



## **Appotronics Corporation Limited**

### **2024 Semiannual Report**

#### **August 2024**

本报告为深圳光峰科技股份有限公司自愿披露的《2024年半年度报告(英文版)》，对本报告的中英文版本理解上发生歧义时，以中文版本为准。

This is *2024 Semiannual Report (English Version)* voluntarily disclosed by Appotronics Corporation Limited. In the event of any discrepancy between the English and Chinese versions of this Report, the Chinese version shall prevail.

## Important Note

**I. The Board of Directors, the Board of Supervisors, directors, supervisors and senior officers of the Company hereby warrant that the information contained in this Semiannual Report is true, accurate and complete and this Semiannual Report is free from any misrepresentation, misleading statement or material omission, and agree to assume joint and several liability for this Semiannual Report.**

**II. Alert of significant risks**

The Company has described in detail the risks that may exist in the production and operation of the Company in this Report. Refer to “Section III Discussion and Analysis of the Management - V. Risk factors” for the relevant risks. The investors should be aware of the risk of investment.

**III. All directors of the Company attended the meeting of the Board of Directors.**

**IV. This Semiannual Report has not been audited.**

**V. LI Yi, Principal of the Company, WANG Yingxia, Person in Charge of the Accounting Work, and WANG Yingxia, Person in Charge of the Accounting Body (Chief Accountant), hereby warrant that the financial report contained in this Semiannual Report is true, accurate and complete.**

**VI. Profit distribution proposal or proposal for capitalization of capital reserve approved by the Board of Directors during the reporting period**

None

**VII. Is there any material event concerning any special arrangement of corporate governance?**

Applicable  N/A

**VIII. Risk statement regarding forward-looking statements**

Applicable  N/A

The forward-looking statements contained herein regarding the future plans, development strategies or other matters of the Company do not constitute any substantive covenant made by the Company to the investors. Investors and relevant personnel should sufficiently know about the risks in this aspect, and understand the differences among plans, predictions, and promises. The investors should be aware of the risk of investment.

**IX. Is there any non-operating occupation of funds by the controlling shareholder or other affiliates?**

No

**X. Is there any external guarantee provided in contravention of the stipulated decision-making procedure?**

No

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**XI. Are the majority of the directors unable to guarantee the truthfulness, accuracy and completeness of the Semiannual Report disclosed by the Company?**

No

**XII. Others**

Applicable  N/A

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List of Documents Available for Inspection	Financial Statements with seals and signatures of the Principal of the Company, Person in Charge of the Accounting Work, and Person in Charge of the Accounting Body (Chief Accountant)
	All original documents and announcements of the Company publicly disclosed during the reporting period

## Section I Definitions

For purpose of this Report, unless the context otherwise requires, the following terms shall have the meanings indicated below:

<b>Terms</b>		
Company Appotronics or	means	Appotronics Corporation Limited
Appotronics Ltd.	means	Appotronics Corporation Ltd., the predecessor of the Company
CINEAPPO	means	CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.
Formovie, Chongqing Formovie	means	Formovie (Chongqing) Innovative Technology Co., Ltd.
Appotronics HK	means	Appotronics Hong Kong Limited
Appotronics Daye	means	Shenzhen Appotronics Daye Investment Partnership (LP)
Appotronics Deye	means	Shenzhen Appotronics Deye Consulting Partnership (LP)
Appotronics Hongye	means	Shenzhen Appotronics Hongye Investment Partnership (LP)
Appotronics Chengye	means	Shenzhen Appotronics Chengye Consulting Partnership (LP)
Jinleijing	means	Shenzhen Jinleijing Investment Limited Partnership (LP)
Blackpine	means	Blackpine Investment Corp. Ltd.
CINIONIC	means	Cinionic Limited (previously known as Barco Cineappo Limited)
GDC BVI	means	GDC Technology Limited (British Virgin Islands)
GDC Cayman	means	GDC Technology Limited (Cayman Islands)
SSE	means	Shanghai Stock Exchange
Delta Electronics or Delta	means	Delta Electronics, Inc.
AI	means	Artificial Intelligence
AR	means	Augmented Reality
DCI	means	Digital Cinema Initiatives of the United States
DLP	means	Digital Light Processing
LCOS	means	Liquid Crystal on Silicon, a new reflective display technology that organically combines LCD and CMOS integrated circuits
LCD	means	Liquid Crystal Display
RGB	means	Optical three primary colors, R: red, G: green, B: blue
LED	means	Light Emitting Node, a common light emitting device
4K	means	A screen resolution of digital products, representing the screen resolution of 4096×2160, which is an ultra-high-definition resolution
ADB	means	Adaptive Driving Beam
Tier 1	means	Tier 1 supplier for automobile manufacturers

## Section II Company Profile and Financial Highlights

### I. Company profile

<b>Chinese name</b>	深圳光峰科技股份有限公司
<b>Short name in Chinese</b>	光峰科技
<b>English name</b>	Appotronics Corporation Limited
<b>Short name in English</b>	Appotronics
<b>Legal representative</b>	LI Yi
<b>Registered address</b>	20-22/F, Hi-tech Zone Union Tower, No. 63 Xuefu Road, Yuehai Street, Nanshan District, Shenzhen
<b>Historical changes of the Company's registered address</b>	1. October 24, 2006, Room 10, 14/F, Fangda Building, Keji South 12 <sup>th</sup> Road, South Area, High-tech Industrial Zone, Nanshan District, Shenzhen 2. September 6, 2007, Room 03, 17/F, Overseas Chinese High-tech Venture Building, South Area, High-tech Industrial Zone, Nanshan District, Shenzhen 3. June 7, 2011, Area A, 1/F, Building 13, Xili Wenguang Industrial Zone, Nanshan District, Shenzhen 4. October 24, 2012, 401 Shenzhen IC Design and Application Industrial Park, South to Chaguang Road, Xili Township, Nanshan District, Shenzhen 5. December 14, 2017, 21-22/F, Hi-tech Zone Union Tower, No. 63 Xuefu Road, Yuehai Street, Nanshan District, Shenzhen 6. August 1, 2018, 20-22/F, Hi-tech Zone Union Tower, No. 63 Xuefu Road, Yuehai Street, Nanshan District, Shenzhen
<b>Office address</b>	20-22/F, Hi-tech Zone Union Tower, No. 63 Xuefu Road, Yuehai Street, Nanshan District, Shenzhen
<b>Postal code of office address</b>	518052
<b>Website</b>	<a href="http://www.appotronics.com">http://www.appotronics.com</a>
<b>Email</b>	<a href="mailto:ir@appotronics.cn">ir@appotronics.cn</a>

### II. Contact person and contact information

	<b>Board Secretary (Domestic representative for information disclosure)</b>	<b>Securities affairs representative</b>
<b>Name</b>	CHEN Yasha	WANG Weiqi
<b>Address</b>	20-22/F, Hi-tech Zone Union Tower, No. 63 Xuefu Road, Yuehai Street, Nanshan District, Shenzhen	
<b>Telephone</b>	0755-32950536	
<b>Facsimile</b>	0755-86186299	
<b>Email</b>	<a href="mailto:ir@appotronics.cn">ir@appotronics.cn</a>	

### III. Description of changes to the media for information disclosure and place for keeping semiannual reports

<b>Designated newspaper for information disclosure</b>	China Securities Journal ( <a href="https://www.cs.com.cn">https://www.cs.com.cn</a> ) Shanghai Securities News ( <a href="https://www.cnstock.com">https://www.cnstock.com</a> ) Securities Times ( <a href="http://www.stcn.com">http://www.stcn.com</a> ) Securities Daily ( <a href="http://www.zqrb.cn">http://www.zqrb.cn</a> )
<b>Websites for publishing the semiannual reports</b>	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )
<b>Place for keeping the semiannual reports</b>	Office of the Board of Directors

<b>Reference to changes during the reporting period</b>	N/A
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#### IV. Stock/depository receipts of the Company

##### (I) Stock of the Company

Applicable  N/A

Stock of the Company				
Stock class	Stock exchange and board	Stock short name	Stock code	Former stock short name
A-shares	Shanghai Stock Exchange, STAR Market	Appotronics	688007	N/A

##### (II) Depository receipts of the Company

Applicable  N/A

#### V. Other related information

Applicable  N/A

#### VI. Main accounting data and financial indicators of the Company

##### (I) Main accounting data

In RMB

Main accounting data	During the reporting period (Jan. - Jun.)	Prior period	Change over the prior period (%)
<b>Operating income</b>	1,081,409,500.21	1,073,249,037.75	0.76
<b>Net profit attributable to shareholders of the listed company</b>	10,909,613.44	74,914,640.95	-85.44
<b>Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss</b>	13,479,287.51	34,228,839.62	-60.62
<b>Net cash flows from operating activities</b>	-79,146,670.23	114,738,832.13	-168.98
	At the end of the reporting period	At the end of the prior year	Changes at the end of the reporting period from the end of the prior year (%)
<b>Net assets attributable to shareholders of the listed company</b>	2,750,858,141.24	2,818,869,452.99	-2.41
<b>Total assets</b>	4,283,671,300.74	4,220,570,891.16	1.50

##### (II) Financial highlights

Financial highlights	During the reporting period (Jan. - Jun.)	Prior period	Change over the prior period (%)
<b>Basic earnings per share (RMB/share)</b>	0.02	0.16	-87.50
<b>Diluted earnings per share (RMB/share)</b>	0.02	0.16	-87.50
<b>Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)</b>	0.03	0.07	-57.14

<b>Weighted average return on net assets (%)</b>	0.39	2.78	-2.39 percentage points
<b>Weighted average return on net assets after deduction of non-recurring profit or loss (%)</b>	0.48	1.27	-0.79 percentage points
<b>Proportion of R&amp;D investments to operating income (%)</b>	10.32	11.78	-1.46 percentage points

Explanation about the main accounting data and financial highlights

√ Applicable □ N/A

1. During the reporting period, we achieved rapid development of the automotive optics business, achieving the operating income of RMB 241 million, including about RMB 200 million achieved in the 2<sup>nd</sup> quarter of 2024.

2. During the reporting period, the net profit attributable to shareholders of the listed company and the net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss decreased by 85.44% and 60.62% year on year, respectively; the basic earnings per share, diluted earnings per share, and basic earnings per share after deduction of non-recurring profit or loss decreased by 87.50%, 87.50%, and 57.14%, respectively year on year, primarily due to the following:

(1) During the reporting period, we took the initiative to adjust the policy for consumer business operation and accelerated the pace of clearing the inventory of consumer products, which led to the decrease in both the ratio and gross profit margin of incomes from the consumer business, while our automotive business entered the intense delivery period and increased its ratio among the businesses. The difference in the product portfolio led to the decrease in the overall gross profit margin by 6.65 percentage points.

(2) During the reporting period, the arbitration case between the Company and relevant GDC entities was still under trial; after investigation and evidence collection, multiple hearings, request for remedies, etc., the legal service fees settled for this arbitration case during the reporting period was RMB 18.4509 million; meanwhile, given the performance loss of GDC, the profit and loss adjustment during the period of holding the long-term equity investment and the fair value transferred to other non-current financial assets were measured and recognized as investment losses. With the impact of such factors eliminated, the Company's net profit attributable to the parent company and the net profit attributable to the parent company net of non-recurring profit or loss are as follows:

<b>Financial indicators with the impact related to GDC eliminated</b>	<b>During the reporting period (in RMB 0'000)</b>
Net profit attributable to shareholders of the listed company	7,063.50
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	3,585.16

3. During the reporting period, the net cash flows from operating activities decreased by 168.98% year on year, which was primarily due to the increase in the operating capital required in response to the growth in our automotive business, and the increase in restricted monetary funds (for details, refer to "Encumbrances on major assets as of the end of the reporting period" in Section III Discussion and



Analysis of the Management). The net cash flows from operating activities without the impact of restricted monetary funds is RMB 33.5993 million.

### VII. Differences in accounting data under Chinese accounting standards and overseas accounting standards

□ Applicable√ N/A

### VIII. Items and amounts of non-recurring profit or loss

√ Applicable□ N/A

In RMB		
Item of non-recurring profit or loss	Amount	Note (if applicable)
Gain or loss on disposal of non-current assets, including write-off of provision for asset impairment	-542,907.96	
Government grants recognized in profit or loss for the current period (excluding government grants that are closely related to the business of the Company and are provided in accordance with established standards with continuous effects on the profit or loss of the Company according to the provisions of national policies)	6,613,195.04	VII.67 of Section X, and VII.74 of Section X
Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on the disposal of financial assets and financial liabilities, other than those used in the effective hedging activities related to normal operating business of the Company	19,343,730.90	VII.68 of Section X, and VII.70 of Section X
Income earned from lending funds to non-financial institutions and recognized in profit or loss		
Profit or loss on entrusted investments or assets management	6,982,910.02	VII. 68 of Section X
Profit or loss on entrusted loans		
Losses on assets due to force majeure events, e.g. natural disasters		
Reversal of impairment loss on accounts receivable tested for impairment individually	518,247.41	
The excess of attributable fair value of identifiable net assets over the consideration paid for the acquisition of subsidiaries, associates and joint ventures		
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of a business combination involving entities under common control	7,005,333.38	
Profit or loss on exchange of non-monetary assets		
Profit or loss on debt restructuring		
One-off expenses incurred by the enterprise for discontinued operating activities, such as expenditures for employee placement, etc.		
One-off effect on the profit or loss for the current period due to an adjustment in taxation, accounting, and other laws and regulations		
Share-based payment expenses recognized on a one-off basis for canceling or modifying an equity incentive plan		
For cash-settled share-based payments, profit or loss from the change in fair value of employee benefits payable after the exercise date		
Profit or loss on changes in the fair value of investment properties that are subsequently measured using the fair value		

model		
Profit or loss attributable to the evidently unfair transaction price		
Profit or loss arising from contingencies other than those related to normal operating business		
Custodian fees earned from entrusted operation		
Other non-operating income and expenses	1,103,459.06	
Other gains or losses meeting the definition of non-recurring profit or loss	37,353,061.61	VII. 68 of Section X
Less: Effect of income taxes	4,782,728.03	
Effects attributable to minority interests (net of tax)	1,457,852.28	
<b>Total</b>	<b>-2,569,674.07</b>	

It is required to specify the reason for defining items not illustrated in *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 - Non-recurring Profit or Loss* as non-recurring profit or loss items of significant amounts, and reason for defining non-recurring profit or loss items illustrated in *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 - Non-recurring Profit or Loss* as recurring profit or loss items

Applicable  N/A

In RMB

Item	Amount involved	Reason
GDC Technology Limited (BVI)	-37,353,061.61	The Company lost the significant influence on the participating company GDC BVI; as a result, the accounting method was adjusted from long-term equity investment to other non-current financial assets, being designated as financial assets at fair value through profit or loss. The profit or loss arising from the remeasurement based on fair value is recognized in non-recurring profit or loss, and presented under other profit or loss items meeting the definition of non-recurring profit or loss.

#### IX. Explanation about performance indicators not under the Accounting Standards for Business Enterprises

Applicable  N/A

## **Section III Discussion and Analysis of the Management**

### **I. Industry and main business during the reporting period**

#### **1. Main business**

The Company, as a global leading enterprise in the field of laser display technology, stays market and customer demand-oriented, and continues to engage in the research, development, production, and sales of laser display core devices and complete equipment based on the proprietary semiconductor laser light source technologies and architecture to provide customers with all-around and multi-field solutions.

#### **2. Main products and services**

Our existing mature business scenarios include cinema projection, large venue, education, household, etc., while the new automotive business is a significant growth pole of the Company. Our products may be mainly classified into core laser display devices and complete laser display equipment. The core devices can be further classified into core devices for automotive optics, laser light source, laser TV and smart mini projection light generator, and high-gain and high-contrast ratio projection screens, etc., and complete equipment can be classified into laser smart mini projector, laser TV, laser cinema projector, laser large venue projector, laser education projector and others. The services the Company performs include laser cinema projection services, VLED LED Cinema projection solution, large venue projection automatic 3D Mapping, and corresponding system solutions.

#### **3. Industry in which the Company operates**

##### **3.1 Development stage, basic characteristics and main technical barriers of the industry**

###### **(1) Development stage of the industry**

As an emerging industry, laser display is at a stage of rapid growth, and its growth drivers mainly come from: 1. technological progress has spawned emerging application fields, and semiconductor laser light source technology has been applied to the automotive optics, AR, and other fields, and the market has great potential for explosion; 2. the laser display industry in which the Company operates is one of the strategic emerging industries receiving the major support from the state for accelerated development. With the support of national and industry policies, more and more domestic enterprises and scientific research institutions enter the upstream and downstream fields of the laser display industry chain, strengthen the industrial chain, actively develop and iterate technology, thus further increasing the localization rate of core components.

###### **(2) Basic characteristics of the industry**

In 2007, the ALPD® semiconductor laser light source technology invented by our R&D team created a wholly new semiconductor laser light source. Technically matching with multiple chip and technical routes and being suitable for DLP, LCOS, and LCD technologies, the ALPD® semiconductor laser light source technology made a breakthrough in the application of core devices and imaging solutions of laser display in the field of display, thus becoming the mainstream technical route for the laser display industry.

In terms of application, in addition to traditional applications such as cinema, large venue, and education, emerging industries such as intelligent cockpit, laser headlight, intelligent networking, AR, and

AI are booming, and gradually become a new application development focus of the laser display industry, and the overall scale of the industry continues to expand, which is expected to help to broaden the application scenarios of the ALPD® semiconductor laser light source technology.

### **(3) Main technical barriers**

Laser display technologies, as an important direction for the development of the display industry, have the feature of high technical barriers, where the specific barriers include: light source technologies, optical engine and imaging devices, signal processing circuits, screen technologies, heat dissipation technologies, color management, standard formulation, patented technologies, research and development capabilities, etc. In the laser light source technology, a laser beam is used to transmit through images; optical engine and imaging devices include optical imaging devices, optical engine and drive circuits, for which precision manufacturing and integration are the key to achieve high-quality display effects; the screen technology ensures image quality and color accuracy. The high barriers of laser display technologies also indicate huge market potentials and development prospect. Thanks to the increasing maturity and decreasing costs of laser display technologies, laser display is expected to enhance its position on the display market in the future.

We are committed in the breakthroughs, innovations, expansion of application scenarios, and industrialization of semiconductor laser light source technologies; in particular, we have profound accumulation in light source technologies, optical engine and imaging technologies, screen technologies, etc., and have created technology reserves and patent portfolios covering the whole technology chain of laser display technology from key system architecture, core devices to key algorithms. Meanwhile, the Company has devoted many R&D resources in the miniaturization of laser display system, light source architecture, complete equipment structure, machine perception, and the preparation and processing of thin film materials to maintaining the leading position in the industry. As a Leader Level Member of the Laser Illuminated Projector Association (LIPA), we have participated in the preparation of the international laser display standard.

### **3.2 Analysis of the position of the Company in the industry and changes therein**

The ALPD® semiconductor laser light source technology, as the mainstream technology in the field of laser display, has the advantages of high brightness, small size, long service life, wide color gamut, energy conservation and environmental protection, etc.

As the inventor of the ALPD® semiconductor laser light source technology and the leader in the laser display industry, we have built a patent moat around the underlying technical architecture of ALPD® semiconductor laser light source technology, and created technology reserves and patent portfolios covering the whole technology chain of laser display technology from key system architecture, core devices to key algorithms; projection brands entering the technology route of laser phosphor technologies can hardly bypass our underlying patent layout. In addition, we are committed in the breakthroughs, innovations, expansion of application scenarios, and industrialization of semiconductor laser light source technology. Thanks to the core competitive advantages consisting of “patent moat + technical barriers”, the Company continuously holds a key position at the upstream core device stage.

## II. Core technologies and progress in R&D of technologies

### 1. Core technologies and their advancement, and changes during the reporting period

The ALPD® is our original semiconductor laser light source technology of great significance in the display industry.

1) Original creation: In the past lighting and display, the rare earth phosphor is used only in LED light sources, while we made the original creation of using rare earth phosphor in laser light sources.

2) Uniqueness: To improve the stability of the rare earth phosphor after being excited by laser, we explored a unique impulse mode and created unique impulse architecture, which is under strict patent protection.

3) Flexibility: Since the ALPD® semiconductor laser light source technology combines two materials/devices, there are many methods of adjustment between the two portions in this architecture, including ① adjustable blue light distribution to output light that is adjustable in space; ② various phosphor powders to achieve flexible color segments; and ③ adjustable ratio and strength among color segments after the blue light is excited. Therefore, the output light is adjustable in terms of strength distribution, brightness distribution, color temperature, and color to meet the requirements for different scenarios.

4) Significance of the industry: Despite the long history of using a laser light source in the display industry, subject to the high cost of red and green lasers, it was hard to make breakthroughs in the industrialization of laser light sources. However, our ALPD® semiconductor laser light source technology greatly promoted the process of commercialization and industrialization of laser in the projection display industry.

5) Significance in materials: The ALPD® semiconductor laser light source technology relies on the blue laser and rare earth phosphor more than the RGB technology. The blue laser and blue LED share the gallium nitride material system; given the developed LED industry in China, there is a favorable basis of the gallium nitride system industry. In terms of the rare earth phosphor, since China has the most abundant rare earth resources in the world, and rare earth phosphor is one of the important applications of the rare earth element, China has the advantages of resource reserves in the world in terms of rare earth phosphor. We have created a perfect combination point between the two material systems for which China has the industry advantages, which provided the basic conditions for the long-lasting development of this technology architecture.

National scientific and technology awards

Applicable  N/A

Qualification of national “little giant” enterprises in specialized, refined, differential, and innovative aspects, and “leading enterprise” in the manufacturing industry

Applicable  N/A

### 2. R&D achievements during the reporting period

#### (1) Core devices

In the field of automotive core components, we have successfully integrated automobile-grade projection giant screen as an important component into the smart cockpit, which have been exclusively adopted on mainstream automobile models including AITO M9, Stelato S9, etc. This is the implementation of a significant innovative application in cockpit display. In addition, an upgrade version of a new generation of vehicle-mounted projection system is continuously under development. The vehicle-mounted projection system 2.0 solution will double both the brightness and resolution, while the screen will be upgraded with anti-ambient light screen materials, so as to provide users with better watching experience and continuously reduce the price of nominated automobile models. In the aspect of headlights, we released the world’s first ALL-in-ONE all-purpose laser headlight at the Beijing International Automotive Exhibition in 2024. Unlike conventional headlights with only the lighting function, the ALL-in-ONE all-purpose laser headlight can achieve the effects of “accurate lighting + accurate display” with one headlight module to provide users with comprehensive functions of lighting, colorful display, front fog light, ADB, etc. By greatly reducing the power consumption and volume of the entire headlight system, this allows automotive manufacturers to upgrade functions while reducing the costs of the comprehensive platform, thus attracting wide attention from automotive manufacturers and tier 1 suppliers. The ALL-in-ONE all-purpose laser headlight is the only headlight on the market that can achieve colorful display. It facilitates the designing of automobile front face while meeting requirements in all aspects of security, social interaction, and personalization. It can be equipped on various mainstream automobile models, and we are making active efforts to promote the cooperation with various automobile manufacturers.

## (2) Branded complete equipment

During the reporting period, we released a flagship new product - S Pro series large venue projector, which is the first large venue projector of over 10,000 lumens and 4K resolution in China. It fills the gap of domestic large venue projectors in the range of 15,000-20,000 lumens and creates new quality productive forces for the development of the industry. As the first application of ALPD® 5.0 super panchromatic laser technology in the field of large venue projection, the S Pro series large venue projector is ideal for such application scenarios like exhibition, cultural tourism, outdoor landscape, stage performance, etc. Meanwhile, we upgraded the “Appotronics dedicated control APCS 2.0 system” to support the control and on-site monitoring of up to 3,000 projectors, thus providing a highly efficient and smooth solution for the sites of large-scale events.

### List of intellectual property rights acquired during the reporting period

	Increase		Total	
	Applications (pcs)	Granted (pcs)	Applications (pcs)	Granted (pcs)
<b>Patent for invention</b>	34	67	1,745	1,148
<b>Patent for utility model</b>	58	61	932	829
<b>Patent for design</b>	4	5	242	234
<b>Software copyright</b>	2	2	144	144

<b>Others</b>	16	35	1,165	1,086
<b>Total</b>	<b>114</b>	<b>170</b>	<b>4,228</b>	<b>3,441</b>

Note: 1. The “others” shown in the above table refers to the Company’s trademarks.

### 3. R&D investments

In RMB

	<b>Current period</b>	<b>Prior period</b>	<b>% Change</b>
<b>R&amp;D investments expensed</b>	111,618,787.20	126,406,142.12	-11.70
<b>R&amp;D investments capitalized</b>	-	-	-
<b>Total R&amp;D investments</b>	111,618,787.20	126,406,142.12	-11.70
<b>Proportion of R&amp;D investments to operating income (%)</b>	10.32	11.78	-1.46 percentage points
<b>Proportion of R&amp;D investments capitalized (%)</b>	-	-	

#### Reason for the material change in the total R&D investments compared with last year

Applicable  N/A

#### Reason for the great change in the proportion of R&D investments capitalized and explanation about the rationality thereof

Applicable  N/A

**4. R&D projects**

√ Applicable □ N/A

In RMB 0'000

No.	Project	Estimated total investment	Investment in the current period	Aggregate investment	Progress or interim results	Goals	Technological level	Application scenario
1	Innovative optical application	25,072.00	4,904.48	18,109.02	Mass production	Provide customized automotive optical products for vehicle manufacturer brands, and develop AR optical modules, etc.	Leading in the industry	Automotive, AR, and other innovative scenarios.
2	Core device light source and light generator project	12,678.00	1,337.30	9,690.89	Mass production	Continuously develop the new generation of ALPD® semiconductor laser light source technology to achieve light sources and light generators with lower cost, wider color gamut, higher brightness, and higher energy efficiency.	Leading in the industry	Continuous development of core technologies and core devices for use in various fields.
3	Cinema products	15,516.00	1,373.20	12,921.39	Mass production	Develop DCI-compliant and highly cost-effective household cinema projectors; and DCI-compliant LED cinema screen for cinema projection halls.	Leading in the industry	Intended for the high-end household market and projection halls at cinemas.
4	Dedicated display products	10,892.00	1,238.38	8,834.28	Mass production	Develop multiple laser large venue projectors with high brightness, education projectors, and business projectors with cost effectiveness to meet different user needs.	Leading in the industry	Large venue projector, business education projector and other fields.
5	Household products	32,930.00	2,308.52	29,268.33	Mass production	In terms of smart mini projector products, engage in the research and development of high-performance and high-cost-effectiveness products, and make breakthroughs in technology innovation, product form innovation,	Leading in the industry	Household smart mini projectors and laser TVs.



						and quality upgrade. In terms of laser TVs, engage in the research and development of products with advantageous performance such as high brightness and eye-friendliness to meet various user requirements.		
<b>Total</b>	-	<b>97,088.00</b>	<b>11,161.88</b>	<b>78,823.91</b>	-	-	-	-

**5. R&D staff**

In RMB 0'000

<b>Basic information</b>		
	<b>Current period</b>	<b>Prior period</b>
<b>Number of R&amp;D staff (persons)</b>	432	465
<b>Proportion of R&amp;D staff to total employees of the Company (%)</b>	29.09	31.33
<b>Total compensation of R&amp;D staff</b>	7,717.83	8,664.32
<b>Average compensation of R&amp;D staff</b>	17.87	18.63

<b>Education</b>		
<b>Academic background</b>	<b>Number</b>	<b>Percentage (%)</b>
<b>Master and above</b>	119	27.55
<b>Bachelor and below</b>	313	72.45
<b>Total</b>	432	100
<b>Age structure</b>		
<b>Age</b>	<b>Number</b>	<b>Percentage (%)</b>
<b>Below 30 (exclusive)</b>	132	30.56
<b>30-40 (including 30, excluding 40)</b>	206	47.69
<b>40 and above</b>	94	21.76
<b>Total</b>	432	100

**6. Other information**
 Applicable  N/A

**III. Analysis of core competitiveness during the reporting period**
**(I) Analysis of core competitiveness**
 Applicable  N/A

**1. High-quality R&D team to promote the innovation and development of the laser display industry**

The Company stays innovation-driven, continues to increase R&D investment in forward-looking technology arrangement and product technology development. As a high-tech enterprise, the Company will continue to improve R&D capabilities as the main theme of the Company's core competitiveness, and continue to improve the R&D system. The Company has established a leading R&D team in optical modules, mechanical designing, thermal simulation, software and hardware control and preparation of rare earth phosphor materials, developed and innovated the laser display technology for many years, thus having accumulated profound R&D technical strength and got a deep understanding and judgment of the industry's cutting-edge technology and development trend.

We have set up a research institute and a research and development center to jointly coordinate technology and product planning, thus creating an efficient cycle from technology to product and then to business. The research institute is committed to the research and verification of forward-looking technologies and cultivation of solutions for innovative technologies, innovative products, and new application scenarios, thus ensuring forward allocation of R&D resources and forward-looking layout of R&D technologies; the R&D center, combining the technology achievements of the research institute, coordinates the management of the whole process from new product development until mass production and launch. Thanks to the close coordination between the research institute and the R&D center, we have

obviously improved the R&D efficiency while ensuring the rapid productization and commercialization of the latest R&D achievements and continuously promoting technological innovation and product upgrade.

## **2. Build a patent moat around the underlying technical architecture**

The Company takes the underlying technical architecture patent of the original semiconductor laser light source technology as the center, and builds a solid and interconnected intellectual property patent system, and it is difficult for competitors to fully imitate or directly bypass the underlying patent arrangement of the Company's laser phosphor technology route. The Company actively responds to the national "intellectual property power strategy" and increases the proportion of high-value patents. As of June 30, 2024, the Company had a total of 2,919 patents filed and granted throughout the world, including 2,211 patents granted throughout the world, of which 1,148 ones were patents for invention. In terms of technology patents for automotive core components, we have 61 new patents granted and filed for automotive optics technologies during the reporting period; as of June 30, 2024, we have a total of 245 patents for automobile technologies granted and filed, an increase of 39.20% year on year.

In terms of technology leadership, the Company's original semiconductor laser light source technology has become the mainstream technology in the current laser display field, and as the underlying key architecture technology, it has been used more than 679 times by leading companies in the same industry, such as Philips of the Netherlands, Osram of Germany, and Epson of Japan.

## **3. Relying on the technical advantages of core devices, all-round strategic arrangement for application scenarios is made**

Based on our advantages in core devices and technologies and the market development trend, we are continuously committed to the breakthrough and innovation of semiconductor laser light source technologies, expansion of application scenarios, and industrial promotion. We will insist on reasonable investment for the cinema and dedicated display scenarios to continuously create new growth points; we will enhance investment in the automotive business to expand the business scope of the Company and make full efforts to create the new growth source for the Company; meanwhile, we will implement innovative application for core devices in new fields and new racetracks to expand to the AI, AR, robot, and other fields, thereby continuously improving the long-lasting value of core devices and expanding the space of growth.

### **(II) Events occurred during the reporting period that have a material effect on the Company's core competitiveness, analysis of the effect and countermeasures**

Applicable  N/A

## **IV. Discussion and analysis of business situations**

During the reporting period, we persisted in the development strategy of "core technologies + core devices + application scenarios" to accelerate business transformation of the Company. In the first half of 2024, we achieved rapid development of the automotive optics business, achieving the operating income of RMB 241 million, including about RMB 200 million achieved in the 2<sup>nd</sup> quarter of 2024, indicating that the business has entered the revenue contribution period.

During the reporting period, we took active measures to adjust the business structure and continuously improve the overall operating quality. Thanks to rapid volume increase of the automotive business, we achieved the total operating income of RMB 1.081 billion, a slight increase year on year. The automotive business is a new business scenario expanded by the Company in 2022. Based on our technology advantages and rapid implementation of strategic transformation, this business developed rapidly to support the Company's performance. At present, we are taking active measures to deliver nominated products for the automotive business while actively striving for new nominations, which is expected to strongly support the growth of both incomes and profits for the Company in the future. During the reporting period, we achieved the net profit attributable to the parent company of RMB 10.9096 million, primary due to the legal service fees for the arbitration case with the participating company GDC and the investment losses caused by the equity interests in GDC as other non-current financial assets. With the factors above eliminated, the profitability of our main businesses remained stable.

In the first half of 2024, we achieved obvious optimization in the operating quality - the selling expenses reduced by RMB 44.0768 million year on year, reducing the rate of selling expenses to 9.18%; Formovie recorded the loss of RMB 48.5262 million in the first half of 2024, where the losses were reduced by RMB 30.6906 million. The Company is firmly determined to solve the problems left over from the rapid development in early stages.

At present, we are making breakthroughs to larger business racetracks, which is in line with the technology and industry chain layout for both the upstream and downstream of the Company. Thanks to the years of efforts in the automobile racetrack, we will see more obvious structural changes and business optimization in the future.

## **1. Development of the Company's main businesses during the reporting period is as follows:**

### **1.1 The start of an intense delivery period for M9 leads to the income of RMB 241 million from the automotive optics business**

Given the development toward electric, intelligent, and Internet-connected vehicles, vehicles are transforming from a merely transportation means to an intelligent and mobile life space. Therefore, the "experience of five senses" created by smart cockpits became a key point for major automobile manufacturers to produce differentiated products. In the first half of 2024, we grasped the opportunity of vehicle intelligentization development by continuously focusing on the logic of cooperation with major customers to make full use of the technology competitiveness and nomination experience in automotive optics, and actively expanded the nomination cooperation with Chinese and foreign leading automobile manufacturers.

By now, we have acquired 7 nominations from automobile manufacturers, including 2 AITO models (both of which are smart cockpit display products, where AITO M9 has achieved mass production), 1 model of Beijing Electric Vehicle (where Stelato S9 has been implemented), 2 models of BYD (smart cockpit display, and headlight module), HASCO Vision (PGU display module of AR-HUD), and Mercedes-Benz Smart #5 concept vehicle (colorful projection headlight). In March 2024, AITO M9, the first nominated automobile model of the Company entered the stage of intense mass production and

delivery, making the breakthrough from zero to one for the automotive optics business. As of the disclosure date of this Report, according to the official information, over 120,000 M9 vehicles have been booked with down payment made.

The increase in the shipment of AITO M9 vehicles manifested our success in building the first benchmark product of automobile-grade projection giant screens in the intelligent vehicle industry. Meanwhile, the increasing interests of automobile manufacturers in vehicle-mounted large projection screens provide a solid foundation for the Company to acquire more nominations from automobile manufacturers. In May 2024, we received another *Notice of Development Nomination* from Seres, under which we are designated to supply smart cockpit display products for new AITO models. This nomination is expected to achieve mass production and delivery in 2025, which will cause positive effects on the operating performance of the Company during the life cycle of such project. In August 2024, Stelato S9, another nominated model of the Company, was officially released and entered the delivery period. This model, being equipped with our automobile-grade projection giant screens, realized the coverage of automobile-grade projection giant screens for automobile models at reduced prices for the first time.

We pay attention to the combination of intelligentization and innovation for vehicle-mounted products. In the field of headlights, we released the world's first ALL-in-ONE laser headlights at the 2024 Beijing International Automotive Exhibition. Thanks to the light modulation and color temperature adjustment achieved through the ALPD® semiconductor laser technology, this ALL-in-ONE laser headlight integrated multiple functions into one small-size headlight module, including high beam assistance, adaptive driving beam (ADB), front fog light with adaptive color temperature, and colorful DLP display, covering both directions of “accurate lighting + accurate display” while matching with more application scenarios and functions, thus reducing the part costs and difficulty in supply chain management for customers; meanwhile, on the basis of vehicle security and differentiated experience, this laser headlight facilitates the designing of automobile front face and significantly improves function upgrade. Given that the ALL-in-ONE laser headlight adopts the ALPD® semiconductor laser light source, it has advantages of higher brightness, slower light attenuation, higher light-emitting efficiency, longer service life, better stability, etc. compared with conventional headlights. At present, we are making efforts to promote the ALL-in-ONE laser headlights to major automobile manufacturers and taking active measures to achieve nomination cooperation around this product.

## **1.2 The cinema business maintains its position as a “cash cow” to continuously provide stable cash flow for the Company**

In the 1<sup>st</sup> quarter of 2024, the record-breaking Spring Festival box office and the continuous release of film watching demands driven by outstanding films led to an active film market, which achieved the operating income of RMB 153 million for our cinema business. The film market was relatively normal under the impact of film supply in the 2<sup>nd</sup> quarter of 2024. The performance of our cinema business in the 2<sup>nd</sup> quarter decreased on a quarter-on-quarter basis - achieving the operating income of RMB 114 million; however, the position of the cinema business as a “cash cow” of the Company remained unchanged and continuously provided stable cash flow for the Company.

During the reporting period, we made use of our profound accumulation and technical advantages in the cinema industry to actively promote the ALPD® laser light source projection solution and the VLED LED Cinema projection solution, so as to improve the resilience of the cinema industry for high-quality development.

### **1.3 Stable development of the dedicated display business to empower the high-quality development of the culture industry with scientific and technology innovation**

In light of the increasing integration of IP, technology, and cultural tourism and the emergence of immersive cultural tourism, we take the trend of refined, digitalized, and quality-oriented cultural tourism industry by providing products and services that are more adaptive. During the reporting period, we achieved the operating income of RMB 201 million from the dedicated display business, essentially sustaining the level in the last year; where the large venue business contributed the operating income of RMB 124 million, up by nearly 24%.

In the first half of 2024, we made use of high-brightness large venue projectors to successfully implement the benchmark project of the global tour of “Encounter Sanxingdui - 12K Macro View of National Treasure”, which has become a representative work of China presented to the world; moreover, we made great efforts to implement multiple benchmark projects, including “Panda Planet” - the first official immersive panda lighting exhibition, “Meeting Matsu” - a large immersive digital lighting show, so as to empower the culture industry for high-quality development with scientific and technology innovation.

## **2. Continuous R&D investments in cutting-edge fields for expansion to the field of AI and AR smart glasses**

During the reporting period, we continuously promoted the integration of laser display technologies with new technologies to expand to artificial intelligence (AI), augmented reality (AR), and robot fields. We have released the world’s first AR optical module with over 10,000 PPI that we developed independently. It is suitable for AR glasses to solve the pain point of light weight for daily wearing, thereby meeting the brightness requirements for multiple indoor and outdoor application scenarios when used in consumer AR glasses or AI smart glasses. It is expected that smart glasses will not be limited to the existing AI speech interaction in the future, but will be integrated with AR display to create a mainstream trend. Being equipped with an optical solution and display module, smart glasses can achieve functions and experience that are more immersive for users. By now, our R&D teams have achieved about 200 patents granted or filed in the AR and AI fields, including over 30 new patents related to AR and AI granted or filed during the reporting period. In terms of the optical solution for light sources, we focus on the light wave guide technology and have acquired the capabilities of independent designing and sample supply in small batches; with respect to light generators, we have multiple technology routes for LCOS, DLP, MicroLED, laser scanning, etc. ready, all of which can be used for product development in response to the demands of complete equipment manufacturers.

Since the smart glasses industry is in the stage of early development and user cultivation at present, we firmly continue our investments in small sizes, light weight, and lower costs to work with complete

equipment manufacturers in exploring innovative solutions for smart glasses and providing diversified solutions for complete equipment manufacturers.

**Significant changes in the operations of the Company during the reporting period, and the events that have or are expected to have a significant impact on the operations of the Company during the reporting period**

Applicable  N/A

**V. Risk factors**

Applicable  N/A

**1. Cyclical fluctuation risks of the macro environment and the consumer electronics industry**

At present, given that the global economy is experiencing cyclical fluctuation, the public are more prudent in consumption, which slows down the demands on the consumer electronics market. As optional consumption products, smart projection products are facing more significant short-term fluctuation. Slow recovery of demands in the consumer electronics industry in the future may still cause adverse effects to the operating incomes and profits of our businesses related to household projection.

We will continue to enhance efforts for studying the macro-economic conditions, closely follow the development trend of the consumer electronics industry, conduct in-depth research into market demands, constantly enhance efforts for product R&D and technology investment, improve our R&D and product designing competence, assess risks rapidly, and take initiative to make relevant business adjustment, thus improving the risk tolerance of the Company.

**2. Financial risks**

**(1) Risk of impairment of accounts receivable**

As of the end of the reporting period, the book value of our accounts receivable was RMB 322.4292 million, accounting for 7.53% of our total assets. Our products are generally delivered after receiving the payment therefor. We give certain credit period to some major and high-quality customers. In case of any material adverse change in the business condition of our customers, we may be unable to recover certain accounts receivable, which may have an adverse effect on our operating performance in the future.

The Company strengthens risk management and control, continuously tracks and controls customer credit, and strengthens the assessment of accounts receivable collection, and establishes an early warning system for overdue accounts receivable; for individual customers who maliciously default and have a long period of arrears, payment will be recovered through arbitration, litigation and other legal methods.

**(2) Risk of impairment of inventories**

As of the end of the reporting period, the book value of our inventories was RMB 660.4429 million, accounting for 15.42% of our assets. Our inventories mainly comprise raw materials and goods in stock. In the event of any significant change in the competition pattern of the industry, and material innovation in laser display technology and products, the recoverable amount of the inventories will be lower than their book value. The impairment of inventories will have a negative effect on our earnings. The Company will pay close attention to the changes in supply and demand of the industrial chain, and promptly carry out production and marketing coordination according to the market and production conditions to reduce

product inventory risks.

(3) Risk of impairment of fixed assets

As of the end of the reporting period, the book value of our fixed asset was RMB 308.1233 million, accounting for 7.19% of our assets. Our fixed assets mainly consist of production equipment and cinema projector light sources for lease, where the cinema projector light sources account for 63.20%. If force majeure factors result in shutdown of cinemas, the cinema projector light sources may be idle, causing risks of impairment of fixed assets and adverse effects to the operation of the Company. In order to cope with the above risks, the Company will pay close attention to the status of fixed assets, strengthen communication with business departments, improve the efficiency of asset use, and reduce the risk of impairment. In the meanwhile, for assets that show signs of impairment, the Company will measure the recoverable amount and make an impairment provision for fixed assets based on the difference between the recoverable amount and the book value.

(4) Risk of exchange rate movement

The Company's procurement and sales involve a variety of foreign currencies, of which dollar is the main foreign currency. If the exchange rate of the relevant currency fluctuates, it will have a certain impact on the Company's financial position. In this regard, in order to effectively avoid the risks of the foreign exchange market, prevent large fluctuations in the exchange rate from adversely affecting the Company's business performance, improve the efficiency of the use of foreign exchange funds, and reasonably reduce financial costs, the Company carries out foreign exchange derivatives and other businesses in a timely manner to reduce the risk of exchange rate fluctuations.

(5) Risk of changes in fair values

As of June 30, 2024, the subsidiary Appotronics HK held other non-current financial assets for the equity interests in GDC BVI with the fair value of RMB 99.44 million. In the event of great fluctuation in the performance of GDC BVI or other material changes in its operating environment in the future, the equity assets held by the Company in GDC BVI may experience the risk of fair value changes.

### **3. Risks in failing to implement investment projects as expected**

Under the impact of changes in the internal and external environment, there are risks that the Company cannot implement investment projects as expected. Despite the efforts of the Company in enhancing the management over investment projects, accelerating the progress of investment projects, and constantly monitoring the progress of such investment projects, in the actual implementation, the Company still cannot avoid situation like delayed construction compared with the plan, or adjustment to the implementation plan or solution in response to industry and market development. Upon the occurrence of such circumstances, the Company will make decisions in accordance with relevant provisions and promptly fulfill its obligations for information disclosure.

### **4. Risks in the arbitration with relevant parties of the participating company GDC BVI**

At present, the Company is in the process of arbitration and counter arbitration with relevant parties of GDC concerning the rights and interests of the parties. Given that the case is under trial at present, the impact of such case on the profit or loss of the Company cannot be determined; the eventual actual impact



depends on the award of the arbitration tribunal or the negotiation between the parties. The Company has engaged a professional attorney team and taken relevant legal measures to safeguard the legitimate rights and interests of the Company and all shareholders in accordance with the law, and will promptly fulfill the information disclosure obligations in accordance with relevant provisions.

## VI. Main business activities during the reporting period

Refer to “IV. Discussion and analysis of business situations” in this Section for details.

### (I) Analysis of main business

#### 1 Analysis of changes in the items of financial statements

In RMB			
Item	Current period	Prior period	% Change
Operating income	1,081,409,500.21	1,073,249,037.75	0.76
Operating costs	745,633,299.59	668,659,467.49	11.51
Selling expenses	99,322,901.25	143,399,660.02	-30.74
Administrative expenses	82,242,537.80	86,696,223.82	-5.14
Financial expenses	-5,958,395.29	-17,021,406.56	N/A
R&D expenses	111,618,787.20	126,406,142.12	-11.70
Net cash flows from operating activities	-79,146,670.23	114,738,832.13	-168.98
Net cash flows from investment activities	-1,573,699.63	-260,010,504.24	N/A
Net cash flows from financing activities	-96,516,389.72	110,646,737.55	-187.23

Description of reasons for changes in the selling expenses: The selling expenses decreased by 30.74% year on year, mainly due to the year-on-year decrease in the marketing expenses during the reporting period;

Description of reasons for changes in the financial expenses: The financial expenses increased by RMB 11.0630 million year on year, primarily due to the year-on-year decrease in the foreign exchange gains during the reporting period;

Description of reasons for changes in the net cash flows from operating activities: The net cash flows from operating activities decreased by 168.98% year on year, which was primarily due to the increase in the operating capital required in response to the growth in our automotive business, and the increase in restricted monetary funds;

Description of reasons for changes in the net cash flows from investment activities: The net cash flows from investment activities increased by RMB 258 million year on year, primarily due to the year-on-year decrease in the purchase of wealth management products during the reporting period;

Description of reasons for changes in the net cash flows from financing activities: The net cash flows from financing activities decreased by 187.23% year on year, primarily due to the year-on-year decrease in the new bank borrowings.

#### 2 Detailed description of major changes in the business types, profit composition or profit sources of the Company during the period

Applicable  N/A

#### (II) Explanation about material change in profit due to non-main business

Applicable  N/A

#### (III) Analysis of assets and liabilities

Applicable  N/A

##### 1. Status of assets and liabilities

In RMB

Project	Balance at the end of the	% of total assets at	Balance at the end of the	% of total assets at	% Change	Explanation
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	period	the end of the period	prior period	the end of the prior period		
Notes receivable	4,167,483.04	0.10	8,951,308.71	0.21	-53.44	Primarily due to the acceptance of notes receivable that became due at the beginning of the reporting period
Accounts receivable	322,429,228.84	7.53	180,290,007.90	4.27	78.84	Primarily due to the increase in receivables for the increasing incomes from the automotive business in the current period
Receivables financing	65,953,036.07	1.54	11,387,400.00	0.27	479.18	Primarily due to the increase in bank acceptance bills received in the current period
Long-term equity investment	6,183,769.99	0.14	144,726,776.43	3.43	-95.73	Primarily due to the loss of the Company's significant influence on the participating company GDC BVI, which led to a change in the accounting method from long-term equity investment to other non-current financial assets
Other non-current financial assets	99,443,720.92	2.32	-	-	N/A	Same as the above
Long-term prepaid expenses	3,881,364.11	0.09	6,318,145.33	0.15	-38.57	Primarily due to the amortization made in the current period
Other non-current assets	18,308,105.15	0.43	29,348,748.27	0.70	-37.62	Primarily due to the decrease in prepayments for long-term assets acquired in the current period
Short-term borrowings	50,032,500.00	1.17	80,036,500.00	1.90	-37.49	Primarily due to the repayment of short-term bank borrowings in the

						current period
Notes payable	105,114,863.34	2.45	76,001,079.07	1.80	38.31	Primarily due to the increase in bank acceptance bills issued in the current period
Accounts payable	403,638,748.50	9.42	247,318,466.10	5.86	63.21	Primarily due to the increase in payables for procurement for the increasing procurement for the automotive business in the current period
Employee benefits payable	31,408,872.42	0.73	66,874,234.47	1.58	-53.03	Primarily due to the payment of accrued salaries and wages as well as bonuses for the preceding year in the current period
Taxes payable	10,162,408.56	0.24	6,142,704.23	0.15	65.44	Primarily due to the increase in the provision for income tax payable made in the current period
Other payables	90,355,287.99	2.11	54,142,509.17	1.28	66.88	Primarily due to the dividend for the last year declared in the first half of the year which has not been paid
Deferred income	3,200,397.19	0.07	4,627,972.56	0.11	-30.85	Primarily due to the conversion to other incomes in the current period

Other information

None

## 2. Overseas assets

Applicable  N/A

### (1) Size of assets

Including: overseas assets of RMB 315.2881 million, representing 7.32% of the total assets.

### (2) Explanation about the high proportion of overseas assets

Applicable  N/A

Other information

None

## 3. Encumbrances on major assets as of the end of the reporting period

Applicable  N/A

In RMB

Item	Closing balance of book value	Reason
Other monetary funds	18,679,342.40	Security deposits

Bank deposits	81,733,534.26	Term deposits and interests
Intangible assets	264,503,999.76	Loan mortgage
Bank deposits	112,745,931.53	Refer to the note below
Accounts receivable	17,291,094.19	
Other receivables	14,367,063.15	
Other current assets	753,231.42	
Other non-current financial assets	99,443,720.92	
Fixed assets	2,243,955.29	
Right-of-use assets	1,116,734.85	
<b>Total</b>	<b>612,878,607.77</b>	

Note:

1. Because GDC BVI requested the U.S. arbitration tribunal to intervene in the implementation of the equity transaction plan released by the Company in April 2024, considering that this arbitration case was under trial and out of the respect for the arbitration trial, Appotronics HK constrained itself at the end of the reporting period and suspended the efforts for promoting conditions for the equity transaction. For the sake of prudence, the Company recorded all the assets of Appotronics HK as restricted assets. The parties are in negotiation with each other at present, and the specific result of negotiation will be announced separately.

2. This arbitration case is still under trial at present. The self-constraint on the assets above does not indicate the arbitration result of this case, while the final arbitration result is up to the decision of the arbitration tribunal.

#### 4. Other information

Applicable√ N/A

**(IV) Analysis of investments**
**Overall analysis of external equity investments**

✓ Applicable □ N/A

In RMB

Investment amount in the reporting period (in RMB)	Investment amount in the same period of the prior year (in RMB)	Range of change
6,183,769.99	156,523,146.05	-96.05%

**1. Material equity investments**

□ Applicable ✓ N/A

**2. Material non-equity investments**

□ Applicable ✓ N/A

**3. Financial assets at fair value**

✓ Applicable □ N/A

In RMB

Asset category	Opening balance	Gain or loss on changes in fair value for the period	Cumulative fair value changes included in equity	Impairment of the current period	Purchase amount for the current period	Sale/redemption for the current period	Other changes	Closing balance
<b>Equities</b>	12,880,000.00	10,062,500.00				22,942,500.00		0.00
<b>Others</b>	519,592,819.38		-4,900,000.00		56,565,636.07		99,443,720.92	675,602,176.37
<b>Total</b>	532,472,819.38	10,062,500.00	-4,900,000.00		56,565,636.07	22,942,500.00	99,443,720.92	675,602,176.37

Description of securities investments

✓ Applicable □ N/A

In RMB

Security type	Security code	Short name	Initial investment cost	Source of funds	Opening book value	Gain or loss on changes in fair value for the period	Cumulative fair value changes included in equity	Purchase amount for the current	Sale for the current period	Gains or losses from disposal	Closing balance of book value	Accounting item
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								period				
Domestic and overseas shares	835438	Gabrielle	14,000,000.00	Self-owned capital	12,880,000.00	10,062,500.00			22,942,500.00	9,281,230.90	0	Held-for-trading financial assets
<b>Total</b>	-	-	<b>14,000,000.00</b>	-	<b>12,880,000.00</b>	<b>10,062,500.00</b>			<b>22,942,500.00</b>	<b>9,281,230.90</b>	<b>0</b>	-

Description of derivative investments

 Applicable  N/A

#### 4. Description of investments in private equity investment funds

 Applicable  N/A

Other information

None

**(V) Sale of material assets and equities**
 Applicable  N/A

**(VI) Analysis of major investees**
 Applicable  N/A

In RMB 0'000

Company name	Main business	Registered capital	Shareholding ratio	Total assets	Net assets	Operating income	Net profit
CINEAPPO	Provision of cinema projection services and sales of projectors	10,000.00	67.80%	72,147.33	52,269.41	24,241.44	5,189.17
Chongqing Formovie	R&D and sale of household display products	7,017.54	39.19%	43,894.04	- 31,329.14	23,879.28	- 4,852.62

**(VII) Structured entities controlled by the Company**
 Applicable  N/A

**VII. Other disclosures**
 Applicable  N/A

## Section IV Corporate Governance

### I. General meetings of shareholders held

Session	Date of meeting	Reference to resolutions published on the designated website	Date of disclosure of resolutions	Resolutions
1 <sup>st</sup> extraordinary general meeting of shareholders in 2024	April 24, 2024	www.sse.com.cn	April 25, 2024	Refer to the <i>Announcement on the Resolutions of the 1<sup>st</sup> Extraordinary General Meeting of Shareholders in 2024</i> (No. 2024-029) disclosed by the Company at the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 25, 2024 for details.
Annual general meeting of shareholders in 2023	June 3, 2024	www.sse.com.cn	June 4, 2024	Refer to the <i>Announcement on the Resolutions of the Annual General Meeting of Shareholders in 2023</i> (No. 2024-047) disclosed by the Company at the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 4, 2024 for details.

#### Extraordinary general meeting of shareholders requested by the preferred shareholders with restitution of voting right

Applicable  N/A

#### Explanation about the general meetings of shareholders

Applicable  N/A

During the reporting period, the Company held 1 extraordinary general meeting and 1 annual general meeting. After being certified by Beijing Zhong Lun (Shenzhen) Law Firm engaged by the Company, the convening and holding procedures of general meetings of shareholders, the qualifications of the persons attending the meeting and conveners, the voting procedures and results comply with the relevant provisions of the *Companies Law*, the *Rules for General Meetings of Shareholders* and other laws, regulations and normative documents as well as the provisions of the *Articles of Association*, and are legal and valid.

All proposals submitted by the Board of Directors of the Company to the general meeting have been reviewed and passed.

### II. Changes in directors, supervisors, senior officers and key technical staff

Applicable  N/A

Name	Position	Change



WANG Lin	Key technical staff	Left the Company
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**Description of changes in directors, supervisors, senior officers and key technical staff**

√ Applicable □ N/A

During the reporting period, Mr. WANG Lin resigned from the position as key technical staff of the Company due to personal and family reasons. For details, refer to the *Announcement on Change in the Company's Key Technical Staff* (No. 2024-052) disclosed by the Company on Shanghai Stock Exchange (www.sse.com.cn) on June 29, 2024.

**Description of determination of key technical staff of the Company**

√ Applicable □ N/A

**The key technical staff of the Company were determined by taking into account the following factors**

- (1) play an important role in the Company's R&D system or hold an important position in the Company's R&D department;
- (2) lead the R&D of multiple core technologies of the Company during the period of service;
- (3) obtain several patents in the capacity as inventor or designer, and make outstanding contributions to the core technologies of the Company;
- (4) have a deep professional knowledge background in the laser display industry, broad work qualifications or project experience.

Any candidate shall meet at least two of the above criteria at the same time, and then with the approval of the Chairman, may be determined as a key technician of the Company.

**III. Proposals for profit distribution or capitalization of the capital reserve**
**Profit distribution proposal or proposal for capitalization of the capital reserve during the reporting period**

<b>Whether to implement profit distribution or capitalization of the capital reserve</b>	No
<b>Number of bonus shares distributed per 10 shares</b>	-
<b>Cash dividends distributed per 10 shares (inclusive of tax)</b>	-
<b>Number of shares distributed out of the capital reserve</b>	-
<b>Description of the proposal for profit distribution or capitalization of the capital reserve</b>	
-	

**IV. Share incentive plan, employee stock ownership plan or other employee incentive measures of the Company and their effect**
**(I) Equity incentives already disclosed in the interim announcements about which no new information is available**

√ Applicable □ N/A

Summary	Reference
The Company held the 25 <sup>th</sup> meeting of the second Board of Directors and the 23 <sup>rd</sup> meeting of the second Board of Supervisors on January 16, 2024, at which the <i>Proposal on Invalidating Partial Granted but Not Vested Restricted</i>	Refer to the relevant announcements disclosed by the Company at the website of the Shanghai Stock Exchange

<p><i>Shares and the Proposal on Meeting Vesting Criteria for the First Vesting Period in the Reserved Grant under 2021 Second Restricted Share Incentive Plan</i> and other proposals were reviewed and passed.</p>	<p>(www.sse.com.cn) on January 17, 2024 for details.</p>
<p>394,040 new shares reserved by the Company for the first vesting period under the 2021 Second Restricted Share Incentive Plan and the first vesting period reserved for the 2022 Restricted Share Incentive Plan became available for trading on February 2, 2024.</p>	<p>Refer to the relevant announcements disclosed by the Company at the website of the Shanghai Stock Exchange (www.sse.com.cn) on January 31, 2024 for details.</p>
<p>The Company held the 33<sup>rd</sup> meeting of the second Board of Directors and the 25<sup>th</sup> meeting of the second Board of Supervisors on May 30, 2024, at which the <i>Proposal on Invalidating Partial Granted but Not Vested Restricted Shares</i> and the <i>Proposal on Meeting Vesting Criteria for the Second Vesting Period in the Initial Grant under 2022 Restricted Share Incentive Plan</i> and other proposals were reviewed and passed.</p>	<p>Refer to the relevant announcements disclosed by the Company at the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 1, 2024 for details.</p>
<p>2,528,250 new shares for the second vesting period in the initial grant of the 2022 Restricted Share Incentive Plan became available for trading on June 20, 2024.</p>	<p>Refer to the relevant announcements disclosed by the Company at the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 18, 2024 for details.</p>

**(II) Incentives that have not been disclosed in any interim announcement or about which there is new information available**

Share incentives

Applicable  N/A

Other information

Applicable  N/A

Employee stock ownership plan

Applicable  N/A

Other incentives

Applicable  N/A

## Section V Environment and Social Responsibilities

### (1). Environment

Whether mechanisms related to environmental protection have been established	Yes
Investment in environmental protection funds during the reporting period (in RMB 0'000)	14.35

#### (I) Environmental protection information of the Company and its major subsidiaries that are identified as major polluters by the environmental protection authority

Applicable  N/A

#### (II) Environmental protection information of any company that is not identified as a major polluter

Applicable  N/A

##### 1. Administrative penalties imposed due to environmental issues

Applicable  N/A

##### 2. Disclosure of other environmental protection information with reference to that of major polluters

Applicable  N/A

The Company, as a global leading enterprise in the field of laser display technology, continuously engages in the research, development, production, and sales of laser display core devices and complete equipment based on the proprietary semiconductor laser light source technologies and architecture to apply semiconductor laser light source technologies to various fields, making it a low energy consumption enterprise. During the reporting period, the Company had no production or operating entity included in the list of major polluters identified by the environmental protection authority, did not conduct its routine production and operation in the heavy pollution industry identified by relevant national laws and regulations, and its production and operating activities had little impact on environment.

During its production, the Company mainly emits waste gas, waste water and solid waste, which have been properly handled in accordance with the requirements of relevant authorities and industrial parks. In terms of waste gas, our production and operation generated few waste gases, mainly including tin-containing waste gas and non-methane hydrocarbons. The waste gases were treated by environmental protection treatment facilities such as UV photolysis, activated carbon adsorption devices, air purification equipment, etc., and emitted in strict compliance with the level 2 environmental protection standard of *Emission Limits of Air Pollutants of Guangdong Province (DB44/27-2001)*; moreover, we engage a professional third-party inspection institution every year to monitor and assess the waste gas emitted. Of the waste water, domestic sewage is pre-processed according to standards, and discharged through the municipal sewage pipelines to the regional water quality purification plant for in-depth processing. The industrial wastewater is uniformly recycled and treated by a qualified environmental protection company.

Furthermore, the Company actively optimizes the production process and reduces sewage discharge. With respect to solid waste, industrial solid waste is treated by a qualified environmental protection company, while recyclable waste is collected and sorted by the Company's cleaning staff and then recovered by the relevant resource recovery unit.

### 3. Reason for failure to disclose other environmental protection information

Applicable  N/A

#### (III) New information about the environmental protection information disclosed during the reporting period

Applicable  N/A

#### (IV) Relevant information conducive to protecting ecology, preventing pollution and fulfilling environmental responsibilities

Applicable  N/A

The Company is committed to building a standardized management system for environment and social responsibilities that is leading in the industry. We have passed and maintained the certification of ISO 14001 Environment Management System since 2008. Meanwhile, we have obtained multiple international standard system certifications from third-party institutions, including the QC 080000 Hazardous Substance Process Management (HSPM) System Certification, ISO 14064-1 Greenhouse Gas Verification Certification, and ISO 50001 Energy Management System Certification, etc., which demonstrated our insistence on energy conservation, emission reduction, and energy efficiency improvement. All of our products are green products and have passed China environmental labeling product certification, RoHS, REACH and other certifications.

During our operation, we took active measures to promote the building of a comprehensive information system and make use of digitalization tools like online process approval, electronic notes, etc. to improve the efficiency of information communication and reduce the consumption of office supplies such as paper and printers and waste generation. We promote green office among employees by measures including shutting down devices when leaving their posts, turning off the light for one hour at the lunch break, and taking the employee bus, etc., to improve the awareness of energy conservation and environmental protection. Meanwhile, we took strict measures to implement energy conservation and emission reduction, and are committed to implementing the operating idea of sustainable development and environmental protection through routine management covering water conservation, electricity conservation, etc.

#### (V) Measures taken to reduce carbon emissions during the reporting period and their effect

<b>Whether carbon reduction measures are in place</b>	Yes
<b>Reduction of CO<sub>2</sub> equivalent emissions (in tons)</b>	48,176 (current period)/537,418 (cumulative)
<b>Types of carbon reduction measures (e.g., using clean energy to generate electricity, using carbon reduction)</b>	As of the end of the reporting period, we have installed over 30,800 sets of our ALPD® laser projection solution throughout China, achieving the total light source operation

<b>technologies in the production process, developing and producing new products that contribute to carbon reduction, etc.)</b>	of about 347 million hours. This saved electricity by about 625 million kWh and reduced carbon dioxide emission by over 0.5374 million tons in total.
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Specific description

Applicable  N/A

Based on the statistics on multiple tests, compared with conventional xenon lamp light sources, the ALPD® laser projection light source can save electricity by 1.8 kWh per hour, while 1 kWh of electricity will lead to 0.86 kg carbon dioxide.

As of the end of the reporting period, we have installed over 30,800 sets of our ALPD® laser projection solution throughout China, achieving the total light source operation of about 347 million hours. This saved electricity by about 625 million kWh and reduced carbon dioxide emission by over 0.5374 million tons in total.

**(2). Information on consolidation and expansion of the results of poverty alleviation, rural revitalization and other specific work**

Applicable  N/A

## Section VI Significant Matters

### I. Fulfillment of covenants

**(I) Covenants made by the actual controller, shareholders, affiliates and acquirer of the Company, the Company itself and other related parties during the reporting period or the outstanding covenants made by them in the prior periods**

√ Applicable □ N/A

Background of covenant	Covenant type	Covenantor	Covenant content	Date of covenant	Whether there's a time limit for the fulfillment of the covenant	Period of covenant	Whether the covenant has been strictly fulfilled on time	Reason for failure to fulfill the covenant on time (if applicable)	Action plan if failing to fulfill the covenant on time
Covenant relating to IPO	Restriction on the sale of shares	Covenant by the controlling shareholder regarding restriction on the sale of shares held by him, voluntary lock-up of such shares, intention to hold and dispose of shares and other issues	Refer to the <i>IPO Prospectus</i>	March 22, 2019	Yes	36 months after completion of the IPO and the extended period stated below	Yes	N/A	N/A
		Covenant by the actual controller regarding restriction on the sale of shares held by him, voluntary lock-up of such shares, intention to hold and dispose of shares and other issues	Refer to the <i>IPO Prospectus</i>	March 22, 2019	Yes	36 months after completion of the IPO and the extended period stated below, and 6 months after termination of employment with the Company	Yes	N/A	N/A

		Covenant by the persons acting in concert with the actual controller regarding restriction on the sale of shares held by him, voluntary lock-up of such shares, intention to hold and dispose of shares and other issues	Refer to the <i>IPO Prospectus</i>	March 22, 2019	Yes	36 months after completion of the IPO and the extended period stated below	Yes	N/A	N/A
		Covenant by HU Fei, as a member of key technical staff, regarding restriction on the sale of shares held by him, voluntary lock-up of such shares, intention to hold and dispose of shares and other issues	Refer to the <i>IPO Prospectus</i>	March 22, 2019	Yes	12 months after completion of the IPO and the extended period stated below, and 6 months after termination of employment with the Company	Yes	N/A	N/A
		Covenant by the key technical staff YU Xin and others regarding restriction on the sale of shares held by them, intention to hold and dispose of shares and other issues	Refer to the <i>IPO Prospectus</i>	March 22, 2019	Yes	Within 12 months from the IPO, and 4 years from the expiry of the lockup period	Yes	N/A	N/A
	Others	Issuer's covenant regarding measures against fraud in IPO	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Controlling shareholder, actual controller and their concert parties' covenant regarding measures against fraud in IPO	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A

	Directors, supervisors and senior officers' covenant regarding measures against fraud in IPO	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
	Issuer's covenant regarding remedial measures for diluted earnings in the current period	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
	Controlling shareholder, actual controller and their concert parties' covenant regarding remedial measures for diluted earnings in the current period	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
	Directors and senior officers' covenant regarding remedial measures for diluted earnings in the current period	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
	Issuer's covenant regarding profit distribution policy	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
	Issuer's covenant regarding restraint measures and liability for compensation in the event of failure to fulfill its covenants	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
	Controlling shareholder, actual controller and their concert parties' covenant regarding restraint measures and liability for compensation in the event of failure to fulfill their covenants	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A



		Directors, supervisors and senior officers' covenant regarding restraint measures and liability for compensation in the event of failure to fulfill their covenants	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Term of office	Yes	N/A	N/A
	Resolve horizontal competition issues	Controlling shareholder's covenant on avoiding horizontal competition and regulating and reducing related-party transactions	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Actual controller's covenant on avoiding horizontal competition and regulating and reducing related-party transactions	Refer to the <i>IPO Prospectus</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
Covenant related to share incentives	Others	Covenant by the grantee of share incentives regarding information disclosure documents	Refer to the <i>2021 Second Restricted Share Incentive Plan (Draft)</i> of the Company	October 25, 2021	Yes	Execution period of the equity incentive plan	Yes	N/A	N/A
			Refer to the <i>2022 Restricted Share Incentive Plan (Draft)</i> of the Company	May 25, 2022	Yes	Execution period of the equity incentive plan	Yes	N/A	N/A
		Company's covenant on refraining from providing financial assistance	Refer to the <i>2021 Second Restricted Share Incentive Plan</i>	October 25, 2021	Yes	Execution period of the equity incentive plan	Yes	N/A	N/A

			(Draft) of the Company						
			Refer to the 2022 Restricted Share Incentive Plan (Draft) of the Company	May 25, 2022	Yes	Execution period of the equity incentive plan	Yes	N/A	N/A

**II. Non-operating occupation of funds by the controlling shareholder and other affiliates during the reporting period**
 Applicable  N/A

**III. Guarantees in violation of applicable regulations**
 Applicable  N/A

**IV. Audit of semiannual report**
 Applicable  N/A

**V. Changes in matters involved by non-standard audit opinions in the previous annual report and treatment thereof**
 Applicable  N/A

**VI. Matters relating to bankruptcy and reorganization**
 Applicable  N/A

**VII. Material litigations and arbitrations**
 The Company was involved in material litigations or arbitrations during the reporting period

 The Company was not involved in material litigations or arbitrations during the reporting period

**(I) Litigations and arbitrations already disclosed in interim announcements about which no new information is available**
 Applicable  N/A

Summary and type of case	Reference
I. 01-22-0001-2735 In March 2022, GDC Cayman and GDC BVI initiated the arbitration against the Company and its wholly-owned subsidiary Appotronics HK in respect of the dispute over the implementation of the <i>Settlement Agreement</i> . Later, the Company raised counter-claims against GDC Cayman, GDC BVI, Mr. ZHANG Wanneng and his management team on the ground that GDC Cayman, GDC BVI, Mr. ZHANG Wanneng and his management team violated the provisions of the <i>Shareholders'</i>	Refer to the <i>Announcement on Arbitration with GDC Cayman and GDC BVI</i> (No. 2022-028) disclosed by the Company at the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 2, 2022 for details.

<i>Agreement and Settlement Agreement.</i>	
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**(II) Litigations and arbitrations that have not been disclosed in interim announcements or about which there is new information available**

✓ Applicable □ N/A

In RMB 0'000

<b>During the reporting period:</b>									
Plaintiff/claimant	Defendant/respondent	Party jointly and severally liable	Type of litigation/arbitration	Background	Amount claimed	Whether any provision is recognized and the amount	Status	Result and effect	Enforcement of judgment/award
Appotronics Corporation Limited	Delta Electronics, Inc.	-	Infringement on patent for invention	(2021) Yue 73 Zhi Min Chu No. 1860 In the maliciously initiated case of dispute over liabilities for damages due to an intellectual property litigation, the plaintiff held that the defendant, Delta Electronics, Inc., initiated an intellectual property litigation maliciously against the plaintiff, which infringed the	1,000.00	No	Case closed	The court approved to withdraw the case	-

				rights and interests of the plaintiff.					
Espedeo Holdings Limited	Appotronics Hong Kong Limited	-	Contract dispute	HKIAC/A24154 arbitration case of contract dispute, in which the claimant held that the respondent violated the <i>Purchase and Sales Agreement</i> , which resulted in economic losses to the claimant.	No less than USD 3.1671 million	No	Received the notice of arbitration	Trial not completed	-

Note: Espedeo Holdings Limited is a wholly-owned subsidiary of GDC BVI.

Other information

√ Applicable □ N/A

As of the end of the reporting period, 18 petitions for invalidation were submitted for our patent for invention No. ZL200880107739.5, and 12 petitions for invalidation were submitted for our patent for invention No. ZL200810065225.X, of which 29 invalidation cases with the Company as the patentee have been decided by the China National Intellectual Property Administration, with the patents sustained, or withdrawn by the petitioner, and only 1 case is in trial at the China National Intellectual Property Administration.

There is 1 invalidation petition raised against other patents of the Company, which is under trial at the China National Intellectual Property Administration.

**VIII. Penalties imposed on the listed company and its directors, supervisors, senior officers, controlling shareholder, actual controller for suspected violation of laws and regulations and rectification of the relevant violations**

Applicable  N/A

**IX. Credit standing of the Company and its controlling shareholder and actual controller during the reporting period**

Applicable  N/A

**X. Material related-party transactions**

**(I) Related-party transactions in connection with day-to-day operation**

**1. Matters already disclosed in the interim announcements about which no new information is available**

Applicable  N/A

Summary	Reference
The Company expects to engage in daily related-party transactions with China Film Equipment Co., Ltd. and its affiliates, Xiaomi Communications Co., Ltd. and its affiliates, and Shenzhen YLX Technology Development Co., Ltd. for the amount of RMB 322.7000 million in 2024.	Refer to the <i>Announcement on the Prediction of Daily Related-party Transactions in 2024</i> (No. 2024-036) disclosed by the Company at the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 27, 2024.

**2. Matters already disclosed in the interim announcements about which there is new information available**

Applicable  N/A

**3. Matters that have not been disclosed in any interim announcement**

Applicable  N/A

**(II) Related-party transactions involving acquisition or sale of assets or equities**

**1. Matters already disclosed in the interim announcements about which no new information is available**

Applicable  N/A

Summary	Reference
To reduce the uncertainty that may be caused by the participating company GDC BVI to the development of the Company, and further concentrate the Company's resources on the development of growth businesses, the Company transferred the 51% equity interests it held in the wholly-owned subsidiary Appotronics HK to Long Pine Investment, Inc., an enterprise under the indirect control of the actual controller of the Company. After this transaction was completed, Appotronics HK was no longer included in the scope of the Company's consolidated statements.	Refer to the <i>Announcement on the Transfer of Partial Equities in Subsidiary and Related-party Transactions</i> (No. 2024-021) disclosed by the Company at the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 13, 2024.

**2. Matters already disclosed in the interim announcements about which there is new information available**

Applicable  N/A

**3. Matters that have not been disclosed in any interim announcement**

Applicable  N/A

**4. Fulfillment of performance covenants (if any) during the reporting period** Applicable  N/A**(III) Material related-party transactions involving joint external investments****1. Matters already disclosed in the interim announcements about which no new information is available** Applicable  N/A**2. Matters already disclosed in the interim announcements about which there is new information available** Applicable  N/A**3. Matters that have not been disclosed in any interim announcement** Applicable  N/A**(IV) Accounts receivable from and payable to related parties****1. Matters already disclosed in the interim announcements about which no new information is available** Applicable  N/A**2. Matters already disclosed in the interim announcements about which there is new information available** Applicable  N/A**3. Matters that have not been disclosed in any interim announcement** Applicable  N/A**(V) Financial business between the Company and its affiliated financial companies, or between the Company's controlled financial companies and affiliates** Applicable  N/A**(VI) Other material related-party transactions** Applicable  N/A**(VII) Others** Applicable  N/A**XI. Material contracts and performance thereof****(I) Trusteeship, contracting and lease** Applicable  N/A

**(II) Material guarantees that have been performed or have not yet been fully performed during the reporting period**

√ Applicable □ N/A

In RMB 0'000

External guarantees provided by the Company (excluding those provided for the subsidiaries)															
Guarantor	Relationship between the guarantor and the listed company	Obligor	Guaranteed amount	Commencement date of guarantee (signing date of agreement)	Inception date of guarantee	Expiry date of guarantee	Type of guarantee	Principal debt	Collateral (if any)	Whether the obligation guaranteed has been discharged	Whether the obligation guaranteed has become overdue	Amount of the overdue obligation guaranteed	Counter-guarantee	Related-party guarantee or not	Related-party relationship
Total amount of guarantees provided during the reporting period (excluding those provided for the subsidiaries)											0				
Balance of guarantees as of the end of the reporting period (A) (excluding those provided for the subsidiaries)											0				
Guarantees provided by the Company or its subsidiaries for the subsidiaries of the Company															
Guarantor	Relationship between the guarantor and the listed company	Obligor	Relationship between the obligor and the listed company	Guaranteed amount	Commencement date of guarantee (signing date of agreement)	Inception date of guarantee	Expiry date of guarantee	Type of guarantee	Whether the obligation guaranteed has been discharged	Whether the obligation guaranteed has become overdue	Amount of the overdue obligation guaranteed	Whether there's a counter-guarantee			
Appotronics Corporation Limited	Headquarters	CINEAPP O Laser Cinema Technolog	Controlled subsidiary	4,000.00	2023/10/26	2023/8/25	Three years from the expiry of the performance period of the debtor as provided in the specific financing contract.	Joint and several liability	No	No	-	No			

		y (Beijing) Co., Ltd.										
Appotronics Corporation Limited	Headquarters	CINEAPP O Laser Cinema Technology (Beijing) Co., Ltd.	Controlled subsidiary	5,000.00	2023/10/16	2023/10/16	The guarantee period is three years from the date of termination of claims determination period.	Joint and several liability	No	No	-	No
Appotronics Corporation Limited	Headquarters	CINEAPP O Laser Cinema Technology (Beijing) Co., Ltd.	Controlled subsidiary	10,000.00	2023/11/3	2023/11/3	The period of guarantee by the guarantor is three years from the expiry of the debt performance period specified in the master contract, where the period of guarantee under each master contract shall be calculated separately.	Joint and several liability	No	No	-	No
Appotronics Corporation Limited	Headquarters	Formovie (Chongqing) Innovative Technology Co., Ltd.	Controlled subsidiary	20,000.00	2021/9/10	2021/9/10	2028/4/25	Joint and several liability	No	No	-	No
Appotronics Corporation Limited	Headquarters	Formovie (Chongqing) Innovative Technology Co., Ltd.	Controlled subsidiary	9,000.00	2021/12/6	2021/12/6	2026/12/30	Joint and several liability	No	No	-	No
Appotronics Corporation Limited	Headquarters	Formovie (Chongqing) Innovative Technology Co., Ltd.	Controlled subsidiary	12,000.00	2024/3/29	2023/3/24	Three years after the due date for the obligations under the specific facility in the master contract.	Joint and several liability	No	No	-	No



Appotronics Corporation Limited	Headquarters	Formovie (Chongqing) Innovative Technology Co., Ltd.	Controlled subsidiary	5,000.00	2024/3/26	2021/12/21	Three years after the due date (which will not be adjusted due to accelerated maturity) of the latest financing due and payable among all the financings drawn and used during the period of occurrence of guaranteed debts under the master agreement or/and inter-bank borrowing.	Joint and several liability	No	No	-	No
<b>Total amount of guarantees provided for the subsidiaries during the reporting period</b>							6,729.84					
<b>Balance of guarantees provided for the subsidiaries as of the end of the reporting period (B)</b>							33,771.13					
<b>Total amount of guarantees provided by the Company (including those provided for the subsidiaries)</b>												
<b>Total amount guaranteed (A+B)</b>							33,771.13					
<b>Proportion of total amount guaranteed to the net assets of the Company (%)</b>							12.28					
<b>Including:</b>												
<b>Total amount of guarantees provided for the shareholders, actual controller and their affiliates (C)</b>							0					
<b>Total amount of debt guarantees directly or indirectly provided for the obligors whose equity-debt ratio exceeds 70% (D)</b>							32,641.30					
<b>Total amount guaranteed in excess of 50% of the net assets of the Company (E)</b>							0					
<b>Total amount guaranteed (C+D+E)</b>							32,641.30					
<b>Explanation about outstanding guarantees for which the Company may assume joint and several liability</b>							N/A					
<b>Explanation about guarantees</b>							N/A					

**(III) Other material contracts**
 Applicable  N/A

**XII. Use of offering proceeds**
 Applicable  N/A

**(I) Overall use of offering proceeds**
 Applicable  N/A

In RMB 0'000

Source of offering proceeds	Date of receiving offering proceeds	Total offering proceeds	Net offering proceeds after deduction of offering expenses (1)	Total offering proceeds committed in the prospectus or offering circular (2)	Total excess offering proceeds (3) = (1) - (2)	Cumulative total offering proceeds used as of the end of the reporting period (4)	Including: Cumulative total excess offering proceeds used as of the end of the reporting period (5)	Cumulative investment progress of offering proceeds as of the end of the reporting period (%) (6)=(4)/(1)	Cumulative investment progress of excess offering proceeds used as of the end of the reporting period (%) (7)=(5)/(3)	Amount invested in this year (8)	Ratio of the amount invested in this year (%) (9)=(8)/(1)	Total offering proceeds with the purpose changed
Initial public offering	July 16, 2019	119,000.00	106,247.08	100,000.00	6,247.08	97,453.49	7,013.54	91.72	112.27	7,637.38	7.19	None
<b>Total</b>	-	<b>119,000.00</b>	<b>106,247.08</b>	<b>100,000.00</b>	<b>6,247.08</b>	<b>97,453.49</b>	<b>7,013.54</b>	-	-	<b>7,637.38</b>	-	-

**(II) Breakdown of investment projects**
 Applicable  N/A

1. Breakdown use of offering proceeds

 Applicable  N/A

In RMB 0'000

Source of offering proceeds	Project	Nature	Whether it is an investment project	Whether change of	Total investment amount planned	Amount invested in this year	Cumulative total offering proceeds	Cumulative investment	Date for the project to	Completed or not	Whether the investment	Specific reason for	Benefits realized	Benefits or R&D results	Material changes in the	Balance
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			in the prospectus or offering circular	investment is involved	with offering proceeds (1)		used as of the end of the reporting period (2)	progress as of the end of the reporting period (%) (3) = (2)/(1)	reach the working condition for its intended use [Note 1]		management progress meets the progress planned	failing to achieve the plan of investment progress	in the current year	achieved by the project	project feasibility; if any, describe the specific reasons	
Initial public offering	R&D and industrialization of new generation of laser display products	Production and construction	Yes	No	31,300.00	-	27,931.11	89.24	December 2022	Yes	Yes	N/A	N/A [Note 2]	N/A	No	5,161.67 [Note 3]
Initial public offering	R&D center at the head office of Appotronics [Note 4]	R&D	Yes	No	28,400.00	2,008.62	24,226.92	85.31	March 2025	No	Yes	N/A	N/A	N/A	No	N/A
Initial public offering	Information system upgrade and building	Operation management	Yes	No	7,000.00	552.95	4,742.42	67.75	March 2025	No	Yes	N/A	N/A	N/A	No	N/A
Initial public offering	Supplementary working capital [Note 5]	Supplementing the working capital	Yes	No	33,300.00	-	33,539.50	100.72	N/A	Yes	Yes	N/A	N/A	N/A	No	N/A

		and repaym ent of loans														
Initial public offering	Share repurchase [Note 6]	Others	No	No	7,075.81 [Note 7]	5,075.81	7,013.54	99.12	N/A	No	Yes	N/A	N/A	N/A	No	N/A
<b>Total</b>	-	-	-	-	<b>107,075.81</b>	<b>7,637.38</b>	<b>97,453.49</b>	-	-	-	-	-	-	-	-	<b>5,161.67</b>

[Note 1] On March 18, 2022, the Company held the 9<sup>th</sup> meeting of the second Board of Directors and the 8<sup>th</sup> meeting of the second Board of Supervisors, approving the *Proposal on Postponing Some Investment Projects* through deliberation, and agreeing the Company to adjust the time for some investment projects to reach the working condition for its intended use. On December 8, 2023, the Company held the 24<sup>th</sup> meeting of the second Board of Directors and the 22<sup>th</sup> meeting of the second Board of Supervisors, approving the *Proposal on Postponing Some Investment Projects* through deliberation, and agreeing the Company to postpone the time for some investment projects to reach the working condition for its intended use. The time of reaching the working condition for its intended use of the investment projects “R&D center at the head office of Appotronics” and “information system upgrade and building” were adjusted to March 2025;

[Note 2] The expected benefit of the “R&D and industrialization of new generation of laser display products” is an additional capacity of 135,000 sets per year. After this project was implemented, the Company has achieved the target production capability; the Company’s actual output varies with the market demands. Given the factors such as tense supply chain and changes in macro conditions both in and outside of China, the Company’s actual output did not achieve the target additional output;

[Note 3] On April 26, 2023, the Company held the 19<sup>th</sup> meeting of the second Board of Directors and the 18<sup>th</sup> meeting of the second Board of Supervisors respectively, which deliberated and approved the *Proposal on the Completion of Part of the Company’s Investment Projects and Permanent Replenishment of Liquidity with the Surplus Raised Funds*, and agreed that the Company would close the investment project “R&D and industrialization of new generation of laser display products”, and a total of RMB 51.6167 million saved (as of December 31, 2022) shall be used for permanent replenishment of the working capital. As at the date of remittance, the actual balance in the special account was RMB 52.0022 million (including the interest income and wealth management income, net of handling fees). This special account (Huaxia Bank Co., Ltd. Shenzhen Houhai Sub-branch, account number: 10869000000305964) has been deregistered on May 17, 2023, and the funds have been transferred to the general account of the Company;

[Note 4] The Company held the 19<sup>th</sup> meeting of the second Board of Directors and the 18<sup>th</sup> meeting of the second Board of Supervisors on April 26, 2023 and the annual general meeting for 2022 on May 19, 2023, respectively, approving the *Proposal on Adjusting Internal Investment Structure of Some Investment Projects* through deliberation, and agreeing the Company to adjust the internal investment structure of the investment project “R&D center at the head office of Appotronics”, and to decrease the “equipment purchase expenses” by RMB 65.0000 million and increase the “R&D expenditures” by RMB 65.0000 million;

[Note 5] During the project, the total wealth management returns of RMB 2.3950 million were realized from the special account of supplementary working capital, which have been put into use in the project (supplementary working capital). As of the date of approval for issue of this Report, the special account (Huaxia Bank Co., Ltd. Shenzhen Houhai Sub-branch, account number: 10869000000251463) has been deregistered. The interest of RMB 1,418.11 incurred after the project has been paid to the basic account of the Company to be used as supplementary working capital;

[Note 6] The Company held the 9<sup>th</sup> meeting of the second Board of Directors and the 1<sup>st</sup> extraordinary general meeting of shareholders for 2022 respectively on March 18, 2022 and March 29, 2022, approving the *Proposal on Repurchase of Shares of the Company through Call Auction* through deliberation, and agreeing the Company to use the excess offering funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through call auction;

The Company held the 27<sup>th</sup> meeting of the second Board of Directors on January 31, 2024, approving the *Proposal on Repurchase of Shares of the Company through Call Auction* through deliberation, and agreeing the Company to use the excess offering funds and own funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through call auction;

and the Company held the 31<sup>st</sup> meeting of the second Board of Directors on April 17, 2024, approving the *Proposal on 2024 Second Repurchase of Shares of the Company through Call Auction* through deliberation, and agreeing the Company to use the excess offering funds and own funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through call auction.

[Note 7] There was a difference between the committed investment by the end of the period and the total offering proceeds committed, which was primarily due to the repurchase made with the incomes from wealth management of excess offering proceeds and interests on deposits.

[Note 8] Subject to the restriction of relevant management measures and banks' requirements in operation, the Company paid expenses including salaries, social insurance premiums, and contributions for housing funds for investment projects with non-offering proceeds, and then repaid such expenses by transferring funds of the corresponding amount from the special account of offering proceeds to the general account of the Company;

[Note 9] Some sum values do not correspond to the aggregate of breakdown values in the table above due to rounding.

## 2. Breakdown use of excess offering proceeds

 Applicable  N/A

In RMB 0'000

Purpose	Nature	Total excess offering proceeds planned for investment (1)	Cumulative total offering proceeds used as of the end of the reporting period (2)	Cumulative investment progress as of the end of the reporting period (%) (3) = (2)/(1)	Remark
Share repurchase	Others	2,000.00	1937.73	96.89	Repurchase in 2022
Share repurchase	Others	4,121.12	4,121.12	100.00	Repurchase in 2024
Share repurchase	Others	954.69	954.69	100.00	Second repurchase in 2024
<b>Total</b>	-	<b>7,075.81</b>	<b>7,013.54</b>	-	-

**(III) Change in or termination of investment projects during the reporting period**
 Applicable  N/A

**(IV) Other information about the use of offering proceeds during the reporting period**

1. Early investment and replacement of projects invested with offering proceeds  
 Applicable  N/A
2. Supplement the working capital with idle offering proceeds  
 Applicable  N/A
3. Cash management of idle offering proceeds, and investment in relevant products  
 Applicable  N/A

In RMB 0'000

Date of deliberation by the Board of Directors	Effective amount deliberated for cash management of offering proceeds	Start date	End date	Balance of cash management at the end of the period	Whether the greatest balance exceeds the authorized amount during the period
June 25, 2023	24,900.00	June 25, 2023	June 25, 2024	8,300.00	No
May 30, 2024	11,600.00	May 30, 2024	May 30, 2025		No

**Other information**

The *Proposal on Cash Management of Temporarily Idle Offering Proceeds* was approved through deliberation at the 20<sup>th</sup> meeting of the second Board of Directors and the 19<sup>th</sup> meeting of the second Board of Supervisors held by the Company on June 25, 2023. It was approved that, without affecting the normal implementation of the investment plan for offering proceeds, a maximum of RMB 249.00 million temporarily idle offering proceeds may be put under cash management to purchase investment products featuring high security, good liquidity, and guarantee of the principal (including but not limited to structural deposits, agreement deposits, notice deposits, term deposits, large-amount deposit note, and return notes), where the total amount for purchasing return notes shall be no more than RMB 100 million, which shall be effective within 12 months from the review and approval.

The *Proposal on Cash Management of Temporarily Idle Offering Proceeds* was approved through deliberation at the 33<sup>th</sup> meeting of the second Board of Directors and the 25<sup>th</sup> meeting of the second Board of Supervisors held by the Company on May 30, 2024. It was approved that, without affecting the normal implementation of the investment plan for offering proceeds, a maximum of RMB 116.00 million (inclusive) temporarily idle offering proceeds may be put under cash management to purchase investment products featuring high security, good liquidity, and guarantee of the principal (including but not limited to structural deposits, notice deposits, term deposits, large-amount deposit note, and return notes), where the total amount for purchasing return notes shall be no more than RMB 50.00 million (inclusive), which shall be effective within 12 months from the review and approval.

**4. Others**
 Applicable  N/A

1. The Company held the 27<sup>th</sup> meeting of the second Board of Directors on January 31, 2024, approving the *Proposal on Repurchase of Shares of the Company through Call Auction* through

deliberation, and agreeing the Company to use the excess offering proceeds and own funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through call auction via the stock trading system of the Shanghai Stock Exchange, with the repurchase price not exceeding RMB 27.00 per share (inclusive), the repurchase funds totaling no more than RMB 60.00 million (inclusive) and no less than RMB 30.00 million (inclusive), and the repurchase period being six months from the date on which this share repurchase plan is approved by the Board of Directors.

As of April 15, 2024, the Company repurchased 3,351,740 shares in the aggregate through call auction in 2024 and paid RMB 59,981,548.54 (excluding stamp duty, commissions and other transaction fees). The repurchase of shares has been completed.

2. The Company held the 31<sup>st</sup> meeting of the second Board of Directors on April 17, 2024, approving the *Proposal on 2024 Second Repurchase of Shares of the Company through Call Auction* through deliberation, and agreeing the Company to use the excess offering proceeds and own funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through call auction via the stock trading system of the Shanghai Stock Exchange, with the repurchase price not exceeding RMB 27.00 per share (inclusive), the repurchase funds totaling no more than RMB 30.00 million (inclusive) and no less than RMB 20.00 million (inclusive), and the repurchase period being no more than six months from the date on which this share repurchase plan is approved by the Board of Directors.

As of June 30, 2024, the Company repurchased 1,590,743 shares in the aggregate through call auction in 2024 at the second phase and paid RMB 29,532,119.79 (excluding stamp duty, commissions and other transaction fees).

### **XIII. Other significant matters**

Applicable  N/A



## Section VII Changes in Shares and Shareholders

### I. Changes in shares

#### (I) Statement of changes in shares

##### 1. Statement of changes in shares

Unit: Share

	Before the change		+/-					After the change	
	Quantity	Percentage (%)	Issuance of new shares	Bonus shares	Capitalization of capital reserve	Others	Sub-total	Quantity	Percentage (%)
I. Non-tradable shares	0	0	0	0	0	0	0	0	0
1. Shares held by the State	0	0	0	0	0	0	0	0	0
2. Shares held by State-owned corporations	0	0	0	0	0	0	0	0	0
3. Shares held by other domestic investors	0	0	0	0	0	0	0	0	0
Including: Shares held by domestic non-state-owned corporations	0	0	0	0	0	0	0	0	0
Shares held by domestic natural persons	0	0	0	0	0	0	0	0	0
4. Shares held by foreign investors	0	0	0	0	0	0	0	0	0
Including: Shares held by foreign corporations	0	0	0	0	0	0	0	0	0
Shares held by foreign natural persons	0	0	0	0	0	0	0	0	0
II. Tradable shares	462,211,338	100	0	0	0	2,922,290	2,922,290	465,133,628	100
1. RMB-denominated ordinary shares	462,211,338	100	0	0	0	2,922,290	2,922,290	465,133,628	100

2. Foreign currency-denominated shares listed domestically	0	0	0	0	0	0	0	0	0
3. Foreign currency-denominated shares listed overseas	0	0	0	0	0	0	0	0	0
4. Others	0	0	0	0	0	0	0	0	0
III. Total shares	462,211,338	100	0	0	0	2,922,290	2,922,290	465,133,628	100

**2. Explanation about changes in shares**

Applicable  N/A

(1) On February 2, 2024, 394,040 new shares reserved by the Company for the first vesting period under the 2021 Second Restricted Share Incentive Plan and the first vesting period reserved for the 2022 Restricted Share Incentive Plan became available for trading, increasing the Company's shares from 462,211,338 shares to 462,605,378 shares;

(2) On June 20, 2024, 2,528,250 new shares for the second vesting period in the initial grant under the 2022 Restricted Share Incentive Plan became available for trading, increasing the Company's shares from 462,605,378 shares to 465,133,628 shares.

**3. Effect of the changes in shares on the earnings per share, net assets per share and other financial indicators for the duration after the reporting period to the disclosure date of the semiannual report (if any)**

Applicable  N/A

**4. Other information disclosed as the Company deems necessary or required by the securities regulatory authority**

Applicable  N/A

**(II) Changes in non-tradable shares**

Applicable  N/A

**II. Shareholders**
**(I) Total number of shareholders:**

<b>Total number of ordinary shareholders as of the end of the reporting period (accounts)</b>	16,858
<b>Total number of shareholders of preferred shares whose voting right has been restituted as of the end of the reporting period (accounts)</b>	0
<b>Total number of shareholders holding shares with special voting rights as of the end of the reporting period (accounts)</b>	0

**Number of holders of depository receipts**
 Applicable  N/A

**(II) Shares held by top 10 shareholders and top 10 holders of tradable shares as of the end of the reporting period**
**Shares held by top 10 shareholders through both the general securities account and the customer credit transaction guarantee securities account of a securities company**
 Applicable  N/A

Unit: Share

Shares held by top 10 shareholders (excluding shares lent out under the refinancing arrangement)								
Shareholder (Full name)	Change during the reporting period	Balance of shares held as of the end of the reporting period	Percentage (%)	Number of non-tradable shares held	Number of non-tradable shares held, including the shares lent out under the refinancing arrangement	Shares pledged, marked, or frozen		Shareholder nature
						Share status	Quantity	
Shenzhen Appotronics Holdings Limited	0	79,762,679	17.15	0	0	None	0	Domestic non-state-owned corporation
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	0	24,139,500	5.19	0	0	None	0	Domestic non-state-owned corporation
Nantong Strait Appotronics Investment Partnership (LP)	0	18,381,208	3.95	0	0	None	0	Domestic non-state-owned corporation
Shenzhen Appotronics Daye Investment Partnership (LP)	0	17,056,167	3.67	0	0	None	0	Domestic non-state-owned corporation

Shenzhen Appotronics Hongye Investment Partnership (LP)	0	13,601,344	2.92	0	0	None	0	Domestic non-state-owned corporation
Shenzhen Appotronics Chengye Consulting Partnership (LP)	0	10,394,846	2.23	0	0	None	0	Domestic non-state-owned corporation
Bank of China Co., Ltd. - Stable Income Bond Securities Investment Fund of E Fund	-92,255	9,945,837	2.14	0	0	None	0	Others
Shenzhen Jinleijing Investment Limited Partnership (LP)	0	9,892,706	2.13	0	0	None	0	Domestic non-state-owned corporation
LUO Xiaobin	1,601,000	4,403,004	0.95	0	0	None	0	Domestic natural person
LONG Zaiping	-15,200	4,135,800	0.89	0	0	None	0	Domestic natural person

**Shares held by top 10 holders of tradable shares (excluding shares lent out under the refinancing arrangement)**

Shareholder	Number of tradable shares held	Type and number of shares	
		Type	Quantity
Shenzhen Appotronics Holdings Limited	79,762,679	RMB-denominated ordinary share	79,762,679
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	24,139,500	RMB-denominated ordinary share	24,139,500
Nantong Strait Appotronics Investment Partnership (LP)	18,381,208	RMB-denominated ordinary share	18,381,208
Shenzhen Appotronics Daye Investment Partnership (LP)	17,056,167	RMB-denominated ordinary share	17,056,167
Shenzhen Appotronics Hongye Investment Partnership (LP)	13,601,344	RMB-denominated ordinary share	13,601,344
Shenzhen Appotronics Chengye Consulting Partnership (LP)	10,394,846	RMB-denominated ordinary share	10,394,846
Bank of China Co., Ltd. - Stable Income Bond Securities Investment Fund of E Fund	9,945,837	RMB-denominated ordinary share	9,945,837
Shenzhen Jinleijing Investment Limited Partnership (LP)	9,892,706	RMB-denominated ordinary share	9,892,706
LUO Xiaobin	4,403,004	RMB-denominated ordinary share	4,403,004
LONG Zaiping	4,135,800	RMB-denominated ordinary share	4,135,800

<b>Description of special repurchase shareholders among top 10 shareholders</b>	As of the end of the reporting period, the Company has repurchased 5,842,483 shares, accounting for 1.26% of the Company's total share capital of 465,133,628 shares.
<b>Description of entrusting voting right, entrusted voting right and waiver of voting right of the shareholders above</b>	N/A
<b>Affiliates or concert parties among the shareholders stated above</b>	1. As of June 30, 2024, the following entities in top 10 shareholders of the Company constituted persons acting in concert: Shenzhen Appotronics Holdings Limited, Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP), Shenzhen Appotronics Daye Investment Partnership (LP), Shenzhen Appotronics Hongye Investment Partnership (LP), Shenzhen Jinleijing Investment Limited Partnership (LP), and Shenzhen Appotronics Chengye Consulting Partnership (LP); 2. Except for the above, we are not aware whether there are affiliates or concert parties as defined in the <i>Administrative Measures for the Acquisition of the Listed Companies</i> among other shareholders.
<b>Holder of preferred shares whose voting rights have been restituted and the number of shares held by them</b>	N/A

**Lending of shares in refinancing businesses by shareholders holding over 5% shares, top 10 shareholders, and top 10 holders of tradable shares**

Applicable  N/A

**Changes from the prior period due to lending/payback in refinancing businesses by top 10 shareholders and top 10 holders of tradable shares**

Applicable  N/A

**Number of non-tradable shares held by top 10 holders and lock-up period**

Applicable  N/A

**Statement of top 10 holders of domestic depository receipts as of the end of the reporting period**

Applicable  N/A

**Participation in the lending of shares in refinancing businesses by holders holding over 5% depository receipts, top 10 holders of depository receipts, and top 10 holders of tradable shares**

Applicable  N/A

**Changes from the prior period due to lending/payback in refinancing businesses by top 10 holders of depository receipts and top 10 holders of tradable depository receipts**

Applicable  N/A

**Number of non-tradable depository receipts held by top 10 holders and lock-up period**

Applicable  N/A

**(III) Statement of top 10 shareholders by number of votes held as of the end of the reporting period**

Applicable  N/A

**(IV) Strategic investors or general corporations that become top 10 shareholders as a result of allotment of new shares/depository receipts**

Applicable  N/A

**III. Directors, supervisors, senior officers and key technical staff**
**(I) Changes in shareholding of current directors, supervisors, senior officers and key technical staff and the former directors, supervisors, senior officers and key technical staff who left the Company during the reporting period**

√ Applicable □ N/A

Unit: Share

Name	Title	Opening shareholding	Closing shareholding	Change in shareholding during the reporting period	Cause of change
WANG Yingxia	Director, Financial Director	128,124	178,124	50,000	Share incentive
HU Fei	Key technical staff	265,316	317,816	52,500	Share incentive
YU Xin	Key technical staff	290,752	390,752	100,000	Share incentive
WANG Zeqin	Key technical staff	229,752	282,252	52,500	Share incentive
GUO Zuqiang	Key technical staff	215,052	267,552	52,500	Share incentive
WANG Lin	Key technical staff (retired)	240,752	294,252	53,500	Share incentive, purchased on the secondary market

Other information

□ Applicable √ N/A

**(II) Share incentives granted to directors, supervisors, senior officers and key technical staff during the reporting period**
**1.Share options**

□ Applicable √ N/A

**2.Type I restricted shares**

□ Applicable √ N/A

**3.Type II restricted shares**

√ Applicable □ N/A

Unit: Share

Name	Title	Number of restricted shares already granted as at the beginning of the reporting period	Number of restricted shares granted during the reporting period	Number of restricted shares that could be vested in the reporting period	Number of restricted shares that have been vested in the reporting period	Number of restricted shares already granted as of the end of the reporting period
LI Yi	Chairman & General Manager	3,500,000	-	0	0	3,500,000
WANG Yingxia	Director, Financial Director	470,560	-	50,000	50,000	470,560
CHEN Yasha	Board Secretary	432,750	-	75,000	0	432,750

HU Fei	Key technical staff	540,000	-	52,500	52,500	540,000
YU Xin	Key technical staff	1,070,000	-	100,000	100,000	1,070,000
WANG Zeqin	Key technical staff	632,000	-	52,500	52,500	632,000
GUO Zuqiang	Key technical staff	626,000	-	52,500	52,500	626,000
<b>Total</b>	-	<b>72,713,10</b>	-	<b>382,500</b>	<b>307,500</b>	<b>7,271,310</b>

**(III) Other information**

Applicable√ N/A

**IV. Changes in the controlling shareholder or actual controller**

Applicable√ N/A

**V. Implementation of and changes in arrangements relating to depository receipts during the reporting period**

Applicable√ N/A

**VI. Shares with special voting rights**

Applicable√ N/A

## Section VIII Preferred Shares

Applicable  N/A



## **Section IX Bonds**

### **I. Corporate bonds (including enterprise bonds) and non-financial corporate debt financing instruments**

Applicable  N/A

### **II. Convertible corporate bonds**

Applicable  N/A

## Section X Financial Report

### I. Auditor's report

Applicable  N/A

### II. Financial statements

#### Consolidated Balance Sheet

June 30, 2024

Prepared by: Appotronics Corporation Limited

In RMB

Item	Note	June 30, 2024	December 31, 2023
<b>Current Assets:</b>			
Monetary funds	VII. 1	1,334,828,141.48	1,386,828,549.06
Balances with clearing agencies			
Placements with banks and other financial institutions			
Held-for-trading financial assets	VII. 2	503,130,000.00	514,010,000.00
Derivative financial assets			
Notes receivable	VII. 4	4,167,483.04	8,951,308.71
Accounts receivable	VII. 5	322,429,228.84	180,290,007.90
Receivables financing	VII. 7	65,953,036.07	11,387,400.00
Prepayments	VII. 8	34,708,582.94	35,112,661.82
Premiums receivable			
Amounts receivable under reinsurance contracts			
Reinsurer's share of insurance contract reserves			
Other receivables	VII. 9	30,579,134.59	30,698,687.55
Including: Interest receivable			
Dividend receivable		14,111,064.00	14,023,746.00
Financial assets purchased under resale agreements			
Inventories	VII. 10	660,442,864.55	656,346,799.67
Including: Data resources			
Contract assets	VII. 6	1,830,851.39	1,664,740.29
Assets held for sale			
Non-current assets due within 1 year	VII. 12	50,522,240.47	41,997,218.73
Other current assets	VII. 13	49,455,379.32	48,417,270.11
Total current assets		<b>3,058,046,942.69</b>	<b>2,915,704,643.84</b>
<b>Non-current Assets:</b>			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	VII. 16	22,102,504.94	26,000,543.13
Long-term equity investment	VII. 17	6,183,769.99	144,726,776.43
Investment in other equity instruments	VII. 18	7,075,419.38	7,075,419.38
Other non-current financial assets	VII. 19	99,443,720.92	
Investment property			
Fixed assets	VII. 21	308,123,259.75	336,276,793.84
Construction in progress	VII. 22	372,111,349.09	347,777,138.86
Productive biological assets			
Oil and gas assets			

Right-of-use assets	VII. 25	29,026,784.06	40,016,903.67
Intangible assets	VII. 26	275,487,807.09	281,961,046.22
Including: Data resources			
Development expenditure			
Including: Data resources			
Goodwill			
Long-term prepaid expenses	VII. 28	3,881,364.11	6,318,145.33
Deferred tax assets	VII. 29	83,880,273.57	85,364,732.19
Other non-current assets	VII. 30	18,308,105.15	29,348,748.27
Total non-current assets		<b>1,225,624,358.05</b>	<b>1,304,866,247.32</b>
Total assets		<b>4,283,671,300.74</b>	<b>4,220,570,891.16</b>
<b>Current Liabilities:</b>			
Short-term borrowings	VII. 32	50,032,500.00	80,036,500.00
Loans from the central bank			
Taking from banks and other financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII. 35	105,114,863.34	76,001,079.07
Accounts payable	VII. 36	403,638,748.50	247,318,466.10
Advance from customers	VII. 37	101,638,526.13	110,573,711.24
Contract liabilities	VII. 38	43,087,407.22	45,416,445.99
Financial assets sold under repurchase agreements			
Customer deposits and deposits from banks and other financial institutions			
Funds from securities trading agency			
Funds from underwriting securities agency			
Employee benefits payable	VII. 39	31,408,872.42	66,874,234.47
Taxes payable	VII. 40	10,162,408.56	6,142,704.23
Other payables	VII. 41	90,355,287.99	54,142,509.17
Including: Interest payable			
Dividend payable	VII. 41	32,084,193.96	
Fees and commissions payable			
Amounts payable under reinsurance contracts			
Liabilities held for sale			
Non-current liabilities due within 1 year	VII. 43	324,824,694.69	268,748,151.67
Other current liabilities	VII. 44	15,980,408.92	18,441,685.83
Total current liabilities		<b>1,176,243,717.77</b>	<b>973,695,487.77</b>
<b>Non-current Liabilities:</b>			
Insurance contract reserves			
Long-term borrowings	VII. 45	321,652,760.09	370,649,631.22
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	VII. 47	11,990,866.87	15,548,985.71
Long-term payables			
Long-term employee benefits payable			
Provisions	VII. 50	54,298,545.77	58,180,985.08
Deferred income	VII. 51	3,200,397.19	4,627,972.56
Deferred tax liabilities	VII. 29	1,773,955.14	1,229,654.81
Other non-current liabilities			

Total non-current liabilities		<b>392,916,525.06</b>	<b>450,237,229.38</b>
Total liabilities		<b>1,569,160,242.83</b>	<b>1,423,932,717.15</b>
<b>Owners' Equity (Or Shareholders' Equity):</b>			
Paid-in capital (or share capital)	VII. 53	465,133,628.00	462,211,338.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	VII. 55	1,654,818,814.25	1,616,489,567.43
Less: Treasury shares	VII. 56	108,917,776.63	19,377,297.59
Other comprehensive income	VII. 57	9,002,284.77	7,550,073.78
Special reserve			
Surplus reserve	VII. 59	84,873,365.32	84,873,365.32
General risk reserve			
Retained profits	VII. 60	645,947,825.53	667,122,406.05
Total owners' (or shareholders') equity attributable to owners of the parent company		<b>2,750,858,141.24</b>	<b>2,818,869,452.99</b>
Minority interests		-36,347,083.33	-22,231,278.98
Total owners' (or shareholders') equity		<b>2,714,511,057.91</b>	<b>2,796,638,174.01</b>
Total liabilities and owners' (or shareholders') equity		<b>4,283,671,300.74</b>	<b>4,220,570,891.16</b>

Principal of the Company:

LI Yi

 Person in Charge of the  
Accounting Work:  
WANG Yingxia

 Person in Charge of the  
Accounting Body:  
WANG Yingxia

### Balance Sheet of the Parent Company

June 30, 2024

Prepared by: Appotronics Corporation Limited

In RMB

Item	Note	June 30, 2024	December 31, 2023
<b>Current Assets:</b>			
Monetary funds		825,062,184.73	885,876,318.51
Held-for-trading financial assets		503,130,000.00	514,010,000.00
Derivative financial assets			
Notes receivable		2,369,663.04	8,951,308.71
Accounts receivable	XIX. 1	633,845,471.71	462,480,236.37
Receivables financing		62,086,236.07	5,996,000.00
Prepayments		7,986,712.86	6,081,606.52
Other receivables	XIX. 2	358,976,925.08	14,978,163.24
Including: Interest receivable			
Dividend receivable			
Inventories		403,429,133.81	360,986,333.90
Including: Data resources			
Contract assets		1,694,051.39	1,664,740.29
Assets held for sale			
Non-current assets due within 1 year			
Other current assets		31,399,670.31	26,620,443.94
Total current assets		<b>2,829,980,049.00</b>	<b>2,287,645,151.48</b>
<b>Non-current Assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables			

Long-term equity investment	XIX. 3	165,039,611.88	469,318,028.03
Investment in other equity instruments		7,075,419.38	7,075,419.38
Other non-current financial assets			
Investment property			
Fixed assets		85,027,283.16	65,177,438.43
Construction in progress		369,194,706.11	344,481,907.55
Productive biological assets			
Oil and gas assets			
Right-of-use assets		19,055,339.41	30,017,024.96
Intangible assets		277,124,967.21	283,883,645.37
Including: Data resources			
Development expenditure			
Including: Data resources			
Goodwill			
Long-term prepaid expenses		643,301.76	1,450,084.92
Deferred tax assets		29,764,368.94	33,459,331.86
Other non-current assets		17,584,475.85	28,174,416.97
Total non-current assets		<b>970,509,473.70</b>	<b>1,263,037,297.47</b>
Total assets		<b>3,800,489,522.70</b>	<b>3,550,682,448.95</b>
<b>Current Liabilities:</b>			
Short-term borrowings		50,032,500.00	50,010,833.33
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		50,510,028.75	31,461,205.72
Accounts payable		414,426,069.74	274,312,877.51
Advance from customers			
Contract liabilities		21,490,848.79	18,743,336.81
Employee benefits payable		14,392,537.21	34,021,863.01
Taxes payable		1,808,367.01	3,596,744.97
Other payables		87,189,488.58	15,161,050.55
Including: Interest payable			
Dividend payable		32,084,193.96	
Liabilities held for sale			
Non-current liabilities due within 1 year		107,424,303.89	61,007,143.63
Other current liabilities		2,082,604.36	3,912,927.75
Total current liabilities		<b>749,356,748.33</b>	<b>492,227,983.28</b>
<b>Non-current Liabilities:</b>			
Long-term borrowings		251,598,892.31	233,506,228.03
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		7,680,532.57	10,326,879.29
Long-term payables			
Long-term employee benefits payable			
Provisions		20,349,383.48	20,925,309.05
Deferred income		1,836,760.80	2,718,881.63
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		<b>281,465,569.16</b>	<b>267,477,298.00</b>
Total liabilities		<b>1,030,822,317.49</b>	<b>759,705,281.28</b>
<b>Owners' Equity (Or Shareholders' Equity):</b>			
Paid-in capital (or share capital)		465,133,628.00	462,211,338.00
Other equity instruments			

Including: Preferred shares			
Perpetual bonds			
Capital reserve		1,672,569,968.45	1,625,258,496.25
Less: Treasury shares		108,917,776.63	19,377,297.59
Other comprehensive income			
Special reserve			
Surplus reserve		83,595,824.59	83,595,824.59
Retained profits		657,285,560.80	639,288,806.42
Total owners' (or shareholders') equity		<b>2,769,667,205.21</b>	<b>2,790,977,167.67</b>
Total liabilities and owners' (or shareholders') equity		<b>3,800,489,522.70</b>	<b>3,550,682,448.95</b>

Principal of the Company:

LI Yi

 Person in Charge of the  
Accounting Work:  
WANG Yingxia

 Person in Charge of the  
Accounting Body:  
WANG Yingxia

### Consolidated Income Statement

Jan. - Jun. 2024

In RMB

Item	Note	Half year of 2024	Half year of 2023
I. Total operating income		<b>1,081,409,500.21</b>	<b>1,073,249,037.75</b>
Including: Operating income	VII. 61	1,081,409,500.21	1,073,249,037.75
Interest income			
Premiums earned			
Fee and commission income			
II. Total operating costs		<b>1,036,598,728.95</b>	<b>1,012,145,838.42</b>
Including: Operating costs	VII. 61	745,633,299.59	668,659,467.49
Interest expenses			
Fee and commission expenses			
Surrenders			
Claims and policyholder benefits (net of amounts recoverable from reinsurers)			
Net withdrawal of insurance contract reserves			
Insurance policyholder dividends			
Expenses for reinsurance accepted			
Taxes and surcharges	VII. 62	3,739,598.40	4,005,751.53
Selling expenses	VII. 63	99,322,901.25	143,399,660.02
Administrative expenses	VII. 64	82,242,537.80	86,696,223.82
R&D expenses	VII. 65	111,618,787.20	126,406,142.12
Financial expenses	VII. 66	-5,958,395.29	-17,021,406.56
Including: Interest expense		9,734,387.32	7,061,642.05
Interest income		16,592,276.86	15,604,073.30
Add: Other income	VII. 67	14,929,412.51	23,608,983.31
Investment income (loss is indicated by "-")	VII. 68	-25,806,969.54	-2,806,106.20
Including: Income from investments in associates and joint ventures		-41,711,273.01	-8,071,814.75
Gains from derecognition of financial assets at amortized cost (loss is indicated by "-")			
Foreign exchange gains (loss is indicated by "-")			

Gains from net exposure hedges (loss is indicated by “-”)			
Gains from changes in fair values (loss is indicated by “-”)	VII. 70	10,062,500.00	
Losses of credit impairment (loss is indicated by “-”)	VII. 72	-10,437,805.62	-3,513,083.07
Impairment losses of assets (loss is indicated by “-”)	VII. 73	-27,861,537.16	-29,013,931.74
Gains from disposal of assets (loss is indicated by “-”)	VII. 71	-9,895.34	15,262.15
<b>III. Operating profit (loss is indicated by “-”)</b>		<b>5,686,476.11</b>	<b>49,394,323.78</b>
Add: Non-operating income	VII. 74	1,177,978.86	9,424,347.83
Less: Non-operating expenses	VII. 75	577,532.42	641,261.92
<b>IV. Total profits (total losses are indicated by “-”)</b>		<b>6,286,922.55</b>	<b>58,177,409.69</b>
Less: Income tax expenses	VII. 76	9,216,850.86	18,649,943.64
<b>V. Net profits (net losses are indicated by “-”)</b>		<b>-2,929,928.31</b>	<b>39,527,466.05</b>
(I) Categorized by the continuity of operation			
1. Net profits from continuing operations (net losses are indicated by “-”)		-2,929,928.31	39,527,466.05
2. Net profits from discontinued operations (net losses are indicated by “-”)			
(II) Categorized by the ownership			
1. Net profits attributable to shareholders of the parent company (net losses are indicated by “-”)		10,909,613.44	74,914,640.95
2. Profits or losses attributable to minority shareholders (net losses are indicated by “-”)		-13,839,541.75	-35,387,174.90
<b>VI. Other comprehensive income, net of tax</b>		<b>1,505,432.81</b>	<b>5,158,805.71</b>
(I) Other comprehensive income that can be attributable to owners of the parent company, net of tax		1,452,210.99	6,714,283.50
1. Other comprehensive income that cannot be reclassified subsequently to profit or loss			
(1) Changes from remeasurement of defined benefit plans			
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
(3) Changes in fair value of investments in other equity instruments			
(4) Changes in fair value of enterprises’ own credit risks			
2. Other comprehensive income that will be reclassified to profit or loss		1,452,210.99	6,714,283.50
(1) Other comprehensive income that will be reclassified to profit or loss under the equity method			-4,176,328.87
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified to other comprehensive income			
(4) Provision for credit impairment of other debt investments			

(5) Reserve for cash flow hedges			
(6) Exchange differences on translation of financial statements denominated in foreign currencies		1,452,210.99	10,890,612.37
(7) Others			
(II) Other comprehensive income that can be attributable to minority shareholders, net of tax		53,221.82	-1,555,477.79
<b>VII. Total comprehensive income</b>		<b>-1,424,495.50</b>	<b>44,686,271.76</b>
(I) Total comprehensive income that can be attributable to owners of the parent company		12,361,824.43	81,628,924.45
(II) Total comprehensive income that can be attributable to minority shareholders		-13,786,319.93	-36,942,652.69
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)		0.02	0.16
(II) Diluted earnings per share (RMB/share)		0.02	0.16

In the event of business combinations involving entities under common control during the period, the net profits realized prior to the combination by the party being absorbed is: RMB 0.00, and the net profits realized in the last period by the party being absorbed is: RMB 0.00.

Principal of the Company:	Person in Charge of the Accounting Work:	Person in Charge of the Accounting Body:
LI Yi	WANG Yingxia	WANG Yingxia

### Income Statement of the Parent Company

Jan. - Jun. 2024

In RMB

Item	Note	Half year of 2024	Half year of 2023
<b>I. Operating income</b>	XIX. 4	<b>710,455,810.59</b>	<b>542,956,800.34</b>
Less: Operating costs	XIX. 4	560,232,751.34	368,571,473.83
Taxes and surcharges		3,058,211.98	3,199,879.01
Selling expenses		32,036,077.04	37,056,481.71
Administrative expenses		37,794,728.35	46,709,472.09
R&D expenses		72,390,894.41	70,859,871.98
Financial expenses		-10,376,332.95	-16,034,801.70
Including: Interest expense		3,028,119.55	3,133,969.39
Interest income		14,294,503.35	14,313,472.46
Add: Other income		9,804,296.31	19,359,728.30
Investment income (loss is indicated by “-”)	XIX. 5	36,000,814.10	12,717,708.55
Including: Income from investments in associates and joint ventures		-436,832.42	
Gains from derecognition of financial assets at amortized cost (loss is indicated by “-”)			
Gains from net exposure hedges (loss is indicated by “-”)			
Gains from changes in fair values (loss is indicated by “-”)		10,062,500.00	
Losses of credit impairment (loss is indicated by “-”)		-6,754,898.59	-2,891,569.80
Impairment losses of assets (loss is indicated by “-”)		-13,305,434.47	-7,961,985.67



Gains from disposal of assets (loss is indicated by “-”)			12,718.43
II. Operating profit (loss is indicated by “-”)		<b>51,126,757.77</b>	<b>53,831,023.23</b>
Add: Non-operating income		66,902.53	362,544.72
Less: Non-operating expenses		23,187.55	216,230.87
III. Total profits (total losses are indicated by “-”)		<b>51,170,472.75</b>	<b>53,977,337.08</b>
Less: Income tax expenses		1,089,524.41	1,792,767.89
IV. Net profits (net losses are indicated by “-”)		<b>50,080,948.34</b>	<b>52,184,569.19</b>
(I) Net profits from continuing operations (net losses are indicated by “-”)		50,080,948.34	52,184,569.19
(II) Net profits from discontinued operations (net losses are indicated by “-”)			
V. Other comprehensive income, net of tax			
(I) Other comprehensive income that cannot be reclassified subsequently to profit or loss			
1. Changes from remeasurement of defined benefit plans			
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in fair value of enterprises’ own credit risks			
(II) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that will be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Reserve for cash flow hedges			
6. Exchange differences on translation of financial statements denominated in foreign currencies			
7. Others			
VI. Total comprehensive income		<b>50,080,948.34</b>	<b>52,184,569.19</b>
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Principal of the Company:

LI Yi

 Person in Charge of the  
Accounting Work:

WANG Yingxia

 Person in Charge of the  
Accounting Body:

WANG Yingxia

### Consolidated Cash Flow Statement

Jan. - Jun. 2024

In RMB

Item	Note	Half year of 2024	Half year of 2023
<b>I. Cash Flows from Operating Activities:</b>			
Cash receipts from the sale of goods and the rendering of services		992,459,890.22	1,117,055,783.68
Net increase in customer deposits and deposits from banks and other financial institutions			
Net increase in loans from the central bank			
Net increase in taking from banks and other financial institutions			
Cash receipts from premiums under direct insurance contracts			
Net cash receipts from reinsurance business			
Net cash receipts from policyholders' deposits and investment contract liabilities			
Cash receipts from interest, fees and commissions			
Net increase in taking from banks			
Net increase in financial assets sold under repurchase arrangements			
Net cash received from securities trading agencies			
Receipts of tax refunds		4,305,653.31	4,435,896.68
Other cash receipts relating to operating activities	VII. 78	26,945,289.81	90,837,327.64
Sub-total of cash inflows from operating activities		<b>1,023,710,833.34</b>	<b>1,212,329,008.00</b>
Cash payments for goods purchased and services received		582,056,304.37	678,514,829.90
Net increase in loans and advances to customers			
Net increase in balance with the central bank and due from banks and other financial institutions			
Cash payments for claims and policyholders' benefits under direct insurance contracts			
Net increase in placements with banks and other financial institutions			
Cash payments for interest, fees and commissions			
Cash payments for insurance policyholder dividends			
Cash payments to and on behalf of employees		229,240,243.70	235,611,354.36
Payments of various types of taxes		39,923,684.79	30,029,161.72
Other cash payments relating to operating activities	VII. 78	251,637,270.71	153,434,829.89
Sub-total of cash outflows from operating activities		<b>1,102,857,503.57</b>	<b>1,097,590,175.87</b>
Net cash flows from operating activities		<b>-79,146,670.23</b>	<b>114,738,832.13</b>
<b>II. Cash Flows from Investing Activities:</b>			

Cash receipts from disposals and recovery of investments	VII. 78	780,000,000.00	765,000,000.00
Cash receipts from investment income		26,283,772.27	5,265,708.55
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		138,633.58	30,975.00
Net cash receipts from disposals of subsidiaries and other business units			
Other cash receipts relating to investing activities	VII. 78	1,362,168.77	
Sub-total of cash inflows from investing activities		<b>807,784,574.62</b>	<b>770,296,683.55</b>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		39,993,557.76	41,659,342.63
Cash payments to acquire investments	VII. 78	768,000,001.00	976,816,480.00
Net increase in pledged loans			
Net cash payments for acquisitions of subsidiaries and other business units			11,831,365.16
Other cash payments relating to investing activities		1,364,715.49	
Sub-total of cash outflows from investing activities		<b>809,358,274.25</b>	<b>1,030,307,187.79</b>
Net cash flows from investing activities		<b>-1,573,699.63</b>	<b>-260,010,504.24</b>
<b>III. Cash Flows from Financing Activities:</b>			
Cash receipts from capital contributions		46,113,350.89	50,609,959.00
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries			
Cash receipts from borrowings		95,230,654.50	265,000,000.00
Other cash receipts relating to financing activities			
Sub-total of cash inflows from financing activities		<b>141,344,005.39</b>	<b>315,609,959.00</b>
Cash repayments of borrowings		109,082,709.91	137,959,994.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		22,238,477.89	49,596,180.44
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		10,626,000.00	11,040,000.00
Other cash payments relating to financing activities	VII. 78	106,539,207.31	17,407,047.01
Sub-total of cash outflows from financing activities		<b>237,860,395.11</b>	<b>204,963,221.45</b>
Net cash flows from financing activities		<b>-96,516,389.72</b>	<b>110,646,737.55</b>
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>		1,057,197.12	8,274,666.00
<b>V. Net Increase in Cash and Cash Equivalents</b>		<b>-176,179,562.46</b>	<b>-26,350,268.55</b>
Add: Opening balance of cash and cash equivalents		1,297,848,895.75	1,254,582,403.12
<b>VI. Closing Balance of Cash and Cash Equivalents</b>		<b>1,121,669,333.29</b>	<b>1,228,232,134.57</b>

Principal of the Company:

LI Yi

Person in Charge of the

Accounting Work:

WANG Yingxia

Person in Charge of the

Accounting Body:

WANG Yingxia

### Cash Flow Statement of the Parent Company

Jan. - Jun. 2024

In RMB

Item	Note	Half year of 2024	Half year of 2023
<b>I. Cash Flows from Operating Activities:</b>			
Cash receipts from the sale of goods and the rendering of services		522,941,818.51	631,177,814.33
Receipts of tax refunds		728,673.28	1,915,638.25
Other cash receipts relating to operating activities		52,327,476.52	34,660,128.09
Sub-total of cash inflows from operating activities		<b>575,997,968.31</b>	<b>667,753,580.67</b>
Cash payments for goods purchased and services received		461,646,914.19	345,900,092.57
Cash payments to and on behalf of employees		124,688,419.86	147,052,438.69
Payments of various types of taxes		13,403,951.33	12,354,746.49
Other cash payments relating to operating activities		56,817,195.43	36,687,871.73
Sub-total of cash outflows from operating activities		<b>656,556,480.81</b>	<b>541,995,149.48</b>
Net cash flows from operating activities		<b>-80,558,512.50</b>	<b>125,758,431.19</b>
<b>II. Cash Flows from Investing Activities:</b>			
Cash receipts from disposals and recovery of investments		780,000,000.00	765,000,000.00
Cash receipts from investment income		34,480,972.27	12,717,708.55
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		-	24,975.00
Net cash receipts from disposals of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Sub-total of cash inflows from investing activities		<b>814,480,972.27</b>	<b>777,742,683.55</b>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		38,902,930.88	35,226,743.48
Cash payments to acquire investments		769,009,109.50	976,818,280.00
Net cash payments for acquisitions of subsidiaries and other business units			
Other cash payments relating to investing activities			
Sub-total of cash outflows from investing activities		<b>807,912,040.38</b>	<b>1,012,045,023.48</b>
Net cash flows from investing activities		<b>6,568,931.89</b>	<b>-234,302,339.93</b>
<b>III. Cash Flows from Financing Activities:</b>			
Cash receipts from capital contributions		46,113,350.89	50,609,959.00
Cash receipts from borrowings		95,230,654.50	135,000,000.00

Other cash receipts relating to financing activities			
Sub-total of cash inflows from financing activities		<b>141,344,005.39</b>	<b>185,609,959.00</b>
Cash repayments of borrowings		22,282,709.91	5,750,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		5,059,880.87	29,004,483.78
Other cash payments relating to financing activities		102,144,543.40	12,747,615.67
Sub-total of cash outflows from financing activities		<b>129,487,134.18</b>	<b>47,502,099.45</b>
Net cash flows from financing activities		<b>11,856,871.21</b>	<b>138,107,859.55</b>
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>		144,876.98	3,294,539.64
<b>V. Net Increase in Cash and Cash Equivalents</b>		<b>-61,987,832.42</b>	<b>32,858,490.45</b>
Add: Opening balance of cash and cash equivalents		805,019,178.89	634,972,775.32
<b>VI. Closing Balance of Cash and Cash Equivalents</b>		<b>743,031,346.47</b>	<b>667,831,265.77</b>

Principal of the Company:

LI Yi

 Person in Charge of the  
Accounting Work:

WANG Yingxia

 Person in Charge of the  
Accounting Body:

WANG Yingxia

**Consolidated Statement of Changes in Owners' Equity**

Jan. - Jun. 2024

In RMB

Item	Half year of 2024														
	Equity attributable to owners of the parent company													Minority interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained profits	Others	Sub-total		
Preferred shares	Perpetual bonds	Others													
I. Closing balance of the prior year	462,211,338.00				1,616,489,567.43	19,377,297.59	7,550,073.78		84,873.365.32		667,122,406.05		2,818,869,452.99	22,231,278.98	2,796,638,174.01
Add:															
Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Opening balance of the current year	462,211,338.00				1,616,489,567.43	19,377,297.59	7,550,073.78		84,873.365.32		667,122,406.05		2,818,869,452.99	22,231,278.98	2,796,638,174.01
III. Changes for the period (decrease is indicated by "-")	2,922,290.00				38,329,246.82	89,540,479.04	1,452,210.99				21,174,580.52		68,011,311.75	14,115,804.35	82,127,116.10
(I) Total comprehensive income							1,452,210.99				10,909,613.44		12,361,824.43	13,786,319.93	1,424,495.50

(II) Owners' contribution s and reduction in capital	2,922,290.00				38,329,246.82	89,540,479.04							48,288,942.22	10,296,515.58	37,992,426.64
1. Ordinary shares contributed by owners	2,922,290.00				43,191,060.89	89,540,479.04							43,427,128.15		43,427,128.15
2. Capital contribution from holders of other equity instruments															
3. Share-based payment recognized in owners' equity					3,621,509.62								3,621,509.62	1,141,021.02	4,762,530.64
4. Others					-8,483,323.69								-8,483,323.69	9,155,494.56	672,170.87
(III) Profit distribution													32,084,193.96	-	-
1. Transfer to surplus reserve															
2. Transfer to general risk reserve															
3. Distributions to owners (or shareholders)													32,084,193.96	-	-
4. Others															
(IV) Transfers															

within owners' equity															
1. Capitalization of capital reserve															
2. Capitalization of surplus reserve															
3. Loss offset by surplus reserve															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserve															
1. Transfer to special reserve in the period															
2. Amount utilized in the period															
(VI) Others															



IV. Closing balance of the current year	465,133,628.00				1,654,818,814.25	108,917,776.63	9,002,284.77		84,873,365.32		645,947,825.53		2,750,858,141.24	36,347,083.33	2,714,511,057.91
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Item	Half year of 2023														
	Equity attributable to owners of the parent company											Minority interests	Total owners' equity		
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained profits			Others	Sub-total
Preferred shares		Perpetual bonds	Others												
I. Closing balance of the prior year	457,107,538.00			1,530,752,116.04	19,377,297.59	5,736,897.41		75,519,782.06			597,924,451.67		2,647,663,487.59	93,855,136.07	2,741,518,623.66
Add: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Opening balance of	457,107,538.00			1,530,752,116.04	19,377,297.59	5,736,897.41		75,519,782.06			597,924,451.67		2,647,663,487.59	93,855,136.07	2,741,518,623.66

the current year													
III. Changes for the period (decrease is indicated by "-")				20,714,249.08		6,714,283.50				50,279,433.90	77,707,966.48	64,777,884.97	12,930,081.51
(I) Total comprehensive income						6,714,283.50				74,914,640.95	81,628,924.45	36,942,652.69	44,686,271.76
(II) Owners' contributions and reduction in capital				20,714,249.08							20,714,249.08	16,795,232.28	3,919,016.80
1. Ordinary shares contributed by owners													
2. Capital contribution from holders of other equity instruments													
3. Share-based payment recognized in owners' equity				20,442,747.19							20,442,747.19	3,204,207.49	23,646,954.68

4. Others					271,501.89							271,501.89	19,999,439.77	19,727,937.88
(III) Profit distribution												-24,635,207.05	-24,635,207.05	11,040,000.00
1. Transfer to surplus reserve														
2. Transfer to general risk reserve														
3. Distributions to owners (or shareholders)												-24,635,207.05	-24,635,207.05	11,040,000.00
4. Others														
(IV) Transfers within owners' equity														
1. Capitalization of capital reserve														
2. Capitalization of surplus reserve														
3. Loss offset by surplus reserve														

4. Retained earnings carried forward from changes in defined benefit plans													
5. Retained earnings carried forward from other comprehensive income													
6. Others													
(V) Special reserve													
1. Transfer to special reserve in the period													
2. Amount utilized in the period													
(VI) Others													
IV. Closing balance of the current year	457,107,538.00			1,551,466,365.12	19,377,297.59	12,451,180.91	75,519,782.06		648,203,885.57	2,725,371,454.07	29,077,251.10	2,754,448,705.17	

Principal of the Company: LI Yi    Person in Charge of the Accounting Work: WANG Yingxia    Person in Charge of the Accounting Body: WANG Yingxia

**Statement of Changes in Owners' Equity of the Parent Company**  
Jan. - Jun. 2024

In RMB

Item	Half year of 2024										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehe nsive income	Special reserve	Surplus reserve	Retained profits	Total owners' equity
		Pref erre d shar es	Per petu al bon ds	Oth ers							
I. Closing balance of the prior year	462,211,338.00				1,625,258,496.25	19,377,297.59			83,595,824.59	639,288,806.42	2,790,977,167.67
Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Opening balance of the current year	462,211,338.00				1,625,258,496.25	19,377,297.59			83,595,824.59	639,288,806.42	2,790,977,167.67
III. Changes for the period (decrease is indicated by "-")	2,922,290.00				47,311,472.20	89,540,479.04				17,996,754.38	-21,309,962.46
(I) Total comprehensive income										50,080,948.34	50,080,948.34
(II) Owners' contributions and reduction in capital	2,922,290.00				47,311,472.20	89,540,479.04					-39,306,716.84
1. Ordinary shares contributed by owners	2,922,290.00				43,191,060.89	89,540,479.04					-43,427,128.15
2. Capital contribution from holders of other equity instruments					784,440.30						784,440.30
3. Share-based payment recognized in owners' equity					3,335,971.01						3,335,971.01
4. Others											

(III) Profit distribution											-32,084,193.96	-32,084,193.96
1. Transfer to surplus reserve												
2. Distributions to owners (or shareholders)											-32,084,193.96	-32,084,193.96
3. Others												
(IV) Transfers within owners' equity												
1. Capitalization of capital reserve												
2. Capitalization of surplus reserve												
3. Loss offset by surplus reserve												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserve												
1. Transfer to special reserve in the period												
2. Amount utilized in the period												
(VI) Others												
IV. Closing balance of the current year	465,133,628.00				1,672,569,968.45	108,917,776.63			83,595,824.59	657,285,560.80	2,769,667,205.21	

Item	Half year of 2023										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Total owners' equity
		Pref erred	Per petual	Oth ers							

		shares	bonds								
I. Closing balance of the prior year	457,107,538.00				1,541,789,874.63	19,377,297.59			74,242,241.33	579,741,763.06	2,633,504,119.43
Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Opening balance of the current year	457,107,538.00				1,541,789,874.63	19,377,297.59			74,242,241.33	579,741,763.06	2,633,504,119.43
III. Changes for the period (decrease is indicated by "-")					19,436,223.71					27,549,362.14	46,985,585.85
(I) Total comprehensive income										52,184,569.19	52,184,569.19
(II) Owners' contributions and reduction in capital					19,436,223.71						19,436,223.71
1. Ordinary shares contributed by owners											
2. Capital contribution from holders of other equity instruments											
3. Share-based payment recognized in owners' equity					19,436,223.71						19,436,223.71
4. Others											
(III) Profit distribution										-24,635,207.05	-24,635,207.05
1. Transfer to surplus reserve											
2. Distributions to owners (or shareholders)										-24,635,207.05	-24,635,207.05
3. Others											

(IV) Transfers within owners' equity										
1. Capitalization of capital reserve										
2. Capitalization of surplus reserve										
3. Loss offset by surplus reserve										
4. Retained earnings carried forward from changes in defined benefit plans										
5. Retained earnings carried forward from other comprehensive income										
6. Others										
(V) Special reserve										
1. Transfer to special reserve in the period										
2. Amount utilized in the period										
(VI) Others										
IV. Closing balance of the current year	457,107,538.00			1,561,226,098.34	19,377,297.59			74,242,241.33	607,291,125.20	2,680,489,705.28

Principal of the Company: LI Yi    Person in Charge of the Accounting Work: WANG Yingxia    Person in Charge of the Accounting Body: WANG Yingxia



### III. Company profile

#### 1. Profile

√ Applicable □ N/A

Appotronics Corporation Limited (hereinafter referred to as “Company” or “the Company”), formally named as Appotronics Corporation Ltd. (hereinafter referred to as “Appotronics Ltd.”), was jointly invested and established by LI Yi and XU Yanzheng, registered in Nanshan Branch of Market Supervision and Regulation Bureau of Shenzhen Municipality on October 24, 2006, and headquartered in Shenzhen City, Guangdong Province. The Company holds the business license bearing the credit code 91440300795413991N. Its registered capital is RMB 462,211,338.00 divided into 462,211,338 shares (RMB 1.00 per share), including 462,211,338 unrestricted A shares. The Company’s shares were listed for trading on Shanghai Stock Exchange on July 22, 2019.

The Company can be classified into the computer, communication and other electronic equipment manufacturing industry. It mainly engages in research and development, production, sales and leasing of laser display core devices and complete equipment, and can provide customers with technical research and development services and customized products. Its products mainly include laser optical engines, laser business and education projectors, smart mini projectors, laser TVs, laser large venue projectors and laser digital cinema projectors.

These financial statements have been approved by the 35<sup>th</sup> meeting of the second Board of Directors on August 29, 2024 for public disclosure.

### IV. Basis of preparation of financial statements

#### 1. Basis of preparation

The Company’s financial statements are prepared on a going-concern basis.

#### 2. Going concern

√ Applicable □ N/A

The Company has detected no events or circumstances that may cast significant doubt upon its ability to continue as a going concern within 12 months from the end of reporting period.

### V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates:

√ Applicable □ N/A

The Company establishes the specific accounting policies and makes the specific accounting estimates with respect to inventories, depreciation of fixed assets, construction in progress, intangible assets, recognition of revenues and other transactions and events according to the actual production and operation characteristics of the Company.

#### 1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the Company’s financial position, operating results, changes in shareholders’ equity, cash flows and other related information.

#### 2. Accounting period

The Company’s accounting year is from January 1 to December 31 of each calendar year.

#### 3. Operating cycle

√ Applicable □ N/A

The Company has a relatively short operating cycle, and determines the liquidity of assets and liabilities on the basis of 12 months.

#### 4. Functional currency

The Company and domestic subsidiaries adopt RMB as their functional currency, while Appotronics Hong Kong Limited and other overseas subsidiaries engaging in overseas operation adopt the currency in their primary economic environments as their functional currencies.

#### 5. Method and basis for determination of materiality

√ Applicable □ N/A

Item	Materiality standard
<b>Dividends receivable with significant amounts aged more than 1 year</b>	The Company considers an individual dividend receivable in an amount exceeding 0.3% of the total assets as a significant dividend receivable.
<b>Significant construction in progress</b>	The Company considers the construction in progress which incurred the amount exceeding 0.3% of the total assets in the current period as a significant construction in progress.
<b>Significant cash flow from investing activities</b>	The Company considers an individual cash flow from investing activities in an amount exceeding 5% of the total assets as a significant cash flow from investing activities.
<b>Significant subsidiaries and non-wholly-owned subsidiaries</b>	The Company considers a subsidiary whose total assets/total revenue exceeds 15% of the group's total assets/total revenue as a significant subsidiary or significant non-wholly-owned subsidiary.
<b>Significant associates</b>	The Company considers an associate whose total assets/total revenue exceeds 10% of the group's total assets/total revenue as a significant associate.
<b>Significant contingencies</b>	The Company considers an individual contingency in an amount exceeding 0.3% of the total assets as a significant contingency.
<b>Significant events after the balance sheet date</b>	The Company considers an event expected to cause an impact to the total profit in an amount exceeding 5% of the group's total profit as a significant event after the balance sheet date.

**6. The accounting treatment of business combinations involving entities under common control and not involving entities under common control**

√ Applicable □ N/A

1. Accounting method for business combinations involving entities under common control

Assets and liabilities acquired from a business combination by the Company are measured at the book values of the assets and liabilities of the acquiree in the consolidated financial statements of the ultimate controller at the date of combination. The difference between the book value of the owners' equity of the acquiree as stated in the consolidated financial statements of the ultimate controller and the book value of the total consideration paid or total par value of the shares issued in connection with the combination is treated as an adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

2. Accounting treatment of business combinations not involving entities under common control

Where the cost of combination exceeds the Company's interest in the fair value of the acquiree's identifiable net assets at the date of acquisition, the difference is recognized as goodwill. Where the cost of combination is less than the Company's interest in the fair value of the acquiree's identifiable net assets, the Company firstly reassesses the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the Company's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

**7. Standard for determination of control and method of preparation of consolidated financial statements**

√ Applicable □ N/A

1. Determination of control

Control is the power of an investor over the investee to obtain variable returns by participating in the relevant activities of the investee, and to affect the amount of the return by exercising the power over the investee.

2. Method of preparation of consolidated financial statements

The parent company includes all of its controlled subsidiaries in its consolidated financial statements. The consolidated financial statements are prepared by the parent company in accordance with the

*Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements*, on the basis of the respective financial statements of the parent company and its subsidiaries, by reference to other relevant data.

#### **8. Classification of joint arrangements and accounting treatment of joint operations**

√ Applicable  N/A

1. Joint arrangements are classified into joint operations and joint ventures.

2. When the Company is a party to a joint operation, the Company recognizes the following items relating to its interest in the joint operation:

(1) the assets individually held by the Company, and the Company's share of the assets held jointly;

(2) the liabilities incurred individually by the Company, and the Company's share of the liabilities incurred jointly;

(3) the Company's revenue from the sale of its share of output of the joint operation;

(4) the Company's share of revenue from the sale of assets by the joint operation; and

(5) the expenses incurred individually by the Company, and the Company's share of the expenses incurred jointly.

#### **9. Recognition of cash and cash equivalents**

Cash equivalents are the Company's short-term (generally due within 3 months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **10. Translation of transactions and financial statements denominated in foreign currencies**

√ Applicable  N/A

1. Transactions denominated in foreign currencies

A foreign currency transaction is recorded in RMB, on initial recognition, by applying the spot exchange rate on the date of the transaction. At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from such translations are recognized in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets and accrued interest. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the foreign exchange rates ruling at the transaction dates, without adjusting the amounts in RMB. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rates prevailing at the dates when the fair value was determined, with exchange differences arising from such translations recognized in profit or loss for the current period or other comprehensive income.

2. Translation of financial statements denominated in foreign currencies

Asset and liability items on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; owners' equity items other than "retained profits" are translated at the spot exchange rates at the dates on which such items arose; income and expense items in the income statement are translated at the exchange rates that approximate the actual spot exchange rates on the dates of the transactions. Exchange differences arising from such translations are recognized in other comprehensive income.

#### **11. Financial instruments**

√ Applicable  N/A

1. Classification of financial assets and financial liabilities

On initial recognition, the Company's financial assets are classified into three categories, including (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; and (3) financial assets at fair value through profit or loss for the current period.

Upon initial recognition, the Company's financial liabilities are classified into four categories, including (1) financial liabilities at fair value through profit or loss for the current period; (2) financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or

continuing involvement in the financial assets transferred; (3) financial guarantee contracts not falling under Clauses (1) and (2), and loan commitments not falling under Clause (1) and below market interest rate; and (4) financial liabilities at amortized cost.

2. Recognition, measurement and derecognition of financial assets and financial liabilities

(1) Recognition and initial measurement of financial assets and financial liabilities

When the Company becomes a party to a financial instrument contract, a financial asset or liability is recognized. Financial assets and liabilities are initially measured at fair value. Transaction costs relating to financial assets or liabilities at fair value through profit or loss are directly recognized in profit or loss for the current period. Transaction costs relating to other kinds of financial assets or liabilities are included in their initially recognized amount. However, the accounts receivable that do not contain any significant financing component or are recognized by the Company without taking into consideration the financing components under the contracts with a term of less than one year upon initial recognition are initially measured at transaction price defined in the *Accounting Standards for Business Enterprises No. 14 - Revenue*.

(2) Subsequent measurement of financial assets

1) Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from financial assets at amortized cost that do not belong to any hedging relationship are recognized in profit or loss for the current period upon derecognition, reclassification, amortization using the effective interest method or recognition of impairment.

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

Investments in debt instruments at fair value through other comprehensive income are subsequently measured at fair value. Interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method are recognized in profit or loss for the current period, and other gains or losses are recognized in other comprehensive income. Upon derecognition, the aggregate gains or losses previously recognized in other comprehensive income are transferred to profit or loss for the current period.

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

Investments in equity instruments at fair value through other comprehensive income are subsequently measured at fair value. Dividends received (other than those received as recovery of investment cost) are recognized in profit or loss for the current period, and other gains or losses are recognized in other comprehensive income. Upon derecognition, the accumulated gains or losses previously recognized in other comprehensive income are transferred to retained earnings.

4) Financial assets at fair value through profit or loss for the current period

Financial assets at fair value through profit or loss for the current period are subsequently measured at fair value, with gains or losses arising therefrom, including interest and dividend income, recognized in profit or loss for the current period, except the financial assets belonging to any hedging relationship.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss for the current period

Financial liabilities at fair value through profit or loss for the current period include financial liabilities held for trading (including derivatives classified as financial liabilities), and financial liabilities directly designated as at fair value through profit or loss for the current period. Such financial liabilities are subsequently measured at fair value. Changes in the fair value of financial liabilities designated as at fair value through profit or loss for the current period arising out of changes in the Company's own credit risk are recognized in other comprehensive income, unless such treatment will result in or increase any accounting mismatch in profit or loss. Other gains or losses arising from such financial liabilities, including interest expenses and changes in fair value not arising out of changes in the Company's own credit risk, are recognized in profit or loss for the current period, except the financial liabilities belonging to any hedging relationship. Upon derecognition, the accumulated gains or losses previously recognized in other comprehensive income are transferred to retained earnings.

2) Financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for

derecognition or continuing involvement in the financial assets transferred

Such financial liabilities are measured in accordance with the *Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets*.

3) Financial guarantee contracts not falling under Clauses 1) and 2), and loan commitments not falling under Clause 1) and below market interest rate

Upon initial recognition, such financial liabilities are subsequently measured at the higher of ① provision for impairment losses determined according to the policy for impairment of financial instruments; and ② balance of the initially recognized amount after deduction of the accumulated amortization determined in accordance with the relevant provisions of the *Accounting Standards for Business Enterprises No. 14 - Revenue*.

4) Financial liabilities at amortized cost

Financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest method. Gains or losses on financial liabilities at amortized cost that do not belong to any hedging relationship are recognized in profit or loss for the current period upon derecognition or amortization using the effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

① the contractual right to receive cash flows from the financial assets has expired; or

② the financial assets have been transferred and such transfer meets the criteria for derecognition of financial assets as set forth in the *Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets*.

2) A financial liability (or part thereof) is derecognized accordingly where its present obligation (or part thereof) is discharged.

3. Recognition and measurement of financial assets transferred

When a financial asset of the Company is transferred, if substantially all the risks and rewards incidental to the ownership of the financial asset have been transferred, the financial asset is derecognized, and the rights and obligations incurred or retained in such transfer are separately recognized as assets or liabilities (as the case may be); if substantially all the risks and rewards incidental to the ownership of the financial asset have been retained, the financial asset transferred continues to be recognized. If the Company neither transfers nor retains a substantial portion of all risks and rewards incidental to the ownership of the financial asset, then: (1) if the Company does not retain control over the financial asset, the financial asset is derecognized, and the rights and obligations incurred or retained in such transfer are separately recognized as assets or liabilities (as the case may be); and (2) if the Company retains control over the financial asset, the financial asset continues to be recognized to the extent of the Company's continuing involvement in the financial asset transferred, and a corresponding liability is recognized.

If an entire transfer of a financial asset meets the criteria for derecognition, the difference between (1) the book value of the financial asset transferred at the date of derecognition; and (2) the sum of the consideration received from the transfer and the portion of the accumulated amount of changes in fair value directly recorded as other comprehensive income originally that corresponds to the part derecognized (where the financial asset transferred is an investment in debt instruments at fair value through other comprehensive income) is recognized in profit or loss for the current period. If part of a financial asset is transferred and the part transferred entirely meets the criteria for derecognition, the total book value of the financial asset immediately prior to the transfer is allocated between the part derecognized and the part not derecognized in proportion to their relative fair value at the date of transfer, and the difference between (1) the book value of the part derecognized; and (2) the sum of the consideration received from the transfer of the part derecognized and the portion of the accumulated amount of changes in fair value directly recorded as other comprehensive income originally that corresponds to the part derecognized (where the financial asset transferred is an investment in debt instruments at fair value through other comprehensive income) is recognized in profit or loss for the

current period.

#### 4. Determination of fair value of financial assets and financial liabilities

The Company adopts the valuation techniques applicable to the current situations and with sufficient data available and support of other information, to determine the fair value of financial assets and financial liabilities. The Company classifies the inputs used by the valuation techniques in the following levels and uses them in turn:

(1) Level 1 inputs: quoted market price (unadjusted) in an active market for an identical asset or liability available at the date of measurement;

(2) Level 2 inputs: inputs other than inputs included within Level 1 that are observable directly or indirectly. This category includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, observable inputs other than quoted prices (such as interest rate and yield curves observable during regular intervals of quotation), and inputs validated by the market; and

(3) Level 3 inputs: inputs that are unobservable. This category includes interest rate or stock volatility that cannot be directly observed or validated by observable market data, future cash flows from retirement obligation incurred in business combinations, and financial forecasts made using own data.

#### 5. Impairment of financial instruments

The Company determines the impairment and assesses provision for impairment losses of financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, lease receivable, loan commitments other than financial liabilities designated at fair value through profit or loss for the current period, and financial guarantee contracts other than financial liabilities designated at fair value through profit or loss for the current period and financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred, on the basis of expected credit losses.

Expected credit loss is the weighted average of credit losses on financial instruments taking into account the possibility of default. Credit loss is the difference between all contractual cash flows receivable under the contract and estimated future cash flows discounted at the original effective interest rate, i.e. the present value of all cash shortage, wherein the Company's purchased or originated financial assets that have become credit-impaired are discounted at their credit-adjusted effective interest rate.

With respect to purchased or originated financial assets that have become credit-impaired, at the balance sheet date, the Company recognizes a loss allowance equal to the accumulated amount of changes in lifetime expected credit losses since initial recognition.

With respect to lease receivable, accounts receivable and contract assets that are formed from transactions under the *Accounting Standards for Business Enterprises No. 14 - Revenue*, the Company uses the simple measurement method and recognizes a loss allowance equal to the lifetime expected credit loss.

With respect to financial assets not using the measurement methods stated above, at each balance sheet date, the Company assesses whether the credit risk has increased significantly since initial recognition, and recognizes a loss allowance equal to the lifetime expected credit loss if the credit risk has increased significantly since initial recognition, or to the expected credit losses within the next 12 months if the credit risk has not increased significantly since initial recognition.

The Company uses reasonable and supportable information, including forward-looking information, and compares the possibility of default at the balance sheet date with the possibility of default upon initial recognition, to determine whether the credit risk of the financial instruments has increased significantly since initial recognition.

At the balance sheet date, if the Company determines that a financial instrument only has low credit risk, the Company assumes that its credit risk has not increased significantly since initial recognition.

The Company assesses expected credit risk and measures expected credit losses of financial instruments individually or collectively. When assessing the financial instruments collectively, the Company includes the financial instruments in different groups according to their common risk

characteristics.

At each balance sheet date, the Company re-assesses the expected credit losses, with the amount of increase in or reversal of loss allowance recognized in profit or loss for the current period as impairment losses or gains. With respect to a financial asset at amortized cost, its book value recorded in the balance sheet is written off against the loss allowance. With respect to an investment in debt instruments at fair value through other comprehensive income, the Company recognizes the loss allowance in other comprehensive income, without reducing its book value.

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

Financial assets and financial liabilities are presented in the balance sheet separately, without offsetting each other. However, the Company may represent the financial assets and financial liabilities on a net basis in the balance sheet only if: (1) the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and (2) the Company intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

With respect to the transfer of financial assets not meeting the criteria for derecognition, the Company does not offset the financial assets transferred against the relevant liabilities.

#### 7. Standard for recognizing and making provision of expected credit losses for receivables and contract assets

(1) Receivables and contract assets for which the provision of expected credit losses is made by combination of credit risk characteristics

Category of combination	Basis for determining a group	Method for measuring expected credit losses
Bank acceptance bills receivable	Type of notes	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, calculate the expected credit losses according to the default risk exposure and rate of lifetime expected credit loss.
Commercial acceptance bills receivable		
Accounts receivable - group of receivables from related parties in the scope of consolidation	Accounts receivable from related parties in the scope of consolidation	
Accounts receivable - grouping by aging	Aging	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, prepare a comparison table of the aging of accounts receivable and rate of expected credit loss, and calculate the expected credit losses.
Contract assets - contract assets from related parties in the scope of consolidation	Contract assets from related parties in the scope of consolidation	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, calculate the expected credit losses according to the default risk exposure and rate of lifetime expected credit loss.
Contract assets - grouping by aging	Aging	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, prepare a comparison table of the aging of contract assets and rate of lifetime expected credit loss, and calculate the expected credit losses.
Other receivables - grouping by aging	Aging	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, prepare a comparison table of the

Category of combination	Basis for determining a group	Method for measuring expected credit losses
		aging of other receivables and rate of lifetime expected credit loss, and calculate the expected credit losses.
Long-term receivables - grouping by aging	Aging	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, prepare a comparison table of the aging of long-term receivables and rate of lifetime expected credit loss, and calculate the expected credit losses.

(2) Comparison table of the aging and rate of expected credit loss

Aging	Rate of expected credit loss for accounts receivable (%)	Rate of expected credit loss for contract assets (%)	Rate of expected credit loss for long-term receivables (%)	Rate of expected credit loss for other receivables (%)
Within 1 year (including, the same below)	5.00	5.00	5.00	5.00
1-2 years	25.00	25.00	25.00	25.00
2-3 years	50.00	50.00	50.00	50.00
Over 3 years	100.00	100.00	100.00	100.00

The age of accounts receivable, contract assets, other receivables, and long-term receivables shall be calculated from the date of occurrence of such amounts.

(3) Standard for recognizing receivables and contract assets for which the provision of expected credit losses shall be made individually

The Company makes provision of expected credit losses individually for receivables and contract assets with obviously different credit risks and combinations of credit risks.

## 12. Notes receivable

√ Applicable  N/A

**Category of combination and determination basis for which the provision of bad debts is made by combination of credit risk characteristics**

√ Applicable  N/A

Refer to V.11 of Section X for details.

**Age calculation method for identifying combination of credit risk characteristics based on the account age**

√ Applicable  N/A

Refer to V.11 of Section X for details.

**Determination standard for individually making provision for bad debts**

√ Applicable  N/A

Refer to V.11 of Section X for details.

## 13. Accounts receivable

√ Applicable  N/A

**Category of combination and determination basis for which the provision of bad debts is made by combination of credit risk characteristics**

√ Applicable  N/A

Refer to V.11 of Section X for details.

**Age calculation method for identifying combination of credit risk characteristics based on the account age**

√ Applicable  N/A

Refer to V.11 of Section X for details.

**Determination standard for individually making provision for bad debts**

√ Applicable  N/A

Refer to V.11 of Section X for details.



**14. Receivables financing**

√ Applicable □ N/A

**Category of combination and determination basis for which the provision of bad debts is made by combination of credit risk characteristics**

√ Applicable □ N/A

Refer to V.11 of Section X for details.

**Age calculation method for identifying combination of credit risk characteristics based on the account age**

√ Applicable □ N/A

Refer to V.11 of Section X for details.

**Determination standard for individually making provision for bad debts**

√ Applicable □ N/A

Refer to V.11 of Section X for details.

**15. Other receivables**

√ Applicable □ N/A

**Category of combination and determination basis for which the provision of bad debts is made by combination of credit risk characteristics**

√ Applicable □ N/A

Refer to V.11 of Section X for details.

**Age calculation method for identifying combination of credit risk characteristics based on the account age**

√ Applicable □ N/A

Refer to V.11 of Section X for details.

**Determination standard for individually making provision for bad debts**

√ Applicable □ N/A

Refer to V.11 of Section X for details.

**16. Inventories**

√ Applicable □ N/A

**Categories of inventories, costing method of inventories transferred out, inventory counting system, and amortization method for low cost and short-lived consumable items and packaging materials**

√ Applicable □ N/A

**1. Categories of inventories**

Inventories include finished goods or merchandise held by the Company for sale in the ordinary course of business, or work in progress in the process of production for such sale, or materials or supplies to be consumed in the production process or in the rendering of services.

**2. Valuation method of inventories upon delivery**

The actual cost of inventories upon delivery is calculated using the moving weighted average method.

**3. Inventory count system**

The perpetual inventory system is maintained for stock system.

**4. Amortization method for low cost and short-lived consumable items and packaging materials****(1) Low cost and short-lived consumable items**

Low cost and short-lived consumable items are amortized using the immediate write-off method.

**(2) Packaging materials**

Packaging materials are amortized using the immediate write-off method.

**Recognition standard and method for provision of impairment for inventory**

√ Applicable □ N/A

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost, a provision for decline in value of inventories is made. For inventories directly used for sale, the net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes. For inventories required for processing, the net realizable value is determined as the estimated selling price of finished goods in the ordinary course of business less the estimated costs of completion, and the estimated costs necessary to make the sale and relevant taxes. As at the balance sheet date, if in the same item of

inventories, some are agreed with contractual prices while the others are not, the net realizable value for such inventories is determined separately, and compared with the costs of the two parts of inventories distinctively, as to determine the provisions or reversal of provisions for decline in value of inventories separately.

**Category of combination and determination basis for provision for impairment of inventory by combination, and basis for determining the net realizable value of different types of inventories**

Applicable  N/A

**Calculation method and determination basis of the net realizable value of each age combination for which the net realizable value of inventories is determined by age**

Applicable  N/A

**17. Contract assets**

Applicable  N/A

**Recognition method and criteria of contract assets**

Applicable  N/A

The Company presents contract assets or contract liabilities in the balance sheet according to the relationship between the performance of contractual obligations and payment by customers. Contract assets and contract liabilities under a same contract are presented at the net amount after offsetting each other.

The Company presents its own right to unconditionally (that is, only depending on the lapse of time) receive consideration from customers as the accounts receivable, and the right to receive the consideration for which the goods that have been transferred to customers (that is, depending on factors other than the lapse of time) as the contract assets.

The obligations of the Company for transferring goods to customers corresponding to considerations that have been received or receivable are presented as contract liabilities.

**Category of combination and determination basis for which the provision of bad debts is made by combination of credit risk characteristics**

Applicable  N/A

Refer to V.11 of Section X for details.

**Age calculation method for identifying combination of credit risk characteristics based on the account age**

Applicable  N/A

Refer to V.11 of Section X for details.

**Determination standard for individually making provision for bad debts**

Applicable  N/A

Refer to V.11 of Section X for details.

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

Applicable  N/A

**Recognition standard and accounting method for non-current assets or disposal groups classified as held for sale**

Applicable  N/A

**Determination standard and presentation method for discontinued operation**

Applicable  N/A

**19. Long-term equity investments**

Applicable  N/A

**1. Judgments on joint control and significant influence**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities of such arrangement require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or jointly control over those policies.

**2. Determination of investment cost**

(1) In case of an equity investment acquired through a business combination involving entities under common control, if the acquirer pays consideration for the business combination by cash, transfer of non-

monetary assets, assumption of liabilities or issuance of equity securities, the initial investment cost of the long-term equity investment is the Company's share of the book value of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controller at the date of combination. The difference between: (i) the initial investment cost of the long-term equity investment; and (ii) the book value of the consideration paid for the combination or the total par value of the shares issued is treated as an adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

For a long-term equity investment acquired through a business combination involving entities under common control that is achieved through multiple transactions by steps, the Company shall judge whether such transactions constitute a package deal. If such transactions constitute a package deal, the Company accounts for such transactions as one transaction to acquire control. If such transactions do not constitute a package deal, the initial investment cost is the Company's share of the book value of the net assets of the acquiree in the consolidated financial statements of the ultimate controller at the date of combination. The difference between: (i) the initial investment cost of the long-term equity investment at the date of combination; and (ii) the sum of the book value of long-term equity investment before the combination and the book value of the consideration paid for acquisition of the additional shares at the date of combination is adjusted against the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

(2) In case of an equity investment acquired through a business combination not involving entities under common control, the initial investment cost is the fair value of the carrying amount of the consideration paid for the combination at the date of acquisition.

With respect to a long-term equity investment acquired through a business combination not involving entities under common control that is achieved through multiple transactions by steps, the accounting treatment thereof in the separate financial statements is different from that in the consolidated financial statements as stated below:

1) In the separate financial statements, the sum of the book value of the equity investment originally held in the acquiree and the additional investment cost incurred is recorded as the initial investment cost of the equity investment changed into the cost method.

2) In the consolidated financial statements, it is required to judge whether such transactions constitute a package deal. If such transactions constitute a package deal, the Company accounts for such transactions as one transaction to acquire control. If such transactions do not constitute a "package deal", the Company re-measures the fair value of the equity held in the acquiree prior to the date of acquisition, and records the difference between the fair value and the book value as investment income for the current period; if the equity held in the acquiree prior to the date of acquisition involves other comprehensive income under equity method, such other comprehensive income is transferred to the income of the period in which the date of acquisition falls, except for other comprehensive income arising from re-measurement by the investee of changes in net liabilities or net assets of defined benefit plans.

(3) In the event of no business combination: the initial investment cost is the purchase price actually paid if it is acquired by cash, or the fair value of the equity securities issued if it is acquired through issuance of equity securities, or determined in accordance with the *Accounting Standards for Business Enterprises No. 12 - Debt Restructuring* if it is acquired through debt restructuring, or determined in accordance with the *Accounting Standards for Business Enterprises No. 7 - Exchange of Non-monetary Assets* if it is acquired through exchange of non-monetary assets.

### 3. Subsequent measurement and recognition of profit or loss

Long-term equity investments in investees are measured using the cost method. Long-term equity investments in associates and joint ventures are measured using the equity method.

## 20. Investment property

N/A

## 21. Fixed assets

### (1). Criteria for recognition

√ Applicable □ N/A

Fixed assets are tangible assets held for production of goods, rendering of service, lease or operation and management with a useful life of more than one accounting year. A fixed asset is recognized if the economic benefits relating to it are very likely to flow to the Company and its cost can be reliably measured.

### (2). Method of depreciation

√ Applicable □ N/A

Category	Method of depreciation	Depreciation period (years)	Residual ratio (%)	Annual depreciation rate (%)
Machinery and equipment	Straight line method	5	5.00	19.00
Transportation equipment	Straight line method	5	5.00	19.00
Electronic equipment and others	Straight line method	3-5	5.00	19.00-31.67
Operating leased equipment	Straight line method	3, 7	5.00	31.67, 13.57

## 22. Construction in progress

√ Applicable □ N/A

1. Construction in progress is recognized if the economic benefits relating to it are very likely to flow to the Company and its cost can be reliably measured. A construction in progress is measured at the actual cost incurred before it is completed and ready for intended use.

2. When a construction in progress is ready for intended use, it is transferred to fixed assets at its actual construction cost. A construction in progress that is ready for intended use but the final settlement of which has not yet been completed is transferred to fixed assets at estimated value first, and after the completion of final settlement, the estimated value is adjusted according to the actual cost, but the accrued depreciation is not adjusted.

Category	Standards and timing for the transfer of construction in progress to fixed assets
Machinery, equipment, and operating leased equipment	When reaching the standard required in the design or specified in the contract after installation and commissioning
Houses and buildings	When reaching the working condition for its intended use

## 23. Borrowing costs

√ Applicable □ N/A

### 1. Recognition for capitalization of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses and charged to the current profit or loss.

### 2. Capitalization period of borrowing costs

(1) Borrowing costs are capitalized when all of the following conditions are met: 1) capital expenditure has been incurred; 2) borrowing costs have been incurred; and 3) activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Where acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be

suspended. The borrowing costs incurred during these periods shall be recognized as expenses for the current period until the acquisition, construction or production of a qualifying asset is resumed.

(3) Capitalization of borrowing costs shall be ceased when acquisition, construction or production of the qualifying asset has prepared for its intended use or sale.

### 3. Capitalization rate and capitalization amount of borrowing costs

As for the specific borrowings for the acquisition and construction or production of assets qualifying for capitalization, the to-be-capitalized amount of interests shall be determined in light of the actual interest expense incurred on the current specific borrowings (including the amortization of discounts or premiums determined using the effective interest method) minus the income of interests earned from the unused borrowings by depositing it in the bank or investment income from such borrowing by making it as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets qualifying for capitalization, the Company shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average value of the accumulative expenditures to asset minus the specific borrowing by the capitalization rate of the general borrowing used.

### 24. Biological assets

Applicable  N/A

### 25. Oil and gas assets

Applicable  N/A

### 26. Intangible assets

#### (1). Service life and determination basis thereof, estimation, amortization method, or verification process

Applicable  N/A

1. Intangible assets include land use rights, patents rights, and software etc. and are initially measured at cost.

2. An intangible asset with a finite service life is amortized over its service life in a systematical and rational expected realization of economic benefits relative to the intangible asset, or is amortized using the straight-line method if it is impossible to determine expected realization reliably. Specifically including:

Item	Service life and determination basis thereof	Amortization method
Land use rights	30 years/statutory rights	Straight-line method
Patent rights	10 years/statutory rights	Straight-line method
Software	3-5 years/statutory rights	Straight-line method

#### (2). Collection scope of R&D expenditures and relevant accounting method

Applicable  N/A

##### 1. Collection scope of R&D expenditures

###### (1) Personnel and labor expenses

The personnel and labor expenses include the salaries, premiums for basic pension insurance, premiums for basic medical insurance, premiums for unemployment insurance, premiums for employment injury insurance, premiums for birth insurance, and housing funds of the Company's R&D staff, and the labor expenses of external R&D personnel.

Where an R&D person serves multiple R&D projects at the same time, the personnel expenses are recognized based on the records of working hours of the R&D personnel in respective R&D projects provided by the management departments of the Company, and are allocated in proportion among the R&D projects.

Where the R&D employees and external R&D personnel directly engaging in R&D activities also get involved in non-R&D activities, the Company allocates the personnel expenses actually incurred for such personnel between the R&D expenses and the production and operation expenses in proportion to

the actual working hours or by using another reasonable method based on the records of working hours of such R&D personnel at different posts.

(2) Expenses of direct investments

The expenses of direct investments refer to the relevant expenditures actually incurred by the Company for conducting R&D activities, including: 1) expenses of materials, fuels, and power directly consumed; 2) expenses for developing and manufacturing molds and process equipment for intermediate tests and product trials, expenses for the procurement of samples, sample devices, and general tests not constituting fixed assets, and inspection expenses for trial products; and 3) the expenses for the maintenance, adjustment, check, inspection, repair, etc. of the instrument and devices used in R&D activities.

(3) Depreciation expenses and long-term prepaid expenses

Depreciation expenses refer to the depreciation costs of instruments, equipment, and buildings used in R&D activities.

Where the instrument, equipment, and buildings used in R&D activities are also used for non-R&D activities at the same time, necessary records are kept for the use of such instruments, equipment, and buildings, and the depreciation expenses actually incurred are allocated between the R&D expenses and the production and operation expenses by using a reasonable method based on the actual working hours and areas in use.

Long-term prepaid expenses refer to the long-term prepaid expenses incurred during the reconstruction, modification, decoration, and repair of R&D facility, which shall be collected according to the expenditures actually incurred, and be amortized on an average basis for the specified period.

(4) Amortization expenses of intangible assets

The amortization expenses of intangible assets refer to the amortization expenses of software, intellectual property rights, non-patented technologies (know-how, license, design, calculation method, etc.) used in R&D activities.

(5) Development expenses for outsourced R&D

Development expenses for outsourced R&D refer to the expenses incurred in R&D activities conducted by other domestic and overseas institutions or individuals engaged by the Company (the results of such R&D activities being owned by the Company and being closely related to the main business of the Company).

(6) Other expenses

Other expenses refer to other expenses directly related to R&D activities except for the expenses above, including expenses for technical books and materials, material translation expenses, expert consulting fees, insurance premiums for high-tech R&D projects, the expense for the search, demonstration, evaluation, appraisal and acceptance of R&D results, expenses for the application, registration, and agency of intellectual property rights, meeting expenses, travel expenses, communication expenses, etc.

2. Expenditures incurred during the research phase of internal R&D projects are included in profit or loss for the current period when incurred. Expenditures on an internal research and development project at the development phase are recognized as an intangible asset if all the following conditions are met: (1) it is technically feasible to complete the intangible asset so that it will be available for use or sale; (2) it is intended to complete the intangible asset so that it will be available for use or sale; (3) the pattern in which the intangible asset will generate economic results can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself, or if it is to be used internally, the usefulness of the intangible asset; (4) there are sufficient technical, financial and other resources available to complete the development activities and to use or sell the intangible asset; and (5) the expenditures attributable to the development of the intangible asset can be reliably measured.

**27. Impairment of long-term assets**

√ Applicable □ N/A

For long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with a finite service life and other long-term assets, if there's an indication of impairment at the balance sheet date, the Company assesses their recoverable amount. Goodwill arising from business combinations and intangible assets with an infinite service life are tested for impairment every year regardless of whether there's an indication of impairment. Goodwill is tested for impairment together with the relevant groups of assets or combinations of groups of assets.

If the recoverable amount of a long-term asset is less than its carrying amount, the difference is measured as impairment loss of the asset and recognized in profit or loss for the current period.

### **28. Long-term prepaid expenses**

√ Applicable  N/A

Long-term prepaid expenses are expenses that have already been incurred but should be amortized over a period of more than one year (excluding one year). Long-term prepaid expenses are stated as the amount actually incurred and shall be amortized evenly by stages within the benefit period or specified period. If an item of long-term prepaid expenses will not benefit the subsequent periods, the amortized value of the item that has not yet been amortized is wholly transferred to profit or loss for the current period.

### **29. Contract liabilities**

√ Applicable  N/A

Refer to V.17 of Section X for details.

### **30. Employee benefits**

#### **(1). Accounting treatment of short-term employee benefits**

√ Applicable  N/A

The short-term employee benefits actually incurred are recognized as liabilities in the accounting period during which employee services are rendered, and included in profit or loss for the current period or the cost of related assets.

#### **(2). Accounting treatment of post-employment benefits**

√ Applicable  N/A

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

(1) In the accounting period during which employee services are rendered, the amount in contribution as calculated according to the defined contribution plan is recognized as liabilities and included in profit or loss for the current period or the cost of related assets.

(2) The accounting treatment of a defined benefit plan generally involves the following steps:

1) According to the projected unit credit method, use unbiased and consistent actuarial assumptions to estimate demographic variables and financial variables, measure the obligation arising from the defined benefit plan and determine the period to which the relevant obligation belongs. Meanwhile, discount the obligation arising from the defined benefit plan, in order to determine the present value of the defined benefit plan obligation and the current service cost;

2) If the defined benefit plan has assets, the deficit or surplus resulting after reducing the present value of the defined benefit plan obligation by the fair value of the defined benefit plan is recognized as a net liability or asset of the defined benefit plan. If the defined benefit plan has a surplus, the net assets of the defined benefit plan are measured at the lower of surplus in the defined benefit plan and asset ceiling;

3) At the end of the reporting period, the cost of employee benefits arising from the defined benefit plan is recorded as service cost, net interest on the net liabilities or net assets of the defined benefit plan, and changes arising from re-measurement of the net liabilities or net assets of the defined benefit plan, wherein the service cost and the net interest on the net liabilities or net assets of the defined benefit plan are included in profit or loss for the current period or the cost of related assets, and the changes arising from re-measurement of the net liabilities or net assets of the defined benefit plan are included in other comprehensive income, which will not be reserved to profit or loss in subsequent periods, but may be transferred within the scope of equity.

**(3). Accounting treatment of termination benefits**√ Applicable  N/A

If dismissal benefits are provided to employees, the liabilities of employee benefits from the dismissal benefits are recognized at the earlier of the following and are recognized in the profit or loss for the current period: (1) when the Company can no longer withdraw the offer of termination benefits as a result of termination of employment or redundancy; or (2) the Company recognizes the restructuring costs or expenses relating to payment of termination benefits.

**(4). Accounting treatment of other long-term employee benefits** Applicable √ N/A**31. Provisions**√ Applicable  N/A

1. An obligation arising from any external guarantee, litigation, product quality warranty, onerous contract or other contingencies is recognized as a provision if it is a present obligation assumed by the Company, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured.

2. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation. The book value of provisions is reviewed at the balance sheet date.

**32. Share-based payments**√ Applicable  N/A

## 1. Categories of share-based payments

Share-based payments include equity-settled share-based payments and cash-settled share-based payments.

2. Accounting treatment for implementation, modification and termination of share-based payment plan

## (1) Equity-settled share-based payments

Equity-settled share-based payments in exchange for services rendered by employees that can be executed immediately upon being granted, are measured at the fair value of the equity instruments at the grant date, and recognized as related costs or expenses with a corresponding adjustment to capital reserve. At each balance sheet date during the vesting period, equity-settled share-based payments in exchange for services rendered by employees that cannot be executed until services in the vesting period are completed or required performance conditions are satisfied, are measured at the fair value of the equity instruments at the grant date based on the best estimate of exercisable numbers of equity instruments, and recognized as related costs or expenses with a corresponding adjustment to capital reserve.

For equity-settled share-based payments in exchange for services rendered by other parties, if the fair value of services from other parties can be measured reliably, they are measured at the fair value of services from other parties at the date when such services are received. If the fair value of services from other parties cannot be measured reliably but the fair value of the equity instruments can be measured reliably, they are measured at the fair value of the equity instruments at the date when such services are received. The fair value of the equity instruments is recognized as related costs or expenses, with a corresponding increase in owners' equity.

## (2) Cash-settled share-based payments

Cash-settled share-based payments in exchange for services rendered by employees that can be executed immediately upon being granted, are recognized as related costs or expenses based on the fair value of liabilities assumed by the Company at the grant date, with a corresponding increase in liability. At each balance sheet date during the vesting period, cash-settled share-based payments in exchange for services rendered by employees that cannot be executed until services in the vesting period are completed or required performance conditions are satisfied, are measured at the fair value of liabilities assumed by the Company based on the best estimate of exercisable conditions, and recognized as related costs or expenses and relevant liabilities.



**(3) Modification and termination of share-based payment plan**

If the modification increases the fair value of the equity instruments granted, the Company will include the incremental fair value of the equity instruments granted in the measurement of the amount recognized for services received. If the modification increases the number of equity instruments granted, the Company will include the fair value of additional equity instruments granted in the measurement of the amount recognized for services received. If the Company modifies the exercisable conditions of the share-based payment plan in a manner beneficial to the employee, the Company will consider the modified exercisable conditions when dealing with exercisable conditions.

If the modification decreases the fair value of the equity instruments granted, the Company will continue to measure the amount recognized for services received at the fair value of the equity instruments at the grant date without including the decremental fair value of the equity instruments. If the modification decreases the number of equity instruments granted, the Company will treat the decreased number as the cancelled number of equity instruments granted. If the Company modifies the exercisable conditions in a manner unbeneficial to the employee, the Company will not consider the modified exercisable conditions when dealing with exercisable conditions.

If cancellation or settlement of the equity instruments granted occurs (not due to unsatisfaction of exercisable conditions) during the vesting period, the Company will account for the cancellation or settlement of the equity instruments granted as an acceleration of vesting, and recognize immediately the amount that otherwise would have been recognized over the remainder of the vesting period.

**33. Preferred shares, perpetual bonds and other financial instruments**

Applicable  N/A

**34. Revenue****(1). Accounting policies adopted for revenue recognition and measurement by the type of business**

Applicable  N/A

**1. Principles for revenue recognition**

On the commencement date of a contract, the Company evaluates the contract, identifies each individual performance obligation contained therein and determines whether each individual performance obligation is performed over time or at a certain point in time.

When meeting one of the following criteria, it belongs to the obligation performed over time, otherwise it constitutes the obligation performed at a certain point in time: (1) the customer obtains and consumes the economic benefits generated by the Company's performance when the Company performs the contract; (2) the customer can control the products under construction in the process of the Company's performance; (3) the products produced in the process of the Company's performance have irreplaceable uses, and the Company has the right to collect payment for the cumulative performance that has been completed up to date throughout the term of the contract.

For the obligation performed over time, the Company recognizes the revenue based on the performance progress over time. When the performance progress cannot be reasonably determined, and the costs incurred are expected to be recoverable, revenue is recognized to the extent of costs incurred until the performance progress can be reasonably determined. For the obligation performed at a certain point in time, the revenue is recognized at the time point when the customer obtains control of the related goods and services. When judging whether the customer has obtained the control of goods, the Company considers the following signs: (1) the Company has the current right to receive payment for such goods, that is, the customer has the current obligation to make payment for such goods; (2) the Company has transferred the legal ownership of such goods to the customer, that is, the customer has the legal ownership of such goods; (3) the Company has transferred such goods to the customer physically, that is, the customer has taken possession of such goods physically; (4) the Company has transferred material risks and rewards of such goods to the customer, that is, the customer has obtained material risks and rewards of such goods; (5) the customer has accepted such goods; and (6) other signs that the customer has obtained control of

such goods.

## 2. Principles for revenue measurement

(1) The Company measures the revenue based on the transaction price allocated to individual performance obligations. The transaction price is the amount of consideration to which the Company is entitled arising from the transfer of goods or services to the customer, excluding the amount collected on behalf of a third party and expected to be returned to the customer.

(2) If there is variable consideration in the contract, the Company determines the best estimate of the variable consideration based on the expected value or the most likely amount. However, variable consideration is included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal of accumulatively recognized revenue in the future when the uncertainty has been subsequently resolved.

(3) If there is a major financing component in the contract, the Company determines the transaction price based on the presumed amount payable in cash when the customer obtains control of goods or services. The difference between the transaction price and contract consideration is amortized using the effective interest method during the term of the contract. If on the commencement of a contract, the Company expects that the customer's acquisition of control of goods or services is not more than one year from the customer's payment therefor, the major financing component in the contract will not be considered.

(4) If the contract has two or multiple performance obligations, the Company, on the commencement of a contract, allocates the transaction price to each individual performance obligation in the contract by reference to relative standalone selling prices of goods promised thereby.

## **(2). Different revenue recognition and measurement methods for businesses of the same type but operated under different modes**

√ Applicable □ N/A

### (1) Revenue from sales of goods

The performance obligation concerning sales of goods (primarily divided into goods sold to the domestic market and goods exported to overseas markets) by the Company is taken as one satisfied at a certain point in time for the recognition of revenue.

Goods sold to the domestic market: 1) Under the direct sale model and the distribution model, the Company recognizes the revenue when the goods sent have been delivered to customers with customers' receipts given to the Company. For goods sold attached with return conditions, the Company recognizes the revenue according to the amount of consideration to which it expects to be entitled in exchange for transferring goods to customers, and recognizes the liabilities according to the expected amount to be returned due to sales return against the revenue; for goods required for installment and inspection after sales, the Company recognizes the revenue when such goods have been installed and inspected with customers' acceptance certificate given to the Company; Where the Company shares the profit from the sales of products by downstream end customers, the revenue from such profit sharing is recognized at the best estimate of the variable consideration determined according to an expected value, which variable consideration is estimated reasonably at the time of revenue recognition. 2) Under the commissioned sales mode, the Company recognizes the revenue when it receives the list of commissioned sales from the customer.

Goods exported to overseas markets: The Company mainly adopts FCA for export of goods. Under this mode, the Company recognizes revenue when it delivers goods at the designated location with export customs clearance procedures completed.

### (2) E-commerce platform revenue

In the e-commerce platform model, the e-commerce platform is responsible for product promotion and order management. Consumers place orders and pay directly to the e-commerce platform, and the e-commerce platform arranges third-party logistics through the Company or ships directly to the consumer by the e-commerce platform after receiving the consumer's payment. The specific revenue recognition time points are: for domestic e-commerce platforms, revenue is recognized according to the time of end

customer receipt; for foreign e-commerce platforms, revenue is recognized after receiving the confirmation list of the e-commerce platform after checking the reconciliation time agreed in the contract.

(3) Other incomes

Any other performance obligation of the Company is taken as one satisfied over time/at a certain point in time for the recognition of revenue. For installation services provided by the Company, the Company recognizes the revenue when it has completed the services and received customers' acceptance certificate; for repair and maintenance services provided by the Company, the Company recognizes the revenue when it has completed the services and received payments; for patrol inspection services provided by the Company, the Company determines the service performance progress by using the output approach, and recognizes the revenue according to the performance progress; for patent licensing services provided by the Company, the Company recognizes the revenue when the patent licensing is completed and handed over; and for technology development services provided by the Company, the Company recognizes the revenue when it has completed the services or when the agreed time point of service acceptance is reached.

**35. Contract costs**

Applicable  N/A

**36. Government grants**

Applicable  N/A

1. Government grants are recognized if (1) the Company meets the conditions attaching to the government grants; and (2) the Company will receive the government grants. Government grants in the form of monetary assets are measured at the amount received or receivable. Government grants in the form of non-monetary assets are measured at fair value, or if their fair value is unavailable, at a nominal amount.

2. Determination and accounting treatment of government grants related to assets

Government grants related to assets are government grants which are offered for purchasing, constructing or otherwise acquiring long-term assets as provided by the applicable government documents. In the absence of such express provision in the applicable government documents, government grants related to assets are those with a primary condition that the Company should purchase, construct or otherwise acquire long-term assets. Government grants related to assets are offset against the book value of the relevant assets or recognized as deferred income. Government grants related to assets recognized as deferred income shall be included in profit or loss over the service life of the relevant assets on a reasonable and systemic basis. Government grants measured at nominal amounts are directly recognized in profit or loss for the current period. In case of a sale, transfer, retirement or damage of the relevant assets before the end of the intended service life, the balance of the unallocated deferred income is transferred to profit or loss for the period in which the assets are disposed of.

3. Determination and accounting treatment of government grants related to income

Government grants related to income are government grants other than those related to assets. Government grants related to both assets and income in which it is difficult to make a distinction between the portion related to assets and the portion related to income are wholly classified as government grants related to income. Government grants related to income as compensation for expenses or losses to be incurred in subsequent periods are recognized as deferred income and in the period for recognizing the relevant costs, expenses or losses, included in profit or loss for the current period or offset against the relevant costs. Government grants related to income as compensation for expenses or losses already incurred are directly included in profit or loss for the current period or offset against the relevant costs.

4. Government grants related to the daily operations of the Company are recognized in other income or offset against the relevant costs and expenses depending on the nature of the economic business. Government grants not related to the daily operations of the Company are recognized in non-operating income or expenses.

5. Accounting treatment of policy preferential loans and interest subsidies

(1) If the Ministry of Finance appropriates the interest subsidies to the lending bank, who then grants

the loan to the Company at the policy preferential rate, the loan is stated as the amount actually received, and the borrowing cost is calculated according to the principal of the loan and the policy preferential rate.

(2) If the Ministry of Finance directly appropriates the interest subsidies to the Company, the interest subsidies are offset against the borrowing cost.

### **37. Deferred tax assets and deferred tax liabilities**

√ Applicable  N/A

1. The difference between the tax base of an asset or liability and its book value (or in case of an item not recognized as an asset or liability whose tax base can be determined according to the applicable tax law, the difference between its tax base and book value) is recognized as a deferred tax asset or deferred tax liability according to the tax rate applicable to the period in which the asset or liability is expected to be recovered or settled.

2. Deferred tax assets are recognized to the extent of the amount of income tax payable that will be available in future periods against which deductible temporary differences are deductible. At the balance sheet date, deferred tax assets not recognized in prior periods are recognized if there's conclusive evidence that it is probable that sufficient taxable income will be available in future periods against which the deductible temporary differences are deductible.

3. At the balance sheet date, the book value of deferred tax assets is reviewed and reduced to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of the deferred tax assets to be utilized. If it is probable that sufficient taxable income will be available, the reduced amount is reversed.

4. The income taxes and deferred taxes are included in profit or loss for the current period as income tax expenses or gains, except the income taxes arising from any: (1) business combination; or (2) transaction or event directly recognized in owners' equity.

5. The Company presents deferred tax assets and deferred tax liabilities meeting all of the following conditions as net amounts after offsetting: (1) the Company has the legal right to settle the current tax assets and current tax liabilities on a net basis; and (2) the deferred income tax assets and deferred income tax liabilities are related to the income taxes levied by the same taxation authority on the same taxation subject, or are not related to the same taxation subject but in every significant future period for reversing deferred income tax assets and liabilities, the involved taxation subjects intend to settle the total current income tax asset and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

### **38. Leases**

√ Applicable  N/A

#### **Determination basis and accounting method for simplified accounting of short-term lease and low-value assets lease as the lessee**

√ Applicable  N/A

On the lease inception date, the Company recognizes a lease with a lease term of not more than 12 months and not containing an option as a short-term lease, and recognizes a low-value assets lease for a lease in which individually leased assets have a low value when they are new. If the Company subleases or expects to sublease the leased asset, the original lease is not recognized as a low-value assets lease.

For short-term leases and low-value assets leases, the Company recognizes lease payment in the costs of relevant assets or the profit or loss for the current period by using the straight-line method in each period during the lease term.

Except for short-term leases and low-value assets leases subject to simplified treatment above, on the lease inception date, the Company recognizes right-of-use assets and lease liabilities for leases.

#### **(1) Use right assets**

Right-of-use assets are initially measured at cost; the cost includes: 1) initial measurement amount of leased liabilities; 2) lease payments paid on or prior to the commencement of the lease term, net of the lease incentives (if any) received; 3) initial direct expenses incurred by the lessee; and 4) costs expected to be incurred by the lessee for dismantling and removing the leased assets, restoring the place of the leased assets, or restoring the leased assets to the state provided under lease provisions.

The Company depreciates right-of-use assets by using the straight-line method. If there is reasonable certainty that the lessee will obtain ownership of the leased asset by the end of the lease term, the Company depreciates the leased asset over its service life. If there is no reasonable certainty that the lessee will obtain ownership of the leased asset by the end of the lease term, the Company depreciates the leased asset over the shorter of the lease term and its remaining service life.

(2) Lease liabilities

On the lease inception date, the Company recognizes the present value of lease payments not paid as lease liabilities. The interest rate implicit in the lease is used as the discount rate for calculating the present value of the lease payments; if the interest rate implicit in the lease cannot be determined, the incremental borrowing interest rate of the Company is used as the discount rate. The difference between the lease payments and the present value thereof is considered as unrecognized finance charges; in each period during the lease term, interest expenses are recognized in the profit or loss for the current period according to the discount rate of the present value of recognized lease payments. Variable lease payments not included in the measurement of lease liabilities are recognized in the profit or loss for the current period when they actually arise.

Where, after the lease inception date, there are changes in the substantially fixed payment, the payables expected on the basis of the residual value of the guarantee, the index or ratio used for determining the lease payment, the evaluation results or actual exercising of the purchase option, renewal option or lease termination option, the Company re-measures the lease liability as per the present value of the lease payment after the change, and adjust the book value of the right-of-use assets accordingly. Where the book value of the use right asset has been reduced to zero, but the lease liability still needs to be further reduced, the Company includes the residual amount in the current profit or loss.

**Categorization standard and accounting method for leases as the lessor**

Applicable  N/A

On the lease inception date, the Company classifies a lease in which almost all the risks and rewards related to the ownership of the leased asset have been substantially transferred as a finance lease, and recognizes all other leases as operating leases.

Operating lease

In each period during the lease term, the Company recognizes lease payments as rental incomes by using the straight-line method; initial direct expenses incurred are capitalized, and amortized on the same basis for recognizing lease incomes for recognizing in the profit or loss for each period. The variable lease payments acquired by the Company that are related to operating leases and not recognized in lease payments are recognized in the profit or loss for the current period when they actually occur.

**39. Other significant accounting policies and accounting estimates**

Applicable  N/A

**40. Changes in significant accounting policies and accounting estimates**

**(1). Changes in significant accounting policies**

Applicable  N/A

**(2). Changes in significant accounting estimates**

Applicable  N/A

**(3). The first implementation of new accounting standards or standard interpretations from 2024 onwards that involves adjusting the financial statements at the beginning of the year in which they were first implemented**

Applicable  N/A

**41. Others**

Applicable  N/A

**VI. Taxes**

**1. Major categories of taxes and tax rates**

Description of major categories of taxes and tax rates

√ Applicable □ N/A

Type of tax	Basis	Tax rate
Value-added tax (VAT)	VAT payable is the difference of the output tax calculated based on the income from selling goods and taxable services in accordance with the Tax Law, less the input tax allowed to be reduced in the period	3%, 6%, 8%, 9%, 10%, 13%
City maintenance and construction tax	Turnover tax payable	5%, 7%
Enterprise income tax	Taxable income	6.50%, 8.25%, 8.70%, 8.84%, 15%, 16.5%, 20%, 21%, 23.2%, 25%
Education surcharges	Turnover tax payable	3%
Local education surcharges	Turnover tax payable	2%

Disclosure of taxpayers with different rates of enterprise income tax:

√ Applicable □ N/A

Taxpayer	Rate of income tax
The Company	15%
Formovie (Chongqing) Innovative Technology Co., Ltd.	15%
Appotronics Hong Kong Limited	8.25%, 16.5%
Beijing Orient Appotronics Technology Co., Ltd.	20%
JoveAI Innovation, Inc.	8.70%, 8.84%, 21%
Appotronics USA, Inc.	8.84%, 21%
JoveAI Limited	Excluding enterprise income tax
Shenzhen Appotronics Display Device Co., Ltd.	20%
Appotronics Technology (Changzhou) Co., Ltd.	20%
Qingda Appotronics (Xiamen) Technology Co., Ltd.	20%
Shenzhen Appotronics Home Line Technology Co., Ltd.	20%
Shenzhen Appotronics Laser Technology Co., Ltd.	20%
Shenzhen Appotronics Xiaoming Technology Co., Ltd.	20%
JoveAI Asia Company Limited	20%
Formovie Limited	16.5%
Chongqing Ewei Ecommerce Co., Ltd.	20%
Chongqing Guangbo Ecommerce Co., Ltd.	20%
Shenzhen Orange Juice Energy Technology Co., Ltd.	20%
Tianjin Bonian Film Partnership (LP)	Excluding enterprise income tax
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	15%
Hongkong Orange Juice Energy Technology Co., Limited	16.5%
Wemax Inc.	6.50%, 21%
Shenzhen Weiwoqi Trading Co., Ltd.	20%
Yaoyouguang (Chongqing) Technology Co., Ltd.	20%
Appotronics International Limited	16.5%
Appotronics Intelligent Manufacturing (Shenzhen) Co., Ltd.	20%

Shenzhen Qianhai Taishi Investment Partnership (LP)	Excluding enterprise income tax
Appotronics International 1 Limited	16.5%
Appotronics International 2 Limited	16.5%
Appotronics Hong Kong Holding Limited	16.5%
Appotronics Japan Co., Ltd.	15%, 23.2%
Appotronics Technology (HONG KONG) Limited	16.5%
Shenzhen Muhe Information Technology Co., Ltd.	20%
Shenzhen Xingjin Information Technology Co., Ltd.	20%
Other taxpayers except the above	25%

Note:

1. Appotronics Hong Kong Limited, as registered in Hong Kong, one of which can apply the two-level income tax system, namely, applying the tax rate of 8.25% for the first HKD 2 million taxable income and 16.50% for the remaining taxable income;

2. JoveAI Limited, as registered in the Cayman Islands, is exempt from enterprise income tax;

3. Appotronics USA, Inc., as registered in the United States, applies the federal enterprise income tax rate of 21% and the California state enterprise income tax rate of 8.84%;

4. JoveAI Innovation, Inc., as registered in the United States, applies the federal enterprise income tax rate of 21%, the California state enterprise income tax rate of 8.84%, and the Delaware state enterprise income tax rate of 8.70%;

5. JoveAI Asia Company Limited, as registered in Vietnam, applies the enterprise income tax rate of 20%;

6. Formovie Limited, as registered in Hong Kong, applies the income tax rate of 16.50%;

7. Hong Kong Orange Juice Energy Technology Co., Limited, as registered in Hong Kong, applies an income tax rate of 16.50%;

8. Wemax Inc, as registered in the United States, applies the federal enterprise income tax rate of 21%, and the New York state enterprise income tax rate of 6.50%;

9. Appotronics International Limited, as registered in Hong Kong, applies the income tax rate of 16.50%;

10. Appotronics International 1 Limited, as registered in Hong Kong, applies the income tax rate of 16.50%;

11. Appotronics International 2 Limited, as registered in Hong Kong, applies the income tax rate of 16.50%;

12. Appotronics Hong Kong Holding Limited, as registered in Hong Kong, applies the income tax rate of 16.50%;

13. Appotronics Technology (Hong Kong) Limited, as registered in Hong Kong, applies the income tax rate of 16.50%;

14. Appotronics Japan Co., Ltd. is registered in Japan. The legal person tax in Japan (i.e., enterprise income tax) is collected at two rates: 15% and 23.2%. For companies with a registered capital less than or equal to JPY 100 million, the preferential tax rate of 15% is applicable for profits below JPY 8.00 million. The tax rate of 23.2% is applicable to other profits.

## 2. Tax incentives

√ Applicable □ N/A

### 1. Enterprise income tax

(1) On December 19, 2022, the Company obtained the High-tech Enterprise Certificate (Certificate No.: GR202244206480) jointly issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau and Shenzhen Tax Service of State Taxation Administration with a valid term of three years. Therefore, the Company paid the enterprise income tax at a rate of 15% in 2024.

(2) On November 28, 2022, Formovie (Chongqing) Innovative Technology Co., Ltd. obtained the High-tech Enterprise Certificate (Certificate No.: GR202251101763) jointly issued by Chongqing Municipal Science and Technology Bureau, Chongqing Finance Bureau and Chongqing Tax Service of State Taxation Administration with a valid term of three years. Therefore, the Company paid the enterprise income tax at a rate of 15% in 2024.

(3) On October 18, 2022, CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd. obtained the High-tech Enterprise Certificate (Certificate No.: GR202211008942) jointly issued by Beijing Municipal Science and Technology Commission, Beijing Finance Bureau and Beijing Tax Service of State Taxation Administration with a valid term of three years. Therefore, the Company paid the enterprise income tax at a rate of 15% in 2024.

(4) In accordance with the *Announcement of the Ministry of Finance and the State Taxation Administration on Implementing Preferential Income Tax Policies for Micro and Small Enterprises and Individually-owned Businesses* (Cai Shui (2021) No. 12), from January 1, 2021 to December 31, 2022, the annual taxable income of a small low-profit enterprise that is not more than RMB 1 million shall be levied with the enterprise income tax rate at a discount of 12.5%, namely, for which the applicable enterprise income tax rate is 20%. In accordance with the *Announcement of the Ministry of Finance and the State Taxation Administration on Implementing Preferential Income Tax Policies for Micro and Small Enterprises and Individually-owned Businesses* (Cai Shui (2023) No. 6), from January 1, 2023 to December 31, 2024, the annual taxable income of a small low-profit enterprise that is not more than RMB 1 million shall be levied with the enterprise income tax rate at a discount of 25%, namely, for which the applicable enterprise income tax rate is 20%. The following companies are qualified for enjoying such tax incentives: Beijing Orient Appotronics Technology Co., Ltd., Shenzhen Appotronics Display Device Co., Ltd., Appotronics Technology (Changzhou) Co., Ltd., Qingda Appotronics (Xiamen) Technology Co., Ltd., Shenzhen Appotronics Home Line Technology Co., Ltd., Shenzhen Appotronics Laser Technology Co., Ltd., Shenzhen City Appotronics Xiaoming Technology Co., Ltd., Chongqing Ewei Ecommerce Co., Ltd., Chongqing Guangbo Ecommerce Co., Ltd., Shenzhen Orange Juice Energy Technology Co., Ltd., Shenzhen Weiwoqi Trading Co., Ltd., Yaoyouguang (Chongqing) Technology Co., Ltd., Appotronics Intelligent Manufacturing (Shenzhen) Co., Ltd., Shenzhen Muhe Information Technology Co., Ltd., and Shenzhen Xingjin Information Technology Co., Ltd.

## 2. Value-added tax (VAT)

(1) In accordance with the *Notice of the Ministry of Finance and the State Administration of Taxation on Value-added Tax Policies for Software Products* (Cai Shui [2011] No. 100), for self-developed and produced software products sold by general VAT taxpayers, the tax-refund-upon-collection policy is applicable to the part of their actual VAT burden in excess of 3% after the VAT has been collected at a tax rate of 17%. The Company, Formovie (Beijing) Technology Co., Ltd., and Shenzhen Appotronics Software Technology Co., Ltd. are qualified to enjoy such tax incentives.

(2) In accordance with the *Announcement of the Ministry of Finance and the State Taxation Administration on Additional Deductions for Value-added Taxes of Advanced Manufacturing Enterprises* (Announcement No. 43 of 2023 by the Ministry of Finance and the State Taxation Administration), advanced manufacturing enterprises are allowed to deduct an additional 5% of the deductible input tax amount from the payable VAT amount. The Company, and Formovie (Chongqing) Innovative Technology Co., Ltd. are qualified for this tax incentive.

(3) The Vietnamese government issued resolution No. 44/2023/ND-CP, under which the VAT rate of goods and services at the tax rate of 10% is reduced by 2% (to 8%). JoveAI Asia Company Limited is qualified for this tax incentive from July 1, 2023 to December 31, 2024.

## 3. Others

Applicable  N/A



**VII. Notes to items in the consolidated financial statements**
**1. Monetary funds**

 ✓ Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Cash on hand	5,769.27	5,751.15
Bank deposits	1,309,440,728.23	1,371,185,024.55
Other monetary funds	25,381,643.98	15,637,773.36
<b>Total</b>	<b>1,334,828,141.48</b>	<b>1,386,828,549.06</b>
Including: Total overseas deposits	138,787,361.68	175,001,829.77

Other information

None

**2. Held-for-trading financial assets**

 ✓ Applicable  N/A

In RMB

Item	Closing balance	Opening balance	Determination reason and basis
Financial assets at fair value through profit or loss	503,130,000.00	514,010,000.00	-
Including:			
Equity instrument investment	30,000,000.00	42,880,000.00	-
Structural deposits	473,130,000.00	471,130,000.00	-
<b>Total</b>	<b>503,130,000.00</b>	<b>514,010,000.00</b>	-

Other information:

 Applicable ✓ N/A

**3. Derivative financial assets**
 Applicable ✓ N/A

**4. Notes receivable**
**(1). Categories of notes receivable**

 ✓ Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Bank acceptances	2,657,820.00	1,478,064.00
Commercial acceptances	1,509,663.04	7,473,244.71
<b>Total</b>	<b>4,167,483.04</b>	<b>8,951,308.71</b>

**(2). Notes receivable pledged by the Company at the end of the period**
 Applicable ✓ N/A

**(3). Notes receivable which are undue as of the balance sheet date but endorsed or discounted by the Company at the end of the period**

 ✓ Applicable  N/A

In RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptances		860,000.00
Commercial acceptances		
<b>Total</b>		<b>860,000.00</b>

**(4). Disclosure by categories of provision for bad debts**

 ✓ Applicable  N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually										
Including:										
Provision for bad debts made by group	4,246,939.00	100.00	79,455.96	1.87	4,167,483.04	9,344,637.39	100.00	393,328.68	4.21	8,951,308.71
Including:										
Bank acceptance bills	2,657,820.00	62.58	-	0.00	2,657,820.00	1,478,064.00	15.82			1,478,064.00
Commercial acceptance bills	1,589,119.00	37.42	79,455.96	5.00	1,509,663.04	7,866,573.39	84.18	393,328.68	5.00	7,473,244.71
<b>Total</b>	<b>4,246,939.00</b>	<b>100.00</b>	<b>79,455.96</b>	<b>1.87</b>	<b>4,167,483.04</b>	<b>9,344,637.39</b>	<b>100.00</b>	<b>393,328.68</b>	<b>4.21</b>	<b>8,951,308.71</b>

Provision for bad debts made individually:

Applicable  N/A

Provision for bad debts made by group:

Applicable  N/A

Item by group: Commercial acceptance bills

In RMB

Name	Closing balance		
	Notes receivable	Provision for bad debts	Percentage of provision (%)
Group of bank acceptance bills			
Group of commercial acceptance bills	1,589,119.00	79,455.96	5.00
<b>Total</b>	<b>1,589,119.00</b>	<b>79,455.96</b>	<b>5.00</b>

Description of provision for bad debts made by group

Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

Applicable  N/A

Basis for determination of each stage and percentage of provision for bad debts

Refer to V.11 of Section X for details.

Description of significant changes in the balance of accounts receivable with changed provisions for losses in the current period:

Applicable  N/A

**(5). Provision for bad debts**

Applicable  N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	

Provision for bad debts made individually						
Provision for bad debts made by group	393,328.68	-313,872.72	-	-		79,455.96
<b>Total</b>	<b>393,328.68</b>	<b>-313,872.72</b>	<b>-</b>	<b>-</b>		<b>79,455.96</b>

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information:

None

**(6). Notes receivable actually canceled in the current period**

Applicable  N/A

Significant write-off of notes receivable:

Applicable  N/A

Description of notes receivable write-off:

Applicable  N/A

Other information:

Applicable  N/A

**5. Accounts receivable**

**(1). Disclosure by aging**

Applicable  N/A

In RMB

Aging	Closing balance of carrying amount	Opening balance of carrying amount
Within 1 year		
Including: Sub-items within 1 year		
Within 1 year	328,728,072.89	174,956,389.44
Sub-total of items within 1 year	328,728,072.89	174,956,389.44
1 to 2 years	9,213,965.10	18,036,240.20
2 to 3 years	7,317,871.66	19,637,948.14
Over 3 years	564,271.86	204,186.09
<b>Total</b>	<b>345,824,181.51</b>	<b>212,834,763.87</b>

**(2). Disclosure by categories of provision for bad debts**

Applicable  N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually	863,700.00	0.25	863,700.00	100.00			17,568,210.65	8.25	17,568,210.65	100.00
Including:										

Provision for bad debts made by group	344,960,481.51	99.75	22,531,252.67	6.53	322,429,228.84	195,266,553.22	91.75	14,976,545.32	7.67	180,290,007.90
Including:										
By group of aging	344,960,481.51	99.75	22,531,252.67	6.53	322,429,228.84	195,266,553.22	91.75	14,976,545.32	7.67	180,290,007.90
Group of related parties in the scope of consolidation										
<b>Total</b>	<b>345,824,181.51</b>	<b>100.00</b>	<b>23,394,952.67</b>	<b>6.76</b>	<b>322,429,228.84</b>	<b>212,834,763.87</b>	<b>100.00</b>	<b>32,544,755.97</b>	<b>15.29</b>	<b>180,290,007.90</b>

Provision for bad debts made individually:

 Applicable  N/A

In RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Percentage of provision (%)	Reason for provision
Company A	766,700.00	766,700.00	100.00	Expected to be unrecoverable because the customer is in hardship
Company B	97,000.00	97,000.00	100.00	Expected to be unrecoverable because the customer is in hardship
<b>Total</b>	<b>863,700.00</b>	<b>863,700.00</b>	<b>100.00</b>	-

Explanation about provision for bad debts made individually:

 Applicable  N/A

Provision for bad debts made by group:

 Applicable  N/A

Item by group: By group of aging

In RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within 1 year	328,728,072.89	16,436,403.71	5.00
1-2 years	9,213,965.10	2,303,491.27	25.00
2-3 years	6,454,171.66	3,227,085.83	50.00
Over 3 years	564,271.86	564,271.86	100.00
<b>Total</b>	<b>344,960,481.51</b>	<b>22,531,252.67</b>	<b>6.53</b>

Description of provision for bad debts made by group:

 Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

 Applicable  N/A

Basis for determination of each stage and percentage of provision for bad debts

Refer to V.11 of Section X for details.

Description of significant changes in the balance of accounts receivable with changed provisions for losses in

the current period:

 Applicable  N/A

**(3). Provision for bad debts**
 Applicable  N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write off or cancellation	Other changes	
Provision for bad debts made individually	17,568,210.65	-502,844.98		16,201,665.67		863,700.00
Provision for bad debts made by group	14,976,545.32	7,655,186.97		100,479.62		22,531,252.67
<b>Total</b>	<b>32,544,755.97</b>	<b>7,152,341.99</b>		<b>16,302,145.29</b>		<b>23,394,952.67</b>

Including significant amounts recovered or reversed from the current provision for bad debts:

 Applicable  N/A

Other information: None

**(4). Accounts receivable actually canceled in the current period**
 Applicable  N/A

In RMB

Item	Cancellation amount
Accounts receivable actually canceled	16,302,145.29

In which significant amounts canceled are described as below:

 Applicable  N/A

Description of accounts receivable cancellation:

 Applicable  N/A

**(5). Top five closing balances of accounts receivable and contract assets categorized by debtors**
 Applicable  N/A

In RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to the total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Top 1	155,267,717.51		155,267,717.51	44.61	7,763,385.88
Top 2	40,570,851.87		40,570,851.87	11.66	2,028,542.59
Top 3	19,653,629.05		19,653,629.05	5.65	982,681.46
Top 4	17,575,399.68		17,575,399.68	5.05	878,769.98
Top 5	11,115,907.80		11,115,907.80	3.19	3,310,813.01
<b>Total</b>	<b>244,183,505.91</b>		<b>244,183,505.91</b>	<b>70.16</b>	<b>14,964,192.93</b>

Other information:

None

Other information:

 Applicable  N/A

**6. Contract assets**
**(1). Description of contract assets**

✓ Applicable □ N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for bad debts	Book value	Carrying amount	Provision for bad debts	Book value
Warranty security receivable	2,247,213.57	416,362.18	1,830,851.39	1,867,058.07	214,817.78	1,652,240.29
Goods payment	-	-	-	25,000.00	12,500.00	12,500.00
<b>Total</b>	<b>2,247,213.57</b>	<b>416,362.18</b>	<b>1,830,851.39</b>	<b>1,892,058.07</b>	<b>227,317.78</b>	<b>1,664,740.29</b>

**(2). Amount and reasons for major changes in the book value during the reporting period**

□ Applicable ✓ N/A

**(3). Disclosure by categories of provision for bad debts**

✓ Applicable □ N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually										
Including:										
Provision for bad debts made by group	2,247,213.57	100.00	416,362.18	18.53	1,830,851.39	1,892,058.07	100.00	227,317.78	12.01	1,664,740.29
Including:										
By group of aging	2,247,213.57	100.00	416,362.18	18.53	1,830,851.39	1,892,058.07	100.00	227,317.78	12.01	1,664,740.29
<b>Total</b>	<b>2,247,213.57</b>	<b>100.00</b>	<b>416,362.18</b>	<b>18.53</b>	<b>1,830,851.39</b>	<b>1,892,058.07</b>	<b>100.00</b>	<b>227,317.78</b>	<b>12.01</b>	<b>1,664,740.29</b>

Provision for bad debts made individually:

□ Applicable ✓ N/A

Explanation about provision for bad debts made individually:

□ Applicable ✓ N/A

Provision for bad debts made by group:

✓ Applicable □ N/A

Item by group: By group of aging

In RMB

Name	Closing balance		
	Contract assets	Provision for bad debts	Percentage of provision (%)
Within 1 year	1,270,314.69	63,515.74	5.00
1-2 years	542,412.00	135,603.00	25.00
2-3 years	434,486.88	217,243.44	50.00
<b>Total</b>	<b>2,247,213.57</b>	<b>416,362.18</b>	<b>18.53</b>

Description of provision for bad debts made by group

Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

Applicable  N/A

Basis for determination of each stage and percentage of provision for bad debts

Refer to V.11 of Section X for details.

Description of significant changes in the balance of contract assets with changed provisions for losses in the current period:

Applicable  N/A

**(4). Description of provision for bad debts made on contract assets during the period**

Applicable  N/A

In RMB

Item	Provision	Recovery or reversal in the period	Write-off/cancellation	Reason
Provision for bad debts made by group	189,044.40			
<b>Total</b>	<b>189,044.40</b>			

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information:

None

**(5). Contract assets actually written off in the current period**

Applicable  N/A

Write-off of significant contract assets

Applicable  N/A

Description of write-off of contract assets:

Applicable  N/A

Other information:

Applicable  N/A

**7. Receivables financing**

**(1). Receivables financing presented by category**

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Bank acceptance bills	65,953,036.07	11,387,400.00
<b>Total</b>	<b>65,953,036.07</b>	<b>11,387,400.00</b>

**(2). Receivables financing pledged by the Company at the end of the period**

Applicable  N/A

**(3). Receivables financing which is undue as at the balance sheet date but endorsed or discounted by the Company at the end of the period**

Applicable  N/A

In RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	64,994,868.88	
<b>Total</b>	<b>64,994,868.88</b>	

**(4). Disclosure by categories of provision for bad debts**
 Applicable  N/A

Provision for bad debts made individually:

 Applicable  N/A

Explanation about provision for bad debts made individually:

 Applicable  N/A

Provision for bad debts made by group:

 Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

 Applicable  N/A

Basis for determination of each stage and percentage of provision for bad debts

N/A

Description of significant changes in the balance of receivables financing with changed provisions for losses in the current period:

 Applicable  N/A

**(5). Provision for bad debts**
 Applicable  N/A

Including significant amounts recovered or reversed from the current provision for bad debts:

 Applicable  N/A

Other information:

None

**(6). Receivables financing actually written off in the current period**
 Applicable  N/A

In which significant amounts of receivables financing written off are described as below:

 Applicable  N/A

Description of write-off:

 Applicable  N/A

**(7). Changes in amount and fair value of receivables financing:**
 Applicable  N/A

**(8). Other information:**
 Applicable  N/A

The acceptors of bank acceptance bills in the receivables financing are commercial banks with high credit. Because it is less probable that bank acceptance bills will not get paid at maturity, the Company has derecognized endorsed or discounted bank acceptance bills. However, if such notes are unable to be paid at maturity, the Company will still be jointly and severally liable to the note holders pursuant to the Negotiable Instruments Law.

**8. Prepayments**
**(1). Disclosure of prepayments by aging**
 Applicable  N/A

In RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	26,352,041.27	75.92	22,863,911.50	65.12
1 to 2 years	6,121,597.02	17.64	5,136,169.79	14.63
2 to 3 years	1,030,904.46	2.97	725,259.48	2.06
Over 3 years	1,204,040.19	3.47	6,387,321.05	18.19
<b>Total</b>	<b>34,708,582.94</b>	<b>100.00</b>	<b>35,112,661.82</b>	<b>100.00</b>



Reasons for overdue settlement of prepayments with significant amounts aged more than 1 year:  
None

**(2). Top five closing balances of prepayments categorized by receivers**

Applicable  N/A

Entity	Carrying amount	Proportion to the balance of prepayments (%)
Top 1	13,258,171.44	38.20
Top 2	2,263,401.00	6.52
Top 3	2,160,293.74	6.22
Top 4	1,320,966.58	3.81
Top 5	764,795.00	2.20
<b>Sub-total</b>	<b>19,767,627.76</b>	<b>56.95</b>

Other information

Applicable  N/A

**9. Other receivables**

**Presented by item**

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Interest receivable		-
Dividend receivable	14,111,064.00	14,023,746.00
Other receivables	16,468,070.59	16,674,941.55
<b>Total</b>	<b>30,579,134.59</b>	<b>30,698,687.55</b>

Other information:

Applicable  N/A

**Interest receivable**

**(1). Categories of interest receivable**

Applicable  N/A

**(2). Significant interests overdue**

Applicable  N/A

**(3). Disclosure by categories of provision for bad debts**

Applicable  N/A

Provision for bad debts made individually:

Applicable  N/A

Explanation about provision for bad debts made individually:

Applicable  N/A

Provision for bad debts made by group:

Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

Applicable  N/A

**(4). Provision for bad debts**

Applicable  N/A

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information:

None

**(5). Interests receivable actually written off in the current period**

Applicable  N/A

In which the write-off of significant interests receivable is described as below:

Applicable  N/A

Description of write-off:

Applicable  N/A

Other information:

Applicable  N/A

**Dividends receivable**

**(1). Dividends receivable**

Applicable  N/A

In RMB

Project (or investee)	Closing balance	Opening balance
Dividend distribution from GDC Technology Limited (BVI)	14,111,064.00	14,023,746.00
<b>Total</b>	<b>14,111,064.00</b>	<b>14,023,746.00</b>

**(2). Dividends receivable with significant amounts aged more than 1 year**

Applicable  N/A

In RMB

Project (or investee)	Closing balance	Aging	Reason for non-recovery	Whether impairment has occurred and the basis for its judgment
Dividend distribution from GDC Technology Limited (BVI)	14,111,064.00	2-3 years	There are matters not reached an agreement through negotiation, and the payment has not yet been made	It is less probable that the counterparty has a credit risk, and no impairment has occurred
<b>Total</b>	<b>14,111,064.00</b>	-	-	-

**(3). Disclosure by categories of provision for bad debts**

Applicable  N/A

Provision for bad debts made individually:

Applicable  N/A

Explanation about provision for bad debts made individually:

Applicable  N/A

Provision for bad debts made by group:

Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

Applicable  N/A

**(4). Provision for bad debts**

Applicable  N/A

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information:

None

**(5). Dividend receivable actually written off in the current period**

Applicable  N/A

In which the write-off of significant dividend receivable is described as below:

Applicable  N/A

Description of write-off:

Applicable  N/A

Other information:

Applicable  N/A

**Other receivables**
**(1). Disclosure by aging**

√ Applicable □ N/A

In RMB

Aging	Closing balance of carrying amount	Opening balance of carrying amount
Within 1 year		
Including: Sub-items within 1 year		
Within 1 year	9,220,288.61	8,746,169.48
Sub-total of items within 1 year	9,220,288.61	8,746,169.48
1 to 2 years	1,751,724.29	2,540,156.84
2 to 3 years	556,500.67	333,955.74
Over 3 years	5,935,973.48	6,002,199.51
<b>Total</b>	<b>17,464,487.05</b>	<b>17,622,481.57</b>

**(2). Categories by the nature of other receivables**

√ Applicable □ N/A

In RMB

Nature of receivables	Closing balance of carrying amount	Opening balance of carrying amount
Deposits/margins/petty cash	12,151,928.03	10,696,150.09
Withholding	288,290.22	393,531.80
Temporary receivables	5,024,268.80	6,532,799.68
Compensation receivable		
<b>Total</b>	<b>17,464,487.05</b>	<b>17,622,481.57</b>

**(3). Provision for bad debts**

√ Applicable □ N/A

In RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month ECL in the future	Lifetime ECL (without credit impairment)	Lifetime ECL (with credit impairment)	
Balance as at January 1, 2024	839,924.44	107,615.58		947,540.02
Balance as at January 1, 2024 in the current period	-	-	-	
--transferred to Stage II	-16,133.91	16,133.91	-	-
--transferred to Stage III	-	-	-	-
--reversed to Stage II	-	-	-	-
--reversed to Stage I	-	-	-	-
Provision	617.75	48,258.69	-	48,876.44
Reversal	-	-	-	-
Write-off	-	-	-	-
Cancellation	-	-	-	-
Other changes	-	-	-	-
Balance as at June 30, 2024	824,408.27	172,008.19	-	996,416.46

Basis for determination of each stage and percentage of provision for bad debts

The group of deposit and security receivable and other receivables due within one year in the age group indicate no obvious increase in the credit risk since initial recognition (stage I), 1-2 years in the age group indicate an obvious increase in the credit risk since initial recognition but no credit impairment (stage II), and over 2 years in the age group indicate credit impairment since initial recognition (stage III).

Description of significant changes in the balance of other receivables with changed provisions for losses in the current period:

Applicable  N/A

Basis for recognizing the amount of provision for bad debts and evaluating whether the credit risk of financial instruments has been increased significantly in the current period:

Applicable  N/A

**(4). Provision for bad debts**

Applicable  N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write off or cancellation	Other changes	
Provision for bad debts made by group	947,540.02	48,876.44				996,416.46
<b>Total</b>	<b>947,540.02</b>	<b>48,876.44</b>				<b>996,416.46</b>

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information

None

**(5). Other receivables actually canceled in the current period**

Applicable  N/A

In which significant amounts written off are described as below:

Applicable  N/A

Description of other receivables cancellation:

Applicable  N/A

**(6). Top five closing balances of other receivables categorized by debtors**

Applicable  N/A

In RMB

Entity	Closing balance	Proportion to the balance of other receivables (%)	Nature of other receivables	Aging	Provision for bad debts Closing balance
Top 1	3,574,618.00	20.47	Deposits/margins/petty cash	Over 3 years	178,730.90
Top 2	3,140,000.00	17.98	Deposits/margins/petty cash	Within 1 year	157,000.00
Top 3	1,310,675.20	7.50	Deposits/margins/petty cash	Over 3 years	65,533.76
Top 4	500,000.00	2.86	Deposits/margins/petty cash	Over 3 years	25,000.00
Top 5	365,997.50	2.10	Deposits/margins/petty cash	Within 1 year	18,299.88
<b>Total</b>	<b>8,891,290.70</b>	<b>50.91</b>	-	-	<b>444,564.54</b>

**(7). Presentation in other receivables due to centralized fund management**

Applicable  N/A

Other information:

Applicable  N/A

## 10. Inventories

### (1). Categories of inventories

Applicable  N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for decline in value of inventories/impairment of contract performance cost	Book value	Carrying amount	Provision for decline in value of inventories/impairment of contract performance cost	Book value
Raw materials	419,576,939.48	45,526,602.02	374,050,337.46	443,084,635.75	41,537,753.59	401,546,882.16
Work in progress	32,388,570.96	1,304,922.36	31,083,648.60	14,472,238.10	478,919.67	13,993,318.43
Goods on hand	274,503,515.82	51,644,200.03	222,859,315.79	260,003,554.90	46,351,531.91	213,652,022.99
Goods upon delivery	12,618,757.70	1,288,421.62	11,330,336.08	19,510,688.24	3,546,615.45	15,964,072.79
Contract performance cost	5,848,636.08	1,554,079.22	4,294,556.86	4,121,745.02	1,554,079.22	2,567,665.80
Materials in transit				180,136.65		180,136.65
Materials for consigned processing	17,954,682.53	1,130,012.78	16,824,669.75	8,934,579.86	491,879.01	8,442,700.85
<b>Total</b>	<b>762,891,102.58</b>	<b>102,448,238.03</b>	<b>660,442,864.55</b>	<b>750,307,578.52</b>	<b>93,960,778.85</b>	<b>656,346,799.67</b>

### (2). Data resources recognized as inventory

Applicable  N/A

### (3). Provision for decline in value of inventories and impairment of contract performance cost

Applicable  N/A

In RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	41,537,753.59	8,977,408.68	565.49	4,989,125.74		45,526,602.02
Work in progress	478,919.67	1,304,922.36		478,919.67		1,304,922.36
Goods on hand	46,351,531.91	16,854,553.77	17,176.60	11,579,062.25		51,644,200.03
Goods upon delivery	3,546,615.45	-1,119,325.02	3,214.61	1,142,083.42		1,288,421.62
Contract performance cost	1,554,079.22					1,554,079.22
Materials for consigned processing	491,879.01	642,612.60		4,478.83		1,130,012.78
<b>Total</b>	<b>93,960,778.85</b>	<b>26,660,172.39</b>	<b>20,956.70</b>	<b>18,193,669.91</b>		<b>102,448,238.03</b>

Reason for reversing or writing off the provisions for decline in value of inventories in the current period  
 Applicable  N/A

Item	Specific basis for determining the net realizable value	Reason for reversing the provision for impairment of inventory	Reason for writing back the provision for impairment of inventory
Raw materials	The net realizable value of raw materials is determined as the historical average selling price or actual average selling price of finished goods in the ordinary course of business less the estimated costs of completion, and the estimated costs necessary to make the sale and relevant taxes.	For the inventories of which a provision for the decline in value has been made in the prior period, their net realizable values have increased	The Company has consumed/sold the inventories for which a provision for impairment of inventory has been made during the current period
Materials in transit, and materials for consigned processing	The net realizable value of work in progress is determined as the historical average selling price or actual average selling price of finished goods in the ordinary course of business less the estimated costs of completion, and the estimated costs necessary to make the sale and relevant taxes.	No reversal	The Company has consumed the inventories for which a provision for impairment of inventory has been made during the current period
Goods on hand	For inventories directly used for sale, the net realizable value is determined as the historical average selling price or actual average selling price less the estimated costs necessary to make the sale and relevant taxes.	For the inventories of which a provision for the decline in value has been made in prior period, their net realizable values have increased	The Company has used/sold the inventories for which a provision for impairment of inventory has been made during the current period
Goods upon delivery	For goods delivered, the net realizable value is determined as the selling price or actual average selling price less the estimated costs necessary to make the sale and relevant taxes.	No reversal	The Company has sold the inventories for which a provision for impairment of inventory has been made during the current period
Contract performance cost	For the contract performance cost, the net realizable value is determined as the actual selling price of goods in the ordinary course of business less the estimated costs of completion, and the estimated costs necessary to make the sale and relevant taxes	No reversal	Non-resalable

Provision for impairment of inventory made by group

Applicable  N/A

Standard for making provision for impairment of inventory by group

Applicable  N/A

**(4). Description of capitalized amount of borrowing costs included in the closing balance of inventories, and the standard and basis for the calculation thereof**

Applicable  N/A

**(5). Description of amortization of contract performance cost during the period**
 Applicable  N/A

Item	Opening balance	Increase	Amortization	Provision for impairment made in the current period	Closing balance
Entrusted development	2,495,126.88	3,731,919.38	1,932,489.40		4,294,556.86
Overseas freight	72,538.92		72,538.92		
Sub-total	<b>2,567,665.80</b>	<b>3,731,919.38</b>	<b>2,005,028.32</b>	-	<b>4,294,556.86</b>

Other information:

 Applicable  N/A

**11. Held-for-sale assets**
 Applicable  N/A

**12. Non-current assets due within 1 year**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Debt investments due within 1 year		
Other debt investments due within 1 year		
Long-term receivables due within 1 year	50,522,240.47	41,997,218.73
<b>Total</b>	<b>50,522,240.47</b>	<b>41,997,218.73</b>

**Debt investments due within 1 year**
 Applicable  N/A

**Other debt investments due within 1 year**
 Applicable  N/A

Other description of non-current assets due within 1 year

None

**13. Other current assets**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Contract acquisition cost		
Cost of returned goods receivable	357,888.82	1,611,745.50
Input VAT to be deducted	48,344,259.08	46,217,482.57
Prepaid enterprise income tax	753,231.42	588,042.04
<b>Total</b>	<b>49,455,379.32</b>	<b>48,417,270.11</b>

Other information:

None

**14. Debt investments**
**(1). Description of debt investments**
 Applicable  N/A

Changes in the provision for impairment of debt investments in the current period

 Applicable  N/A

**(2). Debt investments with significant amounts at the end of the period**
 Applicable  N/A

**(3). Description of provision for impairment**
 Applicable  N/A

Basis for determination of each stage and percentage of provision for impairment:

N/A

Description of significant changes in the balance of debt investments with changed provisions for losses in the current period:

 Applicable  N/A

Basis for recognizing the amount of provision for impairment and evaluating whether the credit risk of financial instruments has been increased significantly in the current period:

 Applicable  N/A

**(4). Debt investments actually written off in the current period**
 Applicable  N/A

In which the write-off of significant debt investments is described as below

 Applicable  N/A

Description of write-off of debt investments:

 Applicable  N/A

Other information:

None

**15. Other debt investments**
**(1). Description of other debt investments**
 Applicable  N/A

Changes in the provision for impairment of other debt investments in the current period

 Applicable  N/A

**(2). Other debt investments with significant amounts at the end of the period**
 Applicable  N/A

**(3). Description of provision for impairment**
 Applicable  N/A

**(4). Other debt investments actually written off in the current period**
 Applicable  N/A

In which the write-off of significant other debt investments is described as below

 Applicable  N/A

Description of write-off of other debt investments:

 Applicable  N/A

Other information:

 Applicable  N/A

**16. Long-term receivables**
**(1). Description of long-term receivables**
 Applicable  N/A

In RMB

Item	Closing balance			Opening balance			Range of discount rate
	Carrying amount	Provision for bad debts	Book value	Carrying amount	Provision for bad debts	Book value	
Installment collection	25,690,266.46	2,971,279.26	22,718,987.20	29,121,844.28	2,410,050.74	26,711,793.54	4.30%-4.65%
Including: Financing income not realized	-616,482.26		-616,482.26	-711,250.41		-711,250.41	
<b>Total</b>	<b>25,073,784.20</b>	<b>2,971,279.26</b>	<b>22,102,504.94</b>	<b>28,410,593.87</b>	<b>2,410,050.74</b>	<b>26,000,543.13</b>	



**(2). Disclosure by categories of provision for bad debts**

√ Applicable □ N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually										
Including:										
Provision for bad debts made by group	25,073,784.20	100.00	2,971,279.26	11.85	22,102,504.94	28,410,593.87	100.00	2,410,050.74	8.48	26,000,543.13
Including:										
Group of aging	25,073,784.20	100.00	2,971,279.26	11.85	22,102,504.94	28,410,593.87	100.00	2,410,050.74	8.48	26,000,543.13
<b>Total</b>	<b>25,073,784.20</b>	<b>100.00</b>	<b>2,971,279.26</b>	<b>11.85</b>	<b>22,102,504.94</b>	<b>28,410,593.87</b>	<b>100.00</b>	<b>2,410,050.74</b>	<b>8.48</b>	<b>26,000,543.13</b>

Provision for bad debts made individually:

 Applicable √ N/A

Explanation about provision for bad debts made individually:

 Applicable √ N/A

Provision for bad debts made by group:

√ Applicable □ N/A

Item by group: Group of aging

In RMB

Name	Closing balance		
	Long-term receivables	Provision for bad debts	Percentage of provision (%)
Group of aging	25,073,784.20	2,971,279.26	11.85
<b>Total</b>	<b>25,073,784.20</b>	<b>2,971,279.26</b>	<b>11.85</b>

Description of provision for bad debts made by group

 Applicable √ N/A

Provision for bad debts made in accordance with the general model of ECL

 Applicable √ N/A

**(3). Provision for bad debts**

√ Applicable □ N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or	Write-off	Other changes	

			reversal	or cancellation		
Provision for bad debts made by group	2,410,050.74	3,556,553.22			2,995,324.70	2,971,279.26
<b>Total</b>	<b>2,410,050.74</b>	<b>3,556,553.22</b>			<b>2,995,324.70</b>	<b>2,971,279.26</b>

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information:

“Other changes” indicate the provision for impairment corresponding to the long-term receivables reclassified to be due within one year.

**(4). Long-term receivables actually written off in the current period**

Applicable  N/A

In which the write-off of significant long-term receivables is described as below:

Applicable  N/A

Description of write-off of long-term receivables:

Applicable  N/A

Other information:

Applicable  N/A

**17. Long-term equity investments**

**(1). Information about long-term equity investments**

Applicable  N/A

In RMB

Investee	Opening balance	Changes for the current period								Closing balance	Closing balance of provision for impairment
		Additional investment	Decreased investment	Investment profit or loss under equity method	Adjustment in other comprehensive income	Other equity changes	Declared cash dividends or profits	Provision for impairment	Others		
I. Joint venture											
Sub-total											
II. Associates											
GDC Technology Limited (BVI)	138,890,614.32			-3,921,378.98	-1,520,872.10				-133,448,363.24	0	
Shenzhen Zhongjian Technology Co., Ltd.	5,836,162.11			-436,832.42		784,440.30				6,183,769.99	
Sub-total	144,726,776.43			-4,358,211.40	-1,520,872.10	784,440.30			-133,448,363.24	6,183,769.99	

Total	144,726,776.43			- 4,358,211.40	- 1,520,872.10	784,440.30			- 133,448,363.24	6,183,769.99	
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Note: "Others" indicates the amount generated from foreign exchange translation.

Based on the dispute under arbitration, during the reporting period, the Company had specific evidence to prove that it could not exercise significant influence on the participating company GDC BVI, and therefore changed the accounting method in accordance with the *Accounting Standard for Business Enterprises* to designate GDC BVI as financial assets at fair value through profit or loss, and adjusted it from long-term equity investment to other non-current financial assets.

**(2). Impairment test of long-term equity investments**

Applicable  N/A  
None

**The net value of the recoverable amount determining by subtracting disposal expenses from the fair value**

Applicable  N/A

**The recoverable amount is determined according to the present value of the estimated future cash flows**

Applicable  N/A

**Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information**

Applicable  N/A

**Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year**

Applicable  N/A  
Other information  
None

**18. Other equity instrument investments**
**(1). Description of other equity instrument investments**

√ Applicable □ N/A

In RMB

Item	Opening balance	Changes for the current period					Closing balance	Dividends income recognized for the current period	Total gains recognized in other comprehensive income	Total losses recognized in other comprehensive income	Reasons for designating assets at fair value through other comprehensive income
		Additional investment	Decreased investment	Gains recognized in other comprehensive income in the current period	Losses recognized in other comprehensive income in the current period	Others					
Shen Zhen Timewaying Technology Co., Ltd.	7,075,419.38						7,075,419.38				Subject to the management's intention of holding
Shenzhen Bevix Technology Co., Ltd.	0.00						0.00				Subject to the management's intention of holding
Total	<b>7,075,419.38</b>						<b>7,075,419.38</b>				/

**(2). Description of derecognition in the current period**

□ Applicable √ N/A

Other information:

√ Applicable □ N/A

The Company's equity investments in Shen Zhen Timewaying Technology Co., Ltd., and Shenzhen Bevix Technology Co., Ltd. are mainly for promoting future business cooperation rather than making transactions, hence they are designated as investments in equity instruments at fair value through other comprehensive income. The cost of Shenzhen Bevix Technology Co., Ltd. is RMB 4,900,000.00, and the fair value change is -RMB 4,900,000.00.

**19. Other non-current financial assets**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
GDC Technology Limited (BVI)	99,443,720.92	0
<b>Total</b>	<b>99,443,720.92</b>	<b>0</b>

Other information:

Based on the dispute under arbitration, during the reporting period, the Company had specific evidence to prove that it could not exercise significant influence on the participating company GDC BVI, and therefore changed the accounting method in accordance with the *Accounting Standard for Business Enterprises* to designate GDC BVI as financial assets at fair value through profit or loss, and adjusted it from long-term equity investment to other non-current financial assets.

**20. Investment property**

Measurement mode of investment properties

N/A

**(1). Impairment test of investment properties measured at costs**
 Applicable  N/A

Other information

 Applicable  N/A

**The net value of the recoverable amount determining by subtracting disposal expenses from the fair value**

 Applicable  N/A

**The recoverable amount is determined according to the present value of the estimated future cash flows**

 Applicable  N/A

**Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information**

 Applicable  N/A

**Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year**

 Applicable  N/A

Other information

 Applicable  N/A

**21. Fixed assets**

Presented by item

 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Fixed assets	308,123,259.75	336,276,793.84
Disposal of fixed assets		
<b>Total</b>	<b>308,123,259.75</b>	<b>336,276,793.84</b>

Other information:

N/A

**Fixed assets**
**(1). Description of fixed assets**
 Applicable  N/A

In RMB

Item	Machinery and equipment	Transportation equipment	Electronic equipment and others	Operating leased equipment	Total
I. Original book value:					

1. Opening balance	173,037,618.56	2,227,745.42	64,110,956.44	665,210,386.30	904,586,706.72
2. Increase	20,513,195.94	839,623.66	13,246,982.13	7,798,919.01	42,398,720.74
(1) Purchase	20,482,288.72	832,106.19	13,265,297.58		34,579,692.49
(2) Transfer from construction in progress				7,798,919.01	7,798,919.01
(3) Increase from business combination					
(4) Exchange rate changes	30,907.22	7,517.47	-18,315.45		20,109.24
3. Decrease	5,491,494.05		1,898,666.17	16,662,301.15	24,052,461.37
(1) Disposal or retirement	5,491,494.05		1,898,666.17	1,464,702.32	8,854,862.54
(2) Transfer to inventories				15,197,598.83	15,197,598.83
(3) Transfer to construction in progress					
4. Closing balance	188,059,320.45	3,067,369.08	75,459,272.40	656,347,004.16	922,932,966.09
II. Accumulated depreciation					
1. Opening balance	97,159,897.17	855,965.15	38,239,794.57	425,973,312.89	562,228,969.78
2. Increase	13,636,959.59	235,868.70	5,058,451.55	42,392,392.06	61,323,671.90
(1) Provision	13,614,452.18	235,512.43	5,057,005.96	42,392,392.06	61,299,362.63
(2) Purchase					
(3) Exchange rate changes	22,507.41	356.27	1,445.59		24,309.27
3. Decrease	2,348,053.24		1,588,247.03	11,735,626.91	15,671,927.18
(1) Disposal or retirement	2,348,053.24		1,588,247.03	1,390,506.28	5,326,806.55
(2) Transfer to inventories				10,345,120.63	10,345,120.63
4. Closing balance	108,448,803.52	1,091,833.85	41,709,999.09	456,630,078.04	607,880,714.50
III. Provision for impairment					
1. Opening balance	1,935,931.82			4,145,011.28	6,080,943.10
2. Increase				1,021,252.37	1,021,252.37

(1) Provision				1,021,252.37	1,021,252.37
3. Decrease				173,203.63	173,203.63
(1) Disposal or retirement				173,203.63	173,203.63
4. Closing balance	1,935,931.82			4,993,060.02	6,928,991.84
IV. Book value					
1. Closing book value	77,674,585.11	1,975,535.23	33,749,273.31	194,723,866.10	308,123,259.75
2. Opening book value	73,941,789.57	1,371,780.27	25,871,161.87	235,092,062.13	336,276,793.84

**(2). Temporarily idle fixed assets**
 Applicable  N/A

In RMB

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Remark
Operating leased equipment	53,173,798.35	38,678,517.22	4,058,493.39	10,436,787.73	

**(3). Fixed assets leased out under operating lease**
 Applicable  N/A

In RMB

Item	Closing balance of book value
Operating leased equipment	184,287,078.37
<b>Sub-total</b>	<b>184,287,078.37</b>

**(4). Fixed assets of which certificates of title have not been obtained**
 Applicable  N/A

**(5). Impairment test of fixed assets**
 Applicable  N/A

Other information:

 Applicable  N/A

**The net value of the recoverable amount determining by subtracting disposal expenses from the fair value**

 Applicable  N/A

**The recoverable amount is determined according to the present value of the estimated future cash flows**

 Applicable  N/A

**Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information**

 Applicable  N/A

**Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year**

 Applicable  N/A

Other information:

 Applicable  N/A

**Disposal of fixed assets**
 Applicable  N/A

**22. Construction in progress**

Presented by item

 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Construction in progress	372,111,349.09	347,777,138.86
Materials for construction		
<b>Total</b>	<b>372,111,349.09</b>	<b>347,777,138.86</b>

Other information:

None

**Construction in progress**
**(1). Description of construction in progress**
 Applicable  N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Headquarter buildings	369,194,706.11		369,194,706.11	344,481,907.55		344,481,907.55
Light sources to be leased	2,916,642.98		2,916,642.98	3,295,231.31		3,295,231.31
<b>Total</b>	<b>372,111,349.09</b>		<b>372,111,349.09</b>	<b>347,777,138.86</b>		<b>347,777,138.86</b>

**(2). Changes in significant constructions in progress for the current period**
 Applicable  N/A

In RMB

Item	Budget amount	Opening balance	Increase	Amount transferred to fixed assets	Other decreases	Closing balance	Amount injected as a proportion of budget amount (%)	Construction progress	Amount of accumulated capitalized interest	Including : Capitalized interest for the period	Interest capitalization rate for the period (%)	Source of funds
Headquarter buildings	534,635,200.00	344,481,907.55	24,712,798.56			369,194,706.11	75.27	75.27		2,417,641.56	1.59	Self-owned capital
Light sources to be leased		3,295,231.31	7,420,330.68	7,798,919.01		2,916,642.98						Self-owned capital
<b>Total</b>	534,635,200.00	347,777,138.86	32,133,129.24	7,798,919.01		372,111,349.09	-	-			-	-

**(3). Provision for impairment losses for construction in progress in the current period**
 Applicable  N/A

**(4). Impairment test of construction in progress**
 Applicable  N/A

Other information

 Applicable  N/A



**The net value of the recoverable amount determining by subtracting disposal expenses from the fair value**

Applicable  N/A

**The recoverable amount is determined according to the present value of the estimated future cash flows**

Applicable  N/A

**Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information**

Applicable  N/A

**Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year**

Applicable  N/A

Other information

Applicable  N/A

#### **Materials for construction**

Applicable  N/A

### **23. Productive biological assets**

#### **(1). Productive biological assets measured at cost**

Applicable  N/A

#### **(2). Impairment test of productive biological assets measured at cost**

Applicable  N/A

#### **(3). Productive biological assets measured at fair value**

Applicable  N/A

Other information

Applicable  N/A

### **24. Oil and gas assets**

#### **(1). Information about oil and gas assets**

Applicable  N/A

#### **(2). Impairment test of oil and gas assets**

Applicable  N/A

None

**The net value of the recoverable amount determining by subtracting disposal expenses from the fair value**

Applicable  N/A

**The recoverable amount is determined according to the present value of the estimated future cash flows**

Applicable  N/A

**Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information**

Applicable  N/A

**Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year**

Applicable  N/A

Other information:

None

### **25. Right-of-use asset**

#### **(1). Information about right-of-use assets**

Applicable  N/A

In RMB

Item	Houses and buildings	Total
I. Original book value		

1. Opening balance	85,664,854.60	85,664,854.60
2. Increase	6,305,476.26	6,305,476.26
1) Lease in	6,287,383.76	6,287,383.76
2) Other changes	18,092.50	18,092.50
3. Decrease	9,535,418.11	9,535,418.11
1) Disposal	9,535,418.11	9,535,418.11
4. Closing balance	82,434,912.75	82,434,912.75
II. Accumulated depreciation		
1. Opening balance	45,647,950.93	45,647,950.93
2. Increase	14,138,541.81	14,138,541.81
1) Provision	14,137,642.55	14,137,642.55
2) Other changes	899.26	899.26
3. Decrease	6,378,364.05	6,378,364.05
(1) Disposal	6,378,364.05	6,378,364.05
4. Closing balance	53,408,128.69	53,408,128.69
III. Provision for impairment		
1. Opening balance		
2. Increase		
(1) Provision		
3. Decrease		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Closing book value	29,026,784.06	29,026,784.06
2. Opening book value	40,016,903.67	40,016,903.67

**(2). Impairment test of right-of-use assets**

Applicable  N/A

Other information:

None

**The net value of the recoverable amount determining by subtracting disposal expenses from the fair value**

Applicable  N/A

**The recoverable amount is determined according to the present value of the estimated future cash flows**

Applicable  N/A

**Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information**

Applicable  N/A

**Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year**

Applicable  N/A

Other information:

None

**26. Intangible assets**

**(1). Description of intangible assets**

Applicable  N/A

In RMB

Item	Land use rights	Patents	Software	Total
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I. Original book value				
1. Opening balance	330,630,000.00	20,059,950.00	27,192,435.04	377,882,385.04
2. Increase			1,889,330.87	1,889,330.87
(1) Purchase			1,885,497.90	1,885,497.90
(2) Internal R&D				
(3) Increase from business combination				
(4) Exchange rate changes			3,832.97	3,832.97
3. Decrease			891,089.12	891,089.12
(1) Disposal or retirement			891,089.12	891,089.12
4. Closing balance	330,630,000.00	20,059,950.00	28,190,676.79	378,880,626.79
II. Accumulated amortization				
1. Opening balance	60,615,500.22	16,390,600.14	15,245,888.60	92,251,988.96
2. Increase	5,510,500.02		2,258,010.54	7,768,510.56
(1) Provision	5,510,500.02		2,258,010.54	7,768,510.56
(2) Exchange rate changes				
3. Decrease			297,029.68	297,029.68
(1) Disposal			297,029.68	297,029.68
4. Closing balance	66,126,000.24	16,390,600.14	17,206,869.46	99,723,469.84
III. Provision for impairment				
1. Opening balance		3,669,349.86		3,669,349.86
2. Increase				
(1) Provision				
3. Decrease				
(1) Disposal				
4. Closing balance		3,669,349.86		3,669,349.86
IV. Book value				
1. Closing book value	264,503,999.76		10,983,807.33	275,487,807.09
2. Opening book value	270,014,499.78		11,946,546.44	281,961,046.22

The proportion of intangible assets generated by the Company's internal research and development to the balance of intangible assets at the end of the period is 0%.

**(2). Data resources recognized as intangible assets**

Applicable  N/A

**(3). Land use rights of which certificates of title have not been obtained**

Applicable  N/A

**(1). Impairment test of intangible assets**
 Applicable  N/A

Other information:

 Applicable  N/A

**The net value of the recoverable amount determining by subtracting disposal expenses from the fair value**

 Applicable  N/A

**The recoverable amount is determined according to the present value of the estimated future cash flows**

 Applicable  N/A

**Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information**

 Applicable  N/A

**Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year**

 Applicable  N/A

Other information:

 Applicable  N/A

**27. Goodwill**
**(1). Original book value of goodwill**
 Applicable  N/A

**(2). Impairment provision of goodwill**
 Applicable  N/A

**(3). Relevant information on groups of assets or combinations of groups of assets where the goodwill is recognized**
 Applicable  N/A

Changes in groups of assets or combinations of groups of assets

 Applicable  N/A

Other information

 Applicable  N/A

**(4). Specific method for determining the recoverable amount**

The recoverable amount is determined as the fair value net of disposal expenses

 Applicable  N/A

The recoverable amount is determined according to the present value of the estimated future cash flows

 Applicable  N/A

Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information

 Applicable  N/A

Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year

 Applicable  N/A

**(5). Performance covenant and impairment of the corresponding goodwill**

There is a performance covenant and the reporting period or the prior period is within the period of the performance covenant when the goodwill is generated

 Applicable  N/A

Other information

 Applicable  N/A

**28. Long-term prepaid expenses**
 Applicable  N/A

In RMB

Item	Opening balance	Increase	Amortization	Other decreases	Closing balance
------	-----------------	----------	--------------	-----------------	-----------------

Decoration construction	6,296,126.87	697,548.87	3,112,311.63		3,881,364.11
RTO gas for the screen project	22,018.46		22,018.46		
<b>Total</b>	<b>6,318,145.33</b>	<b>697,548.87</b>	<b>3,134,330.09</b>		<b>3,881,364.11</b>

Other information:

None

**29. Deferred tax assets and deferred tax liabilities**
**(1). Deferred tax assets that are not offset**
 Applicable  N/A

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	96,345,264.75	14,463,438.06	74,115,172.24	11,117,383.83
Unrealized profits for insider transactions	175,058,220.53	26,211,159.26	210,685,301.87	31,602,795.28
Deductible losses	222,129,019.57	44,784,854.23	239,029,918.69	35,854,487.80
Provisions	39,871,894.24	5,980,784.13	34,841,473.16	5,226,220.97
Other current liabilities			4,991,932.34	748,789.85
Share-based payment expenses	13,098,344.27	1,997,850.64	61,226,650.97	9,183,997.65
Deferred income	1,836,760.80	275,514.12	2,718,881.63	407,832.24
Lease liabilities	23,175,810.55	3,579,219.80	34,994,645.59	5,283,800.22
Held-for-trading financial assets			990,000.00	148,500.00
<b>Total</b>	<b>571,515,314.71</b>	<b>97,292,820.24</b>	<b>663,593,976.49</b>	<b>99,573,807.84</b>

**(2). Deferred tax liabilities that are not offset**
 Applicable  N/A

In RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Long-term receivables	77,454,128.29	11,618,119.24	69,036,668.06	10,355,500.21
Right-of-use assets	23,044,255.26	3,548,882.57	33,667,244.64	5,083,230.25
Change in the fair value of held-for-trading financial assets	130,000.00	19,500.00		
<b>Total</b>	<b>100,628,383.55</b>	<b>15,186,501.81</b>	<b>102,703,912.70</b>	<b>15,438,730.46</b>

**(3). Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset**
 Applicable  N/A

In RMB

Item	Closing set-off amounts of deferred tax	Closing balance of deferred tax assets or	Opening set-off amount of deferred tax	Opening balance of deferred tax assets or

	assets and liabilities	liabilities after set-off	assets and liabilities	liabilities after set-off
Deferred tax assets	13,412,546.67	83,880,273.57	14,209,075.65	85,364,732.19
Deferred tax liabilities	13,412,546.67	1,773,955.14	14,209,075.65	1,229,654.81

**(4). Details of unrecognized deferred tax assets**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Deductible losses	762,189,521.38	628,624,774.28
Provision for impairment of assets	53,245,482.60	72,217,063.30
Unrealized profits for insider transactions	11,273,470.20	17,628,227.02
Provisions	22,480,698.79	23,992,739.66
Deferred income	1,363,636.39	1,909,090.93
Share-based payment expenses	2,163,603.74	5,716,287.31
Leases	188,614.47	776,044.91
Profit distribution from partnership enterprises		22,937.98
Changes in fair value of investments in other equity instruments	4,900,000.00	4,900,000.00
<b>Total</b>	<b>857,805,027.57</b>	<b>755,787,165.39</b>

**(5). Deductible losses, for which no deferred tax assets are recognized, will expire in the following years**
 Applicable  N/A

In RMB

Year	Closing balance	Opening balance	Remark
2024	3,720,201.10	3,721,926.96	
2025	4,647,581.11	4,647,581.11	
2026	1,066,778.95	585,694.63	
2027	6,714,260.92	7,264,969.19	
2028	16,654,314.95	14,859,636.58	
2029	10,816,991.73		
2031	86,704,079.12	86,704,079.12	
2032	173,940,470.57	174,220,126.74	
2033	195,668,349.41	168,693,830.07	
2034	71,184,252.21		
No expiry date	191,072,241.31	167,926,929.88	
<b>Total</b>	<b>762,189,521.38</b>	<b>628,624,774.28</b>	-

Other information:

 Applicable  N/A

**30. Other non-current assets**
 Applicable  N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value

Prepayment for the purchase of long-term assets	18,308,105.15		18,308,105.15	29,348,748.27		29,348,748.27
<b>Total</b>	<b>18,308,105.15</b>		<b>18,308,105.15</b>	<b>29,348,748.27</b>		<b>29,348,748.27</b>

Other information:

None

**31. Items of restricted assets**

√ Applicable □ N/A

In RMB

Item	Closing				Opening			
	Carrying amount	Book value	Type of restriction	Restriction	Carrying amount	Book value	Type of restriction	Restriction
Monetary funds	100,412,876.66	100,412,876.66	Time deposits and interests, security deposit, funds in restricted accounts	Undue time deposits and interests, account security deposits, and restricted payments	88,979,653.31	88,979,653.31	Time deposits and interests, security deposit, funds in restricted accounts	Undue time deposits and interests, account security deposits, and restricted payments
Intangible assets	330,630,000.00	264,503,999.76	Mortgage	Mortgage collateral	330,630,000.00	270,014,499.78	Mortgage	Mortgage collateral
Monetary funds	112,745,931.53	112,745,931.53	Refer to the note below	Refer to the note below				
Accounts receivable	18,366,576.06	17,291,094.19	Refer to the note below	Refer to the note below				
Other receivables	14,610,056.60	14,367,063.15	Refer to the note below	Refer to the note below				
Other current assets	753,231.42	753,231.42	Refer to the note below	Refer to the note below				
Other non-current financial assets	99,443,720.92	99,443,720.92	Refer to the note below	Refer to the note below				
Fixed assets	6,481,012.00	2,243,955.29	Refer to the note below	Refer to the note below				
Right-of-use assets	1,256,326.63	1,116,734.85	Refer to the note below	Refer to the note below				
<b>Total</b>	<b>684,699,731.82</b>	<b>612,878,607.77</b>			<b>419,609,653.31</b>	<b>358,994,153.09</b>		

Note:

1. Since GDC BVI requested the U.S. arbitration tribunal to intervene in the implementation of the equity transaction plan released by the Company in April 2024, considering that this arbitration case was under trial and to respect for the arbitration trial, Appotronics HK constrained itself at the end of the period and suspended the efforts for promoting conditions for the equity transaction. For the sake of prudence, the

Company recorded all the assets of Appotronics HK as restricted assets. The parties are in negotiation with each other at present, and the specific result of the negotiation will be announced separately.

2. This arbitration case is still under trial at present. The self-constraint on the assets above does not indicate the arbitration result of this case, while the final arbitration result is subject to the decision of the arbitration tribunal.

Other information:

None

### 32. Short-term borrowings

#### (1). Categories of short-term borrowings

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Pledge borrowings	50,000,000.00	50,000,000.00
Guaranteed loans		30,000,000.00
Interest payable	32,500.00	36,500.00
<b>Total</b>	<b>50,032,500.00</b>	<b>80,036,500.00</b>

Description of categories of short-term borrowings:

None

#### (2). Short-term borrowings overdue but not yet repaid

Applicable  N/A

Other information:

Applicable  N/A

### 33. Held-for-trading financial liabilities

Applicable  N/A

Other information:

Applicable  N/A

### 34. Derivative financial liabilities

Applicable  N/A

### 35. Notes payable

Applicable  N/A

In RMB

Category	Closing balance	Opening balance
Commercial acceptance bills		
Bank acceptance bills	105,114,863.34	76,001,079.07
<b>Total</b>	<b>105,114,863.34</b>	<b>76,001,079.07</b>

Total notes payable matured but not paid yet is RMB 0 at the end of the period.

### 36. Accounts payable

#### (1). Presented by accounts payable

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Amounts payable for purchase	403,638,748.50	247,318,466.10
<b>Total</b>	<b>403,638,748.50</b>	<b>247,318,466.10</b>

#### (2). Accounts payable with significant amounts aged more than 1 year or overdue

Applicable  N/A

Other information:

Applicable  N/A

Top five closing balances of accounts payable categorized by suppliers



Entity	Carrying amount	Proportion to the balance of payables (%)
Top 1	33,499,983.90	8.30
Top 2	29,699,212.57	7.36
Top 3	25,405,684.75	6.29
Top 4	23,459,430.10	5.81
Top 5	17,527,483.96	4.34
<b>Sub-total</b>	<b>129,591,795.28</b>	<b>32.11</b>

### 37. Receipts in advance

#### (1). Presented by receipts in advance

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Advance payments of recharge fees	101,638,526.13	110,573,711.24
<b>Total</b>	<b>101,638,526.13</b>	<b>110,573,711.24</b>

#### (2). Receipts in advance with significant amounts aged more than 1 year

Applicable  N/A

#### (3). Amount and reasons for major changes in the book value during the reporting period

Applicable  N/A

Other information:

Applicable  N/A

### 38. Contract liabilities

#### (1). Description of contract liabilities

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Goods payment	43,087,407.22	45,416,445.99
<b>Total</b>	<b>43,087,407.22</b>	<b>45,416,445.99</b>

#### (2). Contract liabilities with significant amounts aged more than 1 year

Applicable  N/A

#### (3). Amount and reasons for major changes in the book value during the reporting period

Applicable  N/A

Other information:

Applicable  N/A

### 39. Employee benefits payable

#### (1). Presented by employee benefits payable

Applicable  N/A

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term benefits	60,944,415.44	182,133,546.01	211,896,324.85	31,181,636.60
II. Post-employment benefits-defined contribution plan	235,754.95	7,956,402.06	7,964,921.19	227,235.82
III. Dismissal benefits	5,694,064.08	1,978,711.22	7,672,775.30	
IV. Other benefits due within 1 year				
<b>Total</b>	<b>66,874,234.47</b>	<b>192,068,659.29</b>	<b>227,534,021.34</b>	<b>31,408,872.42</b>

**(2). Presented by short-term employee benefits**

√ Applicable □ N/A

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	60,435,649.25	162,724,378.94	192,456,183.94	30,703,844.25
II. Staff welfare	276,355.00	3,396,517.11	3,474,660.34	198,211.77
III. Social security contributions	151,646.45	5,606,904.26	5,613,250.27	145,300.44
Including: Medical insurance	143,966.79	5,125,273.00	5,131,310.83	137,928.96
Work injury insurance	7,662.68	250,195.90	250,504.08	7,354.50
Maternity insurance	16.98	231,435.36	231,435.36	16.98
IV. Housing funds	21,519.00	9,829,189.20	9,831,900.20	18,808.00
V. Union running costs and employee education costs	59,245.74	576,556.50	520,330.10	115,472.14
VI. Short-term paid leaves				
VII. Short-term profit sharing plan				
<b>Total</b>	<b>60,944,415.44</b>	<b>182,133,546.01</b>	<b>211,896,324.85</b>	<b>31,181,636.60</b>

**(3). Presented by defined contribution plan**

√ Applicable □ N/A

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pensions	228,085.12	7,635,064.59	7,643,325.55	219,824.16
2. Unemployment insurance	7,669.83	321,337.47	321,595.64	7,411.66
3. Enterprise annuity contribution				
<b>Total</b>	<b>235,754.95</b>	<b>7,956,402.06</b>	<b>7,964,921.19</b>	<b>227,235.82</b>

Other information:

□ Applicable √ N/A

**40. Taxes payable**

√ Applicable □ N/A

In RMB

Item	Closing balance	Opening balance
Value-added tax (VAT)	1,450,683.95	359,180.74
Enterprise income tax	6,178,554.09	1,334,766.59
Individual income tax	1,430,010.73	3,528,285.07
City maintenance and construction tax	385,108.07	293,453.55
Education surcharges	167,711.49	129,503.34
Local education surcharges	111,807.65	83,464.21
Stamp duty	429,618.26	399,474.92
Annual franchise right tax		14,519.54
Urban land use tax	8,914.32	56.27
<b>Total</b>	<b>10,162,408.56</b>	<b>6,142,704.23</b>

Other information:

None

**41. Other payables**
**Presented by item**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Interest payable		
Dividend payable	32,084,193.96	
Other payables	58,271,094.03	54,142,509.17
<b>Total</b>	<b>90,355,287.99</b>	<b>54,142,509.17</b>

**Interest payable**
 Applicable  N/A

**Dividends payable**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Dividends on ordinary shares	32,084,193.96	
<b>Total</b>	<b>32,084,193.96</b>	

Other description, including significant dividend payable with aging of over 1 year, and the reason for non-payment shall be disclosed:

None

**Other payables**
**(1). Other payables presented by nature**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Withholding	518,765.68	519,802.15
Deposits/margins	11,511,206.44	14,940,040.78
Withdrawals in advance	44,476,193.44	35,291,543.85
Temporary receipts payable	1,764,928.47	3,391,122.39
<b>Total</b>	<b>58,271,094.03</b>	<b>54,142,509.17</b>

**(2). Other payables with significant amounts aged more than 1 year or overdue**
 Applicable  N/A

Other information:

 Applicable  N/A

**42. Liabilities held for sale**
 Applicable  N/A

**43. Non-current liabilities due within 1 year**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year	307,239,564.91	241,906,668.40
Bonds payable due within one year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year	17,534,937.28	26,571,363.83

Interest payable	50,192.50	270,119.44
<b>Total</b>	<b>324,824,694.69</b>	<b>268,748,151.67</b>

Other information:

None

#### 44. Other current liabilities

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Rebates payable	12,437,221.80	14,406,021.16
Taxes to be written off	2,683,187.12	4,035,664.67
Endorsement of notes receivable not derecognized	860,000.00	
<b>Total</b>	<b>15,980,408.92</b>	<b>18,441,685.83</b>

Changes in short-term bonds payable:

Applicable  N/A

Other information:

Applicable  N/A

#### 45. Long-term borrowings

##### (1). Categories of long-term borrowings

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Guaranteed loans and loans against collateral	134,360,312.56	136,305,570.04
Guaranteed loans	70,053,867.78	136,980,000.00
Credit loans	117,000,000.00	97,000,000.00
Interest payable	238,579.75	364,061.18
<b>Total</b>	<b>321,652,760.09</b>	<b>370,649,631.22</b>

Description for categories of long-term borrowings:

None

Other information

Applicable  N/A

#### 46. Bonds payable

##### (1). Bonds payable

Applicable  N/A

##### (2). Specific information about bonds payable: (excluding other financial instruments such as preference shares, perpetual bonds and others classified as financial liabilities)

Applicable  N/A

##### (3). Description of convertible corporate bonds

Applicable  N/A

Accounting treatment and determination basis of conversion rights

Applicable  N/A

##### (4). Description of other financial instruments classified as financial liabilities

Basic information on other financial instruments including outstanding preferred shares and perpetual bonds at the end of the period

Applicable  N/A

Changes in financial instruments including outstanding preferred shares and perpetual bonds at the end of the period

Applicable  N/A

Description of other financial instruments classified as financial liabilities

Applicable  N/A

Other information:

Applicable  N/A

#### 47. Lease liabilities

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Unpaid lease payments	12,668,162.33	16,514,060.82
Less: Financing charges not recognized	677,295.46	965,075.11
<b>Total</b>	<b>11,990,866.87</b>	<b>15,548,985.71</b>

Other information:

None

#### 48. Long-term payables

Presented by item

Applicable  N/A

Long-term payables

Applicable  N/A

Special payables

Applicable  N/A

#### 49. Long-term employee benefits payable

Applicable  N/A

##### (1). Long-term employee benefits payable

Applicable  N/A

##### (2). Changes in defined benefit plan

Present value of the obligations under the defined benefit plan:

Applicable  N/A

Assets under the plan:

Applicable  N/A

Net liabilities (net assets) under the defined benefit plan

Applicable  N/A

Description of the impact of the content of the defined benefit plan and associated risks on the future cash flow, time, and uncertainty of the Company:

Applicable  N/A

Description of major actuarial assumptions and sensitivity analysis result for the defined benefit plan

Applicable  N/A

Other information:

Applicable  N/A

#### 50. Provisions

Applicable  N/A

In RMB

Item	Opening balance	Closing balance	Reason
Pending litigation	5,154,659.93	3,939,065.02	
Product quality warranty	50,530,730.18	49,686,637.61	Expenses for “three guarantees” services
Amounts payable for goods returned	2,495,594.97	672,843.14	
<b>Total</b>	<b>58,180,985.08</b>	<b>54,298,545.77</b>	

Other description, including significant assumptions and estimates relative to material provisions:

None

**51. Deferred income**

Description of deferred income

√ Applicable □ N/A

In RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government grants related to assets	3,749,594.97		1,078,195.8	2,671,399.17	The relevant asset is within its service life
Government grants related to income	878,377.59	333,700.00	683,079.57	528,998.02	Used for compensation of relevant costs, expenses, or losses in subsequent periods
<b>Total</b>	<b>4,627,972.56</b>	<b>333,700.00</b>	<b>1,761,275.37</b>	<b>3,200,397.19</b>	-

Other information:

□ Applicable √ N/A

**52. Other non-current liabilities**

□ Applicable √ N/A

**53. Share capital**

√ Applicable □ N/A

In RMB

	Opening balance	Changes (+, -)					Closing balance
		Issuance of new shares	Bonus shares	Capitalization of capital reserve	Others	Sub-total	
Total shares	462,211,338.00	2,922,290.00				2,922,290.00	465,133,628.00

Other information:

(1) On January 29, 2024, the Company received the additional investment of RMB 7,327,467.64 in total paid by 10 qualified grantees of share incentives under the 2021 Second Restricted Share Incentive Plan and 2022 First Restricted Share Incentive Plan, including RMB 394,040.00 recognized as share capital, RMB 6,933,427.64 recognized as capital premium (share premium), and RMB 2,395,251.2 transferred from capital reserve - other capital reserve to capital premium (share premium). Pan-China Certified Public Accountants LLP audited this capital increase and issued a Capital Verification Report (Tian Jian Yan (2024) No. 7-4).

(2) On June 14, 2024, the Company received the additional investment of RMB 38,785,883.25 in total paid by 62 qualified grantees of share incentives under the 2022 First Restricted Share Incentive Plan, including RMB 2,528,250.00 recognized as share capital, RMB 36,257,633.25 recognized as capital premium (share premium), and RMB 6,977,970.00 transferred from capital reserve - other capital reserve to capital premium (share premium). Pan-China Certified Public Accountants LLP audited this capital increase and issued a Capital Verification Report (Tian Jian Yan (2024) No. 7-13).

**54. Other equity instruments**

(1). **Basic information on other financial instruments including outstanding preferred shares and perpetual bonds at the end of the period**

□ Applicable √ N/A

(2). **Changes in financial instruments including outstanding preferred shares and perpetual bonds at the end of the period**

□ Applicable √ N/A

Changes of other equity instruments in the current period, reasons for such change and basis for related accounting treatments:

□ Applicable √ N/A

Other information:

□ Applicable √ N/A

**55. Capital reserve**

√ Applicable □ N/A

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (Share premium)	1,468,447,805.00	52,564,282.09		1,521,012,087.09
Other capital reserve	148,041,762.43	-4,861,814.07	9,373,221.20	133,806,727.16
<b>Total</b>	<b>1,616,489,567.43</b>	<b>47,702,468.02</b>	<b>9,373,221.20</b>	<b>1,654,818,814.25</b>

Other description, including changes in the current period and reasons for changes:

(1) Refer to VII.53 of Section X for the increase in the capital reserve - share premium in the current period.

(2) Refer to VII.53 of Section X for the decrease in the capital reserve - other capital reserve in the current period.

(3) The total expense of equity-settled share-based payments amounted to RMB 8,095,798.69, in which RMB 6,723,490.18 was recognized in the capital reserve (other capital reserve) and RMB 1,372,308.51 was charged to the amount attributable to minority interests.

(4) With respect to the temporary difference by which the fair value at the end of period of restricted shares granted by the Company in the current period is greater than the fair value at the grant date, the Company recognized the decrease in deferred tax assets by RMB 3,333,268.04, the decrease in the capital reserve (other capital reserve) by RMB 3,101,980.56, and the decrease in the minority interests by RMB 231,287.49.

(5) The capital reserve (other capital reserve) was adjusted by RMB -8,483,323.69 due to the acquisition of minority interests, increasing the investment in participating companies, and conversion of convertible bonds of subsidiaries into shares.

**56. Treasury shares**

√ Applicable □ N/A

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Treasury shares	19,377,297.59	89,540,479.04		108,917,776.63
<b>Total</b>	<b>19,377,297.59</b>	<b>89,540,479.04</b>		<b>108,917,776.63</b>

Other description, including changes in the current period and reasons for changes:

None

**57. Other comprehensive income**

√ Applicable □ N/A

In RMB

Item	Opening balance	Amount for the current period						Closing balance
		Amount incurred for the current period before tax	Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Amount previously included in other comprehensive income and transferred to retained earnings for the period	Less: Income tax expense	Attributable to owners of the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified subsequently to profit or loss	-4,900,000.00							-4,900,000.00
Including: Changes from remeasurement of defined benefit plans								
Other comprehensive income that cannot be reclassified to profit or loss under the equity method								
Changes in fair value of investments in other equity instruments	-4,900,000.00							-4,900,000.00



Changes in fair value of enterprises' own credit risks								
II. Other comprehensive income that will be reclassified to profit or loss	12,450,073.78	-1,282,521.47	-2,787,954.28			1,452,210.99	53,221.84	13,902,284.77
Including: Other comprehensive income that will be reclassified to profit or loss under the equity method	16,306,810.51	0.00	-16,306,810.51			16,306,810.51		0.00
Changes in fair value of other debt investments								
Amount of financial assets reclassified to other comprehensive income								
Provision for credit impairment of other debt investments								
Reserve for cash flow hedges								
Exchange differences on translation of financial statements denominated in foreign currencies	28,756,884.29	-1,282,521.47	13,518,856.23			14,854,599.52	53,221.84	13,902,284.77

Total other comprehensive income	7,550,073.78	-1,282,521.47	-2,787,954.28			1,452,210.99	53,221.84	9,002,284.77
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Other description, including adjustments on transferring the effective portion of cash flow hedges to amount upon initial recognition of the hedged item:

None

**58. Special reserve**
 Applicable  N/A
**59. Surplus reserve**
 Applicable  N/A

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	84,873,365.32			84,873,365.32
Discretionary surplus reserves				
Reserve fund				
Enterprise development fund				
Surplus reserve recovered through business combination involving entities under common control				
<b>Total</b>	<b>84,873,365.32</b>			<b>84,873,365.32</b>

Surplus reserve description, including changes in the current period and reasons for changes:

None

**60. Retained profits**
 Applicable  N/A

In RMB

Item	Current period	Prior year
Retained profits at the end of the prior period before adjustment	667,122,406.05	597,924,451.67
Total adjusted undistributed profits at the beginning of the period (Add: +; Less: -)		
Retained profits at the beginning of the period after adjustment	667,122,406.05	597,924,451.67
Add: Net profit attributable to owners of the parent company for the period	10,909,613.44	103,186,743.57
Less: Appropriation to statutory surplus reserve		9,353,583.26
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserve		
Declaration of dividends on ordinary shares	32,084,193.96	
Conversion of ordinary shares' dividends into share capital		
Distributed dividend		24,635,205.93
Retained profits at the end of the period	645,947,825.53	667,122,406.05

Details of adjustments to undistributed profits at the beginning of the period:

- As a result of the retrospective adjustment of the Accounting Standards for Business Enterprises and related new regulations, undistributed profits at the beginning of the period were affected by RMB 0.00.
- Retained profits at the beginning of the period were affected by RMB 0.00 due to changes in accounting policies.

3. Retained profits at the beginning of the period were affected by RMB 0.00 due to the correction of significant accounting errors.
4. Retained profits at the beginning of the period were affected by RMB 0.00 due to changes in the scope of consolidation resulting from business combinations involving entities under common control.
5. Retained profits at the beginning of the period were affected by RMB 0.00 in total due to other adjustments.

**61. Operating income and operating costs**
**(1). Description of operating income and operating costs**
 Applicable  N/A

In RMB

Item	During the reporting period		Prior period	
	Revenue	Cost	Revenue	Cost
Main business	1,081,409,500.21	745,633,299.59	1,073,249,037.75	668,659,467.49
Other business				
<b>Total</b>	<b>1,081,409,500.21</b>	<b>745,633,299.59</b>	<b>1,073,249,037.75</b>	<b>668,659,467.49</b>

**(2). Breakdown of operating income and operating cost**
 Applicable  N/A

Other information

 Applicable  N/A

Breakdown of revenue from contracts with customers by category:

In RMB

Item	During the reporting period	
	Operating income	Operating costs
Main business areas:		
Domestic	809,130,906.68	617,372,137.92
Overseas	110,168,311.16	58,466,951.37
<b>Sub-total</b>	<b>919,299,217.84</b>	<b>675,839,089.29</b>
Main product type:		
Core device business	433,840,052.95	312,732,607.05
Complete projector equipment	414,535,359.11	305,861,480.63
Others	70,923,805.78	57,245,001.61
<b>Sub-total</b>	<b>919,299,217.84</b>	<b>675,839,089.29</b>
Revenue recognition time:		
Goods (transferred at a time point)	916,302,479.76	674,243,395.72
Services (provided during a specific period of time)	2,996,738.08	1,595,693.57
<b>Sub-total</b>	<b>919,299,217.84</b>	<b>675,839,089.29</b>

**(3). Description of performance obligations**
 Applicable  N/A

**(4). Description of allocation to remaining performance obligations**
 Applicable  N/A

**(5). Material contract changes or material adjustments in transaction prices**
 Applicable  N/A

Other information:

None

**62. Taxes and surcharges**

 √ Applicable  N/A

In RMB

Item	During the reporting period	Prior period
City maintenance and construction tax	1,702,370.48	1,849,757.98
Education surcharges	740,255.99	810,475.02
Stamp duty	497,715.63	718,782.33
Local education surcharges	766,086.74	540,316.68
Others	33,169.56	86,419.52
<b>Total</b>	<b>3,739,598.40</b>	<b>4,005,751.53</b>

Other information:

None

**63. Selling expenses**

 √ Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Marketing fees	19,608,143.75	67,103,262.08
Employee benefits	36,545,525.82	44,813,421.97
After-sale repair expenses	8,097,912.56	8,783,249.44
Travel expenses	3,747,269.03	3,323,826.10
Advertising and business promotion expenses	1,194,151.94	2,606,865.49
Business entertainment expenses	1,290,538.87	891,056.45
Service fees	15,109,595.41	6,384,443.11
Other expenses	13,729,763.88	9,493,535.38
<b>Total</b>	<b>99,322,901.25</b>	<b>143,399,660.02</b>

Other information:

None

**64. Administrative expenses**

 √ Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Employee benefits	34,071,951.83	34,743,913.52
Share-based payment expenses	8,095,829.69	25,008,586.26
Service fees	25,451,519.08	13,261,395.13
Depreciation and amortization expenses	6,284,108.94	6,559,184.36
Rent expense	1,909,486.09	2,699,984.57
Other expenses	6,429,642.17	4,423,159.98
<b>Total</b>	<b>82,242,537.80</b>	<b>86,696,223.82</b>

Other information:

None

**65. R&D expenses**

 √ Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Employee benefits	77,178,286.66	86,643,213.03
Material consumption expenses	9,883,197.10	11,968,242.66
Rent expense	2,194,206.38	2,027,319.05

Service fees	2,959,461.32	6,014,448.00
Depreciation and amortization expenses	8,922,669.56	7,408,217.43
Testing expenses	3,484,793.48	2,233,677.17
Patent fees	3,277,677.31	1,909,173.76
Other expenses	3,718,495.39	8,201,851.02
<b>Total</b>	<b>111,618,787.20</b>	<b>126,406,142.12</b>

Other information:

None

#### 66. Financial expenses

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Interest expenses	9,734,387.30	7,061,642.05
Less: Interest income	-16,592,276.88	-15,604,073.30
Exchange profit or loss	503,613.81	-9,807,901.42
Bank service charges	395,880.48	1,328,926.10
<b>Total</b>	<b>-5,958,395.29</b>	<b>-17,021,406.56</b>

Other information:

None

#### 67. Other income

Applicable  N/A

In RMB

Classified by nature	During the reporting period	Prior period
Government grants related to assets	1,078,195.80	1,078,195.80
Government grants related to income	6,281,595.04	17,036,319.77
Refund of transaction fees for withholding individual income taxes	566,343.98	442,061.07
Additional deduction of input VAT	4,596,330.89	620,900.93
Refunds for software of value-added taxes	2,406,946.80	4,431,505.74
<b>Total</b>	<b>14,929,412.51</b>	<b>23,608,983.31</b>

Other information:

Government grants recognized in other income in the current period are disclosed in XI of Section X in detail.

#### 68. Investment income

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Long-term equity investment accounted for using the equity method	-4,358,211.40	-8,071,814.75
Investment income from the disposal of long-term equity investments	-37,353,061.61	
Investment income from held-for-trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of held-for-trading financial assets	16,264,140.92	5,265,708.55

Investment income from disposal of other equity instrument investments		
Investment income from the disposal of debt investments		
Investment income from the disposal of other debt investments		
Profits from debt restructuring		
Others	-359,837.45	
<b>Total</b>	<b>-25,806,969.54</b>	<b>-2,806,106.20</b>

Other information:

None

**69. Income from net exposure hedges**

Applicable  N/A

**70. Gains from changes in fair values**

Applicable  N/A

In RMB

Source of gains from changes in fair values	During the reporting period	Prior period
Held-for-trading financial assets	10,062,500.00	
Including: Gains from changes in fair values generated by derivative financial instruments		
Held-for-trading financial liabilities		
Investment property measured at fair value		
<b>Total</b>	<b>10,062,500.00</b>	

Other information:

None

**71. Gains on disposal of assets**

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Gains from disposal of fixed assets	-49,364.10	18,395.62
Gains from disposal of right-of-use assets	39,468.76	-3,133.47
<b>Total</b>	<b>-9,895.34</b>	<b>15,262.15</b>

Other information:

Applicable  N/A

**72. Losses of credit impairment**

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Impairment losses of notes receivable	313,872.72	-61,544.10
Impairment losses of accounts receivable	-7,145,762.28	-2,667,868.31
Impairment losses of other receivables	-49,362.84	-60,565.45
Impairment losses of debt investments		
Impairment losses of other debt investments		
Impairment losses of long-term receivables	-3,556,553.22	-723,105.21

Impairment losses related to financial guarantees		
<b>Total</b>	<b>-10,437,805.62</b>	<b>-3,513,083.07</b>

Other information:

None

**73. Impairment losses of assets**
 Applicable  N/A

In RMB

Item	During the reporting period	Prior period
I. Impairment losses of contract assets	-189,044.40	-90,452.65
II. Losses of decline in value of inventories and losses of contract performance cost	-26,651,240.39	-27,089,793.54
III. Impairment losses of long-term equity investments		
IV. Impairment losses of investment properties		
V. Impairment losses of fixed assets	-1,021,252.37	-1,833,685.55
VI. Impairment losses of construction materials		
VII. Impairment losses of construction in progress		
VIII. Impairment losses of productive biological assets		
IX. Impairment losses of oil and gas assets		
X. Impairment losses of intangible assets		
XI. Goodwill impairment losses		
XII. Others		
<b>Total</b>	<b>-27,861,537.16</b>	<b>-29,013,931.74</b>

Other information:

None

**74. Non-operating income**
 Applicable  N/A

In RMB

Item	During the reporting period	Prior period	Amount included in non-recurring profit or loss for the period
Total gains from disposal of non-current assets		11,482.30	
Including: Gains from the disposal of fixed assets		11,482.30	
Gains from disposal of intangible assets			
Gains from debt restructuring			
Gains from the exchange of non-monetary assets			
Donation receipts			
Government grants	30,000.00	9,000,000.00	30,000.00
Amounts not required for payment	14,610.48	233,306.16	14,610.48
Others	1,133,368.38	179,559.37	1,133,368.38
<b>Total</b>	<b>1,177,978.86</b>	<b>9,424,347.83</b>	<b>1,177,978.86</b>

Other information:

 Applicable  N/A



**75. Non-operating expenses**

√ Applicable □ N/A

In RMB

Item	During the reporting period	Prior period	Amount included in non-recurring profit or loss for the period
Total losses from disposal of non-current assets	533,012.62	242,877.32	533,012.62
Including: Losses from disposal of fixed assets	432,667.15	242,877.32	432,667.15
Losses from disposal of intangible assets			
Losses from debt restructuring			
Losses from the exchange of non-monetary assets			
External donations			
Penalties and overdue fines	16,581.33	27,463.52	16,581.33
Others	27,938.47	370,921.08	27,938.47
<b>Total</b>	<b>577,532.42</b>	<b>641,261.92</b>	<b>577,532.42</b>

Other information:

None

**76. Income tax expense**
**(1). Statement of income tax expense**

√ Applicable □ N/A

In RMB

Item	During the reporting period	Prior period
Income tax expense in the current period	10,521,359.94	8,337,698.37
Deferred income tax expenses	-1,304,509.08	10,312,245.27
<b>Total</b>	<b>9,216,850.86</b>	<b>18,649,943.64</b>

**(2). Reconciliation of income tax expenses to the accounting profit**

√ Applicable □ N/A

In RMB

Item	During the reporting period
Total profit	6,286,922.55
Income tax expense calculated based on statutory/applicable tax rate	943,038.36
Effect of different tax rates of subsidiaries operating in other jurisdictions	-514,726.20
Effect of income tax for the period before adjustment	1,868,596.99
Effect of non-taxable income	2,348,336.58
Effect of non-deductible cost, expense and loss	927,905.43
Effect of utilizing deductible loss not recognized for deferred tax assets for prior period	-2,145,717.81
Effect of deductible temporary difference or deductible loss not recognized for deferred tax assets for the current period	25,212,443.56
Change in the balance of opening deferred tax assets caused by tax rate adjustment	-12,748,634.41
Effect of additional deduction of R&D expenses	-11,374,555.60
Others	4,700,163.96

Income tax expenses	<b>9,216,850.86</b>
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Other information:

Applicable  N/A

**77. Other comprehensive income**

Applicable  N/A

Refer to VII. 57 of Section X for details.

**78. Items in the cash flow statement**

**(1). Cash related to operating activities**

Other cash receipts relating to operating activities

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Interest income	13,656,180.65	15,203,804.27
Government grants	8,363,175.91	31,156,389.47
Recovery of security deposits	1,256,029.04	38,485,289.61
Non-operating income	75,533.40	167,768.72
Other transaction accounts	3,594,370.81	5,824,075.57
<b>Total</b>	<b>26,945,289.81</b>	<b>90,837,327.64</b>

Description of other cash receipts relating to operating activities:

None

Other cash payments relating to operating activities

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Administrative expenses, selling expenses, and R&D expenses paid in cash	101,451,691.27	133,812,521.03
Non-operating expenses	14,897.31	369,426.97
Payment of security deposits	31,586,113.28	14,513,684.21
Service charges	496,338.84	777,510.79
Addition of restricted monetary funds	112,745,931.53	
Other transaction accounts	5,342,298.48	3,961,686.89
<b>Total</b>	<b>251,637,270.71</b>	<b>153,434,829.89</b>

Description of other cash payments relating to operating activities:

None

**(2). Cash related to investing activities**

Cash receipts related to significant investing activities

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Redemption of wealth management products	766,000,000.00	765,000,000.00
Sales of held-for-trading financial assets	14,000,000.00	
<b>Total</b>	<b>780,000,000.00</b>	<b>765,000,000.00</b>

Description of cash receipts related to significant investing activities:

None

Cash payments related to significant investing activities

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
------	-----------------------------	--------------

Investment and wealth management products	768,000,000.00	976,816,480.00
Acquisition of minority interests	1.00	
<b>Total</b>	<b>768,000,001.00</b>	<b>976,816,480.00</b>

Description of cash payments related to significant investing activities:

None

Other cash receipts relating to investing activities

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Refund of down payment for equity investment	1,362,168.77	
<b>Total</b>	<b>1,362,168.77</b>	

Description of other cash receipts related to investing activities:

None

Other cash payments relating to operating activities

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Down payment for equity investment	1,364,715.49	
<b>Total</b>	<b>1,364,715.49</b>	

Description of other cash payments relating to investing activities:

None

### (3). Cash related to financing activities

Other cash receipts relating to financing activities

Applicable  N/A

Other cash payments relating to financing activities

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Dividend payments		23,814.21
Actual lease payment	16,998,728.27	17,383,232.80
Share repurchase payment	89,540,479.04	
<b>Total</b>	<b>106,539,207.31</b>	<b>17,407,047.01</b>

Description of other cash payments relating to financing activities:

None

Changes in various liabilities due to financing activities

Applicable  N/A

In RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Short-term borrowings	80,036,500.00		794,888.87	30,798,888.87		50,032,500.00
Non-current liabilities due within 1 year	268,748,151.67		156,938,885.03	100,862,342.01		324,824,694.69
Long-term borrowings	370,649,631.22	95,230,654.50	6,053,089.35	6,032,685.19	144,247,929.79	321,652,760.09
<b>Total</b>	<b>719,434,282.89</b>	<b>95,230,654.50</b>	<b>163,786,863.25</b>	<b>137,693,916.07</b>	<b>144,247,929.79</b>	<b>696,509,954.78</b>

### (4). Description of cash flows stated on a net basis

Applicable  N/A

**(5). Significant activities that do not involve receipts and payments of cash in the current period, but affect the financial position of the enterprise or may affect the cash flows of the enterprise in the future**

Applicable  N/A

**79. Supplementary information to the cash flow statement**

**(1) Supplementary information to the cash flow statement**

Applicable  N/A

In RMB

Supplementary information	Amount for the current period	Amount for the prior period
<b>1. Reconciliation of net profit to cash flow from operating activities:</b>		
Net profit	-2,929,928.31	39,527,466.05
Add: Provision for impairment of assets	27,861,537.16	29,013,931.74
Impairment losses of credit	10,437,805.62	3,513,083.07
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	61,299,362.63	59,926,542.86
Amortization of right-of-use assets	14,137,642.55	14,899,916.76
Amortization of intangible assets	2,258,010.54	2,121,924.37
Amortization of long-term prepaid expenses	3,134,330.09	1,956,826.99
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "-")		-15,262.15
Losses on disposal of fixed assets (gains are indicated by "-")	533,012.62	231,395.02
Losses on changes in fair values (gains are indicated by "-")	-10,062,500.00	
Financial expenses (income is indicated by "-")	10,538,601.11	3,338,040.63
Investment losses (income is indicated by "-")	25,806,969.54	2,806,106.20
Decrease in deferred tax assets (increase is indicated by "-")	-1,848,809.41	10,312,245.28
Increase in deferred tax liabilities (decrease is indicated by "-")	544,300.33	
Decrease in inventories (increase is indicated by "-")	-33,345,046.45	104,726,621.15
Decrease in receivables from operating activities (increase is indicated by "-")	-221,702,868.68	18,233,904.75
Increase in payables from operating activities (decrease is indicated by "-")	26,204,459.37	-200,944,159.73
Others	7,986,451.06	25,090,249.13
Net cash flow from operating activities	-79,146,670.23	114,738,832.13
<b>2. Significant investing and financing activities that do not involve cash receipts and payments:</b>		
Conversion of debt into capital		
Convertible corporate bonds due within 1 year		
Fixed assets acquired under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	1,121,669,333.29	1,228,232,134.57
Less: Opening balance of cash	1,297,848,895.75	1,254,582,403.12
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-176,179,562.46	-26,350,268.55

**(2) Net cash paid to acquire subsidiaries for the current period**

Applicable  N/A

**(3) Net cash receipts from disposal of subsidiaries for the current period**
 Applicable  N/A
**(4) Composition of cash and cash equivalents**
 Applicable  N/A

In RMB

Item	Closing balance	Opening balance
I. Cash	1,121,669,333.29	1,297,848,895.75
Including: Cash on hand	5,769.27	5,751.15
Bank deposits that can be paid at any time	1,114,961,262.44	1,289,231,268.27
Other monetary funds that can be paid at any time	6,702,301.58	8,611,876.33
Deposits in the central bank that can be used for payments		
Deposits made with other banks		
Placements with banks		
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	1,121,669,333.29	1,297,848,895.75
Including: Restricted cash and cash equivalents of the parent company or subsidiaries within the Group	21,093,827.78	178,753,477.66

**(5) Items subject to restriction in use but still presented as cash and cash equivalents**
 Applicable  N/A

In RMB

Item	Amount for the current period	Reason
Offering proceeds	21,093,827.78	In a dedicated account for special purposes
<b>Total</b>	<b>21,093,827.78</b>	-

**(6) Monetary funds not classified as cash and cash equivalents**
 Applicable  N/A

In RMB

Item	Amount for the current period	Amount for the prior period	Reason
Bank deposits	81,733,534.26	40,000,005.49	Term deposits and interests provided
Other monetary funds	18,679,342.40	10,961,787.42	Security deposits
Bank deposits	112,745,931.53	0	Restricted for use
<b>Total</b>	<b>213,158,808.19</b>	<b>50,961,792.91</b>	-

Other information:

 Applicable  N/A
**80. Notes to items in the statement of changes in owners' equity**

Describe matters such as the names and the adjusted amounts of the items included in "others" in respect of adjustments to the closing balances of the prior year:

 Applicable  N/A

**81. Foreign currency monetary items**
**(1). Foreign currency monetary items**

✓ Applicable □ N/A

In RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance of RMB equivalent
Monetary funds			169,029,876.34
Including: USD	23,073,053.59	7.1268	164,437,038.33
EUR	418,757.84	7.6617	3,208,396.94
HKD	793,026.97	0.91268	723,779.85
GBP	564.26	9.0430	5,102.60
VND	250,793,845.00	0.000286	71,727.04
AUD	11,830.37	4.7650	56,371.71
CAD	5,400.58	5.2274	28,230.99
JPY	11,158,945.00	0.044738	499,228.88
Accounts receivable			27,485,436.99
Including: USD	3,816,853.86	7.1268	27,201,954.09
EUR	37,000.00	7.6617	283,482.90
HKD			
Accounts payable			75,585,891.73
Including: USD	10,645,822.94	7.1268	75,870,650.93
JPY	1,600,000.00	0.044738	71,580.80

Other information:

None

**(2). Description of overseas operating entities, including significant overseas operating entities, of which the major operation place, functional currency and choosing basis as well as the reason for change of functional currency should be disclosed**

✓ Applicable □ N/A

Item	Major overseas operation place	Functional currency	Basis of choice
Appotronics Hong Kong Limited	Hong Kong	USD	Common currency
Appotronics USA, Inc.	USA	USD	Local currency
JoveAI Limited	Cayman Islands	USD	Common currency
JoveAI Innovation, Inc.	USA	USD	Local currency
Formovie Limited	Hong Kong	USD	Common currency
JoveAI Asia Company Limited	Vietnam	VND	Local currency
Hongkong Orange Juice Energy Technology Co., Limited	Hong Kong	USD	Common currency
Wemax Inc.	USA	USD	Local currency
Appotronics International Limited	Hong Kong	USD	Common currency
Appotronics International 1 Limited	Hong Kong	USD	Common currency

Appotronics International 2 Limited	Hong Kong	USD	Common currency
Appotronics Hong Kong Holding Limited	Hong Kong	USD	Common currency
Appotronics Japan Co., Ltd.	Japan	USD	Common currency
Appotronics Technology (HONG KONG) Limited	Hong Kong	USD	Common currency

## 82. Leases

### (1) As a lessee

Applicable  N/A

Expenses relating to variable lease payments are not included in the measurement of lease liabilities

Applicable  N/A

Simplified handling of lease expenses for short-term leases and low-value asset leases

Applicable  N/A

In RMB

Item	Current period	Prior period
Expenses related to short-term leases	1,502,491.09	1,595,808.62

Sale and leaseback transactions and determination basis

Applicable  N/A

The total cash outflow related to the lease is RMB 18,501,219.36.

### (2) As a lessor

Operating lease as a lessor

Applicable  N/A

In RMB

Item	Lease incomes	Where: Income related to variable lease payments not recognized as lease payments
Projection services	162,110,282.37	157,844,227.93
<b>Total</b>	<b>162,110,282.37</b>	<b>157,844,227.93</b>

Finance lease as a lessor

Applicable  N/A

Reconciliation of undiscounted lease receipts to net investment

Applicable  N/A

Undiscounted lease receipts for the next five years

Applicable  N/A

In RMB

Item	Yearly undiscounted lease receipts	
	Closing balance	Opening balance
Year 1	8,317,872.00	5,939,650.00
Year 2		
Year 3		
Year 4		
Year 5		
Total undiscounted lease receipts for the next five years		

### (3) Sales profit and loss from finance leases recognized as a manufacturer or distributor

Applicable  N/A

Other information

None

**83. Data resources**

Applicable  N/A

**84. Others**

Applicable  N/A

**VIII. Research and development expenses**

**(1). Presentation by the nature of expenses**

Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Employee benefits	77,178,286.66	86,643,213.03
Material consumption expenses	9,883,197.10	11,968,242.66
Depreciation and amortization expenses	8,922,669.56	7,408,217.43
Testing expenses	3,484,793.48	2,233,677.17
Service fees	2,959,461.32	6,014,448.00
Rent expense	2,194,206.38	2,027,319.05
Patent fees	3,277,677.31	1,909,173.76
Other expenses	3,718,495.39	8,201,851.02
Total	<b>111,618,787.20</b>	<b>126,406,142.12</b>
Including: Expensed R&D expenditures	111,618,787.20	126,406,142.12
Capitalized R&D expenditures		

Other information:

None

**(2). R&D expenditures meeting the capitalization conditions**

Applicable  N/A

Significant capitalized R&D projects

Applicable  N/A

Provision for impairment of development expenditures

Applicable  N/A

Other information

None

**(3). Significant outsourced ongoing R&D projects**

Applicable  N/A

**IX. Changes in the scope of consolidation**

**1. Business combination not involving enterprises under common control**

Applicable  N/A

**2. Business combination involving entities under common control**

Applicable  N/A

**3. Counter purchase**

Applicable  N/A



#### 4. Disposal of subsidiaries

Transactions or events in which the Company loses control over subsidiaries

Applicable  N/A

Other information:

Applicable  N/A

Whether there are step-by-step disposal of subsidiaries and loss of control over the subsidiaries during the period

Applicable  N/A

Other information:

Applicable  N/A

#### 5. Changes in scope of consolidation for other reasons

Description of changes in the scope of consolidation for other reasons (e.g., new subsidiary establishment, subsidiary liquidation, etc.) and the relevant information:

Applicable  N/A

Subsidiary name	Description of change
Wemax LLC	Deregistration
Formovie Technology Inc.	Deregistration
Appotronics International 1 Limited	Newly established
Appotronics International 2 Limited	Newly established
Appotronics Hong Kong Holding Limited	Newly established
Appotronics Japan Co., Ltd.	Newly established
Appotronics Technology (HONG KONG) Limited	Newly established
Shenzhen Muhe Information Technology Co., Ltd.	Newly established
Shenzhen Xingjin Information Technology Co., Ltd.	Newly established

#### 6. Others

Applicable  N/A

**X. Equity in other entities**
**1. Equity in subsidiaries**
**(1). Composition of enterprise group**

√ Applicable □ N/A

In RMB 0'000

Subsidiary Name	Principal operation place	Registered capital	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shenzhen Appotronics Laser Display Technology Co., Ltd.	Shenzhen	CNY 3,000.00	Shenzhen	R&D and sales of laser display products	100.00		Business combination involving enterprises under common control
Appotronics Technology (Changzhou) Co., Ltd.	Changzhou	CNY 2,000.00	Changzhou	Technical research and development of projection equipment, screen and electronic computer	100.00		Establishment
Shenzhen Appotronics Software Technology Co., Ltd.	Shenzhen	CNY 1,000.00	Shenzhen	Technology development and sales of computer software and hardware	100.00		Establishment
Shenzhen Appotronics Display Device Co., Ltd.	Shenzhen	CNY 300.00	Shenzhen	Technical development, sales, and technical services for display products; Engaged in import and export business	100.00		Establishment
Shenzhen Appotronics Xiaoming Technology Co., Ltd.	Shenzhen	CNY 200.00	Shenzhen	Development, consultation and transfer of laser display technology	100.00		Establishment
Shenzhen Appotronics Home Line Technology Co., Ltd.	Shenzhen	CNY 100.00	Shenzhen	Software development related to semiconductor optoelectronic products	100.00		Establishment
Shenzhen Appotronics Laser Technology Co., Ltd.	Shenzhen	CNY 100.00	Shenzhen	Software development for semiconductor	100.00		Establishment

				optoelectronic devices			
Tianjin Bonian Film Partnership (LP)	Tianjin	CNY 824.70	Tianjin	No specific business conducted	99.00	1.00	Business combination not involving enterprises under common control
Beijing Orient Appotronics Technology Co., Ltd.	Beijing	CNY 1,000.00	Beijing	Technology promotion; computer systems, application software services	59.00		Establishment
Qingda Appotronics (Xiamen) Technology Co., Ltd.	Shenzhen	CNY 1,000.00	Xiamen	Information technology consulting services	51.00		Establishment
Formovie (Chongqing) Innovative Technology Co., Ltd.	Chongqing	CNY 7,017.54	Chongqing	Technology and software development	39.19		Establishment
Fengmi (Beijing) Technology Co., Ltd.	Beijing	CNY 5,000.00	Beijing	Technology and software development		39.19	Establishment
Chongqing Guangbo Ecommerce Co., Ltd.	Chongqing	CNY 1.00	Chongqing	No specific business conducted		39.19	Establishment
Chongqing Ewei Ecommerce Co., Ltd.	Chongqing	CNY 1.00	Chongqing	No specific business conducted		39.19	Establishment
Shenzhen Orange Juice Energy Technology Co., Ltd.	Shenzhen	CNY 500.00	Shenzhen	Technology and software development		39.19	Establishment
Hongkong Orange Juice Energy Technology Co., Limited	Hong Kong	HKD 1.00	Hong Kong	Engaged in import and export business		39.19	Establishment
Wemax Inc.	USA	USD 2.00	USA	Engaged in import and export business		39.19	Establishment
Shenzhen Weiwoqi Trading Co., Ltd.	Chongqing	CNY 1.00	Shenzhen	No specific business conducted		39.19	Business combination not involving enterprises under

							common control
Yaoyouguang (Chongqing) Technology Co., Ltd.	Chongqing	CNY1,000.00	Chongqing	No specific business conducted		39.19	Establishment
Formovie Limited	Hong Kong	HKD 1.00	Hong Kong	No specific business conducted		39.19	Establishment
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	Beijing	CNY 10,000.00	Beijing	Research and development, production, technical services, sales and lease of laser cinema projection equipment	24.84	42.96	Business combination involving enterprises under common control
Appotronics Hong Kong Limited	Hong Kong	USD 4,320.00	Hong Kong	Production, research, and development of semiconductor optoelectronic products, sales and consulting, investment and video content value-added services	100.00		Establishment
Appotronics USA, Inc.	USA	0.00	USA	R&D, manufacture and sales of semiconductor optoelectronic products		100.00	Business combination involving enterprises under common control
JoveAI Limited	Cayman Islands	USD 0.14	Cayman Islands	No specific business conducted		74.37	Establishment
JoveAI Innovation, Inc.	USA	USD 0.0001	USA	R&D of laser display software system		74.37	Establishment
JoveAI Asia Company Limited	Vietnam	VND 232,300.00	Vietnam	Technical research and development of projection equipment, screen and electronic computer		74.37	Establishment
Appotronics International Limited	Hong Kong	USD 1.00	Hong Kong	No specific business conducted	100.00		Establishment

Appotronics Intelligent Manufacturing (Shenzhen) Co., Ltd.	Shenzhen	CNY 5,000.00	Shenzhen	Semiconductor or photoelectric production, research, development, sales, and technical support	100.00		Establishment
Shenzhen Qianhai Taishi Investment Partnership (LP)	Shenzhen	CNY 1,000.00	Shenzhen	No specific business conducted	70.00	30.00	Business combination not involving enterprises under common control
Appotronics International 1 Limited	Hong Kong	USD 0.0001	Hong Kong	Production, research, and development of semiconductor optoelectronic products, sales and consulting, investment and video value-added services		100.00	Establishment
Appotronics International 2 Limited	Hong Kong	USD 0.0001	Hong Kong	Production, research, and development of semiconductor optoelectronic products, sales and consulting, investment and video value-added services		100.00	Establishment
Appotronics Hong Kong Holding Limited	Hong Kong	HKD 1.00	Hong Kong	No specific business conducted	100.00		Establishment
Appotronics Japan Co., Ltd.	Japan	JPY 1.00	Japan	Production, research, development, sales, consulting, and investment of laser display products and projection products, and		100.00	Establishment

				video value-added services			
Appotronics Technology (HONG KONG) Limited	Hong Kong	HKD 1.00	Hong Kong	Research, development, sales, investment, and consulting of laser display and projection products and automotive optics products	100.00		Establishment
Shenzhen Muhe Information Technology Co., Ltd.	Shenzhen	CNY 100.00	Shenzhen	No specific business conducted	100.00		Establishment
Shenzhen Xingjin Information Technology Co., Ltd.	Shenzhen	CNY 50.00	Shenzhen	No specific business conducted		100.00	Establishment

Description of the difference between the proportion of shareholding and the proportion of voting rights in a subsidiary:

None

Basis for holding half of the voting rights or below but still controlling the investee, and holding over half voting rights but having no control over the investee:

Fengmi (Beijing) Technology Co., Ltd., Formovie Limited, Chongqing Ewei Ecommerce Co., Ltd., Chongqing Guangbo Ecommerce Co., Ltd., and Yaoyouguang (Chongqing) Technology Co., Ltd. are wholly-owned subsidiaries of Formovie (Chongqing) Innovative Technology Co., Ltd.; Hongkong Orange Juice Energy Technology Co., Limited, Wemax Inc., and Weiwoqi Trading Co., Ltd. are wholly-owned subsidiaries of Shenzhen Orange Juice Energy Technology Co., Ltd.; Shenzhen Orange Juice Energy Technology Co., Ltd. is a wholly-owned subsidiary of Formovie (Chongqing) Innovative Technology Co., Ltd.

The Company and Shenzhen Fengye Investment Consulting Limited Partnership (Limited Partnership), a party acting in concert with the Company, hold a total of 53.6250% voting rights in Formovie (Chongqing) Innovative Technology Co., Ltd., for which the voting rights are exercised according to the opinions of the Company. Since the voting rights are sufficient to exercise significant influence on the resolution of the general meeting of Formovie (Chongqing) Innovative Technology Co., Ltd., the Company becomes the controlling shareholder of Formovie (Chongqing) Innovative Technology Co., Ltd.

Basis for controls over significant structured entities included in consolidation scope:

None

Basis to determine the company acts as the agent or the principal:

None

Other information

None

**(2). Significant non-wholly subsidiaries**

Applicable  N/A

In RMB

<b>Subsidiary name</b>	<b>Minority shareholdings ratio (%)</b>	<b>Profit or loss attributable to minority shareholders for the current period</b>	<b>Dividends declared for distribution to minority shareholders in the current period</b>	<b>Closing balance of minority interests</b>
Formovie (Chongqing) Innovative Technology Co., Ltd.	60.81	-29,485,389.55	-	-190,512,478.97
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	32.20	16,709,116.30	10,626,000.00	168,307,485.64

Description of the difference between the proportion of shareholding by minority shareholders and their proportion of voting rights in a subsidiary:

Applicable√ N/A

Other information:

Applicable√ N/A

**(3). Significant financial information of significant non-wholly subsidiaries**

√ Applicable □ N/A

In RMB

Subsidiary name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Formovie (Chongqing) Innovative Technology Co., Ltd.	381,814,212.22	57,126,192.63	438,940,404.85	657,832,056.61	94,399,713.09	752,231,769.70	457,400,671.99	57,826,130.91	515,226,802.90	616,030,713.80	165,773,938.04	781,804,651.84
CINEAPP O Laser Cinema Technology (Beijing) Co., Ltd.	338,786,606.55	382,686,742.58	721,473,349.13	185,468,213.19	13,311,081.16	198,779,294.35	344,639,969.04	458,251,114.50	802,891,083.54	284,664,831.13	13,916,849.30	298,581,680.43

Subsidiary name	During the reporting period				Prior period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Formovie (Chongqing) Innovative Technology Co., Ltd.	238,792,797.72	-48,526,218.42	-48,858,358.67	23,707,356.45	376,001,807.21	-79,216,813.38	-81,240,100.67	-53,694,813.30



CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	242,414,426.50	51,891,665.53	51,891,665.53	80,772,259.26	241,876,410.66	47,164,577.56	47,164,577.56	119,896,656.27
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Other information  
None

**(4). Significant limitations on the use of the group assets and payment of the group debts:**
 Applicable  N/A

**(5). Financial or other support provided to structured entities included in consolidated financial statements:**
 Applicable  N/A

Other information:

 Applicable  N/A

**2. Changes of shares of owners' equity in subsidiaries but continue to remain in control over transactions of subsidiaries**
 Applicable  N/A

**(1). Description of changes in the share in the owner's equity of subsidiaries**
 Applicable  N/A

During the reporting period, Formovie (Chongqing) Innovative Technology Co., Ltd. accepted the 15% minority interests in Shenzhen Orange Juice Energy Technology Co., Ltd. at the price of RMB 1, so that Shenzhen Orange Juice became a wholly-owned subsidiary of Chongqing Formovie, and the equity interests indirectly held by Appotronics in Shenzhen Orange Juice and its subsidiaries increased from 33.31% to 39.19%.

During the reporting period, the convertible corporate bonds issued by the Company to JoveAI Limited, totaling USD 2,387,397.26 together with the interests thereon, were converted into shares, so that the equity interests held by the Company in JoveAI Limited increased from 64.29% to 74.37%.

**(2). Effect of the transaction on the minority interests and the equity attributable to owners of the parent company**
 Applicable  N/A

In RMB

	JoveAI Limited	Shenzhen Orange Juice Energy Technology Co., Ltd.
Acquisition cost/disposal consideration		
-- Cash		1.00
-- Fair value of non-cash assets	16,846,944.23	
Total acquisition cost/disposal consideration	16,846,944.23	1.00
Less: Share in net assets of subsidiaries calculated based on the acquired/disposed shareholding ratio	10,949,896.96	-3,370,715.70
Difference	5,897,047.27	3,370,716.70
Including: Adjustment to capital reserves	5,897,047.27	3,370,716.70
Adjustment to surplus reserves		
Adjustment to retained profits		

Other information

 Applicable  N/A

**3. Equity in joint ventures or associates**
 Applicable  N/A

**(1). Significant associates or joint ventures**
 Applicable  N/A

**(2). Major financial information of significant joint ventures**
 Applicable  N/A

**(3). Major financial information of significant associates**
 Applicable  N/A

**(4). Summary financial information of insignificant joint ventures and associates**
 Applicable  N/A

In RMB

	Closing balance/Amount for the current period	Opening balance/Amount for the prior period
Joint ventures:		
Total book value of investments		
Total amounts calculated based on shareholding proportions		
-- Net profit		
-- Other comprehensive income		
-- Total comprehensive income		
Associates:		
Total book value of investments	6,183,769.99	5,836,162.11
Total amounts calculated based on shareholding proportions		
-- Net profit	-436,832.42	
-- Other comprehensive income	0	
-- Total comprehensive income	-436,832.42	

Other information

None

**(5). Descriptions of significant limitations over the ability of joint ventures or associates to transfer funds to the Company**
 Applicable  N/A

**(6). Excessive loss of joint venture or associates**
 Applicable  N/A

**(7). Unrecognized commitment relating to investments in joint ventures**
 Applicable  N/A

**(8). Contingent liabilities relating to investments in joint ventures or associates**
 Applicable  N/A

**4. Significant joint operations**
 Applicable  N/A

**5. Interests in structured entities that are not included in consolidated financial statements**

Description of structured entities that are not included in consolidated financial statements:

 Applicable  N/A

**6. Others**
 Applicable  N/A

**XI. Government grants**
**1. Government grants recognized at the amount receivable at the end of the period**
 Applicable  N/A

Reason for failing to receive the government grants in the expected amount at the expected time point

 Applicable  N/A

**2. Liability items related to government grants**
 Applicable  N/A

**3. Government grants included in profit or loss for the period**
 Applicable  N/A

In RMB

Type	During the reporting period	Prior period
Amount of government grants recognized as other incomes	14,929,412.51	23,608,983.31
Amount of government grants recognized as non-operating incomes	30,000.00	9,000,000.00
Effect of interest subsidies on the total profit	300,600.00	6,084,300.00
<b>Total</b>	<b>15,260,012.51</b>	<b>38,693,283.31</b>

Other information:

(1) New government grants in the current period

Item	Increased government grants for the current period
Amount of government grants related to income	13,531,837.14
Including: Recognized as deferred incomes	333,700.00
Recognized as other incomes	13,168,137.14
Recognized as non-operating incomes	30,000.00
Interest subsidies	300,600.00
Including: Offset against financial expenses	300,600.00
<b>Total</b>	<b>13,832,437.14</b>

## XII. Risks associated with financial instruments

### 1. Risks associated with financial instruments

√ Applicable □ N/A

The Company's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Company's operation performance, and maximize the benefits to the shareholders and other stakeholders. Based on these risk management objectives, the Company's basic risk management strategy is to identify and analyze its exposure to various risks, establish an appropriate minimum tolerance to risk, implement risk management, and monitor regularly and effectively exposures to ensure the risks are monitored at a certain level.

The Company is exposed to various risks associated with financial instruments in its daily routines, primarily including credit risk, liquidity risk and market risk. The management has reviewed and approved policies to manage these risks, summarized as below.

#### (I) Credit risk

Credit risk refers to the risk that a party of the financial instrument will default on its obligations resulting in financial loss to the counter-party.

##### 1. Management of credit risk

###### (1) Evaluation of credit risk

The Company assesses at each balance sheet date whether the credit risk of the underlying financial instruments has increased significantly since initial recognition. In determining whether the credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue additional cost or effort, including quantitative and qualitative analysis based on historical data, ranking of external credit risks and forward-looking information. The Company compares the risk of a default occurring on a financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition based on individual financial instruments or a group of financial instruments with similar credit risk characteristic, to determine the change of the risk of a default occurring on a financial instrument over the expected life.

The Company considers the credit risk of financial instruments has increased significantly when one or more of the following quantitative and qualitative criteria are met:

1) The quantitative criterion primarily refers to a certain percentage of increase in the probability of default over the remaining life of the financial instruments as of the balance sheet date when compared with that at initial recognition of the financial instruments;

2) The qualitative criterion includes, *inter alia*, adverse material changes in business or financial conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations, and an actual or expected significant adverse change in the technological, market, economic, or legal environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

(2) Definition of defaulted or credit-impaired assets

A financial asset is defined as defaulted when the financial instrument meets one or more conditions stated as below, and the criterion of defining defaulted asset is consistent with that of defining credit-impaired asset:

- 1) significant financial difficulty of the debtor;
- 2) a breach of contract terms with binding force by the debtor;
- 3) it is becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- 4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, has granted to the debtor a concession that the creditor would not otherwise consider.

2. Measurement of ECL

Key parameters to measure ECL include the probability of default, loss given default and the exposure at default. The Company established models of the probability of default, loss given default and the exposure at default on the basis of qualitative analysis of historical statistical data (such as counter-party ranking, guarantee methods, collateral category, and repayment way) and forward-looking information.

3. Refer to VII.4, VII.5, VII.6, VII.7, VII.9, and VII.16 of Section X for details of the reconciliation of the opening balance and the closing balance of provision for impairment of financial instruments.

4. Credit risk exposure and credit risk concentration

The Company's credit risk is primarily from monetary funds and receivables. In order to control the risks associated with aforementioned items, the Company has taken the following measures.

(1) Monetary funds

The credit risk of the Company is limited because the Company has deposited bank deposits and other monetary funds in banks with high credit ratings.

(2) Receivables and contract assets

The Company regularly evaluates the creditworthiness of its customers with deals on credit, and selects to deal with approved and creditworthy customers subject to the results of the credit assessment by monitoring the balance of its receivables, so as to ensure that the Company is not exposed to significant risk of bad debt.

No collateral is required since the Company only deals with third parties that are approved and creditworthy. The concentrated credit risks are managed by customers. As of June 30, 2024, the Company is exposed to a certain concentration of credit risks, as the Company's accounts receivable and contract assets from top 5 customers have accounted for 70.16% of the total balance of accounts receivable (December 31, 2023: 59.01%). The Company held no collateral or other credit ranking measures for the balance of accounts receivable and contract assets.

The maximum exposure to the Company is the book value of each financial asset in the balance sheet.

(II) Liquidity risk

Liquidity risk refers to the risk that the Company is in shortage of funds to perform obligations that are settled by delivering cash or another financial asset. Liquidity risk may arise from an inability to sell a financial asset at fair value as soon as possible, a counter-party's inability to pay its contractual liabilities, the accelerated maturity of liabilities, or an inability to generate expected cash flows.

In order to control this risk, the Company balances the continuity and flexibility of financing by using various financing measures such as notes settlement and bank loans comprehensively and adopting both long-term and short-term financing methods to optimize the financing structure. The Company has received credit facilities from a number of commercial banks to satisfy its working capital requirements and capital expenditures.

Financial liabilities classified by remaining maturity dates:

Item	Closing balance				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	678,975,017.50	714,108,213.56	383,684,773.71	243,076,199.41	87,347,240.44
Notes payable	105,114,863.34	105,114,863.34	105,114,863.34		
Accounts payable	403,638,748.50	403,638,748.50	403,638,748.50		
Other payables	90,355,287.99	90,355,287.99	90,355,287.99		
Lease liabilities	29,525,804.15	31,176,070.69	18,507,908.36	12,668,162.33	
<b>Sub-total</b>	<b>1,307,609,721.48</b>	<b>1,344,393,184.08</b>	<b>1,001,301,581.90</b>	<b>255,744,361.74</b>	<b>87,347,240.44</b>

(Continued)

Item	Closing balance of the prior year				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	692,862,919.06	735,334,807.65	343,828,440.51	309,926,656.55	81,579,710.59
Notes payable	76,001,079.07	76,001,079.07	76,001,079.07		
Accounts payable	247,318,466.10	247,318,466.10	247,318,466.10		
Other payables	54,142,509.17	54,142,509.17	54,142,509.17		
Lease liabilities	42,120,349.54	44,407,139.93	27,921,961.12	15,610,193.95	874,984.86
<b>Sub-total</b>	<b>1,112,445,322.94</b>	<b>1,157,204,001.92</b>	<b>749,212,455.97</b>	<b>325,536,850.50</b>	<b>82,454,695.45</b>

### (III) Market risk

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly includes interest rate risk and currency risk.

#### 1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk of fair value interest rate due to financial instruments with a fixed interest rate and to the risk of cash value interest rate due to financial instruments with a floating interest rate. The Company determines the proportion between the fixed-rate financial instruments and the floating-rate financial instruments based on market conditions, and maintains appropriate portfolios of financial instruments through regular review and monitoring. The cash flow interest rate risk exposed to the Company relates primarily to the Company's floating-rate interest-bearing bank borrowings.

As at June 30, 2024, the principal of the Company's floating-rate interest-bearing bank borrowings amounted to RMB 528,840,183.03 (December 31, 2023: RMB 464,442,238.44). On the basis of the assumption that the interest rate has changed 50 basic points, where all other variables are held constant, it will bring no material impacts on the Company's total profits and shareholders' equity.

## 2. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the currency risk is primarily associated with the Company's monetary assets and liabilities dominated in foreign currencies. If the monetary assets and liabilities dominated in foreign currencies are imbalanced in a short time, the Company will purchase and sell foreign currencies at the market exchange rate to keep the net risk exposure acceptable.

The closing balance of the Company's monetary assets and liabilities dominated in foreign currencies are disclosed in VII.81 of Section X in details.

## 2. Hedge

### (1) The Company conducted hedging businesses for risk management

Applicable  N/A

Other information

Applicable  N/A

### (2) The Company conducted qualified hedging businesses and adopted hedging accounting

Applicable  N/A

Other information

Applicable  N/A

### (3) The Company conducted hedging businesses for risk management which are expected to achieve the objectives of hedging management but did not adopt hedging accounting

Applicable  N/A

Other information

Applicable  N/A

## 3. Transfer of financial assets

### (1) Types of transfer

Applicable  N/A

### (2) Financial assets derecognized due to transfer

Applicable  N/A

### (3) Transferred financial assets with continuous participation

Applicable  N/A

Other information

Applicable  N/A

## XIII. Disclosure of fair value

### 1. The closing balance of the fair value of assets and liabilities measured at fair value

Applicable  N/A

In RMB

Item	Closing balance of fair value			
	Level 1	Level 2	Level 3	Total
<b>I. Continuous fair value measurement</b>				
(I) Held-for-trading financial assets		473,130,000.00	30,000,000.00	<b>503,130,000.00</b>
1. Financial assets at fair value through profit or loss		473,130,000.00	30,000,000.00	<b>503,130,000.00</b>
(1) Investment in debt instrument				

(2) Investment in equity instrument			30,000,000.00	<b>30,000,000.00</b>
(3) Derivative financial assets				
(4) Structural deposits		473,130,000.00		<b>473,130,000.00</b>
2. Designated as financial assets at fair value through profit or loss				
(1) Investment in debt instrument				
(2) Investment in equity instrument				
(II) Other debt investments				
(III) Other equity instrument investments			7,075,419.38	<b>7,075,419.38</b>
(IV) Investment properties				
1. Land use right for leasing purpose				
2. Buildings leased				
3. Land use right held for the purpose of transfer after value appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
(VI) Receivables financing			65,953,036.07	<b>65,953,036.07</b>
(VII) Other non-current financial assets		99,443,720.92		<b>99,443,720.92</b>
<b>Total assets continuously measured at fair value</b>		572,573,720.92	103,028,455.45	<b>675,602,176.37</b>
(VI) Held-for-trading financial liabilities				
1. Financial liabilities at fair value through profit or loss				
Including: Held-for-trading bonds issued				
Derivative financial liabilities				
Others				
2. Designated as financial liabilities at fair value through profit or loss				
<b>Total liabilities continuously measured at fair value</b>				
<b>II. Non-continuous fair value measurement</b>				
(I) Held-for-sale assets				
<b>Total assets that are not continuously measured at fair value</b>				
<b>Total liabilities that are not continuously measured at fair value</b>				



**2. Basis for determining the market price of continuous and non-continuous level 1 fair value measurement items**

Applicable  N/A

**3. Valuation techniques and qualitative and quantitative information of key parameters adopted for continuous and non-continuous level 2 fair value measurement items**

Applicable  N/A

Structured deposits are valued using observable returns, with the sum of expected returns and principal determined as fair value when the expected yield is observable, and the principal amount as fair value in other cases.

Other non-current financial assets are valued by using the market method to measure and determine the fair value thereof.

**4. Valuation techniques and qualitative and quantitative information of key parameters adopted for continuous and non-continuous level 3 fair value measurement items**

Applicable  N/A

The Company uses specific valuation techniques to determine fair value, and important parameters used include the net assets of the investee unit at the end of the period.

**5. Reconciliation between opening and closing book values and sensitivity analysis of unobservable parameters for continuous level 3 fair value measurement items**

Applicable  N/A

**6. Where transfers among levels occurred in the period, transfer reasons and policies for determining transfer time point for continuous fair value measurement items**

Applicable  N/A

**7. Changes in valuation techniques in the period and reasons for changes**

Applicable  N/A

**8. Fair value of financial assets and financial liabilities not measured at fair value**

Applicable  N/A

**9. Others**

Applicable  N/A

**XIV. Related-party relationships and transactions**

**1. Parent of the Company**

Applicable  N/A

In RMB 0'000

Parent company	Registration place	Business nature	Registered capital	Proportion of the Company's shares held by the parent company (%)	Proportion of the Company's voting rights held by the parent company (%)
Shenzhen Appotronics Holdings Limited	Shenzhen	R&D and sales of semiconductor products	1,000	17.15	17.15

Description of the parent company of the Company

None

The ultimate controlling party of the Company is LI Yi.

Other information:

None

**2. Subsidiaries of the Company**

Applicable  N/A

Please refer to the description in X of Section X for details about the subsidiaries of the Company.

### 3. Associates and joint ventures of the Company

Refer to the note for details about the significant joint ventures or associates of the Company.

Applicable  N/A

Please refer to the description in X of Section X for the details about the major joint ventures or associates of the Company.

Details of other joint ventures or associates having related-party transactions and balances with the Company in the period or prior periods:

Applicable  N/A

Associates or joint ventures	Relationship with the Company
Shenzhen Zhongjian Technology Co., Ltd.	Associate

Other information

Applicable  N/A

### 4. Other related parties of the Company

Applicable  N/A

Name of other related party	Relationship between other related party and the Company
Beijing Donview Education Technology Co., Ltd. and its affiliates	Minority shareholders holding more than 10% shares in the subsidiary and their affiliates
Shenzhen YLX Technology Development Co., Ltd.	Controlled by the same de facto controller
Xiaomi Communications Co., Ltd. and its affiliates	Minority shareholders holding more than 10% shares in the subsidiary and their affiliates
China Film Equipment Co., Ltd. and its affiliates	Minority shareholders holding more than 10% shares in the subsidiary and their affiliates
Shenzhen Lighting Institute	Controlled by the same de facto controller

Other information

None

### 5. Related-party transactions

#### (1). Sales and purchase of goods, rendering and receipt of services

Purchase of goods/receipt of services

Applicable  N/A

In RMB

Related party	Subject matter	During the reporting period	Transaction amounts approved (if applicable)	Whether the transaction amounts are exceeded (if applicable)	Prior period
Xiaomi Communications Co., Ltd. and its affiliates	Electronic components and Service	8,477,705.45	20,200,000.00	No	38,793,268.70
China Film Equipment Co., Ltd. and its affiliates	Power, water cooling and services	12,498,748.28	53,500,000.00	No	11,255,989.49
GDC Technology Limited (BVI) and its affiliates	Electronic components	33,628.32		Yes	336,283.18
Beijing Donview Education Technology Co., Ltd. and its affiliates	Maintenance services				4,198.11

Shenzhen YLX Technology Development Co., Ltd.	Electronic components and Service	1,419,342.26	5,000,000.00	No	908,182.19
<b>Total</b>		<b>22,429,424.31</b>	<b>78,700,000.00</b>		<b>51,297,921.67</b>

Sales of goods/rendering of services

√ Applicable □ N/A

In RMB

Related party	Subject matter	During the reporting period	Prior period
China Film Equipment Co., Ltd. and its affiliates	Laser light source and cinema projection services	12,145,223.58	11,606,671.69
Xiaomi Communications Co., Ltd. and its affiliates	Laser TV, smart mini projector	81,183,617.04	80,163,085.66
CINIONIC and its affiliates	Cinema light source		30,228,389.84
Shenzhen YLX Technology Development Co., Ltd.	Electronic components	1,073,781.77	3,685,678.75
GDC Technology Limited (BVI) and its affiliates	Cinema projectors	133,456.88	294,140.46
Beijing Donview Education Technology Co., Ltd. and its affiliates	Education projector	2,714.15	2,573.26
Shenzhen Zhongjian Technology Co., Ltd.	Service	269,096.64	
<b>Total</b>		<b>94,807,890.06</b>	<b>125,980,539.66</b>

Description of sales and purchase of goods, rendering and receipt of services

□ Applicable √ N/A

### (2). Details of trust with related parties/subcontracting and trust management/contract-issuing

Details of trust/contracting where a group entity is the trustor/main contractor:

□ Applicable √ N/A

Description of trust/subcontracting with related parties

□ Applicable √ N/A

Details of trust/contracting where a group entity is the trustor/main contractor :

□ Applicable √ N/A

Description of management/contract-issuing with related parties

□ Applicable √ N/A

### (3). Leases with related parties

The Company as the lessor

□ Applicable √ N/A

The Company as the lessee:

 Applicable  N/A

In RMB

Name of lessor	Type of leased assets	Simplified handling of rental costs for short-term leases and low-value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rent		Assumed interest expenses of lease liabilities		Added right-of-use assets	
		During the reporting period	Prior period	During the reporting period	Prior period	During the reporting period	Prior period	During the reporting period	Prior period	During the reporting period	Prior period
China Film Equipment Co., Ltd. and its affiliates	Property lease	7,534.43	14,231.64			2,074,212.12	1,540,920.50	58,907.57	58,659.73	4,048,095.62	3,223,361.75

Description of leases with related parties

 Applicable  N/A

**(4). Guarantees with related parties**

The Company as a guarantor

 Applicable  N/A

The Company as a guaranteed party

 Applicable  N/A

Description of guarantees with related parties

 Applicable  N/A

**(5). Borrowings/loans with related parties**
 Applicable  N/A

**(6). Assets transfer/debt restructuring with related parties**
 Applicable  N/A

**(7). Compensation for key management personnel**
 Applicable  N/A

In RMB 0'000

Item	During the reporting period	Prior period
Compensation for key management personnel	339.31	368.84

**(8). Other related-party transactions**
 Applicable  N/A

**6. Unsettled items receivable from or payable to related parties**
**(1). Amounts due from related parties**
 Applicable  N/A

In RMB

Project	Related party	Closing balance		Opening balance	
		Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Accounts receivable	GDC Technology Limited (BVI) and its affiliates	785,765.33	196,441.33	801,394.38	196,250.40
Accounts receivable	WeCast and its affiliates			16,541,558.24	16,541,558.24
Accounts receivable	Xiaomi Communications Co., Ltd. and its affiliates	40,570,851.87	2,028,542.59	64,902,941.11	3,245,147.06
Accounts receivable	Shenzhen YLX Technology Development Co., Ltd.				
Accounts receivable	China Film Equipment Co., Ltd. and its affiliates	1,286,849.36	71,918.35	3,299,580.10	164,979.01
<b>Sub-total</b>		<b>42,643,466.56</b>	<b>2,296,902.27</b>	<b>85,545,473.83</b>	<b>20,147,934.71</b>
Prepayments	China Film Equipment Co., Ltd. and its affiliates	2,160,293.74		1,736,886.89	
Prepayments	GDC Technology Limited (BVI) and its affiliates			43,716.82	
<b>Sub-total</b>		<b>2,160,293.74</b>		<b>1,780,603.71</b>	
Other receivables	China Film Equipment Co., Ltd. and its affiliates	191,444.00	9,572.20	171,450.20	8,572.51
Other receivables	GDC Technology Limited (BVI) and its affiliates	14,111,064.00		14,023,746.00	
Other receivables	Xiaomi Communications Co., Ltd. and its affiliates	100,000.00	5,000.00	200,000.00	10,000.00
<b>Sub-total</b>		<b>14,402,508.00</b>	<b>14,572.20</b>	<b>14,395,196.20</b>	<b>18,572.51</b>

**(2). Amounts due to related parties**

√ Applicable □ N/A

In RMB

Project	Related party	Closing balance of carrying amount	Opening balance of carrying amount
Accounts payable	Shenzhen YLX Technology Development Co., Ltd.	787,976.87	390,043.13
Accounts payable	Xiaomi Communications Co., Ltd. and its affiliates	4,219,011.41	1,286,376.61
Accounts payable	China Film Equipment Co., Ltd. and its affiliates	7,650,779.35	9,319,770.17
<b>Sub-total</b>		<b>12,657,767.63</b>	<b>10,996,189.91</b>
Notes payable	China Film Equipment Co., Ltd. and its affiliates	6,963,823.46	
<b>Sub-total</b>		<b>6,963,823.46</b>	
Advance from customers	China Film Equipment Co., Ltd. and its affiliates	7,085,653.22	8,056,313.86
Advance from customers	GDC Technology Limited (BVI) and its affiliates	46,103.49	
<b>Sub-total</b>		<b>7,131,756.71</b>	<b>8,056,313.86</b>
Contract liabilities	Xiaomi Communications Co., Ltd. and its affiliates	105,732.29	
Contract liabilities	China Film Equipment Co., Ltd. and its affiliates	2,610,805.11	1,259,149.95
Contract liabilities	Shenzhen Zhongjian Technology Co., Ltd.	524,900.52	763,039.15
<b>Sub-total</b>		<b>3,241,437.92</b>	<b>2,022,189.10</b>
Other payables	Beijing Donview Education Technology Co., Ltd. and its affiliates	50,000.00	50,000.00
Other payables	Xiaomi Communications Co., Ltd. and its affiliates	117,916.00	
Other payables	GDC Technology Limited (BVI) and its affiliates	113,195.00	221,249.75
Other payables	China Film Equipment Co., Ltd. and its affiliates		7,200.00
<b>Sub-total</b>		<b>281,111.00</b>	<b>278,449.75</b>
Other current liabilities	Xiaomi Communications Co., Ltd. and its affiliates	13,745.20	115,422.47
Other current liabilities	China Film Equipment Co., Ltd. and its affiliates	2,375,914.12	323,036.17
Other current liabilities	Shenzhen Zhongjian Technology Co., Ltd.	68,237.07	99,195.09
<b>Sub-total</b>		<b>2,457,896.39</b>	<b>537,653.73</b>

**(3). Other items**

□ Applicable √ N/A

**7. Related party commitments**

□ Applicable √ N/A

**8. Others**

□ Applicable √ N/A

**XV. Share-based payments****1. Various equity instruments**

√ Applicable □ N/A

Quantity unit: shares    In RMB

Category of payee	Granted in the current period		Exercised in the current period		Unlocked in the current period		Expired in the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management members			2,922,290.00	46,113,350.89			379,500.00	7,480,909.50
Management members (Formoive)							127,980.00	1,079,602.40
<b>Total</b>			<b>2,922,290.00</b>	<b>46,113,350.89</b>			<b>507,480.00</b>	<b>8,560,511.90</b>

Outstanding share options or other equity instruments at the end of the period

Applicable  N/A

Category of payee	Outstanding share options at the end of the period		Outstanding other equity instruments at the end of the period	
	Exercise price range	Remaining contractual period	Exercise price range	Remaining contractual period
Management	RMB 4.3-22.841/share	6-13 months		
Management (Formoive)	RMB 1-3.42/share	24 months		

Other information

None

## 2. Equity-settled share-based payments

Applicable  N/A

In RMB

The method of determining the fair value of equity instruments at the grant date	Option pricing model
Significant parameters of the fair value of equity instruments at the grant date	
The basis for determining the number of equity instruments expected to be executed	Actual grant amount
Reasons for the significant difference between the estimate in the current period and that in the prior period	None
Amounts of equity-settled share-based payments accumulated in capital reserve	141,279,069.96

Other information

(1) Equity-settled share-based payments of Chongqing Formovie    In RMB

The method of determining the fair value of equity instruments at the grant date	Evaluation of all shareholder's equity interests
The basis for determining the number of equity instruments expected to be executed	Actual grant amount
Reasons for the significant difference between the estimate in the current period and that in the prior period	None
Amounts of equity-settled share-based payments accumulated in capital reserve	19,675,710.70

(2) All restricted shares granted by the Company are Type II restricted shares, while the registered capital granted by Chongqing Formovie was treated with reference to Type I restricted shares.

## 3. Cash-settled share-based payments

Applicable  N/A

**4. Share-based payment expenses in the current period**
 Applicable  N/A

In RMB

Category of payee	Expenses of equity-settled share-based payments	Expenses of cash-settled share-based payments
Management	8,095,829.69	
Total	8,095,829.69	

Other information

None

**5. Modification to and termination of share-based payments**
 Applicable  N/A

**6. Others**
 Applicable  N/A

**XVI. Commitments and contingencies**
**1. Significant commitments**
 Applicable  N/A

**2. Contingencies**
**(1). Significant contingencies as of the balance sheet date**
 Applicable  N/A

Pending litigation

**1. Civil litigation and arbitration where the Company acted as the plaintiff/claimant**

As of December 30, 2024, the important information about civil litigation and arbitration in which the Company acted as a plaintiff is specifically as follows:

Case No.	Cause of action	Plaintiff/Claimant	Defendant/Respondent	Patents involved	Amount involved	Progress
01-22-0001-2735	Arbitration and arbitration counterclaim of the dispute over the implementation of the settlement agreement	Appotronics Hong Kong Limited, Appotronics Corporation Limited	ZHANG Wanneng, <i>de facto</i> controller of GDC Technology Limited (Cayman Islands) and GDC Technology Limited (British Virgin Islands), and the management team thereof	N/A	Compensation of no less than USD 40.00 million	Accepted

**2. Civil litigation and arbitration where the Company acted as the defendant/respondent**

As of June 30, 2024, the important information about civil litigation and arbitration in which the Company acted as a defendant is specifically as follows:

Case No.	Cause of action	Plaintiff/Claimant	Defendant/Respondent	Patents involved	Amount involved	Progress
01-22-0001-2735	Arbitration and arbitration counterclaim of the dispute over the implementation of the settlement agreement	GDC Technology Limited (Cayman Islands), GDC Technology Limited (British Virgin Islands)	Appotronics Hong Kong Limited, Appotronics Corporation Limited	N/A	USD 38.00 million	Accepted
HKIA C/A24 154	Arbitration case of contract dispute, in which the claimant held that the respondent violated the Purchase and Sales Agreement, which resulted in	Espedeo Holdings Limited	Appotronics Hong Kong Limited	N/A	Compensation no less than USD 3.1671 million	Accepted



economic losses to the claimant.					
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Note: Espedeo Holdings Limited is a wholly-owned subsidiary of GDC BVI.

(2). **Description shall also be provided even if the Company has no significant contingencies to be disclosed:**

Applicable  N/A

**3. Others**

Applicable  N/A

**XVII. Events after the balance sheet date**

**1. Material non-adjusting event**

Applicable  N/A

**2. Profit distribution**

Applicable  N/A

In RMB

<b>Proposed distributions of profits or dividends</b>	Distribute to all shareholders a cash dividend of RMB 0.7 (tax inclusive) for every 10 shares
<b>Profits or dividends declared for distribution upon discussion and approval</b>	32,084,193.96

**3. Sales return**

Applicable  N/A

**4. Description of other events after the balance sheet date**

Applicable  N/A

**XVIII. Other significant events**

**1. Corrections of prior period errors**

**(1). Retrospective application**

Applicable  N/A

**(2). Prospective application**

Applicable  N/A

**2. Significant debt restructuring**

Applicable  N/A

**3. Asset swap**

**(1). Exchange of non-monetary assets**

Applicable  N/A

**(2). Other asset swap**

Applicable  N/A

**4. Annuity plan**

Applicable  N/A

**5. Discontinued operations**

Applicable  N/A

**6. Segment reporting**

**(1). Determination basis and accounting policies of reporting segments**

Applicable  N/A

**(2). Financial information of reporting segments**

Applicable  N/A

**(3). If the Company has no reporting segments, or cannot disclose the total assets and liabilities of reporting segments, specify the reasons**

Applicable  N/A

**(4). Other information**

Applicable  N/A

**7. Other significant transactions and matters having an impact on the decisions of investors**

Applicable  N/A

**8. Others**

Applicable  N/A

**XIX. Notes to key items in the parent company's financial statements**

**1. Accounts receivable**

**(1). Disclosure by aging**

Applicable  N/A

In RMB

Aging	Closing balance of carrying amount	Opening balance of carrying amount
Within 1 year		
Including: Sub-items within 1 year		
Within 1 year	421,719,657.47	248,513,107.85
Sub-total of items within 1 year	421,719,657.47	248,513,107.85
1 to 2 years	184,279,529.16	168,649,179.18
2 to 3 years	39,743,065.70	40,720,444.20
Over 3 years	4,084,113.10	13,741,038.86
<b>Total</b>	<b>649,826,365.43</b>	<b>471,623,770.09</b>

**(2). Disclosure by categories of provision for bad debts**

Applicable  N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually	863,700.00	0.13	863,700.00	100.00		863,700.00	0.18	863,700.00	100.00	
Provision for bad debts made by group	648,962,665.43	99.87	15,117,193.72	2.33	633,845,471.71	470,760,070.09	99.82	8,279,833.72	1.76	462,480,236.37
<b>Total</b>	<b>649,826,365.43</b>	<b>100.00</b>	<b>15,980,893.72</b>	<b>2.46</b>	<b>633,845,471.71</b>	<b>471,623,770.09</b>	<b>100.00</b>	<b>9,143,533.72</b>	<b>1.94</b>	<b>462,480,236.37</b>

Provision for bad debts made individually:

Applicable  N/A

Provision for bad debts made by group:

Applicable  N/A

Item by group:

In RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Group of aging	213,615,923.16	15,117,193.72	7.08
Group of receivables from related parties in the scope of consolidation	435,346,742.27		
<b>Total</b>	<b>648,962,665.43</b>	<b>15,117,193.72</b>	<b>2.33</b>

Description of provision for bad debts made by group:

 Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

 Applicable  N/A

Basis for determination of each stage and percentage of provision for bad debts

Refer to V.11 of Section X for details.

Description of significant changes in the balance of accounts receivable with changed provisions for losses in the current period:

 Applicable  N/A

**(3). Provision for bad debts**
 Applicable  N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debts made individually	863,700.00					863,700.00
Provision for bad debts made by group	8,279,833.72	6,837,360.00				15,117,193.72
<b>Total</b>	<b>9,143,533.72</b>	<b>6,837,360.00</b>				<b>15,980,893.72</b>

Including significant amounts recovered or reversed from the current provision for bad debts:

 Applicable  N/A

Other information

None

**(4). Accounts receivable actually canceled in the current period**
 Applicable  N/A

In which significant amounts canceled are described as below:

 Applicable  N/A

Description of accounts receivable cancellation

 Applicable  N/A

**(5). Top five closing balances of accounts receivable and contract assets categorized by debtors**
 Applicable  N/A

In RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to the total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Top 1	300,883,955.42		300,883,955.42	46.15	
Top 2	155,267,717.51		155,267,717.51	23.82	7,763,385.88
Top 3	71,097,146.80		71,097,146.80	10.91	
Top 4	26,115,537.28		26,115,537.28	4.01	
Top 5	18,198,253.58		18,198,253.58	2.79	
<b>Total</b>	<b>571,562,610.59</b>		<b>571,562,610.59</b>	<b>87.67</b>	<b>7,763,385.88</b>

Other information

None

Other information:

Applicable  N/A

## 2. Other receivables

Presented by item

Applicable  N/A

In RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividend receivable		
Other receivables	358,976,925.08	14,978,163.24
<b>Total</b>	<b>358,976,925.08</b>	<b>14,978,163.24</b>

Other information:

Applicable  N/A

Interest receivable

### (1). Categories of interest receivable

Applicable  N/A

### (2). Significant interests overdue

Applicable  N/A

### (3). Disclosure by categories of provision for bad debts

Applicable  N/A

Provision for bad debts made individually:

Applicable  N/A

Explanation about provision for bad debts made individually:

Applicable  N/A

Provision for bad debts made by group:

Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

Applicable  N/A

### (4). Provision for bad debts

Applicable  N/A

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information

None

### (5). Interests receivable actually written off in the current period

Applicable  N/A

In which the write-off of significant interests receivable is described as below:

Applicable  N/A

Description of write-off:

Applicable  N/A

Other information:

Applicable  N/A

#### Dividends receivable

##### (6). Dividends receivable

Applicable  N/A

##### (7). Dividends receivable with significant amounts aged more than 1 year

Applicable  N/A

##### (8). Disclosure by categories of provision for bad debts

Applicable  N/A

Provision for bad debts made individually:

Applicable  N/A

Explanation about provision for bad debts made individually:

Applicable  N/A

Provision for bad debts made by group:

Applicable  N/A

Provision for bad debts made in accordance with the general model of ECL

Applicable  N/A

##### (9). Provision for bad debts

Applicable  N/A

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information

None

##### (10). Dividend receivable actually written off in the current period

Applicable  N/A

In which the write-off of significant dividend receivable is described as below:

Applicable  N/A

Description of write-off

Applicable  N/A

Other information

Applicable  N/A

#### Other receivables

##### (11). Disclosure by aging

Applicable  N/A

In RMB

Aging	Closing balance of carrying amount	Opening balance of carrying amount
Within 1 year		
Including: Sub-items within 1 year		
Within 1 year	353,583,183.32	8,993,196.10
Sub-total of items within 1 year	353,583,183.32	8,993,196.10
1 to 2 years	502,678.19	835,410.95
2 to 3 years	80,446.00	82,446.00
Over 3 years	5,404,349.84	5,471,349.86
<b>Total</b>	<b>359,570,657.35</b>	<b>15,382,402.91</b>

##### (12). Categories by the nature

Applicable  N/A

In RMB

Nature of receivables	Closing balance of carrying amount	Opening balance of carrying amount
Deposits/margins/petty cash	9,079,343.36	7,278,349.93
Amounts with related parties in the scope of consolidation	348,986,724.81	7,347,685.40
Temporary receivables	1,504,589.18	756,367.58
Compensation receivable		
<b>Total</b>	<b>359,570,657.35</b>	<b>15,382,402.91</b>

**(13). Provision for bad debts**

√ Applicable □ N/A

In RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month ECL in the future	Lifetime ECL (without credit impairment)	Lifetime ECL (with credit impairment)	
Balance as at January 1, 2024	401,109.93	3,129.74		404,239.67
Balance as at January 1, 2024 in the current period				
--transferred to Stage II	-16,133.91	16,133.91		
--transferred to Stage III				
--reversed to Stage II				
--reversed to Stage I				
Provision	128,086.70	61,405.90		189,492.60
Reversal				
Write-off				
Cancellation				
Other changes				
Balance as at June 30, 2024	513,062.72	80,669.55		593,732.27

Basis for determination of each stage and percentage of provision for bad debts

The group of deposit and security receivable, group of amounts from transaction with related parties in the scope of consolidation, and other receivables due within one year in the age group indicate no obvious increase in the credit risk since initial recognition (stage I), 1-2 years in the age group indicate obvious increase in the credit risk since initial recognition but no credit impairment (stage II), and over 2 years in the age group indicate credit impairment since initial recognition (stage III).

Description of significant changes in the balance of other receivables with changed provisions for losses in the current period:

□ Applicable √ N/A

Basis for recognizing the amount of provision for bad debts and evaluating whether the credit risk of financial instruments has been increased significantly in the current period:

□ Applicable √ N/A

**(14). Provision for bad debts**

√ Applicable □ N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write off or cancellation	Other changes	
Provision for bad debts made by group	404,239.67	189,492.60				593,732.27
<b>Total</b>	<b>404,239.67</b>	<b>189,492.60</b>				<b>593,732.27</b>

Including significant amounts recovered or reversed from the current provision for bad debts:

Applicable  N/A

Other information

None

**(15). Other receivables actually canceled in the current period**

Applicable  N/A

In which significant amounts written off are described as below:

Applicable  N/A

Description of other receivables cancellation:

Applicable  N/A

**(16). Top five closing balances of other receivables categorized by debtors**

Applicable  N/A

In RMB

Entity	Closing balance	Proportion to the balance of other receivables (%)	Nature of other receivables	Aging	Provision for bad debts Closing balance
Top 1	319,607,854.98	88.89	Amounts with related parties in the scope of consolidation	Within 1 year	
Top 2	17,002,815.75	4.73	Amounts with related parties in the scope of consolidation	Within 1 year	
Top 3	5,778,496.36	1.61	Amounts with related parties in the scope of consolidation	Within 1 year	
Top 4	5,478,833.19	1.52	Amounts with related parties in the scope of consolidation	Within 1 year	
Top 5	3,574,618.00	0.99	Deposits/margins/petty cash	Over 3 years	178,730.90
<b>Total</b>	<b>351,442,618.28</b>	<b>97.74</b>	<b>-</b>	<b>-</b>	<b>178,730.90</b>

**(17). Presentation in other receivables due to centralized fund management**

Applicable  N/A

Other information

Applicable  N/A

**3. Long-term equity investments**

Applicable  N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Investments in subsidiaries	171,683,634.68	12,827,792.79	158,855,841.89	476,309,658.71	12,827,792.79	463,481,865.92
Investments in associates and joint ventures	6,183,769.99		6,183,769.99	5,836,162.11		5,836,162.11
<b>Total</b>	<b>177,867,404.67</b>	<b>12,827,792.79</b>	<b>165,039,611.88</b>	<b>482,145,820.82</b>	<b>12,827,792.79</b>	<b>469,318,028.03</b>

**(1). Investments in subsidiaries**

Applicable  N/A

Investee	Opening balance	Increase	Decrease	Closing balance	Provision for impairment	In RMB
						Closing balance of provision for impairment
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	47,170,375.58	211,270.26		47,381,645.84		
Shenzhen Appotronics Software Technology Co., Ltd.	1,386,168.36			1,386,168.36		
Beijing Orient Appotronics Technology Co., Ltd.	5,900,000.00			5,900,000.00		
Shenzhen Appotronics Xiaoming Technology Co., Ltd.	12,000,000.00			12,000,000		12,000,000.00
Fengmi (Beijing) Technology Co., Ltd.	3,325,738.82			3,325,738.82		
Qingda Appotronics (Xiamen) Technology Co., Ltd.	5,100,000.00			5,100,000.00		827,792.79
Shenzhen Appotronics Laser Display Technology Co., Ltd.	18,966,857.26			18,966,857.26		
Appotronics HongKong Limited	305,944,668.85	98,265.05	306,042,933.90			
JOVE AI Innovation	800,010.02			800,010.02		
Appotronics Technology (Changzhou) Co., Ltd.	2,000,000.00			2,000,000.00		
Shenzhen Appotronics Display Device Co., Ltd.	3,000,000.00			3,000,000.00		
Tianjin Bonian Film Partnership (LP)	26,954,120.20			26,954,120.20		
Formovie (Chongqing) Innovative Technology Co., Ltd.	29,947,919.62			29,947,919.62		
Shenzhen Qianhai Taishi Investment Partnership (LP)	13,813,800.00			13,813,800.00		
Shenzhen Muhe Information Technology Co., Ltd.		1,000,000.00		1,000,000.00		
Appotronics International Limited		98,265.06		98,265.06		
Appotronics Technology (Hong Kong) Limited		9,109.50		9,109.50		
<b>Total</b>	<b>476,309,658.71</b>	<b>1,416,909.87</b>	<b>306,042,933.90</b>	<b>171,683,634.68</b>		<b>12,827,792.79</b>



**(2). Investments in associates and joint ventures**
 Applicable  N/A

In RMB

Investee	Opening balance	Changes for the current period								Closing balance	Closing balance of provision for impairment
		Additional investment	Decreased investment	Investment profit or loss under equity method	Adjustment in other comprehensive income	Other equity changes	Declared cash dividends or profits	Provision for impairment	Others		
I. Joint venture											
Sub-total											
II. Associates											
Shenzhen Zhongjia n Technology Co., Ltd.	5,836,162.11			-436,832.42		784,440.30				6,183,769.99	
Sub-total	5,836,162.11			-436,832.42		784,440.30				6,183,769.99	
<b>Total</b>	<b>5,836,162.11</b>			<b>-436,832.42</b>		<b>784,440.30</b>				<b>6,183,769.99</b>	

**(3). Impairment test of long-term equity investments**
 Applicable  N/A

Other information

 Applicable  N/A

**The net value of the recoverable amount determining by subtracting disposal expenses from the fair value**

 Applicable  N/A

**The recoverable amount is determined according to the present value of the estimated future cash flows**

 Applicable  N/A

**Reason for the obvious difference between the information above and the information used in the impairment test in previous years or external information**

 Applicable  N/A

**Reason for the obvious difference between the information used by the Company in the impairment test in previous years and the actual conditions of the corresponding year**

 Applicable  N/A

Other information:

 Applicable  N/A

**4. Operating income and operating costs**
**(1). Description of operating income and operating costs**
 Applicable  N/A

In RMB

Item	Amount for the current period	Amount for the prior period
------	-------------------------------	-----------------------------

	Income	Cost	Income	Cost
Main business	710,455,810.59	560,232,751.34	542,956,800.34	368,571,473.83
Other business				
<b>Total</b>	<b>710,455,810.59</b>	<b>560,232,751.34</b>	<b>542,956,800.34</b>	<b>368,571,473.83</b>

**(2). Breakdown of operating income and operating cost**
 Applicable  N/A

In RMB

Category of contract	Total	
	Operating income	Operating costs
By the type of goods		
Core device business	406,521,703.07	329,804,210.03
Complete projector equipment	230,905,727.07	161,958,120.25
Other products and businesses	73,028,380.45	68,470,421.06
By operating region		
Sales in China	636,087,447.01	514,820,085.88
Sales outside of China	74,368,363.58	45,412,665.46
<b>Total</b>	<b>710,455,810.59</b>	<b>560,232,751.34</b>

Other information

 Applicable  N/A

**(3). Description of performance obligations**
 Applicable  N/A

**(4). Description of allocation to remaining performance obligations**
 Applicable  N/A

**(5). Material contract changes or material adjustments in transaction prices**
 Applicable  N/A

Other information

None

**5. Investment income**
 Applicable  N/A

In RMB

Item	During the reporting period	Prior period
Gains from long-term equity investment accounted for using the cost method	8,197,200.00	7,452,000.00
Long-term equity investment accounted for using the equity method	-436,832.42	
Investment income from the disposal of long-term equity investments	12,336,143.05	
Investment income from held-for-trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of held-for-trading financial assets	16,264,140.92	5,265,708.55

Investment income from disposal of other equity instrument investments		
Investment income from the disposal of debt investments		
Investment income from the disposal of other debt investments		
Profits from debt restructuring		
Others	-359,837.45	
<b>Total</b>	<b>36,000,814.10</b>	<b>12,717,708.55</b>

Other information:

None

## 6. Others

Applicable  N/A

### XX. Supplementary information

#### 1. Breakdown of non-recurring profit or loss for the current period

Applicable  N/A

In RMB

Item	Amount	Description
Gain or loss on disposal of non-current assets, including write-off of provision for asset impairment	-542,907.96	
Government grants recognized in profit or loss for the current period (excluding government grants that are closely related to the business of the Company and are provided in accordance with established standards with continuous effects on the profit or loss of the Company according to the provisions of national policies)	6,613,195.04	VII.67 of Section X, and VII.74 of Section X
Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on the disposal of financial assets and financial liabilities, other than those used in the effective hedging activities related to the normal operating business of the Company	19,343,730.90	VII.68 of Section X, and VII.70 of Section X
Income earned from lending funds to non-financial institutions and recognized in profit or loss		
Profit or loss on entrusted investments or assets management	6,982,910.02	VII. 68 of Section X
Profit or loss on entrusted loans		
Losses on assets due to force majeure events, e.g. natural disasters		
Reversal of impairment loss on accounts receivable and contract assets tested for impairment individually		
The excess of the attributable fair value of identifiable net assets over the consideration paid for the acquisition of subsidiaries, associates and joint ventures		
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of the business combination of enterprises involving enterprises under common control	7,005,333.38	
Profit or loss on the exchange of non-monetary assets		
Profit or loss on debt restructuring		
One-off expenses incurred by the enterprise for discontinued operating activities, such as expenditures for employee placement, etc.		
One-off effect on the profit or loss for the current period due to an adjustment in taxation, accounting, and other laws and regulations		
Share-based payment expenses recognized on a one-off basis for canceling or modifying an equity incentive plan		
For cash-settled share-based payments, profit or loss from the change in fair value of employee benefits payable after the exercise date		

Profit or loss on changes in the fair value of investment properties that are subsequently measured using the fair value model		
Profit or loss attributable to the evidently unfair transaction price		
Profit or loss arising from contingencies other than those related to normal operating business		
Custodian fees earned from entrusted operation		
Other non-operating income and expenses	1,103,459.06	
Other gains or losses meeting the definition of non-recurring profit or loss	-37,353,061.61	VII. 68 of Section X
Less: Effect of income taxes	4,782,728.03	
Effects attributable to minority interests (net of tax)	1,457,852.28	
Total	-2,569,674.07	

It is required to specify the reason for defining items not illustrated in *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 - Non-recurring Profit or Loss* as non-recurring profit or loss items of significant amounts, and reasons for defining non-recurring profit or loss items illustrated in *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 - Non-recurring Profit or Loss* as recurring profit or loss items.

Applicable  N/A

For details, refer to “Section II Company Profile and Financial Highlights - VIII. Items and amounts of non-recurring profit or loss” of this semiannual report.

Other information

Applicable  N/A

## 2. Return on net assets and earnings per share

Applicable  N/A

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	0.39	0.02	0.02
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	0.48	0.03	0.03

## 3. Differences in accounting data under Chinese accounting standards and overseas accounting standards

Applicable  N/A

## 4. Others

Applicable  N/A

Chairman: LI Yi

Approval for submission by the Board of Directors: August 29, 2024

## Revision information

Applicable  N/A