research and development expenditures that are expensed	288,841,483.79	227,718,701.74

Note: In respect of R&D expense incurred by the Company, expense other than that on bench-scale and pilot-scale production is included in R&D expense, and sales revenue of products from bench-scale and pilot-scale production is included in core business revenue and the relevant costs are included in cost of sales of core business.

1. Research and Development Projects Which are Eligible for Capitalisation

Naught.

2. Significant Outsourced Research and Development Projects in Progress

Naught.

IX. Change of Consolidation Scope**1. Business Combination Involving Entities not Under Common Control****(1) Business Combination Not under the Same Control during the Current Period**

Naught.

(2) Combination Cost and Goodwill

Naught.

(3) Identifiable Assets and Liabilities of the Acquiree on the Acquisition Date

Naught.

(4) Gain or Loss from Remeasurement of Equity Interests Held before the Acquisition Date at Fair Value

Whether there were several transactions to realise business combinations and acquire controls during the Reporting Period

Yes No

(5) Notes to Failure to Reasonably Determine the Combination Consideration or the Fair Value of Identifiable Assets and Liabilities of the Acquiree on the Acquisition Date or at the End of the Current Period

Naught.

(6) Other Notes

Naught.

2. Business Combination under the Same Control

(1) Business Combination under the Same Control during the Current Period

Naught.

(2) Combination Cost

Naught.

(3) The Carrying Value of Assets and Liabilities of the Combined Party on the Combination Date

Naught.

3. Counter Purchase

Basic information of the transactions, basis of the counter purchase, basis and whether assets and liabilities retained by the listed company constitute business, determination of the combination cost, the amount and calculation of the equity amount adjusted in treatment for the equity transaction:

Naught.

4. Disposal of Subsidiary

Whether there were any transactions or events during the period in which control of the subsidiary was lost?

Yes No

Whether there are several disposals of the investment to the subsidiary and lost controls?

Yes No

5. Changes in Combination Scope for Other Reasons

Note to changes in combination scope for other reasons (such as newly establishment or liquidation of subsidiaries, etc.) and relevant information:

Fozhao Huaguang (Maoming) Technology Co., Ltd. completed its business registration in April of the current period, and the Company completed its capital injection in May. Huaguang (Maoming) has been included in the merger scope since May 2024;

Gaozhou NationStar Lighting Technology Co., Ltd. completed its business registration in April of the current period, and NationStar completed its capital injection in May. Gaozhou NationStar has been included in the merger scope since May 2024.

6. Others

Naught.

X. Equity in Other Entities

1. Equity in Subsidiary

(1) Subsidiaries

Unit: RMB

Name of the subsidiary	Registered capital	Main operating place	Registration place	Nature of business	Holding percentage		Way of gaining
					Direct	Indirect	
Foshan Fozhao Zhicheng Technology Co., Ltd.	50,000,000.00	Foshan	Foshan	Production and sales	100.00%		Newly established
FSL Chanchang Lighting Co., Ltd.	72,782,944.00	Foshan	Foshan	Production and sales	100.00%		Newly established
Foshan Taimei Times Lamp Co., Ltd.	500,000.00	Foshan	Foshan	Production and sales	70.00%		Newly established
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	35,418,439.76	Xinxiang	Xinxiang	Production and sales	100.00%		Newly established
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	41,683,200.00	Nanjing	Nanjing	Production and sales	100.00%		Acquired
FSL Zhida Electric Technology Co., Ltd.	38,150,000.00	Foshan	Foshan	Production and sales	66.84%		Newly established
Foshan Haolaite Lighting Co., Ltd.	17,158,000.00	Foshan	Foshan	Production and sales	51.00%	10.53%	Newly established
NationStar	1,436,419.00	Germany	Germany	Trade		61.53%	Business

Name of the subsidiary	Registered capital	Main operating place	Registration place	Nature of business	Holding percentage		Way of gaining
					Direct	Indirect	
Optoelectronics (Germany) Co., Ltd.							combination under the same control
Foshan Kelian New Energy Technology Co., Ltd.	170,000,000.00	Foshan	Foshan	Property development	100.00%		Business combination under the same control
Fozhao (Hainan) Technology Co., Ltd.	200,000,000.00	Haikou	Haikou	Production and sales	100.00%		Newly established
Nanning Liaowang Auto Lamp Co., Ltd.	35,055,700.00	Nanning	Nanning	Manufacturing of vehicle lamps	53.79%		Acquired
Liuzhou Guige Lighting Technology Co., Ltd.	30,000,000.00	Liuzhou	Liuzhou	Manufacturing of vehicle lamps		53.79%	Acquired
Liuzhou Guige Fuxuan Technology Co., Ltd.	20,000,000.00	Liuzhou	Liuzhou	Manufacturing of automotive electronic products		53.79%	Acquired
Chongqing Guinuo Lighting Technology Co., Ltd.	30,000,000.00	Chongqing	Chongqing	Manufacturing of vehicle lamps		53.79%	Acquired
Qingdao Guige Lighting Technology Co., Ltd.	30,000,000.00	Qingdao	Qingdao	Manufacturing of vehicle lamps		53.79%	Acquired
Indonesia Liaowang Auto Lamp Co., Ltd.	40,873,066.42	Indonesia	Indonesia	Manufacturing of vehicle lamps		53.79%	Acquired
Foshan Sigma Venture Capital Co., Ltd.	50,000,000.00	Foshan	Foshan	Business services	100.00%		Business combination under the same control
Fozhao Huaguang (Maoming) Technology Co., Ltd.	22,920,000.00	Maoming	Maoming	Production and sales	100.00%		Newly established
Foshan NationStar Optoelectronics Co., Ltd.	618,477,169.00	Foshan	Foshan	Electronic manufacturing	21.48%		Business combination under the same control
Foshan NationStar Semiconductor Co., Ltd.	820,000,000.00	Foshan	Foshan	Electronic manufacturing		21.48%	Business combination under the same control
Foshan Guoxing Electronic Manufacture	10,000,000.00	Foshan	Foshan	Electronic manufacturing		21.48%	Business combination under the

Name of the subsidiary	Registered capital	Main operating place	Registration place	Nature of business	Holding percentage		Way of gaining
					Direct	Indirect	
Co., Ltd.							same control
Nanyang Baoli Vanadium Industry Co., Ltd.	100,000,000.00	Henan	Nanyang	Mining		12.89%	Business combination under the same control
Guangdong New Electronic Information Ltd.	5,000,000.00	Guangzhou	Guangzhou	Trade		21.48%	Business combination under the same control
Guangdong Fenghua Semiconductor Technology Co., Ltd.	200,000,000.00	Guangzhou	Guangzhou	Electronic manufacturing		21.45%	Business combination under the same control
Gaozhou NationStar Lighting Technology Co., Ltd.	30,000,000.00	Maoming	Maoming	Electronic manufacturing		21.48%	Newly established

Notes to holding proportion in subsidiary different from voting proportion:

Naught.

Basis of holding half or less voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

Naught.

Significant structural entities and controlling basis in the scope of combination:

Naught.

Basis of determining whether the Company is the agent or the principal:

Naught.

(2) Significant Non-wholly-owned Subsidiary

Unit: RMB

Name of the subsidiary	Shareholding proportion of non-controlling interests	The profit or loss attributable to the non-controlling interests	Declaring dividends distributed to non-controlling interests	Balance of non-controlling interests at the period-end
Nanning Liaowang Auto Lamp Co., Ltd.	46.21%	12,280,230.29		469,759,697.56
Foshan NationStar Optoelectronics Co., Ltd.	78.52%	44,120,712.70	29,139,436.44	2,988,225,565.90

Holding proportion of non-controlling interests in subsidiary different from voting proportion:

Naught.

(3) The Main Financial Information of Significant Not Wholly-owned Subsidiary

Unit: RMB

Name of the subsidiary	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Nanning Liaowang Auto Lamp Co., Ltd.	1,602,836,374.91	919,082,690.98	2,521,919,065.89	1,508,777,464.17	65,611,525.40	1,574,388,989.57	1,590,859,943.26	896,982,948.71	2,487,847,891.97	1,512,829,422.99	54,928,920.36	1,567,758,343.35
Foshan NationStar Optoelectronics Co., Ltd.	4,002,485,032.19	2,455,284,925.61	6,457,769,957.80	2,253,675,523.12	378,735,425.63	2,632,410,948.75	3,967,291,374.52	2,559,121,730.06	6,526,413,104.58	2,340,584,273.66	382,388,851.56	2,722,973,125.22

Unit: RMB

Name of the subsidiary	Reporting Period				Same period of last year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Nanning Liaowang Auto Lamp Co., Ltd.	835,320,128.96	28,661,214.92	27,445,527.70	15,328,786.43	720,209,306.91	22,341,749.52	24,793,716.86	8,225,803.73
Foshan NationStar Optoelectronics Co., Ltd.	1,853,708,942.97	56,242,432.00	56,242,432.00	140,461,398.36	1,758,744,095.83	53,804,452.96	53,804,452.96	102,905,050.77

(4) Significant Restrictions on Using the Assets and Liquidating the Liabilities of the Company

Naught.

(5) Financial Support or Other Supports Provided to Structural Entities Incorporated into the Scope of Consolidated Financial Statements

Naught.

2. The Transaction of the Company with Its Owner's Equity Share Changed but Still Controlling the Subsidiary

(1) Note to the Owner's Equity Share Changed in Subsidiary

Naught.

(2) The Transaction's Influence on the Equity of Non-controlling Interests and the Owner's Equity Attributable to the Company as the Parent

Naught.

3. Equity in Joint Ventures or Associated Enterprises

(1) Significant Joint Ventures or Associated Enterprises

Naught.

(2) Main Financial Information of Significant Joint Ventures

Naught.

(3) Main Financial Information of Significant Associated Enterprises

Naught.

(4) Summary Financial Information of Insignificant Joint Ventures or Associated Enterprises

Unit: RMB

	Ending balance/Reporting Period	Beginning balance/Same period of last year
Joint ventures:		
The total of following items according to the shareholding proportions		
Associated enterprises:		
Total carrying value of investment	180,633,275.87	179,188,555.15
The total of following items according to the shareholding proportions		
--Net profit	1,444,720.72	1,186,031.53
--Total comprehensive income	1,444,720.72	1,186,031.53

(5) Note to the Significant Restrictions on the Ability of Joint Ventures or Associated Enterprises to Transfer Funds to the Company

Naught.

(6) The Excess Loss of Joint Ventures or Associated Enterprises

Naught.

(7) The Unrecognised Commitment Related to Investment to Joint Ventures

Naught.

(8) Contingent Liabilities Related to Investment to Joint Ventures or Associated Enterprises

Naught.

4. Significant Common Operation

Naught.

5. Equity in the Structured Entity Excluded in the Scope of Consolidated Financial Statements

Notes to the structured entity excluded in the scope of consolidated financial statements:

Naught.

6. Others

Naught.

XI. Government Grants**1. Government Grants Recognised at the End of the Reporting Period at the Amount Receivable**Applicable Not applicable

Reasons for failing to receive government grants in the estimated amount at the estimated point in time

Applicable Not applicable**2. Liability Items Involving Government Grants**Applicable Not applicable

Unit: RMB

Accounting items	Beginning balance	Amount of newly subsidy	Amount recorded into non-operating income in the Reporting Period	Amount carried forward other income in the Reporting Period	Other changes in the Reporting Period	Ending balance	Related to assets/income
Deferred income	63,950,864.78	6,763,500.00		11,549,664.02		59,164,700.76	Related to assets
Deferred	11,234,596.4	5,421,000.00		8,402,824.17		8,252,772.3	Related to

income	9					2	income
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3. Government Grants Recognised in Profit or Loss for the Current Period

Applicable Not applicable

Unit: RMB

Accounting items	Reporting Period	Same period of last year
Other income	60,151,413.19	27,389,992.05
Non-operating income		11,000.00

XII. Risks Associated with Financial Instruments

1. Various Types of Risks Arising from Financial Instruments

The primary financial instruments of the Company include equity investments, bills receivable, accounts receivable, other receivables, accounts payable, bills payable, other payables, short-term borrowings, long-term borrowings, etc. The details of each financial instrument see relevant items of Note V.

The main risks of the Company due to financial instruments were credit risk, liquidity risk and market risk. The operating management of the Company was responsible for the risk management target and the recognition of the policies.

(1) Credit Risk

Credit risk was one party of the contract failed to fulfil the obligations and causes loss of financial assets of the other party. The credit risk the Company faced was selling on credit which leads to customer credit risk.

The Company will evaluate credit risk of new customer, and set credit limit, once the balance of account receivable over credit limit, require the customer to pay or producing and delivering goods shall be approved by the management of the Company.

The Company through monthly aging analysis of account receivable and monitoring the collection situation of the customer ensured the overall credit risk of the Company was in control scope. Once appear abnormal situation, the Company should conduct necessary measures to requesting the payment timely.

(2) Liquidity Risk

Liquidity risk is referred to their risk of incurring capital shortage when performing settlement obligation in the way of cash payment or other financial assets. The policies of the Company are to ensure that there was sufficient cash to pay the due liabilities. The liquidity risk is centralised controlled by the Financial Department of the Company. The liquidity risk is centralised controlled by the Financial Department of the Company. The financial department through supervising the balance of the cash and securities can be convert to cash at any

time and the rolling prediction of cash flow in future 12 months to ensure the Company have sufficient cash to pay the liabilities under the case of all reasonable prediction.

(3) Market Risk

Market risk was referred to risk of the fair value or future cash flow of financial instrument changed due to the change of market price, including: exchange rate risk, interest rate risk and other price risk.

1) Exchange Rate Risk

Exchange rate risk refers to the risk of loss due to exchange rate changes. The Company's exposure to foreign exchange risk is mainly related to the US dollar and the euro. As of 30 June 2024, the Company's assets and liabilities were in RMB, except for the balances of USD, EUR, HKD and IDR as set out in this Note VII-81, Foreign Currency Monetary Items. Foreign exchange risk arising from the assets and liabilities of such foreign currency balances may have a certain impact on the Company's operating results.

The Company made efforts to avoid exchange rate risk through forward exchange settlement, improving operation management and promoting the international competitiveness of the Company, etc.

2) Interest Rate Risk

Interest rate risk is refers to fluctuation risk of the fair value or future cash flow of financial instrument change due to the change of market interest rates. The interest rate risk faced by the Company mainly comes from bank borrowings. By establishing a good bank-enterprise relationship, the Company reasonably designed the credit line, credit variety and credit period, ensured sufficient credit line of banks, and met various short-term financing needs of the Company with preferential loan interest rates. As of 30 June 2024, the Company's fixed interest rate loan balance was RMB776,003,401.62, accounting for 100% of the total loan balance, and the risks in this part were controllable.

3) Other Price Risk

Naught.

2. Hedge

(1) The Company Carries out Hedging Business for Risk Management

Applicable Not applicable

(2) The Company Conducts Eligible Hedging Operations and Applies Hedge Accounting

Naught.

(3) The Company Conducts Hedging Operations for Risk Management, Expects to Achieve Its Risk Management Objectives, but Does Not Apply Hedge Accounting

Applicable Not applicable

3. Financial Assets**(1) Classification of Transfer Methods**

Applicable Not applicable

Unit: RMB

Transfer methods	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for determining derecognition
Bills endorsement	Accounts receivable financing	288,485,094.80	Yes	Due to the low credit risk and deferred payment risk of bank acceptance bills in accounts receivable financing, and the transfer of interest rate risk related to the bills to the bank, it can be concluded that almost all risks and rewards of ownership of the bills have been transferred
Bills endorsement	Notes receivable	74,782,858.81	Yes	Almost all risks and rewards related to the ownership of the bills have been transferred
Bills discounting	Notes receivable	139,426,977.10	Yes	Almost all risks and rewards related to the ownership of the bills have been transferred
Bills endorsement	Notes receivable	141,027,788.82	No	Retaining almost all risks and rewards, including default risks associated with them
Total		643,722,719.53		

(2) Financial Assets Derecognised due to Transfer

Applicable Not applicable

Unit: RMB

Item	Ways of transferring financial assets	Derecognised financial asset amount	Gains or losses related to derecognition
Accounts receivable financing	Bills endorsement	288,485,094.80	
Notes receivable	Bills endorsement	74,782,858.81	
Notes receivable	Bills discounting	139,426,977.10	
Total		502,694,930.71	

(3) Continued Involvement in the Transfer of Assets Financial Assets

Applicable Not applicable

Unit: RMB

Item	Asset transfer methods	Amount of assets formed due to continuous involvement	Amount of liabilities formed due to continuous involvement
Notes receivable			
Of which: Bank's acceptance bill	Bills endorsement		141,027,788.82

Total			141,027,788.82
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XIII. The Disclosure of Fair Value

1. Ending Fair Value of Assets and Liabilities at Fair Value

Unit: RMB

Item	Ending fair value			
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	Total
I. Consistent fair value measurement	---	---	---	---
1. Trading financial assets	1,103,196.07	105,825,131.94		106,928,328.01
(1) Financial assets at fair value through profit or loss	1,103,196.07	105,825,131.94		106,928,328.01
1) Wealth management products		105,825,131.94		105,825,131.94
2) Equity instrument investment	1,003,796.07			1,003,796.07
3) Other	99,400.00			99,400.00
2. Other Investments in Debt Obligations		1,124,498,738.94		1,124,498,738.94
3. Other equity instrument investment	633,832,982.60		40,578,568.80	674,411,551.40
4. Accounts receivable financing			296,834,332.74	296,834,332.74
Total assets measured at fair value on a recurring basis	634,936,178.67	1,230,323,870.88	337,412,901.54	2,202,672,951.09
II. Inconsistent fair value measurement	---	---	---	---

2. Basis for Determining the Market Value of Continuing and Discontinuing Level 1 Fair Value Measurement Items

Level 1 fair value measurements are determined based on the market price of equities at the balance sheet date and the mid-price of the RMB exchange rate published by the State Administration of Foreign Exchange as quoted prices in an active market.

3. Continuing and Discontinuing Level 2 Fair Value Measurement Items, Qualitative and Quantitative Information on the Valuation Techniques Used and Significant Parameters

The fair value of financial products and other debt investment subscribed by the Group that are measured at fair value is determined by reference to the expected rate of return provided by the financial institutions.

4. Continuing and Discontinuing Level 3 Fair Value Measurement Items, Qualitative and Quantitative Information on the Valuation Techniques Used and Significant Parameters

(1) The Company measured the investment at cost as a reasonable estimate of fair value because there were no significant changes in the business environment and operating and financial conditions of the investee, GF Bank.

(2) The Company measured the investee, Shenzhen Zhonghao (Group) Company Limited, at nil as a reasonable estimate of fair value due to the deterioration of its business environment and operating and financial conditions.

(3) The Company measured the investment at cost as a reasonable estimate of fair value because there were no significant changes in the business environment and operating and financial conditions of the investee companies, Foshan Nanhai District United Guangdong New Light Source Industry Innovation Centre, Beijing Guang Rong Union Semiconductor Lighting Industry Investment Centre and Guangdong Rising Finance Co., Ltd.

(4) The receivables financing represents bank acceptance notes held by the Company with a short remaining maturity, the face value of which approximates the fair value and the face amount is used to recognise the fair value at the statement date.

5. Consistent Fair Value Measurement Items at Level 3, Adjustment between the Beginning Carrying Value and the Ending Carrying Value and Sensitivity Analysis on Unobservable Parameters

Naught.

6. Explain the Reason for Conversion and the Governing Policy when the Conversion Happens if Conversion Happens among Consistent Fair Value Measurement Items at Different Levels

Naught.

7. Changes in Valuation Techniques in the Reporting Period and Reasons for the Changes

Naught.

8. Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

Financial assets and liabilities not measured at fair value include: monetary assets, accounts receivable and accounts payable, etc. There is small difference between the carrying value of above financial assets and liabilities and fair value.

9. Others

Naught.

XIV. Related Party and Related-party Transactions

1. Information on the Company as the Parent

Company name	Registration place	Nature of business	Registered capital	Proportion of share held by the Company as the parent against the Company (%)	Proportion of voting rights owned by the Company as the parent against the Company (%)
Hongkong Wah Shing Holding Company Limited	Hong Kong	Investment	HKD110,000	12.52%	12.52%
Guangdong Rising Holdings Group Co., Ltd.	Guangzhou	Investment	RMB10 billion	8.38%	8.38%
Guangdong Electronics Information Industry Group Ltd.	Guangzhou	Production and sales	RMB1,162 million	8.49%	8.49%
Rising Investment Development Limited	Hong Kong	Investment	RMB360 million and HKD1 million	1.65%	1.65%
Total				31.04%	31.04%

Notes to the Company as the parent

Hongkong Wah Shing Holding Company Limited (hereinafter referred to as “Hongkong Wah Shing”), the largest shareholder of the Company, is a wholly-owned subsidiary of Guangdong Electronics Information Industry Group Ltd. (hereinafter referred to as “Electronics Group”), and Electronics Group, Shenzhen Rising Investment Development Co., Ltd. (hereinafter referred to as “Shenzhen Rising”), Guangdong Rising Finance Holding Co., Ltd. (renamed Guangdong Rising Capital Investment Co., Ltd. on 13 December 2021, hereinafter referred to as “Rising Capital”) and Rising Investment Development Limited (hereinafter referred to as “Rising Investment”) are wholly-owned subsidiaries of Guangdong Rising Holdings Group Co., Ltd. (hereinafter referred to as “Rising Holdings Group”). According to the relevant provisions of the Company Law and the Measures for the Administrative Measures on Acquisition of Listed Companies, Electronics Group, Shenzhen Rising, Rising Capital and Rising Investment are concerted actors, and Rising Holdings Group becomes the actual controller of the Company. In December 2021, Shenzhen Rising and Rising Capital transferred all their shares of the Company to Rising Holdings Group. After the transfer, Rising Holdings Group, Electronics Group and Rising Investment acted in concert with each other. In February 2022, the Company repurchased and cancelled part of its shares, and the proportion of shares held by the above parties acting in concert was 30.82% in aggregate; in November 2023, the Company made a non-public offering of 186,783,583.00 shares of A-shares to a specific object, and Rising Group subscribed 46,695,895.00 shares, and the proportion of shares held by the above parties acting in concert was 30.12%. In June 2024, Electronic Group and Hongkong Wah Shing cumulatively increased their holdings of the Company’s shares by 15,487,850 shares through call auction on the Shenzhen Stock Exchange trading system. As of 30 June 2024, the total proportion of shares held by the aforementioned concerted action parties was 31.04%.

The final controller of the Company is Guangdong Rising Holdings Group Co., Ltd.

2. Subsidiaries of the Company

Refer to Note X Equity in Other Entities-1. Equity in Subsidiaries for details of the Company’s subsidiaries.

3. Information on the Joint Ventures and Associated Enterprises of the Company

Refer to Note X Equity in Other Entities-3. Equity in Joint Ventures or Associated Enterprises for details of significant joint ventures or associated enterprises of the Company.

List of other joint ventures and associated enterprises that made connected transactions with the Company generating balance during or before the Reporting Period:

Naught.

4. Information on Other Related Parties

Name of other related parties	Relationship with the Company
PROSPERITY LAMPS & COMPONENTS LTD	Shareholder owning over 5% shares
Dongguan Hengjian Environmental Protection Technology Co., Ltd.	Under same actual controller
Foshan Fulong Environmental Technology Co., Ltd.	Under same actual controller
Guangdong Fenghua Advanced Technology Holding Co., Ltd.	Under same actual controller
Guangdong Rising Research and Development Institute Co. Ltd.	Under same actual controller
Guangdong Heshun Property Management Co., Ltd. Rising International Building Branch	Under same actual controller
Guangdong Huajian Enterprise Group Co., Ltd.	Under same actual controller
Guangdong Electronics Information Industry Group Ltd.	Under same actual controller
Guangdong Rising Finance Co., Ltd.	Under same actual controller
Guangdong Yixin Changcheng Construction Group	Under same actual controller
Guangdong Zhongjin Lingnan Engineering Technology Co., Ltd.	Under same actual controller
Guangdong Zhongnan Construction Co., Ltd.	Under same actual controller
Guangdong Zhongren Group Construction Co., Ltd	Under same actual controller
Guangdong Zhuyuan Construction Engineering Co., Ltd.	Under same actual controller
Guangzhou Haixinsha Industrial Co., Ltd.	Under same actual controller
Guangzhou Wanshun Investment Management Co., Ltd.	Under same actual controller
Jiangmen Dongjiang Environmental Company Limited	Under same actual controller
Zhuhai Doumen District Yongxingsheng Environmental Industry Waste Recovery and Comprehensive Treatment Co., Ltd.	Under same actual controller
Shenzhen Longgang Dongjiang Industrial Waste Treatment Co., Ltd.	Under same actual controller
Shenzhen Yuepeng Construction Co., Ltd.	Under same actual controller
Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd.	Under same actual controller
Zhuhai Dongjiang Environmental Protection Technology Co., Ltd.	Under same actual controller
Shandong Zhongjin Lingnan Copper Co., Ltd.	Under same actual controller
Guangdong Great Wall Hotel Co., Ltd.	Under same actual controller
Shenzhen Nanhe Mobile Communication Technology Co., Ltd.	Under same actual controller
Guangdong Xintao Microelectronics Co., Ltd.	Under same actual controller
Rising Nonferrous Metals Share Co., Ltd.	Under same actual controller
Guangdong Huajian Engineering Construction Co., Ltd.	Under same actual controller
Guangzhou Shengfeng Catering Management Service Co., Ltd.	Under same actual controller
Guangdong Rising Commercial Development Co., Ltd. (Renamed Guangzhou Tianxin Property Management Company)	Under same actual controller
Guangzhou Huajian Business Development Co., Ltd.	Under same actual controller
Hongkong Wah Shing Holding Company Limited	Under same actual controller
Rising Investment Development Limited	Under same actual controller
Prosperity (China) Electrical Company Limited	Enterprise controlled by related natural person
Hangzhou Times Lighting Electric Appliances Co., Ltd.	Enterprise controlled by related natural person
Nanning Ruixiang Industrial Investment Co., Ltd.	Enterprise significantly affected by related natural person
Guangdong Electronic Technology Research Institute	Under same actual controller (not included into the consolidation scope of Rising Holdings Group since October 2023)
Guangdong The Great Wall Building Co., Ltd.	Enterprises controlled by the same actual controller

Name of other related parties	Relationship with the Company
	(cancelled in August 2023)

5. Transactions with Related Parties

(1) Information on Acquisition of Goods and Reception of Labour Service

Information on acquisition of goods and reception of labour service

Unit: RMB

Name of related party	Nature of transaction	Reporting Period	The approval trade credit	Whether exceed trade credit or not	Same period of last year
Guangdong Fenghua Advanced Technology Holding Co., Ltd.	Purchase of materials	2,264,120.89	16,000,000.00	No	1,427,073.05
Guangdong Yixin Changcheng Construction Group	Receiving of labour service	47,493,226.47			42,453,620.42
Guangdong Zhongnan Construction Co., Ltd.	Receiving of labour service	8,266,347.72			58,500,517.50
Guangdong Zhongren Group Construction Co., Ltd	Receiving of labour service	2,407,583.18			26,677,655.81
Shenzhen Yuepeng Construction Co., Ltd.	Receiving of labour service	1,886,492.75			754,528.33
Shenzhen Nanhe Mobile Communication Technology Co., Ltd.	Receiving of labour service	114,801.77			
Zhuhai Dongjiang Environmental Protection Technology Co., Ltd.	Receiving of labour service	271,319.56			13,133.52
Foshan Fulong Environmental Technology Co., Ltd.	Receiving of labour service	70,467.96			162,917.93
Shenzhen Nanhe Mobile Communication Technology Co., Ltd.	Purchase of materials	16,672.57	3,000,000.00	No	
Shenzhen Longgang Dongjiang Industrial Waste	Receiving of labour service	14,375.09			116,673.57

Name of related party	Nature of transaction	Reporting Period	The approval trade credit	Whether exceed trade credit or not	Same period of last year
Treatment Co., Ltd.					
Zhuhai Doumen District Yongxingsheng Environmental Industry Waste Recovery and Comprehensive Treatment Co., Ltd.	Receiving of labour service	4,528.30			
Jiangmen Dongjiang Environmental Company Limited	Receiving of labour service	2,169.81			69,970.76
Dongguan Hengjian Environmental Protection Technology Co., Ltd.	Receiving of labour service				76,930.19
Guangdong The Great Wall Building Co., Ltd.	Receiving of labour service				22,053.55
Guangzhou Shengfeng Catering Management Service Co., Ltd.	Receiving of labour service	1,362,571.29			
Guangdong Rising Commercial Development Co., Ltd. (renamed Guangzhou Tianxin Property Management Company)	Receiving of labour service	42,887.72	12,000,000.00	No	18,779.44
Guangdong Great Wall Hotel Co., Ltd.	Receiving of labour service	5,740.00			
Guangzhou Haixinsha Industrial Co., Ltd.	Receiving of labour service	513,226.63			467,135.78
Guangzhou Huajian Business Development Co., Ltd.	Receiving of labour service	87,421.36	9,000,000.00	No	
Prosperity Lamps & Components Limited	Purchase of materials		3,000,000.00	No	57,268.76
Total		64,823,953.07	43,000,000.00	No	130,818,258.61

Information of sales of goods and provision of labour service

Unit: RMB

Name of related party	Nature of transaction	Reporting Period	Same period of last year
Prosperity Lamps & Components Limited	Sale of products	5,732,428.94	12,641,522.79
Guangdong Fenghua Advanced Technology Holding Co., Ltd.	Sale of products	4,572,650.62	7,466,567.41
Guangdong Yixin Changcheng Construction Group	Sale of products	121,035.60	
Rising Nonferrous Metals Share Co., Ltd.	Sale of products	99,577.88	
Guangzhou Wanshun Investment Management Co., Ltd.	Sale of products	59,565.75	
Shandong Zhongjin Lingnan Copper Co., Ltd.	Sale of products	9,102.65	223,796.46
Guangdong Zhongnan Construction Co., Ltd.	Sale of products		3,012,466.81
Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd.	Sale of products		710,376.99
Guangdong Zhongjin Lingnan Engineering Technology Co., Ltd.	Sale of products		23,113.27
Guangdong Zhuyuan Construction Engineering Co., Ltd.	Sale of products		12,318.58
Guangdong Rising Holdings Group Co., Ltd.	Sale of products		2,787.61
Total		10,594,361.44	24,092,949.92

Notes to acquisition of goods and reception of labour service

- The pricing policy for related-party transactions between the Company and its related parties is as follows:
The pricing of related-party transactions should be market-oriented and subject to the market prices when such a transaction occurs. The relevant funds should be paid on time according to the actual transaction.
- The related-party transactions between the Company and its subsidiaries and between subsidiaries have been offset during report consolidation.

(2) Connected Transactions with the Company as Entrustee/Contractor or Entruster/Contractee

The Company as trustee/contractor:

Naught.

The Company as entruster/contractee:

Unit: RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Income recognised in this Current Period
Foshan NationStar Optoelectronics Co., Ltd.	Guangdong Zhongren Group Construction Co., Ltd		30 December 2020	31 December 2022		
Fozhao (Hainan) Technology Co.,	Guangdong Zhongnan		30 March 2022	14 May 2023		

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Income recognised in this Current Period
Ltd.	Construction Co., Ltd.					
Foshan Kelian New Energy Technology Co., Ltd.	Guangdong Zhongnan Construction Co., Ltd.		23 June 2021	23 December 2022		
Foshan Kelian New Energy Technology Co., Ltd.	Guangdong Huajian Enterprise Group Co., Ltd.		1 May 2023	31 December 2023		

Notes:

1. The Company's subsidiary Foshan NationStar Optoelectronics Co., Ltd. entered into the General Contracting Contract of NationStar Optoelectronics for the Survey, Design, and Construction of the Geely Industrial Park with Guangdong Zhongren Group Construction Co., Ltd., Guangdong Architectural Design & Research Institute Co., Ltd., and CSIC International Engineering Co., Ltd. on 30 December 2020. The above parties take charge of the survey, design, and construction of the Geely Industrial Park. The total price of the contract is RMB509,292,500. As of the date of this report, the project is in the acceptance inspection stage.

2. The Company's subsidiary Fozhao (Hainan) Technology Co., Ltd. entered into the General Contracting Contract for Design and Construction of FSL Hainan Industrial Park Phase I with Guangdong Zhongnan Construction Co., Ltd. and Guangdong Architectural Design & Research Institute Co., Ltd. on 30 March 2022. The above parties take charge of the design and construction of FSL Hainan Industrial Park. The total price of the contract is RMB179,051,600, and the planned total construction period is 390 calendar days (50 days for design and 340 days for construction). As of the date of this report, the project has not yet reached its intended usable state.

3. The Company's subsidiary Foshan Kelian New Energy Technology Co., Ltd. entered into the General Contracting Contract for Design and Construction of the Foshan Kelian Building Decoration Engineering with Guangdong Zhongnan Construction Co., Ltd. and Guangdong Architectural Design & Research Institute Co., Ltd. on 23 June 2021. The above parties take charge of the survey, design and construction of Kelian Building. The total price of the contract is RMB189,070,200, and the planned total construction period is 240 calendar days. Among them, except for the self-used layers, the construction period shall be counted from the date when the construction actually begins. As of the date of this report, the office self use floor of Building 2 has been completed and passed the final acceptance inspection. The decoration work for the public areas and apartments on floors 4-8 of Building 2 has been completed, and Building 1 is currently in the stage of detailed construction drawing design.

4. On 21 April 2023, the Company's subsidiary Foshan Kelian New Energy Technology Co., Ltd. entered into the Contract on the Operation and Investment Attraction Services for Kelian Building with Guangdong Huajian Enterprise Group Co., Ltd. (hereinafter referred to as "Huajian Group"), and Foshan Kelian entrusted some of the properties of Kelian Building to Huajian Group for operation. During the operation period, Huajian Group paid a guaranteed rental income to Foshan Kelian. As of the date of this report, the property entrusted for operation is under renovation.

(3) Information on Connected Lease

The Company was lessor:

Unit: RMB

Name of lessee	Type of assets leased	The lease income confirmed in the Reporting Period	The lease income confirmed in the same period of last year
Guangdong Rising Research	Plant	647,933.71	582,347.85

Name of lessee	Type of assets leased	The lease income confirmed in the Reporting Period	The lease income confirmed in the same period of last year
and Development Institute Co., Ltd. and its majority-owned subsidiaries			

The Company served as the lessee:

Unit: RMB

Name of lessor	Type of assets leased	Rental expenses of short-term lease simplified treated and low-value asset lease (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rent		Income expense of lease liabilities undertaken		Increased right-of-use assets	
		Reporting Period	Same period of last year	Reporting Period	Same period of last year	Reporting Period	Same period of last year	Reporting Period	Same period of last year	Reporting Period	Same period of last year
Guangdong The Great Wall Building Co., Ltd.	Operating lease						64,954.29		1,801.29		
Guangdong Rising Commercial Development Co., Ltd. (renamed Guangzhou Tianxin Property Management Company)	Operating lease					166,520.05	65,059.65	3,420.80	1,211.87	291,156.20	

Notes to connected lease:

Naught.

(4) Connected Guarantee

Naught.

(5) Interbank Borrowing and Lending of Capital by Connected Party

Naught.

(6) Information on Assets Transfer and Debt Restructuring by Related Party

Naught.

(7) Information on Remuneration for Key Management Personnel

Unit: RMB

Item	Reporting Period	Same period of last year
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Item	Reporting Period	Same period of last year
Chairman of the Board	412,195.28	486,397.79
General Manager	481,683.12	475,655.67
Chairman of the Supervisory Committee	615,288.82	467,681.15
Secretary of the Board	418,182.04	275,841.67
Chief Financial Officer	475,438.92	466,313.55
Others	2,568,209.82	3,782,176.00
Total	4,970,998.00	5,954,065.83

(8) Other Connected Transactions

In accordance with the *Financial Service Agreement* signed by the Company, the total maximum daily deposit balance of the Company and its holding subsidiaries deposited in Guangdong Rising Finance Co., Ltd. shall not exceed RMB1.5 billion, and the general credit limit provided by Guangdong Rising Finance Co., Ltd. for the Company and its holding subsidiaries shall not exceed RMB2 billion. As of 30 June 2024, the deposit balance of the Company and its holding subsidiaries deposited in Guangdong Rising Finance Co., Ltd. is RMB1,345,958,900. The outstanding interest receivable is RMB6,007,900.

6. Receivables from and Payables to Related Parties

(1) Accounts Receivable

Unit: RMB

Item	Name of related party	Ending balance		Beginning balance	
		Carrying amount	Provision for impairment	Carrying amount	Provision for impairment
Monetary capital-accrued interest	Guangdong Rising Finance Co., Ltd.	6,007,939.77		5,226,458.64	
Accounts receivable	Prosperity Lamps & Components Limited	3,684,287.87	110,528.64	7,510,483.08	225,314.49
Accounts receivable	Guangdong Fenghua Advanced Technology Holding Co., Ltd.	3,671,208.41	73,424.17	2,992,978.95	59,859.58
Accounts receivable	Guangdong Zhongnan Construction Co., Ltd.	3,423,458.25	339,854.41	4,612,923.23	188,722.11
Accounts receivable	Guangdong Yixin Changcheng Construction Group	2,332,537.86	403,416.48	2,332,537.86	206,392.47
Accounts receivable	Guangdong Zhuyuan Construction Engineering Co., Ltd.	510,276.71	15,308.30	510,276.71	15,308.30

Item	Name of related party	Ending balance		Beginning balance	
		Carrying amount	Provision for impairment	Carrying amount	Provision for impairment
Accounts receivable	Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd.	504,147.00	31,536.61	566,449.00	16,993.47
Accounts receivable	Guangdong Xintao Microelectronics Co., Ltd.	457,251.11	9,145.02	266,736.05	5,334.72
Accounts receivable	Guangdong Zhongren Group Construction Co., Ltd	289,918.22	8,697.55	289,918.22	8,697.55
Accounts receivable	Guangdong Zhongjin Lingnan Engineering Technology Co., Ltd.	138,827.00	4,164.81	138,827.00	4,164.81
Accounts receivable	Guangdong Huajian Engineering Construction Co., Ltd.	44,297.00	29,813.02	44,297.00	22,148.50
Accounts receivable	Guangdong Rising Holdings Group Co., Ltd.	15,206.96	304.14	146,462.96	2,929.26
Accounts receivable	Shandong Zhongjin Lingnan Copper Co., Ltd.	10,286.00	308.58		
Accounts receivable	Guangdong Rising Research and Development Institute Co. Ltd.	3,850.00	138.60	3,850.00	77.00
Accounts receivable	Guangdong Heshun Property Management Co., Ltd. Rising International Building Branch			242,112.68	7,263.38
Prepayments	Prosperity (China) Electrical Company Limited	39,428.00		39,428.00	
Prepayments	Hangzhou Times Lighting Electric Appliances Co., Ltd.	1,300.88		1,300.88	
Prepayments	Guangdong Fenghua Advanced Technology Holding Co., Ltd.	148.68		148.68	
Other receivables	Guangdong Huajian Enterprise Group Co., Ltd.	2,090,868.46	62,726.05	1,791,739.20	53,752.18
Other receivables	Guangdong Rising Commercial	77,761.92	2,685.16	67,165.92	1,343.32

Item	Name of related party	Ending balance		Beginning balance	
		Carrying amount	Provision for impairment	Carrying amount	Provision for impairment
	Development Co., Ltd. (renamed Guangzhou Tianxin Property Management Company)				
Other receivables	Nanning Ruixiang Industrial Investment Co., Ltd.	5,000.00	150.00	5,000.00	150.00
Other receivables	Guangdong Zhongren Group Construction Co., Ltd	304.31	9.13	304.31	9.13
Total		23,308,304.41	1,092,210.67	26,789,398.37	818,460.27

(2) Accounts Payable

Unit: RMB

Item	Name of related party	Ending carrying balance	Beginning carrying balance
Notes payable	Guangdong Fenghua Advanced Technology Holding Co., Ltd.	155,588.72	373,870.86
Notes payable	Guangdong Zhongren Group Construction Co., Ltd		15,052,221.04
Accounts payable	Guangdong Zhongren Group Construction Co., Ltd	113,478,475.81	117,665,437.46
Accounts payable	Guangdong Yixin Changcheng Construction Group	95,910,150.20	65,992,673.05
Accounts payable	Guangdong Zhongnan Construction Co., Ltd.	35,906,275.26	43,398,748.24
Accounts payable	Guangdong Fenghua Advanced Technology Holding Co., Ltd.	2,096,767.69	1,385,589.20
Accounts payable	Shenzhen Yuepeng Construction Co., Ltd.	1,123,472.38	1,174,680.84
Accounts payable	Shenzhen Nanhe Mobile Communication Technology Co., Ltd.	306,838.00	14,457.85
Accounts payable	Guangzhou Haixinsha Industrial Co., Ltd.	146,441.00	506,936.01
Accounts payable	Prosperity Lamps & Components Limited	58,230.70	58,230.70
Accounts payable	Guangdong Electronic Technology Research Institute	46,500.00	46,500.00
Accounts payable	Nanning Ruixiang Industrial Investment Co., Ltd.	32,400.00	
Accounts payable	Guangzhou Shengfeng Catering Management Service Co., Ltd.	665.00	
Accounts payable	Shenzhen Longgang Dongjiang Industrial Waste Treatment Co., Ltd.		9,478.00
Accounts payable	Zhuhai Dongjiang Environmental Protection Technology Co., Ltd.		1,325.10
Other payables	Nanning Ruixiang Industrial Investment Co., Ltd.	100,046,577.48	103,639,661.12
Other payables	Guangdong Huajian Enterprise Group Co., Ltd.	6,618,860.15	3,593,345.15
Other payables	Guangdong Fenghua Advanced Technology Holding Co., Ltd.	5,035,015.07	5,030,015.07
Other payables	Shenzhen Yuepeng Construction Co., Ltd.	406,880.64	474,900.64
Other payables	Guangzhou Haixinsha Industrial Co., Ltd.	345,769.78	154,568.76
Other payables	Guangzhou Shengfeng Catering Management Service Co., Ltd.	268,000.00	
Other payables	Guangzhou Huajian Business Development Co.,	13,900.00	

Item	Name of related party	Ending carrying balance	Beginning carrying balance
	Ltd.		
Other payables	Shenzhen Nanhe Mobile Communication Technology Co., Ltd.	13,624.00	
Other payables	Guangdong Xintao Microelectronics Co., Ltd.	8,028.00	8,028.00
Other payables	Guangdong Rising Holdings Group Co., Ltd.	4,750.00	
Other payables	Guangdong Zhongnan Construction Co., Ltd.		423,469.05
Other payables	Zhuhai Dongjiang Environmental Protection Technology Co., Ltd.		20,000.00
Other payables	Shenzhen Longgang Dongjiang Industrial Waste Treatment Co., Ltd.		20,000.00
Dividends payable	Hongkong Wah Shing Holding Company Limited	23,211,071.75	
Dividends payable	Guangdong Electronics Information Industry Group Ltd.	15,772,745.52	
Dividends payable	Prosperity Lamps & Components Limited	17,632,182.84	
Dividends payable	Guangdong Rising Holdings Group Co., Ltd.	15,579,215.16	
Dividends payable	Rising Investment Development Limited	2,781,438.77	
Contract liabilities, other current liabilities	Prosperity Lamps & Components Limited	57,547.68	59,428.00
Other current liabilities	Guangdong Zhongren Group Construction Co., Ltd	568,478.42	0.00
Other current liabilities	Guangdong Zhongnan Construction Co., Ltd.	500,000.00	6,700,000.00
Other current liabilities	Guangdong Fenghua Advanced Technology Holding Co., Ltd.	207,244.60	339,669.91
Other current liabilities	Guangzhou Haixinsha Industrial Co., Ltd.	51,154.03	339,220.26
Other current liabilities	Guangdong Yixin Changcheng Construction Group		69,483.06
Total		438,384,288.65	366,551,937.37

7. Commitments of the Related Parties

1. Commitment on Avoidance of Horizontal Competition

(1) Commitment Makers: Electronics Group and Hong Kong Rising Investment

Contents: Electronics Group and Hong Kong Rising Investment have made more commitments as follows to avoid horizontal competition with the Company: 1. They shall conduct supervision and restraint on the production and operation activities of themselves and their relevant enterprises so that besides the enterprise above that is in horizontal competition with the Company for now, if the products or business of them or their relevant enterprises become the same with or similar to those of the Company or its subsidiaries in the future, they shall take the following measures: (1) If the Company thinks necessary, they and their relevant enterprises shall reduce and wholly transfer their relevant assets and business; and (2) If the Company thinks necessary, it is given the priority to acquire first, by proper means, the relevant assets and business of them and their relevant enterprises. 2. All the commitments made by them to eliminate or avoid horizontal competition with FSL are

also applicable to their directly or indirectly controlled subsidiaries. They are obliged to urge and make sure that other subsidiaries execute what's prescribed in the relevant document and faithfully honour all the relevant commitments. 3. If they or their directly or indirectly controlled subsidiaries break the aforesaid commitments and thus cause a loss for the Company, they shall compensate the Company on a rational basis.

Date of commitment making: 4 December 2015.

Term of commitment: Long-standing.

Fulfilment: In execution.

(2) Commitment Maker: Rising Holdings Group

Contents: 1. The Promisor will take active measures to avoid any business or activity that competes or may compete with the principal business of the Company and its auxiliary enterprises, and urge the Promisor to control enterprises to avoid any business or activity that competes or may compete with the principal business of the Company and its auxiliary enterprises. 2. If the Promisor and its controlled enterprises are given the opportunity to engage in new business that constitutes or may constitute horizontal competition with the principal businesses of the Company and its auxiliary enterprises, the Promisor will make every effort to make the business opportunity first available to the Company or its auxiliary enterprises on reasonable and fair terms and conditions on the premise that conditions permit and in the interest of the listed company.

Date of commitment making: 4 November 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

(3) Commitment Makers: Rising Holdings Group, Rising Capital, and Hongkong Wah Shing

Contents: 1. They shall conduct supervision and restraint on the production and operation activities of themselves and their relevant enterprises so that besides the enterprise above that is in horizontal competition with FSL for now, if the products or business of them or their relevant enterprises become the same with or similar to those of FSL or its subsidiaries in the future, they shall take the following measures: (1) If FSL thinks necessary, they and their relevant enterprises shall reduce and wholly transfer their relevant assets and business; and (2) If FSL thinks necessary, it is given the priority to acquire first, by proper means, the relevant assets and business of them and their relevant enterprises. 2. All the commitments made by them to eliminate or avoid horizontal competition with FSL are also applicable to their directly or indirectly controlled subsidiaries. They are obliged to urge and make sure that other subsidiaries execute what's prescribed in the relevant document and faithfully honour all the relevant commitments. 3. If they or their directly or indirectly controlled

subsidiaries break the aforesaid commitments and thus cause a loss for FSL, they shall compensate FSL on a rational basis.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

2. Commitment on Reduction and Regulation of Related-party Transactions

(1) Commitment makers: Electronics Group and Hong Kong Rising Investment

Contents: Electronics Group and Hong Kong Rising Investment have made a commitment that during their direct or indirect holding of the Company's shares, they shall 1. strictly abide by the regulatory documents of the CSRC and the SZSE, the Company's *Articles of Association*, etc. and not harm the interests of the Company or other shareholders of the Company in their production and operation activities by taking advantage of their position as the controlling shareholder and actual controller; 2. make sure that they or their other controlled subsidiaries, branch offices, jointly-run or associated companies (the "Relevant Enterprises" for short) will try their best to avoid or reduce related-party transactions with the Company or the Company's subsidiaries; 3. strictly follow the market principle of justness, fairness and equal value exchange for necessary and unavoidable related-party transactions between them and their Relevant Enterprises and the Company, and withdraw from voting when a related-party transaction with them or their Relevant Enterprises is being voted on at a general meeting or a board meeting, and execute the relevant approval procedure and information disclosure duties pursuant to the applicable laws, regulations and regulatory documents. Where the aforesaid commitments are broken and a loss is thus caused for the Company, its subsidiaries or the Company's other shareholders, they shall be obliged to compensate.

Date of commitment making: 4 December 2015.

Term of commitment: Long-standing.

Fulfilment: In execution.

(2) Commitment Maker: Rising Holdings Group

Contents: 1. Strictly abide by the regulatory documents of the CSRC and the SZSE, the Company's *Articles of Association*, etc. and not harm the interests of the Company or other shareholders of the Company in their production and operation activities by taking advantage of their position as the controlling shareholder and actual controller; 2. make sure that they or their other controlled subsidiaries, branch offices, jointly-run or associated companies (the "Relevant Enterprises" for short) will try their best to avoid or reduce related-party

transactions with the Company or the Company's subsidiaries; 3. strictly follow the market principle of justness, fairness and equal value exchange for necessary and unavoidable related-party transactions between them and their Relevant Enterprises and the Company, and withdraw from voting when a related-party transaction with them or their Relevant Enterprises is being voted on at a general meeting or a board meeting, and execute the relevant approval procedure and information disclosure duties pursuant to the applicable laws, regulations and regulatory documents.

Date of commitment making: 4 November 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

(3) Commitment makers: Rising Holdings Group, Rising Capital, and Hongkong Wah Shing

Contents: They have made a commitment that during their direct or indirect holding of FSL's shares, they shall 1. strictly abide by the regulatory documents of the CSRC and the SZSE, FSL's *Articles of Association*, etc. and not harm the interests of the Company or other shareholders of FSL in their production and operation activities by taking advantage of their position as the controlling shareholder and actual controller; 2. make sure that they or their other controlled subsidiaries, branch offices, jointly-run or associated companies (the "Relevant Enterprises" for short) will try their best to avoid or reduce related-party transactions with FSL or FSL's subsidiaries; 3. strictly follow the market principle of justness, fairness and equal value exchange for necessary and unavoidable related-party transactions between them and their Relevant Enterprises and FSL, and withdraw from voting when a related-party transaction with them or their Relevant Enterprises is being voted on at a general meeting or a board meeting, and execute the relevant approval procedure and information disclosure duties pursuant to the applicable laws, regulations and regulatory documents. Where the aforesaid commitments are broken and a loss is thus caused for FSL, its subsidiaries or FSL's other shareholders, they shall be obliged to compensate.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

3. Commitment on Independence

(1) Commitment makers: Electronics Group and Hong Kong Rising Investment

Contents: In order to ensure the independence of FSL in business, personnel, asset, organisation and finance, Electronics Group and Hong Kong Rising Investment have made the following commitments: 1. They will

ensure the independence of FSL in business: (1) They promise that FSL will have the assets, personnel, qualifications and capabilities for it to operate independently as well as the ability of independent, sustainable operation in the market. (2) They promise not to intervene in FSL's business activities other than the execution of their rights as FSL's shareholders. (3) They promise that they and their related parties will not be engaged in business that is substantially in competition with FSL's business. And (4) They promise that they and their related parties will try their best to reduce related-party transactions between them and FSL; for necessary and unavoidable related-party transactions, they promise to operate fairly following the market-oriented principle and at fair prices, and execute the transaction procedure and the duty of information disclosure pursuant to the applicable laws, regulations and regulatory documents.

2. They will ensure the independence of FSL in personnel: (1) They promise that FSL's GM, deputy GMs, CFO, Secretary of the Board and other senior management personnel will work only for and receive remuneration from FSL, not holding any positions in them or their other controlled subsidiaries other than director and supervisor. (2) They promise FSL's absolute independence from their related parties in labour, human resource and salary management. And (3) They promise to follow the legal procedure in their recommendation of directors, supervisors and senior management personnel to FSL and not to hire or dismiss employees beyond FSL's Board of Directors and General Meeting.

3. They will ensure the independence and completeness of FSL in asset: (1) They promise that FSL will have a production system, an auxiliary production system and supporting facilities for its operation; legally have the ownership or use rights of the land, plants, machines, trademarks, patents and non-patented technology in relation to its production and operation; and have independent systems for the procurement of raw materials and the sale of its products. (2) They promise that FSL will have independent and complete assets all under FSL's control and independently owned and operated by FSL. And (3) They promise that they and their other controlled subsidiaries will not illegally occupy FSL's funds and assets in any way, or use the FSL's assets to provide guarantees for the debts of themselves or their other controlled subsidiaries with.

4. They will ensure the independence of the Company in organisation: (1) They promise that FSL has a sound corporate governance structure as a joint-stock company with an independent and complete organisational structure. (2) They promise that the operational and management organs within FSL will independently execute their functions according to laws, regulations and FSL's Articles of Association.

5. They will ensure the independence of FSL in finance: (1) They promise that FSL will have an independent financial department and financial accounting system with normative, independent financial accounting rules. (2) They promise that FSL will have independent bank accounts and not share bank accounts with its related parties. (3) They promise that FSL's financial personnel

do not hold concurrent positions in its related parties. (4) They promise that FSL will independently pay its tax according to law. And (5) They promise that FSL can make financial decisions independently and that they will not illegally intervene in FSL's use of its funds.

Date of commitment making: 4 December 2015.

Term of commitment: Long-standing.

Fulfilment: In execution.

(2) Commitment makers: Rising Holdings Group

Contents: To maintain the independence of the Company, the Promisor has made the following commitments: It will ensure the personnel independence of the Company. 1. It promises to ensure personnel independence with the Company, and GM, deputy GMs, CFO, Secretary of the Board of Directors and other senior management personnel of the Company will not hold positions other than directors and supervisors in the enterprises wholly owned, controlled or actually controlled by it and its subsidiaries (hereinafter referred to as "subsidiaries"), and will not receive salaries from it or its subsidiaries. 2. It will ensure the asset independence of the Company: (1) It promises that the Company has independent and complete assets. (2) It promises that it and its subsidiaries will not illegally occupy the Company's funds and assets in any way. 3. It will ensure the financial independence of the Company: (1) It promises that the Company will have an independent financial department and financial accounting system. (2) It promises that the Company will have a standardised and independent financial accounting system. (3) It promises that the Company will have independent bank accounts and not share bank accounts with it. (4) It promises that the Company's financial personnel do not hold concurrent positions in it or its subsidiaries. And (5) It promises that the Company can make financial decisions independently and that they will not illegally intervene in the Company's use of its funds. 4. It will ensure the independence of the Company in organisation: (1) It promises that the Company can operate independently with an independent and complete organisation structure. (2) It promises that the office and production and business premises of the Company are separated from those of Rising Holdings Group. And (3) It promises that the Board of Directors, the Supervisory Committee and various functional departments of the Company operate independently, and there is no subordinate relationship with the functional departments of Rising Holdings Group. 5. It will ensure the independence of the Company in business: (1) It promises that the Company will have independence in business. And (2) It promises that the Company will have the assets, personnel, qualifications and capabilities for it to operate independently as well as the ability of independent, sustainable operation in the market.

Date of commitment making: 4 November 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

4. Commitment on Effective Performance of Measures to Fill up Returns

Commitment makers: Rising Holdings Group, Rising Capital, Electronics Group, Hongkong Wah Shing, Hong Kong Rising Investment and Shenzhen Rising Investment

Contents: 1. They promise not to interfere in the operation and management activities of the listed company beyond their authority and not to encroach on the interests of the listed company. 2. From the date of issuance of these commitments to the completion of this trading of the listed company, if the CSRC makes new regulatory requirements on measures to fill up returns and commitments of relevant personnel, and the above commitments cannot meet these new regulatory requirements of the CSRC, they promise to issue supplementary commitments according to the latest regulations of the CSRC at that time. From the date of issuance of these commitments to the completion of this trading of the listed company, if the CSRC makes new regulatory requirements on measures to fill up returns and commitments of relevant personnel, and the above commitments cannot meet these new regulatory requirements of the CSRC, they promise to issue supplementary commitments according to the latest regulations of the CSRC at that time. 3. They promise to earnestly fulfill the measures to fill up returns formulated by the listed company and any commitments made by them. If they violate these commitments and causes losses to the listed company or investors, they are willing to bear the compensation responsibility for the listed company or investors according to law. As one of the subjects responsible for the measures to fill up returns, if they violate the above commitments or refuse to fulfil the above commitments, they agree that the securities regulatory agencies such as the CSRC and the SZSE will punish them or take relevant regulatory measures in accordance with the relevant regulations and rules they formulated or issued.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

5. Commitment on Compensation for Possible Violations of Laws and Regulations by NATIONSTAR

Commitment makers: Rising Holdings Group, Electronics Group, and Rising Capital

Contents: If NationStar Optoelectronics is subject to administrative penalties such as accountability and fines by relevant competent departments after the completion of this trading due to the illegal acts of NationStar

Optoelectronics before the completion of this acquisition, they promise to fully bear the losses of NATIONSTAR or FSL, as well as the expenses and fees under punishment or recourse, to ensure that NationStar Optoelectronics or FSL will not suffer any economic losses.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

6. Commitment on the Truthfulness, Accuracy and Completeness of the Information Provided During This Major Asset Restructuring

(1) Commitment makers: Rising Holdings Group, Electronics Group, and Rising Capital

Contents: 1. They promise that the information provided is true, accurate and complete, and there are no false records, misleading statements or material omissions. 2. They have provided relevant information and documents (including but not limited to original written materials, duplicate materials or oral testimony, etc.) related to this trading to the intermediaries. They promise that the copies or photocopies of the documents and materials provided are consistent with the originals, and that the signatures and seals of the documents and materials are authentic, and the signatories of the documents have been legally authorised and effectively signed the documents; that there are no false records, misleading statements or material omissions. 3. They promise that the explanations and confirmations issued by them are true, accurate and complete, and there are no false records, misleading statements or material omissions. 4. During this trading, they will disclose the information about this trading in a timely manner in accordance with relevant laws and regulations, the CSRC and the SZSE, and ensure the authenticity, accuracy and completeness of such information. 5. They shall bear legal responsibility for the authenticity, accuracy and completeness of the information, documents, materials, explanations and confirmations provided. In case of any violation or losses caused to the listed company, investors, parties to the trading and intermediaries participating in this trading, they will be liable for compensation according to law. 6. Where the information provided or disclosed by them in this trading is suspected of false records, misleading statements or material omissions, and they are filed for investigation by the judicial organ or by the CSRC, the shares with interests in the listed company will not be transferred until the investigation conclusion is formed.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

(2) Commitment Markers: Directors and Senior Management of the Company

Contents of Commitment: 1. We have provided relevant information and documents (including but not limited to original written materials, duplicate materials or oral testimony, etc.) related to this trading to the intermediaries providing professional services of auditing, assessment, legal and financial consultancy for this trading. We promise that the copies or photocopies of the documents and materials provided are consistent with the originals, and that the signatures and seals of the documents and materials are authentic, and the signatories of the documents have been legally authorised and effectively signed the documents; that the provided information and documents are authentic, accurate and complete and that there are no false records, misleading statements or material omissions. We also promise to bear individual and joint and several liability. 2. We promise that the information provided is true, accurate and complete. In case of any losses caused to investors due to any false presentations, misleading statements or material omissions in the information provided, we will be liable for compensation according to law. 3. Where the information provided or disclosed by us in this trading is suspected of false records, misleading statements or material omissions, and we are filed for investigation by the judicial organ or by the CSRC, the shares with interests in the listed company will not be transferred until the investigation conclusion is formed.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

7. Commitment on the Clarity of the Underlying Assets of This Major Asset Restructuring

1) Commitment maker: Electronics Group

Contents: Electronics Group promises that the 100% equity of Sigma it held is clear in ownership and is not subject to any dispute or potential dispute, and there is no situation affecting its legal existence; and there is no pending or potential litigation, arbitration and any other administrative or judicial procedure that may lead to the seizure, freezing, expropriation or restriction of transfer of the above-mentioned equity by the relevant judicial or administrative organs. There is no entrusted shareholding or trust shareholding, restriction or prohibition of transfer of the above-mentioned equity controlled by Electronics Group.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

2) Commitment Makers: Rising Holdings Group and Rising Capital

Contents: They promise that shares of NATIONSTAR they held are clear in ownership and are not subject to any dispute or potential dispute, and there is no situation affecting its legal existence; and there is no pending or potential litigation, arbitration and any other administrative or judicial procedure that may lead to the seizure, freezing, expropriation or restriction of transfer of the above-mentioned equity by the relevant judicial or administrative organs. There is no entrusted shareholding or trust shareholding, restriction or prohibition of transfer of the above-mentioned equity controlled by Rising Group and Rising Capital.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

8. About Measures to Fill up Returns for Risks Arising from Diluting Immediate Return in Major Asset Restructuring

Commitment markers: Directors and Senior Management of the Company

Contents of Commitment: 1. We promise not to transfer benefits to other units or individuals free of charge or under unfair conditions, and not to harm the interests of the Company in any other ways. 2. We promise to restrain position-related consumption behaviour. 3. We promise not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of duties. 4. We promise that the future remuneration system formulated by the Board of Directors or the Remuneration and Assessment Committee will be linked to the implementation of the Company's measures to fill up returns. 5. If the Company formulates an equity incentive plan in the future, we will actively promote the exercise conditions of the future equity incentive plan to be linked with the implementation of the Company's measures to fill up returns. 6. From the date of issuance of these commitments to the completion of this major asset restructuring of the Company, if the CSRC makes other new regulatory provisions on measures to fill up returns and the relevant commitments, and these commitments cannot meet these provisions of the CSRC, we promise to issue supplementary commitments in accordance with the latest regulations of the CSRC at that time. 7. We promise to earnestly fulfil the compensation measures formulated by the Company and any commitments we make. If we violate any of these commitments and cause losses to the Company or investors, we are willing to bear corresponding legal responsibilities to the Company or investors according to law.

Date of commitment making: 27 October 2021.

Term of commitment: Long-standing.

Fulfilment: In execution.

9. About the Measures to Fill up Immediate Returns Diluted by the Issuance of A-shares to Specific Objects in 2023

Commitment markers: Directors and Senior Management of the Company

Contents: According to the *Opinions of the General Office of the State Council on Further Strengthening the Protection of the Lawful Rights and Interests of Small and Medium-sized Investors in the Capital Market* (G.B.F. [2013] No. 110), *Opinions of the State Council on Further Promoting the Sound Development of Capital Markets* (G.F. [2014] No. 17), *Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring* (Z.J.H.G.G. [2015] No. 31) and other relevant regulations, in order to protect the interests of small and medium-sized investors, the Directors and Senior Management of the Company have made the following commitments that the measures to fill up immediate returns diluted by the issuance of A-shares to specific objects can be effectively fulfilled: 1. We promise not to transfer benefits to other units or individuals for free or under unfair conditions and not to compromise the interests of the Company in other ways. 2. We promise to restrain position-related consumption behaviour. 3. We promise not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of duties. 4. We promise that the remuneration system formulated by the Board of Directors or the Remuneration and Assessment Committee is linked to the implementation of the Company's measures to fill up returns. 5. If the Company implements an equity incentive plan in the future, the exercise conditions of the future equity incentive plan will be linked with the implementation of the Company's measures to fill up returns. 6. From the date of issuance of these commitments to the completion of the issuance of shares to specific objects, if the CSRC makes other new regulatory provisions on measures to fill up returns and the relevant commitments, and these commitments cannot meet these provisions of the CSRC, we promise to issue supplementary commitments in accordance with the latest regulations of the CSRC at that time. As one of the subjects responsible for the measures to fill up returns, if we violate the above commitments or refuse to fulfil the above commitments, we agree that the securities regulatory agencies such as the CSRC and the Shenzhen Stock Exchange will punish us or take relevant regulatory measures in accordance with the relevant regulations and rules they formulated or issued.

Date of commitment making: 14 March 2023.

Term of commitment: Long-standing.

Fulfilment: In execution.

10. About Matters on Special Self-inspection of the Real Estate Business

Commitment makers: Directors and Senior Management of the Company, Rising Holdings Group, Electronics Group, Hongkong Wah Shing, Hong Kong Rising Investment and Shenzhen Rising Investment

Contents: According to the laws and regulations issued by the State Council, such as the *Notice of the State Council on Resolutely Curbing the Soaring of Housing Prices in Some Cities* (G.F. [2010] No. 10), the *Notice of the General Office of the State Council on Further Improving Regulation of the Real Estate Market* (G.B.F. [2013] No. 17) and the *Adjustment of Regulatory Policies on Listed Companies' Re-financing, Merger and Acquisition and Reorganisation Involving Real Estate Business* issued by the CSRC on the relevant requirements for refinancing of listed companies involved in real estate business, the controlling shareholders and all directors and Senior Management of Foshan Electrical and Lighting Co., Ltd. (hereinafter referred to as the "Company") have made the following commitments: The *Self-inspection Report on the Company's Involvement in Real Estate Business* has truthfully disclosed the self-inspection of the real estate development projects of the Company and its subsidiaries between 1 January 2020 and 31 December 2022. If the Company is identified with illegalities or violations not disclosed as required by the self-inspection, such as idle land, land speculation, holding real estate projects from selling, and house price rigging, thus causing losses to itself and the investors, we will be liable for compensation in line with relevant laws, regulations, and requirements of securities regulatory authorities.

Date of commitment making: 14 March 2023.

Term of commitment: Long-standing.

Fulfilment: In execution.

11. About the Effective Fulfilment of Measures Taken by Controlling Shareholders and De Facto Controller to Fill up Immediate Returns

Commitment makers: Rising Holdings Group, Electronics Group, Hongkong Wah Shing, Hong Kong Rising Investment and Shenzhen Rising Investment

Contents: According to the relevant provisions of the CSRC, in order to ensure that the measures to fill up immediate returns diluted by the issuance of A-shares to specific objects can be practically fulfilled, the Company's controlling shareholders, Rising Holdings Group, Electronics Group, Hong Kong Rising Investment, Hongkong Wah Shing, and the de facto controller, Rising Holdings Group, respectively, made the following commitments: 1. We promise not to interfere in the operation and management activities of the listed company beyond our authority and not to encroach on the interests of the listed company. 2. From the date of issuance of these commitments to the completion of the issuance of shares to specific objects, if the CSRC makes new

regulatory requirements on measures to fill up returns and commitments of relevant personnel, and the above commitments cannot meet these new regulatory requirements of the CSRC, we promise to issue supplementary commitments according to the latest regulations of the CSRC at that time. 3. They promise to earnestly fulfil the measures to fill up returns formulated by the listed company and any commitments made by them. If they violate these commitments and causes losses to the listed company or investors, they are willing to bear the compensation responsibility for the listed company or investors according to law. As one of the subjects responsible for the measures to fill up returns, if we violate the above commitments or refuse to fulfil the above commitments, we agree that the securities regulatory agencies such as the CSRC and the Shenzhen Stock Exchange will punish us or take relevant regulatory measures in accordance with the relevant regulations and rules they formulated or issued.

Date of commitment making: 14 March 2023.

Term of commitment: Long-standing.

Fulfilment: In execution.

8. Other

Naught.

XV. Share-based Payment

1. Overview of Share-based Payments

Applicable Not applicable

2. Equity-settled share-based payments

Applicable Not applicable

3. The Stock Payment Settled in Cash

Applicable Not applicable

4. Share-Based Payment Expenses for the Period

Applicable Not applicable

5. Modification and Termination of Share-based Payment

Naught.

6. Others

Naught.

XVI. Commitments and Contingency

1. Significant Commitments

Significant commitments on the balance sheet date

Commitment on the development of Haikou plot

In November 2021, Hainan Technology, a wholly-owned subsidiary of the Company, acquired an industrial land located in Mei'an Science and Technology New City, Haikou, with a land area of 34,931.13 square meters and a land price of RMB26,596,784.43. In the same month, Hainan Technology signed the *Agreement on Industrial Project Development and Land Access* with Haikou National High-tech Industrial Development Zone Management Committee (hereinafter referred to as the "Haikou Development Zone Management Committee"). The agreement stipulates that the above-mentioned plot is used for the development of marine lighting R&D and manufacturing base projects, and the investment of fixed assets is approximately RMB314 million (including plants, equipment, and land, equivalent to RMB6 million per mu. Hainan Technology promises to complete the planning scheme design within two months from the date of signing the *Confirmation of Listing and Transferring the Right to Use State-owned Construction Land*; complete the construction drawing design within three months after completing the planning scheme design and obtain the *Building Construction Permits* and start construction at the same time (subject to the foundation concrete pouring of the main buildings). The project will be put into production within 18 months from the date of signing the *Confirmation of Listing and Transferring the Right to Use State-owned Construction Land*. From the date of signing the contract to the first year after the project is put into production, the accumulated tax payment is not less than RMB10 million; the accumulated tax payment in the first two years is not less than RMB27.4 million; the accumulated tax payment in the first three years is not less than RMB67.1 million; the accumulated tax payment in the first four years is not less than RMB117 million; the accumulated tax payment in the five years is not less than RMB203 million. The total industrial output value (or revenue) in the first year after the project is put into production is not less than RMB218 million; the accumulated value in the first two years is not less than RMB433 million; the accumulated value in the first three years is not less than RMB929 million; the accumulated value in the first four years is not less than RMB1,548 million; the accumulated value in the five years is not less than RMB2.62 billion. If the project fails to start construction within 12 months from the date of signing the *Confirmation of*

Listing and Transferring the Right to Use State-owned Construction Land due to Hainan Technology reasons, the Haikou Development Zone Management Committee has the right to unilaterally terminate the contract and the municipal government will recover the land use rights according to law; if the total amount of tax paid in the year after the project is put into production does not reach the total annual tax payment as agreed, Hainan Technology shall pay liquidated damages to the Haikou Development Zone Management Committee according to the difference; if Hainan Technology has idle land not due to government reasons and force majeure, the municipal government shall collect idle land fees or recover the right to use state-owned construction land.

2. Contingency

(1) Significant Contingency on Balance Sheet Date

1) Litigation between the Company and Yinghe (Shenzhen) Robotics and Automation Technology Co., Ltd.

Yinghe (Shenzhen) Robotics and Automation Technology Co., Ltd. (hereinafter referred to as the “Yinghe Company”) and the Company entered into the Bulb Lamp Intelligent Manufacturing Workshop Project Construction Contract in 2021. The project failed to meet the final acceptance inspection criteria, and after repeated negotiations between both parties, no agreement was reached. Therefore, Yinghe Company filed a lawsuit with the Chancheng District People’s Court of Foshan City in December 2023 with the amount of RMB104,403,700 involved in litigation. In January 2024, the Company received the Notice of Response to the Complaint, and on 12 January 2024, Everbright Bank froze RMB100 million of the Company’s large deposits in Everbright Bank in accordance with the Notice of Assistance in Execution from the Chancheng District People’s Court of Foshan City, and deposits of RMB4,403,700 in China Minsheng Bank were also frozen.

On 12 January 2024, the Company filed a counterclaim on the grounds that Yinghe’s failure to meet the final acceptance standard for the project constructed by Yinghe after a delay of two years constituted a fundamental breach of contract, and demanded Yinghe to return the contract sum of RMB26,904,000 and the liquidated damages of RMB26,904,000 amounting to RMB53,808,000 in total. As of the date of this report, the case is still in the first instance procedure.

2) Litigation between the Company and Dianbai County Construction Engineering Co., Ltd.

Dianbai County Construction Engineering Co., Ltd., as a customer of the Company, has a dispute with the Company over a sales contract. The Company initiated arbitration with the Guangzhou Arbitration Commission with the subject matter of the arbitration amounting to RMB24,804,400. As of the date of this report, the Arbitration Commission has filed a case which came to trial on 27 August with no arbitration award yet. The Company has already made a provision for bad debts of RMB9,554,400 based on expected credit losses.

3) Litigation between the Company and China Construction Fourth Engineering Division Installation Engineering Co., Ltd.

China Construction Fourth Engineering Division Installation Engineering Co., Ltd., as a customer of the Company, has a dispute with the Company over a sales contract. The Company initiated arbitration with the Guangzhou Arbitration Commission with the subject matter of the arbitration amounting to RMB18,420,100.

As of the date of this report, the Arbitration Commission has filed a case which is awaiting scheduling a court hearing. The Company has made a provision for bad debts of RMB9,428,700 based on expected credit losses.

4) Litigation between Sub-subsidiary Chongqing Guinuo and Hasco VISION Technology (Chongqing) Co., Ltd. and Hasco VISION Technology (Shanghai) Co., Ltd.

Hasco VISION Technology (Chongqing) Co., Ltd. and Hasco VISION Technology (Shanghai) Co., Ltd., as customers of sub-subsidiary Chongqing Guinuo, have disputes with the sub-subsidiary Chongqing Guinuo over sales contracts. Chongqing Guinuo has filed a lawsuit with Yubei Primary People's Court, Chongqing, with the subject matter of the lawsuit amounting to RMB15,672,000. The case was heard in the first instance on 20 August 2024. As of the date of this report, the case is still in the first instance procedure.

5) Litigation between the Company, the Subsidiary Hainan Technology and China Construction First Group Corporation Limited

China Construction First Group Corporation Limited (hereinafter referred to as "China Construction First"), as a customer of the Company and the subsidiary Hainan Technology, has disputes with the Company and the subsidiary Hainan Technology over sales contracts. The Company initiated arbitration with the Shanghai Arbitration Commission with the subject matter of the arbitration amounting to RMB14,191,000. As of the date of this report, the Arbitration Commission has filed a case which is awaiting scheduling a court hearing. The two sides are currently negotiating a settlement. The Company has made a provision for bad debts of RMB6,810,200 based on expected credit losses.

6) Litigation of Land Use Payment Dispute in Respect of Sub-subsidiary Baoli Vanadium

According to the Notice of Xichuan County on the Preferential Policies for Accelerating the Development of Industrial Clusters (Provisional) issued by the People's Government of Xichuan County on 2 November 2009, Baoli Vanadium, the Sub-subsidiary, paid a total amount of RMB10,994,400 to the People's Government of Xichuan County in 2011 for the application of land use. The land selected for the project site has not yet completed the requisition procedures and has not yet started the bidding and auctioning procedures, so the People's Government of Xichuan County is unable to obtain the land use approval to complete the requisition of the land and deliver the land. Baoli Vanadium has filed a lawsuit to Nanyang Intermediate People's Court, requesting the return of the advance payment and compensation for losses, and at the same time applying for the return of RMB100,000 of environmental management and restoration deposit to Baoli Vanadium, and received a judgment of first instance on 22 September 2023, which ruled that the defendant, the People's Government of Xichuan County, shall return the amount of RMB10,694,400 to the plaintiff, Nanyang Baoli Vanadium Industry Co., Ltd. within 30 days from the date of the entry into force of the judgment. The People's Government of Xichuan County appealed against the judgment. On 26 December 2023, Baoli Vanadium received a deposit of RMB100,000 for environmental management and restoration. In the second instance stage, Baoli Vanadium reached a mediation agreement with the People's Government of Xichuan County. On 21 May 2024, the Henan Provincial Supreme People's Court issued an administrative mediation agreement: The People's Government of Xichuan County shall pay RMB9 million to Baoli Vanadium. If the People's Government of Xichuan County fails to timely and fully pay RMB9 million as agreed in the mediation agreement, it shall still pay RMB10,694,400 according to the first instance judgment. As of the date of this report, Baoli Vanadium has received a total payment of RMB9 million and is currently undergoing liquidation and cancellation procedures.

7) Litigation between Sub-subsidiary Chongqing Guinuo and Hasco VISION Technology (Chongqing) Co., Ltd.

The sub-subsidiary Chongqing Guinuo, has a dispute with Hasco VISION Technology (Chongqing) Co., Ltd. (hereinafter referred to as “Hasco VISION”) over a lease contract. Hasco VISION has filed a lawsuit with Yubei Primary People’s Court, Chongqing, with the subject matter of the lawsuit amounting to RMB10,433,900. The case was heard in the first instance on 6 August 2024. As of the date of this report, the case is still in the first instance procedure.

(2) In Despite of no Significant Contingency to Disclose, the Company Shall Also Make Relevant Statements

There was no significant contingency in the Company.

3. Other

(1) As of 30 June 2024, mutual guarantees among Nanning Liaowang and its subsidiaries were as follows (RMB’0,000):

No.	Principal debtor	Principal debtee (Lender)	Guarantor	Type of guarantee	Amount	Guarantee balance
1	Nanning Liaowang Auto Lamp Co., Ltd., Liuzhou Guige Fuxuan Technology Co., Ltd., Liuzhou Guige Lighting Technology Co., Ltd. (Note 1)	Nanning Branch of Industrial Bank	Nanning Liaowang Auto Lamp Co., Ltd.	Pledge	6,350.00	2,832.98
2	Chongqing Guinuo Lighting Technology Co., Ltd. (Note 2)	Chongqing Branch of Industrial Bank	Chongqing Guinuo Lighting Technology Co., Ltd.	Pledge	7,000.00	4,930.60
3	Liuzhou Guige Lighting Technology Co., Ltd., Nanning Liaowang Auto Lamp Co., Ltd., and Liuzhou Guige Fuxuan Technology Co., Ltd. (Note 3)	Nanning Branch of Industrial Bank	Liuzhou Guige Lighting Technology Co., Ltd.	Pledge	14,300.00	4,385.06
	Total	-	-	-	27,650.00	12,148.64

Note 1: Nanning Liaowang and Nanning Branch of Industrial Bank signed the *Master Agreement for Domestic Letter of Credit Financing* numbered MO120240409000444, borrowing RMB20 million from Nanning Branch of Industrial Bank (term from 15 April 2024 to 9 April 2025); Nanning Liaowang and Nanning Branch of Industrial Bank entered into the *Maximum Financing Agreement* (X.Y.G.CH.B.R.Z.Z. [2022] No. (01)) to conduct a bill transaction of RMB8,329,800. Nanning Liaowang provides mortgage guarantee with the immovable property owned as collateral, and the balance of its creditor’s rights does not exceed the maximum mortgage principal of RMB69,139,100. The mortgage amount is valid from 25 April 2022 to 31 December 2025 and the guarantee amount is RMB63.5 million. The mortgaged real estate is 1) Y.G. (2017) N.N.SH.B.D.CH.Q.Z. No.0065501; 2) E.G. (2017) N.N.SH.B.D.CH.Q.Z. No.0065499; 3) S.G. (2017) N.N.SH.B.D.CH.Q.Z. No.0065498; 4) S.G. (2017) N.N.SH.B.D.CH.Q.Z. No.0065497.

Note 2: Chongqing Guinuo and Chongqing Branch of Industrial Bank entered into the *Fixed Asset Loan Contract* numbered CQ2023-477, with the contract amount being RMB50 million (from 21 June 2023 to 20 June 2026). As at 30 June 2024, RMB36,506,000 had been used. Chongqing Guinuo and Chongqing Branch of Industrial Bank entered into the *Maximum Mortgage Contract* (X.Y.Y.L.J.G.N.D. [2023] No. 001) to conduct a bill transaction of RMB12.8 million. Chongqing Guinuo provides mortgage guarantee with the immovable property owned as collateral, and the balance of its creditor's rights does not exceed the maximum mortgage principal of RMB122,294,700. The mortgage amount is valid from 25 May 2023 to 24 May 2024, May 21, 2024 to May 20, 2025 and the guarantee amount is RMB70 million. The mortgaged real estate is a) Y.Y. (2020) L.J.X.Q.B.D.C.Q. No.000436821, b) E.Y. (2020) L.J.X.Q.B.D.C.Q. No.000437330, c) S.Y. (2020) L.J.X.Q.B.D.C.Q. No.000437429 and d) S.Y. (2020) L.J.X.Q.B.D.C.Q. No.000437448.

Note 3: Liuzhou Photoelectric entered into the *Maximum Financing Agreement* numbered X.Y.G.CH.B.R.Z.Z. (2022) No. (02) with Nanning Branch of Industrial Bank, incurring a note business of RMB43,850,600. Liuzhou Guige Photoelectric provides mortgage guarantee with the immovable property owned as collateral, and the balance of its creditor's rights does not exceed the maximum mortgage principal of RMB139,943,700. The mortgage amount is valid from 24 April 2022 to 31 December 2025 and the guarantee amount is RMB143 million. The mortgaged real estate is: a) Y.G. (2019) L.ZH.SH.B.D.CH.Q. No. 0191988, located at No. 1 Factory Building, No. 12 Hengsi Road, Cheyuan; b) E.G. (2019) L.ZH.SH.B.D.CH.Q. No. 0191991, located in the mould Centre of No. 12 Hengsi Road, Cheyuan; c) S.G. (2019) L.ZH.SH.B.D.CH.Q. No. 0191994, located in the logistics gate guard room at No. 12 Hengsi Road, Cheyuan; d) S.G. (2019) L.ZH.SH.B.D.CH.Q. No. 0191995, located in the guard room of Gate 12, Hengsi Road, Cheyuan.

XVII. Events after Balance Sheet Date

1. Significant Non-adjusted Events

Naught.

2. Profit Distribution

Naught.

3. Sales Return

Naught.

4. Notes to Other Events after Balance Sheet Date

Naught.

XVIII. Other Significant Matters

1. The Accounting Errors Correction in Previous Period

Naught.

2. Debt Restructuring

Naught.

3. Assets Replacement

Naught.

4. Pension Plans

In accordance with provisions of *Measures for Enterprise Annuity* (R.SH.B.L. No. 36), *Measures for Managing Enterprise Annuity Fund* (R.SH.B.L. No. 11) and other policies, the Company has formulated the *Enterprise Annuity Plan of Foshan Electrical and Lighting Co., Ltd.* (hereinafter referred to as the “Plan”).

The Plan adopts the corporate trusteeship mode. The collected enterprise annuity fund will be managed by the trustee entrusted by Foshan Electrical and Lighting Co., Ltd. with the Enterprise Annuity Fund Trusteeship Contract. The trustee of the enterprise annuity fund should appoint custodians, account managers, and investment managers with the qualification of managing enterprise annuity to provide unified related services. The expenses required shall be jointly borne by the Company and the employees. The payment channels of the Company shall be implemented according to relevant regulations of the state, and the part that shall be paid by employees themselves will be withheld and paid by the Company from their salaries.

The Plan has been filed at Chancheng District Human Resources and Social Security Bureau of Foshan City and implemented since 1 June 2022. The management of the enterprise annuity fund is subject to the supervision and inspection of relevant state departments.

5. Discontinued Operations

Naught.

6. Segment Information

(1) Determination Basis and Accounting Policies of Reportable Segment

With the deployment of the Company's strategic management and the expansion of business segments, based on the requirements of regulatory laws and regulations, company management, etc., operating segments will be determined, which are as follows:

- General lighting, automotive lamps products segment: General lighting, automotive lamps products segment research and development, manufacturing and sales;
- LED packaging and components, other products segment: Research and development, manufacturing and sales of LED packaging and components, and other products;

Inter-segment transfer prices are determined with reference to the prices used for sales to third parties. Assets, liabilities and expenses are determined based on the financial data of each segment.

(2) The Financial Information of Reportable Segment

Unit: RMB

Item	General lighting and vehicle lamp products	LED packaging and component products and other products	Offset among segments	Total
I. Operating revenue	2,962,882,279.10	1,853,708,942.97	-32,045,454.65	4,784,545,767.42
II. Cost of sales	2,257,995,942.27	1,635,851,501.72	-32,189,367.38	3,861,658,076.61
III. Income from investments to joint ventures and associates	1,444,720.72	1,682,561.70	-1,682,561.70	1,444,720.72
IV. Credit impairment loss	-34,492,571.20	-4,060,752.39	282,515.01	-38,270,808.58
V. Asset impairment loss	-26,622,907.83	-10,335,897.06		-36,958,804.89
VI. Depreciation and amortisation cost	177,305,768.76	180,741,665.66	-381,130.02	357,666,304.40
VII. Total profits	228,848,683.80	53,238,490.71	-4,012,535.74	278,074,638.77
VIII. Income tax expense	27,607,285.17	-3,003,941.29	29,038.24	24,632,382.12
IX. Net profits	201,241,398.63	56,242,432.00	-4,041,573.98	253,442,256.65
X. Total assets	11,493,185,048.30	6,457,769,957.80	-876,544,305.46	17,074,410,700.64
XI. Total liabilities	4,696,923,558.72	2,632,410,948.75	-48,945,652.60	7,280,388,854.87

(3) If there Was no Reportable Segment, or the Total Amount of Assets and Liabilities of Each Reportable Segment Could not Be Reported, Relevant Reasons Shall Be Clearly Stated

Naught.

(4) Other notes

Naught.

7. Other Significant Transactions and Events with Influence on Investors' Decision-making

Naught.

8. Other

(1) Demolition Matters of Nanjing Fozhao

The Company held the 24th Meeting of the 9th Board of Directors on 15 December 2021, where the *Proposal on Expropriation of Land and Above-ground Housing of the Wholly-owned Subsidiary Nanjing Fozhao Lighting Equipment Manufacturing Co., Ltd.*, was deliberated and adopted. The Board of Directors agreed that Nanjing Lishui District People's Government expropriates the land use rights and above-land housing of Nanjing Fozhao Lighting Equipment Manufacturing Co., Ltd. (hereinafter referred to as "Nanjing Fozhao"), a wholly-owned subsidiary of the Company, at a compensation amount of RMB183,855,895.00, and Nanjing Fozhao signed an expropriation and compensation agreement with Lishui County House Dismantling, Moving & Resettling Development Co., Ltd., the implementing unit of the housing expropriation. As of 30 June 2024, Nanjing Fozhao has received 30% of the compensation, that is, RMB55,160,000.00, and the land use right certificate and house ownership certificate of the assets involved have been cancelled. As of the date of this report, the site handover is still in progress. After the demolition work is completed, Nanjing Fozhao plans to carry out liquidation and cancellation.

(2) Land Purchase and Reserve

On 6 December 2023 and 22 December 2023, the Company held the 49th Meeting of the 9th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders, deliberating on and approved the *Proposal on the Disposal of Assets of the Company and Signing of Reserve Agreement*. The Board of Directors agreed that the Company would sign the *Letter of Intent on Land Reserve* with Foshan City Chancheng District Zumiao Street Office, and sign the *Agreement on the Use Right of State-owned Land* with Foshan City Chancheng District Land Reserve Centre and Foshan City Chancheng District Zumiao Street Office. After completing the preliminary land preparation work such as demolition of buildings on the ground in accordance with relevant laws, regulations and policies, the No. 64 Fenjiang North Road land parcel in Chancheng District, Foshan City would be handed over in three years batch by batch for pending expropriation. On 1 February 2024, the Company formally signed the State-owned Land Use Right Reserve Agreement with Foshan Chancheng District Land Reserve Centre and Foshan Chancheng District Zumiao Street Office. The Company would conduct pending expropriation of No. 64, Fenjiang North Road land parcel in accordance with the relevant

contents of the agreement. The Company will continue to follow up on the progress of land credit collection and reserve, and fulfil its information disclosure obligations in a timely manner in accordance with relevant laws, regulations, and normative documents.

(3) Equity Incentive Plan

On 12 June 2023, the Company held the 44th Meeting of the Ninth Board of Directors and the 22nd Meeting of the Ninth Supervisory Committee, respectively, and reviewed and approved the 2023 Restricted Share Incentive Plan (Draft) and related supporting proposals. The Company planned to grant no more than 13 million restricted shares to 262 incentive objects, of which 11.7 million shares will be granted for the first time, accounting for 90.00% of the total number of shares granted under this incentive plan, and 1.3 million shares will be reserved, accounting for 10.00% of the total number of shares granted under the incentive plan. The restricted shares were A-stock ordinary shares repurchased by the Company. And the grant price for the first grant was RMB3.81/share. This equity incentive plan is subject to approval by the State-owned Assets Supervision and Administration Commission of Guangdong Province and a general meeting of shareholders of the Company. For further information, see the *2023 Restricted Share Incentive Plan (Draft)* and Its Summary and other relevant proposals that have been disclosed on <http://www.cninfo.com.cn/> dated 13 June 2023.

(4) Application for Registration and Issuance of SCP by NationStar Optoelectronics

NationStar Optoelectronics reviewed and approved the *Proposal on Application for Registration and Issuance of SCP* at the 22nd Meeting of the 5th Board of Directors and the 19th Meeting of the 5th Supervisory Committee held on 29 August 2022 and submitted it to the 3rd Extraordinary General Meeting of 2022 of NationStar Optoelectronics for consideration. On 11 November 2022, NationStar Optoelectronics convened the 3rd Extraordinary General Meeting of 2022 to vote on above-mentioned proposal and agreed the application for registration and issuance of SCP by NationStar Optoelectronics with the scale not exceeding RMB1 billion (inclusive). The final registration amount will be subject to the amount stated in the registration notice of China Interbank Market Dealers Association. The registration is valid for two years and may be issued multiple times within the registration period with each issuance period not exceeding 270 days (inclusive). On 29 August 2023, NationStar Optoelectronics announced that it had received the *Notice of Acceptance of Registration (Z.SH.X.Z. [2023] SCP No. 363)* from National Association of Financial Market Institutional Investors (NAFMII), in which NAFMII decided to accept the registration of NationStar Optoelectronics' SCP with the registered amount of RMB1 billion and the registration quota being valid for two years from the date of the notice. NationStar

Optoelectronics may issue the SCP by instalment within the validity of the registration. At present, NationStar Optoelectronics has not issued SCP.

XIX. Notes of Main Items in the Financial Statements of the Company as the Parent

1. Accounts Receivable

(1) Disclosure by Aging

Unit: RMB

Ageing	Ending carrying balance	Beginning carrying balance
Within one year (including one year)	756,261,588.07	683,345,802.12
One to two years	94,055,752.47	125,068,556.37
Two to three years	112,055,133.50	92,436,464.67
Over three years	43,559,786.18	28,150,275.79
Three to four years	18,713,524.34	6,324,306.99
Four to five years	4,260,850.25	4,557,233.31
Over five years	20,585,411.59	17,268,735.49
Total	1,005,932,260.22	929,001,098.95

(2) Disclosure by Withdrawal Methods for Bad Debts

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable for which bad debt provision accrued separately	73,902,016.84	7.35%	41,240,741.16	55.80%	32,661,275.68	16,206,226.20	1.74%	13,266,776.46	81.86%	2,939,449.74
Of which:										
Accounts receivable withdrawal of bad debt provision by portfolio	932,030,243.38	92.65%	70,038,052.47	7.51%	861,992,190.91	912,794,872.75	98.26%	75,730,895.08	8.30%	837,063,977.67
Of which:										
(1) Business portfolio of general lighting and auto lamps	852,180,624.96	84.72%	70,038,052.47	8.22%	782,142,572.49	843,754,827.55	90.83%	75,730,895.08	8.98%	768,023,932.47
(2) Internal business	79,849,618.4	7.94%			79,849,618.42	69,040,045.20	7.43%			69,040,045.20

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
portfolio	2									
Total	1,005,932,260.22	100.00%	111,278,793.63	11.06%	894,653,466.59	929,001,098.95	100.00%	88,997,671.54	9.58%	840,003,427.41

Category name of bad debt provision accrued by item: Bad debt provision accrued by item of RMB41,240,741.16.

There is no significant individual provision for bad debts for accounts receivable in the current period.

Withdrawal of bad debt provision by group: Withdrawal of bad debt provision of RMB70,038,052.47 for the portfolio of general lighting and auto lamps.

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
(1) Business portfolio of general lighting and auto lamps	852,180,624.96	70,038,052.47	8.22%
(2) Internal business portfolio	79,849,618.42		
Total	932,030,243.38	70,038,052.47	

Notes:

Please refer to Note V-13. Accounts Receivable for details.

If adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable:

Applicable Not applicable

(3) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

Information of bad debt provision withdrawn:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Write-off	Others	
Accounts receivable for which bad debt provision accrued separately	13,266,776.46	27,980,102.70	6,138.00			41,240,741.16
Accounts receivable withdrawal of bad debt provision by portfolio	75,730,895.08	-5,692,830.61		12.00		70,038,052.47
Total	88,997,671.54	22,287,272.09	6,138.00	12.00		111,278,793.63

Of which, bad debt provision collected or reversed with significant amount: Naught.

(4) Accounts Receivable with Actual Verification during the Reporting Period

Unit: RMB

Item	Amount verified
Accounts receivable with actual verification	12.00

Of which, verification of significant accounts receivable: Naught.

Notes to verification of accounts receivable:

The amount of accounts receivable written off in the current period was RMB12.00, and the bad debt provision was RMB12.00.

The approval procedure was performed in accordance with provisions of the bad debt management system of the Company.

(5) Top Five Accounts Receivable and Contract Assets in Ending Balance Collected according to the Arrears Party

Unit: RMB

Name of the entity	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to total ending balance of accounts receivable and contract assets	Ending balance of bad debt provision of accounts receivable and impairment provision for contract assets
No. 1	136,060,695.38		136,060,695.38	13.48%	4,081,820.86
No. 2	132,880,329.94		132,880,329.94	13.17%	3,986,409.90
No. 3	56,424,103.25		56,424,103.25	5.59%	
No. 4	24,804,411.54		24,804,411.54	2.46%	9,554,411.54
No. 5	20,683,026.66		20,683,026.66	2.05%	620,490.80
Total	370,852,566.77		370,852,566.77	36.75%	18,243,133.10

2. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	723,060,470.78	558,342,534.44
Total	723,060,470.78	558,342,534.44

(1) Interest Receivable

1) Category of Interest Receivable

Naught.

2) Significant Overdue Interest

Naught.

3) Disclosure by Withdrawal Methods for Bad Debts

Applicable Not applicable

4) Bad Debt Provision Withdrawal, Reversed or Recovered in the Current Period

Naught.

5) Interests Receivable Written-off in Current Period

Naught.

(2) Dividends Receivable

1) Category of Dividends Receivable

Naught.

2) Significant Dividends Receivable Aged over 1 Year

Naught.

3) Disclosure by Withdrawal Methods for Bad Debts

Applicable Not applicable

4) Bad Debt Provision Withdrawal, Reversed or Recovered in the Current Period

Naught.

5) Dividends Receivable with Actual Verification during the Reporting Period

Naught.

(3) Other Receivables

1) Other Receivables Disclosed by Account Nature

Unit: RMB

Nature	Ending carrying balance	Beginning carrying balance
Other intercourse	712,248,485.01	550,330,445.91
Performance bond	6,671,407.95	5,017,218.52
VAT export tax refunds	5,905,055.39	4,708,061.84
Staff borrow and petty cash	1,528,077.89	1,267,076.22
Rent, water & electricity fees	1,114,934.75	808,434.42
Total	727,467,960.99	562,131,236.91

2) Disclosure by Aging

Unit: RMB

Ageing	Ending carrying balance	Beginning carrying balance
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Ageing	Ending carrying balance	Beginning carrying balance
Within one year (including one year)	247,443,791.81	125,675,552.49
One to two years	63,089,679.83	40,089,841.13
Two to three years	413,074,772.94	393,099,727.65
Over three years	3,859,716.41	3,266,115.64
Three to four years	1,782,290.23	1,588,177.54
Four to five years	422,267.04	981,563.00
Over five years	1,655,159.14	696,375.10
Total	727,467,960.99	562,131,236.91

3) Disclosure by Withdrawal Methods for Bad Debts

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Of which:										
Withdrawal of bad debt provision by group	727,467,960.99	100.00%	4,407,490.21	0.61%	723,060,470.78	562,131,236.91	100.00%	3,788,702.47	0.67%	558,342,534.44
Of which:										
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:	727,467,960.99	100.00%	4,407,490.21	0.61%	723,060,470.78	562,131,236.91	100.00%	3,788,702.47	0.67%	558,342,534.44
Total	727,467,960.99	100.00%	4,407,490.21	0.61%	723,060,470.78	562,131,236.91	100.00%	3,788,702.47	0.67%	558,342,534.44

Withdrawal of bad debt provision by group: Withdrawal of bad debt provision of RMB4,407,490.21 based on credit risk characteristic portfolio

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Other receivables of bad debt provision withdrawn by credit risk characteristic portfolio:	727,467,960.99	4,407,490.21	0.61%
Total	727,467,960.99	4,407,490.21	

Notes:

Please refer to Note V-13. Accounts Receivable for details.

Withdrawal of bad debt provision by adopting the general mode of expected credit loss:

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total

	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2024	841,350.40	2,947,352.07		3,788,702.47
Balance of 1 January 2024 in the Current Period				
Withdrawal of the Current Period	179,217.48	439,570.26		618,787.74
Balance of 30 June 2024	1,020,567.88	3,386,922.33		4,407,490.21

The basis for the division of each phase and the withdrawal proportion of bad debt provision

Please refer to Note V-13. Accounts Receivable for details.

Changes of carrying amount with significant amount changed of loss provision in the current period

Applicable Not applicable

4) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

Information of bad debt provision withdrawn:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Charged-off/Written-off	Others	
Other receivables	3,788,702.47	618,787.74				4,407,490.21
Total	3,788,702.47	618,787.74				4,407,490.21

Of which the bad debt provision reversed or recovered with significant amount during the Reporting Period:

Naught.

5) Particulars of the Actual Verification of Other Receivables during the Reporting Period

Naught.

6) Top 5 of the Ending Balance of the Other Receivables Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Ageing	Proportion to total ending balance of other receivables (%)	Ending balance of bad debt provision
No. 1	Internal group	469,657,393.34	Within three years	64.56%	
No. 2	Internal group	216,125,584.72	Within two years	29.71%	
No. 3	Other intercourse	15,883,375.00	Within one year	2.18%	476,501.25

Name of the entity	Nature	Ending balance	Ageing	Proportion to total ending balance of other receivables (%)	Ending balance of bad debt provision
No. 4	VAT export tax refunds	5,905,055.39	Within one year	0.81%	177,151.66
No. 5	Other intercourse	3,467,318.54	Within one year	0.48%	104,019.56
Total		711,038,726.99		97.74%	757,672.47

7) Presentation in Other Receivables Due to the Centralised Management of Fund

Naught.

3. Long-term Equity Investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Investment to subsidiaries	2,381,355,425.91		2,381,355,425.91	2,323,435,425.91		2,323,435,425.91
Investment to joint ventures and associated enterprises	180,633,275.87		180,633,275.87	179,188,555.15		179,188,555.15
Total	2,561,988,701.78		2,561,988,701.78	2,502,623,981.06		2,502,623,981.06

(1) Investment to Subsidiaries

Unit: RMB

Investee	Beginning balance (carrying value)	Beginning balance of impairment provision	Increase/decrease				Ending balance (carrying value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Withdrawal of impairment provision	Others		
Foshan NationStar Optoelectronics Co., Ltd.	1,212,090,245.94						1,212,090,245.94	
Nanning Liaowang Auto Lamp Co., Ltd.	493,880,163.76						493,880,163.76	
Fozhao (Hainan) Technology Co., Ltd.	200,000,000.00						200,000,000.00	
Foshan Kelian New Energy Technology Co., Ltd.	170,000,000.00						170,000,000.00	
FSL Chanchang	82,507,350.00						82,507,350.00	

Investee	Beginning balance (carrying value)	Beginning balance of impairment provision	Increase/decrease				Ending balance (carrying value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Withdrawal of impairment provision	Others		
Lighting Co., Ltd.	0.00						00	
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	72,000,000.00						72,000,000.00	
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	35,418,439.76						35,418,439.76	
FSL Zhida Electric Technology Co., Ltd.	25,500,000.00						25,500,000.00	
Foshan Haolaite Lighting Co., Ltd.	16,685,000.00						16,685,000.00	
Foshan Fozhao Zhicheng Technology Co., Ltd.	15,000,000.00		35,000,000.00				50,000,000.00	
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	350,000.00						350,000.00	
Fozhao Huaguang (Maoming) Technology Co., Ltd.			22,920,000.00				22,920,000.00	
Foshan Sigma Venture Capital Co., Ltd.	4,226.45						4,226.45	
Total	2,323,435,425.91		57,920,000.00				2,381,355,425.91	

(2) Investment to Joint Ventures and Associated Enterprises

Unit: RMB

Investee	Beginning balance (carrying value)	Beginning balance of impairment provision	Increase/decrease								Ending balance (carrying value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Gains and losses recognised under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
I. Joint ventures												

Investee	Beginning balance (carrying value)	Beginning balance of impairment provision	Increase/decrease								Ending balance (carrying value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Gains and losses recognised under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Others		
II. Associated enterprises												
Shenzhen Primatronix (Nanho) Electronics Ltd.	179,188.55 5.15				1,444,720.7 2						180,633.27 5.87	
Sub-total	179,188.55 5.15				1,444,720.7 2						180,633.27 5.87	
Total	179,188.55 5.15				1,444,720.7 2						180,633.27 5.87	

The recoverable amount is determined based on the net amount of the fair value minus disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the expected future cash flow

Applicable Not applicable

The reason for the discrepancy between the foregoing information and the information used in the impairment tests in prior years or external information

Naught.

The reason for the discrepancy between the information used in the Company's impairment tests in prior years and the actual situation of those years

Naught.

(3) Other Notes

Naught.

4. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	1,741,973,631.59	1,332,424,793.83	1,711,281,228.74	1,436,735,973.21
Other operations	57,827,707.33	45,413,563.22	55,838,581.48	39,194,174.59
Total	1,799,801,338.92	1,377,838,357.05	1,767,119,810.22	1,475,930,147.80

5. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Income from long-term equity investments accounted for using cost method	3,184,010.70	6,007,918.32
Income from long-term equity investments accounted for using equity method	1,444,720.72	1,186,031.53
Investment income from disposal of trading financial assets	342,400.00	2,154,000.00
Dividend income from holding of other equity instrument investment	19,494,518.75	16,633,969.35
Interest income of investment in other debt obligations during holding period	13,671,028.14	
Investment income from financial products and structural deposits		1,767,053.51
Total	38,136,678.31	27,748,972.71

6. Others

Naught.

XX. Supplementary Materials**1. Exceptional Gains and Losses**Applicable Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	65,734.07	
Government grants recognised in current profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	28,947,688.70	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	2,805,784.23	
Capital occupation charges on a non-financial enterprise that are charged to	159,108.10	

Item	Amount	Note
current profit or loss		
Reversed portions of impairment allowances for receivables which are tested individually for impairment	137,714.26	
Non-operating income and expense other than the above	2,403,799.26	
Less: Income tax effects	3,935,014.64	
Non-controlling interests effects (net of tax)	17,198,544.37	
Total	13,386,269.61	--

Details of other items that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

2. Return on Equity (ROE) and Earnings Per Share (EPS)

Profit in the Reporting Period	Weighted average ROE	EPS (RMB/share)	
		Basic EPS (RMB/share)	Diluted EPS (RMB/share)
Net profit attributable to the Company's ordinary shareholders	3.02%	0.1252	0.1241
Net profit before exceptional gains and losses attributable to the Company's ordinary shareholders	2.81%	0.1165	0.1155

3. Differences between Accounting Data under Domestic and Overseas Accounting Standards

(1) Differences of Net Profit and Net Assets Disclosed in Financial Reports Prepared under International and Chinese Accounting Standards

Applicable Not applicable

(2) Differences of Net profit and Net Assets Disclosed in Financial Reports Prepared under Overseas and Chinese Accounting Standards

Applicable Not applicable

(3) Explain Reasons for the Differences between Accounting Data under Domestic and Overseas Accounting Standards; for any Adjustment Made to the Difference Existing in the Data Audited by the Foreign Auditing Agent, Such Foreign Auditing Agent's Name Shall Be Clearly Stated

Naught.

4. Other

Naught.