

Stock Code: 603195

Stock Name: Goneo Group

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



**Annual Report 2024**

## Important Notes

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

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

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

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

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

As audited by Pan-China Certified Public Accountants LLP, net profit attributable to shareholders of the parent company stood at RMB4,272,204,565.03 for 2024, and the cumulative distributable profit of the parent company was RMB4,871,650,229.62 as at December 31, 2024. The 2024 final dividend plan is as follows: Based on the total share capital (exclusive of the shares in the Company’s repurchased share account) at the record date of the dividend payout, the Company intends to pay a cash dividend of RMB24.00 (tax inclusive) per 10 shares to shareholders, with a bonus issue of 4.0 additional shares for every 10 shares held by shareholders from capital reserves.

According to the total share capital of 1,292,158,890 shares minus the 73 shares in the repurchased share account at the date when this Report was authorized for issue, the total cash dividend amount is RMB3,101,181,160.80 (tax inclusive), and the total share capital will increase to 1,809,022,417 shares upon the bonus issue (share capital subject to the number registered with the Shanghai branch of China Securities Depository and Clearing Co., Ltd., with tail difference, if any, due to rounding).

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

The final dividend plan is subject to final approval by the 2024 Annual General Meeting of Shareholders.

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

Applicable  Not applicable

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

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

N/A

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

N/A

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

N/A

**10. Major risk warning**

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

**11. Other information**

Applicable  Not applicable

## Message to Our Shareholders

### Thirty Years of Growth: Embarking on a New Journey

In 2024, we successfully navigated a highly uncertain and challenging operating environment, achieving robust growth in both operating revenue and net profit. Our total operating revenue reached RMB16.831 billion, marking a year-on-year increase of 7.24%. Net profit attributable to the parent company amounted to RMB4.272 billion, a year-on-year increase of 10.39%. This performance reflects our continued and steady growth trajectory.

Founded in 1995 as a small family workshop, Goneo has evolved into a leading industry player and a publicly listed company. After thirty years of dedication and hard work, we have reached a significant milestone. We celebrate our achievements, driven by entrepreneurial spirit and a strong belief in success, as we look forward to the next chapter in our journey.

#### **Building Competitiveness with Craftsmanship**

Over the past three decades, we have remained committed to the electrical industry, cultivating long-term competitiveness through systematic capabilities and continuous innovation. From the creation of “Durable Power Strips” to becoming an “Expert in Safe Electrical Solutions”, the Goneo brand has become synonymous with “quality” and “safety” in the minds of consumers. This trust is rooted in Goneo's unwavering dedication to craftsmanship.

We are committed to enhancing traditional products, starting with customer needs and deeply integrating innovative technologies with real-world applications. Our continued investments in research and development, along with ongoing product iterations, allow us to set new industry standards for electrical experiences, bringing warmth and protection to every home. We have optimized our marketing channels and accelerated digital transformation, making it more convenient for consumers to purchase our products and enjoy superior service experiences. Our world-class supply chain system leverages the world's largest manufacturing base for adaptors and wall switches, creating an end-to-end intelligent supply chain ecosystem that delivers efficient, high-quality services to users worldwide. By focusing on specialization, harmonizing capabilities through systematic thinking, and practicing long-term planning, we ensure that Goneo remains strategically agile in an ever-evolving environment, allowing us to navigate cyclical fluctuations with steady progress.

#### **Illuminating a New Path with Mission**

We are currently witnessing unprecedented changes, with the global political and economic landscape undergoing significant restructuring, and both international trade rules and domestic consumption patterns rapidly evolving. In this context, the challenge before us is how to seize opportunities amid uncertainty and sustain both stability and long-term growth. Looking ahead to 2025, Goneo will continue to pursue its vision of “becoming a leader in the international civil electrical industry”. We will focus on three strategic pillars: a smart ecosystem, new energy, and internationalization. By leveraging our systematic capabilities and innovative mindset, we aim to seize

opportunities amid changes, and provide global consumers with outstanding products and services through innovation and branding efforts.

- **A Smart Ecosystem: Driving Business Transformation with Lighting and Intelligent Transformation**

The rise of smart technology is revolutionizing the way consumers use electrical products at home, with an increasing demand for safety, comfort, health, and intelligence. In response, Goneo will prioritize healthy lighting as a core element, integrating AI-driven smart technology to provide comprehensive and safe electrical solutions for homes. Our goal is to build a safe, comfortable, healthy, and intelligent home electrical ecosystem that meets the evolving needs of consumers.

- **New Energy: Leading the Industry through Innovation in Products and Services**

As the energy landscape continues to evolve, new energy technologies are reshaping consumer lifestyles. Goneo will focus on the charging business, aiming to lead the domestic market through technological innovation, product development, and service enhancements. In the energy storage sector, we will accelerate business expansion, improve product competitiveness, and seize opportunities throughout the industry cycle to build comprehensive competitiveness.

- **Internationalization: Establishing a Global Presence with Localized Strategies**

Globalization is not merely a choice for us; it is an imperative. Goneo is actively expanding its global footprint, promoting the localization of electric connection solutions, smart electrical products, and new energy solutions. Through refined channel management and innovative business models, we are ensuring that the world recognizes the quality and innovation of Goneo as a Chinese brand.

Regardless of how the landscape evolves, Goneo remains steadfast in its commitment to the principles of “taking the long way with professionalism and devotion, and striving for No. 1”. We look forward to collaborating with our shareholders, employees, and partners to create greater value for society as we move forward towards a promising future!

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

April 2025

## Contents

<b>Part I</b>	<b>Definitions.....</b>	<b>7</b>
<b>Part II</b>	<b>General Information of the Company and Key Financial Indicators.....</b>	<b>9</b>
<b>Part III</b>	<b>Management Discussion and Analysis .....</b>	<b>15</b>
<b>Part IV</b>	<b>Corporate Governance .....</b>	<b>48</b>
<b>Part V</b>	<b>Environmental and Social Responsibility .....</b>	<b>73</b>
<b>Part VI</b>	<b>Significant Events.....</b>	<b>78</b>
<b>Part VII</b>	<b>Changes in Ordinary Shares and Information about Shareholders .....</b>	<b>97</b>
<b>Part VIII</b>	<b>Relevant Information of Preference Shares .....</b>	<b>107</b>
<b>Part IX</b>	<b>Relevant Information of Corporate Bonds .....</b>	<b>107</b>
<b>Part X</b>	<b>Financial Statements.....</b>	<b>108</b>

Documents available for reference	The financial statements for the year ended December 31, 2024 signed and stamped by the legal representative, the Chief Financial Officer, and the head of the financial department
	The Independent Auditor's Report for the year ended December 31, 2024 stamped by the CPA firm, as well as signed and stamped by the relevant certified public accountants
	The originals of all the Company's documents and announcements disclosed on newspapers and websites designated by CSRC during the Reporting Period

## Part I Definitions

### I Definitions

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

Definitions of frequently used terms		
The “Company”, “Goneo Group”, “Goneo”, or “we”	refers to	Goneo Group Co., Ltd.
Reporting Period	refers to	The period from January 1, 2024 to December 31, 2024
Liangji Industrial	refers to	Ningbo Liangji Industrial Co., Ltd., the Company’s controlling shareholder
Ninghui Investment	refers to	Ningbo Ninghui Investment Management Partnership (Limited Partnership), the Company’s shareholder
Suiyuan Investment	refers to	Xiamen Suiyuan Investment Partnership (Limited Partnership), the Company’s shareholder
Qiyuanbao	refers to	Ningbo Qiyuanbao Investment Management Partnership (Limited Partnership), the Company’s shareholder
Cixi Goneo	refers to	Cixi Goneo Electrics Co., Ltd., a wholly-owned subsidiary of the Company
Shanghai Goneo	refers to	Shanghai Goneo Electrics Co., Ltd., a wholly-owned subsidiary of the Company
Ningbo Goneo	refers to	Ningbo Goneo Electrics Co., Ltd., a wholly-owned subsidiary of the Company
Banmen Electric Appliance	refers to	Ningbo Banmen Electric Appliance Co., Ltd., a wholly-owned subsidiary of the Company
Goneo Photoelectric	refers to	Ningbo Goneo Photoelectric Technology Co., Ltd., a wholly-owned subsidiary of the Company
Goneo Precision	refers to	Ningbo Goneo Precision Manufacturing Co., Ltd., a wholly-owned subsidiary of the Company
Goneo Digital	refers to	Ningbo Goneo Digital Technology Co., Ltd., a wholly-owned subsidiary of the Company
Goneo International Trading	refers to	Ningbo Goneo International Trading Co., Ltd., a wholly-owned subsidiary of the Company
Xingluo Trading	refers to	Ningbo Xingluo Trading Co., Ltd., a wholly-owned subsidiary of the Company
Electric Sales	refers to	Ningbo Goneo Electric Sales Co., Ltd., a wholly-owned subsidiary of the Company
Goneo HK	refers to	Goneo International Trading (HK) Limited, a wholly-owned subsidiary of the Company
Goneo Low Voltage	refers to	Ningbo Goneo Low Voltage Electric Co., Ltd., a wholly-owned subsidiary of the Company
Hainan Dacheng	refers to	Hainan Dacheng Supply Chain Management Co., Ltd., a wholly-owned subsidiary of the Company
Murora Intelligent	refers to	Guangdong Murora Intelligent Lighting Co., Ltd., a wholly-owned subsidiary of the Company
Goneo New Energy	refers to	Ningbo Goneo New Energy Technology Co., Ltd., a wholly-owned subsidiary of the Company
Information Technology	refers to	Shanghai Goneo Information Technology Co., Ltd., a wholly-owned subsidiary of the Company
Intelligent Technology	refers to	Ningbo Goneo Intelligent Technology Co., Ltd.
Shenzhen Intelligent	refers to	Shenzhen Goneo Intelligent Information Co., Ltd., a wholly-owned subsidiary of the Company
Domestic Electrical Appliance	refers to	Ningbo Goneo Domestic Electrical Appliance Co., Ltd., a wholly-owned subsidiary of the Company

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

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

### I Corporate Information

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

### II Contact Information

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

### III General Company Information

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

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

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

### V Stock Profile

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

### VI Other Information

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

## VII Key Financial Information for the Past Three Years

### i. Key accounting information

Unit: RMB

Key accounting information	2024	2023	2024-on-2023 change (%)	2022
Operating revenue	16,830,541,086.13	15,694,755,606.24	7.24	14,081,373,030.94
Net profit attributable to the listed company's shareholders	4,272,204,565.03	3,870,135,376.47	10.39	3,188,709,584.89
Net profit attributable to the listed company's shareholders before exceptional gains and losses	3,741,807,159.86	3,703,188,544.28	1.04	2,904,238,642.83
Net cash generated from/used in operating activities	3,730,346,896.27	4,827,282,098.55	-22.72	3,057,914,218.16
	December 31, 2024	December 31, 2023	Change of December 31, 2024 on December 31, 2023 (%)	December 31, 2022
Equity attributable to the listed company's shareholders	15,866,115,691.08	14,445,921,963.84	9.83	12,398,775,930.17
Total assets	20,494,034,490.68	19,762,205,724.93	3.70	16,651,920,835.06

### ii. Key financial indicators

Key financial indicator	2024	2023	2024-on-2023 change (%)	2022
Basic earnings per share (RMB/share)	3.31	3.01	9.97	2.48
Diluted earnings per share (RMB/share)	3.31	3.01	9.97	2.48
Basic earnings per share before exceptional gains and losses (RMB/share)	2.90	2.87	1.05	3.27
Weighted average return on equity (%)	28.64	29.20	Down by 0.56 percentage point	27.88
Weighted average return on equity before exceptional gains and losses (%)	25.09	27.94	Down by 2.85 percentage points	25.39

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

√ Applicable □ Not applicable

The Company implemented the 2023 final dividend payout on June 6, 2024. Based on the total share capital of 891,540,875 shares minus the shares in the repurchased share account at the record date, a bonus issue of 0.45 additional share per existing share was carried out, and the total share capital increased to 1,292,734,248 shares upon the bonus issue. To ensure the comparability of basic and diluted earnings per share, data during 2023 have been adjusted accordingly.

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

#### i. Differences in net profit and equity attributable to the listed company's shareholders under CAS and IFRS

Applicable  Not applicable

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

Applicable  Not applicable

#### iii. Reasons for accounting data differences above

Applicable  Not applicable

### IX Key Financial Information for 2024 by Quarter

Unit: RMB

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating revenue	3,802,785,098.41	4,583,408,157.16	4,216,850,153.83	4,227,497,676.73
Net profit attributable to the listed company's shareholders	929,269,677.23	1,309,467,036.81	1,024,665,943.29	1,008,801,907.70
Net profit attributable to the listed company's shareholders before exceptional gains and losses	817,959,859.73	1,085,437,225.87	936,052,745.18	902,357,329.08
Net cash generated from/used in operating activities	1,518,671,567.41	842,292,318.08	653,950,404.91	715,432,605.87

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

Applicable  Not applicable

### X Exceptional Gains and Losses

Applicable  Not applicable

Item	Unit: RMB			
	2024	Notes (if applicable)	2023	2022
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	621,466.25		-5,614,733.30	-3,980,890.27
Government grants recognized in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	108,937,593.27		191,833,723.62	130,991,587.24
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	8,316,155.00		7,786,015.00	-7,385,680.00
Capital occupation charges on a non-financial enterprise that are recognized in profit or loss	51,647.67		331,702.44	590,062.34
Gain or loss on assets entrusted to other entities for investment or management	540,843,952.06		190,904,769.99	279,374,491.92
Gain or loss on loan entrustments				
Asset losses due to acts of God such as natural disasters				
Reversed portions of impairment allowances for receivables which are tested individually for impairment				
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments				
Current profit or loss on subsidiaries obtained in business combinations involving entities under common control from the period-begin to combination				

dates, net				
Gain or loss on non-monetary asset swaps				
Gain or loss on debt restructuring				
One-off costs incurred by the Company as a result of discontinued operations, such as expenses for employee arrangements				
One-time effect on profit or loss due to adjustments in tax, accounting and other laws and regulations				
One-time share-based payments recognized due to cancellation and modification of equity incentive plans				
Gain or loss on changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payments				
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using the fair value method				
Income from transactions with distinctly unfair prices				
Gain or loss on contingencies that are unrelated to the Company's normal business operations				
Income from charges on entrusted management				
Non-operating income and expense other than the above	-32,089,672.59		-172,631,226.63	-58,763,095.61
Other gains and losses that meet the definition of exceptional gain/loss				1,712,485.52
Less: Income tax effects	96,001,318.69		45,407,663.66	57,894,123.94
Non-controlling interests effects (net of tax)	282,417.80		255,755.27	173,895.14
Total	530,397,405.17		166,946,832.19	284,470,942.06

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

Applicable  Not applicable

#### **XI Items Measured at Fair Value**

Applicable  Not applicable

Unit: RMB

Item	Opening balance	Closing balance	Change in the period	Effect on profit
Held-for-trading financial assets	9,727,000,000.00	9,215,000,000.00	-512,000,000.00	
Derivative financial assets	8,263,755.00	10,010,725.00	1,746,970.00	
Receivables financing	5,359,014.96	8,118,100.48	2,759,085.52	
Held-for-trading financial liabilities				
Other current assets	109,982,385.06	124,773,108.67	14,790,723.61	
Total	9,850,605,155.02	9,357,901,934.15	-492,703,220.87	

**XII Other Information**

Applicable  Not applicable

## Part III Management Discussion and Analysis

### I Discussion and Analysis on Operations

The year 2024 marks the 30th anniversary of the Company's founding. Despite the complex and ever-evolving external business environment and ongoing industrial transformation, we have strategically aligned ourselves with prevailing development trends. Through dedicated effort, we have achieved significant breakthroughs and innovations, leading to stable growth. During the year, our total operating revenue reached RMB16.831 billion, marking a year-on-year increase of 7.24%; and net profit attributable to the parent company amounted to RMB4.272 billion, a year-on-year increase of 10.39%. The electric connection business has introduced innovative advancements and made steady progress. The smart electrical lighting business has consistently enhanced its market competitiveness. Meanwhile, the new energy business has experienced rapid growth, and international operations have progressed in an orderly manner. As a result, the Company's management capabilities and overall competitive advantages have been continually strengthened. Furthermore, the Goneo brand image has been further refined, reinforcing its positioning as high-end, trendy and high-tech. During the Reporting Period, the Company was honored with several prestigious awards, including "National Quality Inspection Trustworthy Product", "National Consumer Quality- and Reputation-Trustworthy Product", "Quality Leading Brand of the National Civil Electrical Industry", and "AAA-Level Famous Trademark Brand Evaluation". These accolades reflect the continuous improvement of our brand reputation. Additionally, Goneo Group and its wholly-owned subsidiary Goneo Photoelectric both won the second prize of Zhejiang Province Science and Technology Progress Award, further solidifying our leadership in technological innovation within the industry.

In 2024, the Company achieved notable results in the following areas:

#### **i. Electric connection business: Driving product upgrades and innovations, setting the trend for safe, high-tech and trendy electrical solutions**

In 2024, the electric connection business adhered to its positioning as an "Expert in Safe Electrical Solutions", consistently placing consumer needs at the forefront of product innovation and upgrades. This strategic approach has positioned the Company to set the trend for safe, high-tech and trendy electrical solutions. The business generated revenue of RMB7.683 billion during the year, reflecting a year-on-year increase of 4.01%.

##### 1. Product side:

In 2024, the Company's adaptor business continued to enhance its capabilities in high-end, trendy products while gaining valuable insights into niche market demands both domestically and internationally. The business expanded its product offerings and ventured into emerging markets. In response to evolving consumer needs, the introduction of innovative products such as the "Seamless Ultra-Thin Tracks", touch-control smart screens, and the "Dual-Flat Protection Door" design set a new standard in the high-end track socket market. The "Generation Z Series" products, known for their high

aesthetics and robust functionality, were launched to cater to the younger demographic, significantly boosting brand recognition and market share. In specialized segments, the Company developed a range of professional products for industries such as engineering construction, including portable leakage protection devices, construction line reels, and industrial connectors. Additionally, fast-charging global travel adaptors were introduced to serve the needs of business travelers, further expanding the PDU and embedded product lines. On the international front, the Company launched regionally tailored products in key Southeast Asian markets, and in Europe, it made breakthroughs with innovative products like track sockets. Furthermore, the Company became the first in the world to receive the prestigious German VDE quality certification, further enhancing the high-quality image of the Goneo brand.

In 2024, the Company's digital accessory business emphasized upgrading desktop fast-charging products, reinforcing the brand's reputation for high-end, technologically advanced solutions. With innovations such as intelligent real-time power distribution, smart temperature control, and charging visualization, the Company introduced differentiated products like vertical digital sockets, modular "Mini Power Cabin", 240 W multi-interface GaN chargers, and aesthetically designed mobile portable charger with integrated cables. These products provide consumers with more efficient and convenient charging experiences.

The power tools division targeted younger, more professional customer segments, focusing on craftsmen in construction, decoration, and manufacturing industries. In 2024, the power tools product line was further expanded, and a key component development platform was quickly established. The Company's strong product development and quality control capabilities led to rapid market acceptance. Five major product series were introduced: angle grinders, hammers, impact drills, fasteners, and cutting tools. By deeply understanding user needs and fostering technological innovation, the Company is on track to establish itself as an industry benchmark.

## 2. Channel side:

In 2024, the hardware channel concentrated on expanding incremental channels, further broadening sales networks in areas such as commercial lighting, engineering construction, and power tools, driving substantial business growth. Electric connection products are primarily sold through the Company's traditional strengths in offline hardware channels, digital channels, and e-commerce. This extensive network of terminal outlets enabled the Company to deliver high-quality products and services to consumers promptly and efficiently. By continuously strengthening "Distribution, delivery, visit and sales" capabilities, the Company actively guided distributors to enhance their service offerings through refined category management and dedicated personnel allocation. Additionally, the marketing team implemented a "one-on-one support running mechanism", optimizing the operational capabilities of distributors in underdeveloped markets, ensuring efficient coordination of channel resources, and fostering win-win cooperation with partners. The digital channel continued to expand in 2024, accelerating product penetration into diversified platforms, such as convenience stores, and leveraging digital marketing to effectively integrate online and offline resources, boosting sales conversions. The e-commerce channel played a crucial role in promoting trend-setting products like track sockets, the

“Generation Z Sockets”, and “Mini Power Cabin”. This helped reinforce the leadership position of traditional platforms in the electric connection category while increasing market share on emerging platforms like Pinduoduo and Tik Tok. By leveraging big data, user insights, and scenario-based marketing, the Company continuously optimized its product offerings and promotional strategies, fostering agile responses to market dynamics, enhancing brand-user interaction, and improving purchasing decision-making efficiency.

### 3. Supply chain side:

In 2024, the Company further strengthened automation and digitalization of its adaptor and digital accessory factories, as well as the self-manufacturing capability for key components of its power tool factories, resulting in significant improvements across the entire supply chain. The Company has established a comprehensive, vertically integrated supply chain in the electric connection manufacturing sector. Starting with the processing of raw materials such as copper and plastic particles, we have moved towards in-house production. With ongoing enhancements in lean supply chain management, automation, and informatization capabilities, the Company has developed significant competitive advantages in quality, cost, and efficiency. The adaptors factory made significant progress toward the long-term goal of becoming a “dark factory”, driving improvements in automation and digitalization. Key advancements included the deployment of an automated logistics system represented by Automated Guided Vehicles (AGVs), which greatly enhanced delivery efficiency; the development and implementation of automated production lines; and the integration of AI-driven machine vision technology for online inspection. Furthermore, business point inspections and factory operations management were digitized and optimized, utilizing real-time operation dashboards. The digital accessory factory focused on standardizing and digitalizing business processes, implementing a product line platform operation model, and further strengthening quality and cost advantages. Notable achievements included the successful establishment of an independent mobile phone battery production capability and the preliminary construction of a collaborative smart delivery system based on the APS system, integrating with ERP, WMS, AMS, and other systems to significantly improve operational efficiency. The power tools factory made substantial improvements in delivery capabilities and quickly established a comprehensive manufacturing, quality control, and cost management system. By introducing automation equipment and digital management systems, operational efficiency continued to improve, and in-house production of key components such as lithium battery packs was initiated, laying a strong foundation for the rapid growth of the business.

### 4. Brand side:

In 2024, the Company elevated the brand image of electric connection products by moving from a focus on safety to a broader positioning that emphasizes high-end, trendy, and comprehensive solutions. Through a multi-channel communication strategy centered on innovative products such as track sockets and Mini Power Cabin sockets, the Company achieved significant improvements in brand reputation. For its flagship product, the vertical digital “Mini Power Cabin” socket, the Company adopted a “celebrity + influencer recommendation” strategy, promoting the product across popular social media

platforms such as Bilibili, Xiaohongshu, and Tik Tok. This strategy rapidly expanded the product's market penetration, creating buzz in a variety of communities, including home, fashion, and technology circles. This initiative helped lead a new trend in safe, fast-charging, and stylish power solutions across the internet. For core products such as track sockets and global travel adaptors, the Company delved into users' diverse interests and specific needs, employing high-quality content creation and targeted platform promotion to engage with consumers. This approach garnered sustained market interest and consumer loyalty.

**ii. Smart electrical lighting business: Leading innovation with high-end and trendy products, continuously enhancing competitive advantage in the smart ecosystem focused on wall switches and lighting to achieve steady growth**

The Company's smart electrical lighting business was committed to creating an ecosystem of smart pre-decoration electrical products with smart no-main-lamp lighting as the core, and comprehensive pre-decoration products have been covered, including wall switches and sockets, LED lighting, bathroom heaters, circuit breakers, smart door locks, and smart clothes drying racks. In 2024, the Company adapted to shifting consumer habits and actively promoted the construction of flagship stores across all categories, implementing a new retail model that enhanced store displays and brand image to better meet consumers' demand for one-stop shopping experiences. The business achieved revenue of RMB8.331 billion, reflecting a year-on-year increase of 5.42%.

1. Product side:

In 2024, the Company's wall switch business continued to solidify its leadership in the industry by focusing on high-end upgrades, product innovation, and the development of solutions for emerging markets. In terms of high-end upgrades, the Company introduced products such as the Butterfly Wing Ultra-Thin Series, LeDong Toggle Series, smart switches, and "Flat Invisible" switch sockets, further enhancing its brand reputation. From an innovation perspective, the launch of integrated WiFi6-3000M products and solutions quickly established a strong presence in consumers' minds, opening new avenues for growth. Additionally, the Company focused on developing products tailored to incremental markets, such as the Southeast Asia 118-type and Indonesia 86-type switches and sockets, to meet the differentiated demands of overseas markets, laying a strong foundation for future expansion in these regions.

In 2024, the LED lighting business concentrated on producing eye-protecting lighting solutions, with products like the eye-care floor lamp and dual-spectrum children's lamp setting the standard in the market. Decorative lighting products also saw significant improvement, with the introduction of new series such as stair lights, hanging lights, floor lamps, and matching ambient lights. Basic light sources expanded into the commercial lighting sector, while efforts to establish an overseas product system and obtain relevant certifications were strengthened. A strategic new product, the eye-care floor lamp, featuring healthy light, full-range light control technology, and intelligent dimming algorithms, became a benchmark product that advanced the development of eye-care technology in the lighting industry, securing considerable brand recognition.

In 2024, the smart no-main-lamp lighting business, focused on “integrated healthy light” strategies, created an intelligent, comfortable, and healthy home lighting environment. The Company launched health lighting product solutions that integrated soft lighting hardware, adaptive dimming sensors, and its self-developed, industry-leading distributed AI voice control system. Additionally, the Company introduced a digital health lighting design acceptance service, which, by defining lighting parameters and utilizing intelligent terminal devices, effectively addressed consumer cognitive challenges and supported both sales conversion and customer value enhancement.

In 2024, in the household appliances segment, the Company launched innovative products such as the “Hot Cyclone Bathroom Heaters” and bladeless fan lights designed for dining and bedroom spaces, further enriching the pre-installed product ecosystem. In the bathroom segment, forward-thinking products like the “linear bathroom heaters” and the innovative “hot cyclone bathroom heaters” were introduced. In dining and bedroom areas, new ultra-thin fan lights and bladeless fan lights were launched, while the balcony segment saw the introduction of products like the ultra-thin clothes dryer J042, minimalist embedded linear clothes dryers, and quick-drying “Hurricane Clothes Dryer”. In the smart door locks category, new products such as the Q25PFPro and Q35PF won the “2024 Smart Lock Industry Product Quality Safety Award” and the “2024 Smart Lock Industry Product Technology Innovation Award”. The circuit breaker business strengthened its foundation in home decoration and industrial construction sectors, making significant innovations in emerging fields such as new energy, contributing to continuous business growth. The home decoration sector saw the enrichment of the narrow-body circuit breaker product line, while the industrial sector advanced the development of a smart meter product platform and software, with a range of smart meter products being launched. In the new energy field, the Company developed small narrow-body high-voltage plastic casings and 2,000 V DC high-voltage plastic casings, marking breakthroughs in photovoltaic energy storage applications.

## 2. Channel side:

In 2024, the decorative channel fully supported the construction of flagship stores across all categories and new retail, creating a diversified traffic generation and offline experience service operation system. Cooperation with leading home decoration companies was deepened to expand incremental business. The all-category flagship stores, featuring excellent product displays, purchasing experiences, and enhanced store images, played a crucial role in driving suite sales and fostering collaborative growth with related home decoration businesses. The new retail model empowered offline stores by utilizing multimedia matrices and local life tools to establish local, full-touchpoint customer acquisition capabilities. Furthermore, initiatives such as the “Goneo Home Decoration Festival” and market assistance programs significantly improved sales performance in a competitive environment. The e-commerce channel aligned with the channel transformation trend, completing the upgrade of all-platform, all-category home decoration flagship stores and standardizing operational capabilities within the new retail business chain. The ultra-thin series drove steady growth in wall switch category market share, while innovative products such as bladeless fan lights and eye-care floor lamps demonstrated strong growth. The overall smart electrical lighting products business showed healthy

growth, with improved market competitiveness and brand image. In 2024, the Murora no-main-lamp lighting professional channel focused on building diversified traffic generation, customer acquisition, and conversion capabilities, significantly enhancing store operational efficiency. By integrating offline designer salons, community group buying, and cross-industry alliances with new retail tools such as live streaming, precise advertising, and local life platforms, Murora stores successfully completed their full-channel customer acquisition system. The integrated healthy light program further strengthened the brand's presence, with stores offering a complete solution encompassing brand, scene, product, and digital services, better meeting consumer expectations. The B2B channel continued to focus on developing engineering projects and embedded business, creating brand benchmarks and driving incremental business. The Company became an important partner in switches, lighting, and bathroom heaters for construction projects in regions such as the Chengdu-Chongqing Economic Circle, Beijing-Tianjin-Hebei Coordinated Development Area, and the Yangtze River Delta. The Company also concentrated on creating benchmark projects in fields such as affordable housing, education, hospitals, and corporate infrastructure. Strategic partnerships with home and bathroom brands furthered the development of embedded adaptors, lighting, and other business segments.

### 3. Supply chain side:

In 2024, the smart electrical lighting business continued to enhance automation, digitalization, and collaboration within its supply chain system. Breakthroughs in flexible automation assembly and AI vision technology were achieved at the wall switch and lighting factories. The construction of the new smart lighting manufacturing base—Huizhou Factory—progressed smoothly.

Leveraging years of accumulated manufacturing management expertise, the Company has established a deeply integrated supply chain system around various categories of its smart electrical lighting business. Wall switches benefit from globally leading manufacturing bases in terms of scale and efficiency. The manufacturing strengths of basic light sources and decorative lighting are increasingly evident, while other ecosystem businesses focus on in-house research and production, actively promoting lean, automated, and digital supply chain developments. These initiatives have yielded substantial results in delivery achievement, quality assurance, and cost control. In 2024, the wall switch factory advanced its digital transformation, integrating flexible automation models that feature feeders, industrial robots, and AI-powered smart vision inspection. The integration of APS4.0, MES systems, and big data algorithms has enhanced order delivery prediction accuracy and production scheduling efficiency, enabling real-time data sharing across production processes. Meanwhile, the lighting factory continued to improve automation, commissioning automated production lines for downlights, ceiling lights, and lamps, while driving changes in production processes such as line production, JIT, and finished product direct delivery models. The smart lighting factory made progress in self-research and self-manufacture capabilities for smart control products, particularly distributed AI voice control systems. The construction of the Huizhou smart lighting industrial base reached its topping-out phase. The household appliances and circuit breaker factories further advanced lean improvements,

incorporating automation equipment and digital management systems to strengthen vertical supply chain capabilities.

#### 4. Brand side:

In 2024, the Company continued to elevate the high-end, fashionable brand image of its smart electrical and lighting products. Through the launch of products such as the “Butterfly Wing II Ultra-Thin Switch”, “bladeless fan light” and “eye-care floor lamp”, the Company effectively communicated category leadership to consumers. The multi-channel, long-term communication strategy, involving influencer recommendations, online platforms such as Xiaohongshu, offline flagship stores, and collaborations with initiatives like the “Goneo Home Decoration Festival”, helped drive sales conversion. The “Murora” brand, with its strategic focus on “integrated healthy light”, communicated its user value of “comfort, health, and intelligence” across various platforms, significantly enhancing brand awareness and consumer recognition. Initiatives like lighting innovation workshops, the creation of “natural light + human-centric lighting” intelligent office environments, and professional content promotions through live streaming platforms such as Xiaohongshu earned Murora the 14th Golden Finger Award for “Annual Influential Brand”, the China Brand Power List’s “Digital Intelligence Pioneer Award”, and “Top Ten Smart Lighting Brands”, which supported the successful expansion of the business.

### **iii. New energy business: Continuously strengthening product, channel, supply chain, and brand capabilities to enhance industry-leading competitive advantages**

Goneo’s new energy business is dedicated to providing global users with safe, reliable, and intelligent new energy products and solutions. The Company has adhered to an innovation-driven development strategy and quickly completed the transition of product lines and channels from alternating current to direct current, from slow charging to fast charging, from single charging point to group charging, from charging to energy storage, and from business-to-consumer (ToC) to business-to-business (ToB). These efforts have strengthened the Company’s comprehensive competitive advantages. In 2024, the new energy business achieved revenue of RMB777 million, representing a year-on-year increase of 104.75%, with charging products securing a dominant market share across major e-commerce platforms.

#### 1. Product side:

In 2024, the Company took significant steps in building its full-stack self-research capabilities for charging plugs and points, launching products such as the “Infinity” series home charging points, liquid-cooled superchargers, and high-power flexible group charging products. These innovations provided safe and reliable solutions for individual consumers and strategic operator customers, further enhancing the Company’s industry-leading position. In the home charging sector, the new “Infinity” series home charging points set a new industry standard, combining intelligent innovation, design aesthetics, and high reliability in complex environments. In the fast-charging domain, the Company focused on supercharging products and accelerated the development of fast-charging DC point product matrices. These supercharging products feature an innovative technical architecture, integrating wide

voltage, large current, and high-heat dissipation liquid-cooled charging plugs, along with full-matrix circuit designs. By collaborating with cloud platforms or mobile terminals, the products enable dynamic and precise power distribution. On the core technology front, the Company further developed self-research capabilities, successfully overcoming technical challenges in critical control components such as Power Distribution Units (PDUs), Charging Control Units (CCUs), and charging modules. This achievement ensures full autonomy and control over key components, guaranteeing the stability, reliability, and durability of products, while laying a solid foundation for the overall performance enhancement of DC points.

In 2024, the energy storage business continued to focus on European residential and domestic industrial and commercial scenarios, building a multi-level product ecosystem and upgrading the global product matrix. The Company launched single-phase and three-phase home energy storage products and conducted localized verification in the European market. The liquid-cooled energy storage product cluster included industrial and commercial energy storage cabinets (125 kW/230 kWh to 1 MW/2.15 MWh) and containerized energy storage systems (2.5 MW/5 MWh), supporting the construction of integrated photovoltaic-storage-charging systems. In the area of core technology, the Company advanced innovations in energy storage system safety frameworks, with thermal management technology improving system cycle life to industry-leading levels. The self-developed 3S system (PCS power conversion system, BMS battery management system, and EMS energy management system) was upgraded, while the AI-driven energy scheduling algorithm, co-developed with Shanghai Jiao Tong University, significantly enhanced system performance. Additionally, the Company actively led the formation of industry-academia-research alliances and contributed to the development of safety standards for energy storage systems, strengthening its long-term core technological capabilities.

## 2. Channel side:

In 2024, the new energy channel focused on expanding its reach to large operator customers while maintaining effective coverage of the C-end market and small-to-medium-sized operators. The Company also worked on upgrading its service ecosystem to further increase market share and brand influence. By the end of the Reporting Period, the Company had developed over 25,000 terminal outlets in the C-end market and over 3,000 operator customers in the B-end market. The Company responded proactively to national policy guidelines for new energy vehicle charging infrastructure construction in the public sector, extending its reach to large operators and government projects by building benchmark stations and supporting national and provincial road projects. As the Company's industry influence grew, strategic partnerships were established with key players such as PetroChina, Tower Group, State Grid, and Seres in product and technology fields. The Company also actively developed a one-stop service platform and worked on transforming its distributor service system, strengthening the long-term sustainable development of the new energy business. In 2024, the e-commerce channel focused on securing market leadership in the charging product category. By rising to competition, optimizing product portfolio, and building platform benchmark stores, the Company achieved significant market share growth, successfully surpassing competing brands. For C-end home charging points sold online,

the Company leveraged its refined channel management capabilities and professional platform resources to establish a “one-stop installation” service system, providing customers with high-quality products and rapid-response after-sales services.

### 3. Supply chain side:

In 2024, the new energy factory advanced the construction of a vertical supply chain system, improving operational efficiency through lean, digital, and automated transformations. The Company accelerated in-house production of key components to provide efficient support for business development. At the factory level, the Company received high-level recognition from clients, such as PetroChina, for excellent on-site management, lean production practices, and the application of BBS lean improvement tools. In terms of quality control, the MES system was employed for automatic calibration of key materials and tool calibration management, enhancing process capabilities and ensuring product quality. The Company also focused on enhancing multi-channel logistics services, improving B-end product logistics traceability, and creating an information-based closed-loop system from order production to delivery, resulting in significant improvements in management and operational efficiency.

### 4. Brand side:

The demand for new energy products aligns closely with Goneo’s brand image as an “Expert in Safe Electrical Solutions”. The “Goneo Safe Charging Point”, founded on excellent product strength, received high consumer recognition. In 2024, the Company further strengthened its comprehensive brand communication strategy through celebrity endorsements, platform live streaming, and promotional campaigns, accelerating the enhancement of the Goneo Safe Charging Points brand image and effectively driving sales growth. Goneo’s new energy products were showcased at the Consumer Electronics Show (CES), significantly raising the Company’s industry profile and attracting media coverage from outlets such as the Associated Press and AFP. The Company collaborated with category endorsers to creatively demonstrate the excellent performance of the Infinity series, leveraging joint marketing initiatives, celebrity live streams, and trend pop-up stores to expand brand awareness. To further increase brand visibility and engage consumers, the Company utilized platforms like Xiaohongshu and Douyin for targeted consumer engagement, establishing a precise, efficient communication network.

### **iv. Internationalization: Promoting “high-value customers, product co-creation, and common growth” through localization and innovation**

In 2024, the Company focused on expanding its presence in emerging markets and Europe, diversifying its product range beyond adaptors to include wall switches, lighting, bladeless fan lights, home energy storage systems, and charging points. The Company placed a high priority on developing high-net-worth global customers, promoting product co-creation and channel co-building, while establishing localized organizational and operational capabilities. The internationalization process has entered a stable and well-organized phase of development.

In emerging markets, the Company launched products such as “basic models”, “plugs”, and “high-power products for engineering use” adaptors, along with wall switches such as GG37 in Indonesia, MG25 wall switches in Southeast Asia, light sources, and home improvement products like bladeless fan lights, further enriching its product portfolio. On the channel and organizational front, the Company’s business expanded from a few countries to encompass the entire Southeast Asian market, with additional growth in emerging markets in the Middle East, South America, and other global regions. By building high-value customer development capabilities, the Company forged strategic partnerships with leading local enterprises in Thailand, Indonesia, Mexico, South Korea, Saudi Arabia, and other regions. Over 20 distributors were recruited, and country managers were appointed in key markets, ensuring the localization of the channel system and providing sustained support through overseas sales teams, which significantly enhanced the Company’s sales and service capabilities.

In Europe, the Company continued to expand its product offerings in the home energy storage and charging point sectors, with new energy products co-developed with local partners already launched in the market. The Company also made significant strides in introducing multi-category products, such as track sockets, fan lights, and smart lighting. On the channel and organizational front, the Company focused on building strong relationships with high-net-worth customers, carried out targeted recruitment in markets like Germany and Italy, and established a German subsidiary along with several regional offices, developing localized sales and technical service capabilities to better serve the European market.

On the branding front, in 2024, the Company actively participated in international exhibitions, including the “Canton Fair”, and launched global websites, including versions for Germany and Vietnam, to better connect with overseas consumers. These efforts significantly enhanced the brand’s recognition and influence internationally, laying a solid foundation for future business development.

**v. Corporate operation: Enhancing management efficiency across the entire value chain through innovation and transformation, laying the foundation for sustainable development**

Through continuous organizational, process, and digital transformation, the Company has proactively adapted to the rapidly evolving external business environment. While strengthening its operational management capabilities across the entire value chain, the Company embraces the industrial revolution driven by new productivity, leveraging lean, informatized, and digitalized approaches to lay a solid foundation for sustainable, high-quality development in the future.

Focusing on comprehensive value chain management, the Company intensified efforts on process transformation and digitalization. In 2024, the Company systematically developed a process transformation management system, focusing on core business processes and data governance to enhance organizational efficiency and foster sustainable growth. In terms of process management, guided by the principle of end-to-end process construction, the Company completed enterprise-level core process standardization in eight key areas: procurement, human resources, finance, strategic planning, BTIT, supply chain, marketing, and R&D innovation. This initiative improved the Company’s system operations and management capabilities. In the realm of data management, the Company analyzed its current state of data governance and the direction of future digital applications. The

Company implemented a data governance system that includes “one guideline and three strategies” focusing on organization, system, process, and technology platforms. This system was fully implemented in the finance and procurement areas, further accelerating the digital transformation process.

After recent years of continuous enhancement and construction, the Bull Business System (BBS) has evolved into an important operational system driving the Company’s improvement of operational quality. In 2024, the BBS system played a critical role in driving enhancements across the entire value chain, with a strong focus on innovation and growth, thereby boosting the Company’s ability to execute business transformations. In terms of process construction, the Company emphasized strategic planning (PD), key performance indicators (KPIs), and value stream mapping (VSM) analysis to address core business challenges and empower growth through models such as lean product planning, BPD popular product improvement, and lean marketing tools. Additionally, the Company continued to optimize the BBS tool system, improving projects and consolidating best practices across Goneo’s four major platforms: growth, lean, leadership, and foundation. Regarding talent development, the Company aligned its efforts with Goneo’s leadership model and business needs. The Company accelerated the development and transfer of BBS capabilities across various job functions and management levels. This initiative ensured effective strategy implementation and empowered business growth.

In 2024, to better support rapid business development and future strategic initiatives, the Company focused on organizational design, talent development, and innovative assessment and incentive mechanisms to deepen organizational and talent transformation, ensuring successful execution of strategies. In organizational design, the Company implemented a value-driven, process-closed loop, and efficient management approach. Functional platforms were established based on efficient governance and professional empowerment, while collaborative platforms centered on innovation and integrated services were also created. In terms of talent development, the Company further enhanced its qualification management system and dynamically adjusted job-position matching. By strengthening its talent base for high-potential employees, leadership teams, experts, skilled workers, and young talents, the Company continued to optimize its talent pipeline. In compensation and performance management, the Company introduced a “job-grade-salary” matching mechanism, designed to align job responsibilities with compensation levels. This structure ensures upward mobility and flexibility within job positions, supporting organizational performance, process efficiency, and individual achievements, thereby ensuring the successful execution of strategies and the achievement of business goals.

## **II Principal Operations of the Company during the Reporting Period**

### **1. Principal operations**

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



The Company adheres to the vision of “Becoming a Leader in the International Civil Electric Industry”, the mission of “providing safe and comfortable electricity experience for customers” and the development philosophy of “be professional, concentrated and go further”. Since its establishment in 1995, the Company has always adhered to the guidance of consumer demand and the base of product quality. The Company started to from the segmentation of power strips, constantly promoting the innovation of functions, technology and design, and developing batches of new products popular among consumers. Focusing on innovation, the Company has the comprehensive advantages of product R&D, marketing, supply chain and branding. After years of developing and expanding, the Company has formed three major business segments: electric connection, smart electrical lighting and new energy. Besides, it has also formed sustainable business layout in the fields of civil electrical industry and lighting.

## 2. Business models

(1) Procurement model: The procurement business of the Company mainly includes the procurement of operating supplies including copper, silver, aluminum, tin, plastic granule, paper pulp, etc., and the procurement of non-operating supplies such as IT materials, administrative supplies and so on. The Company has established a procurement strategy with quality as the core. It has selected the main supplier through the mechanism of strict supplier entrance and regular examination and inspection.

Besides, the Company established strategic cooperating relationships with the main suppliers to ensure the quality and delivery. The Company has set up a procurement sharing platform with professional personnel at the group level. It improves the ability of negotiating prices, lowers procurement costs, and controls the quality of raw materials through centralized procurement, direct procurement from source suppliers, tendering, etc. Furthermore, the Company has optimized and improved the suppliers management system, ERP system, manufacturing and storage system, etc. Meanwhile, it has improved the management of procurement and constantly improved the procurement efficiency.

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

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

(3) Sales model: The Company has established online and offline integrated sales model through omnichannel. The offline sales model is mainly based on distribution and partially based on direct selling. The Company has promoted the innovative offline sales mode of “distribution, delivery, visit and sales” in the field of civil electrical appliances and implemented refined management of channels. Through efficiently organizing and transferring dealer resources around the country, and long-term accumulation, the Company has established distribution network with 1.1 million retail stores covering national urban and rural areas. The online channel has covered the mainstream e-commerce platforms through direct selling + distribution, with which we have made every effort to build the flagship stores into a brand promotion window. The Company has actively implemented digital marketing to realize “diversion outside the online channel and sales inside the channel” with the help of each traffic inlet. Meanwhile, in terms of the smart electrical lighting products, the Company has beefed up development and sales in the B-end channels of decoration and engineering projects; and as for the new energy-related products, active efforts have been made to develop B-end operator customers. Additionally, the Company has actively explored emerging markets such as Southeast Asia and markets of developed countries and regions to speed up the global business layout.

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

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

According to the Industry Classification of National Economy (GB/T4754--2017) issued by the National Bureau of Statistics, the main type of the Company's business is assigned to "Manufacturing Industry of C38 Electric Machine and Equipment". Among them, adaptors, wall switches and sockets, and digital accessories are all assigned to the specific type of "3899 Other Not Classified Manufacture of Electric Machine and Equipment". LED lighting is assigned to the specific type of "3872 Manufacture of Lighting Devices". And new energy charging plugs/points fall in the specific type of "3829 Manufacture of Other Power Distribution and Control Facilities".

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

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

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

The Company concentrates on the civil electric industry and always upholds the business philosophy of "Be Professional and Concentrated, and Go Further". Since its establishment in 1995, the Company has gradually formed three main businesses: electric connection, smart electrical lighting and new energy. Relying on excellent product quality and sound word of mouth, the reputation of the Goneo brand has increased constantly and its sales volume has always been leading. During the Reporting Period, the Company won honors such as "National Quality Inspection Trustworthy Product", "National Consumer Quality- and Reputation-Trustworthy Product", and "Quality Leading Brand of the National Civil Electrical Industry". The Company and its wholly-owned subsidiary Goneo Photoelectric both won the second prize of Zhejiang Province Science and Technology Progress Award.

According to the data provided by Info Master, in 2024, the Company's products such as adaptors, wall switches and sockets, new energy vehicle charging points, and new energy vehicle charging plugs had the No. 1 online sales volume on the e-commerce platform of Tmall.

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

Applicable  Not applicable

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

##### **i. Product strength**

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

For long, the Company has attached great importance to research on consumer demand and the innovation of product planning and research. It has always viewed the promotion of consumer experience as the primary goal in product research. The Company has established an integrated innovation system and teams of forward research, product planning and research. It has created and applied all kinds of new technologies, materials and crafts. Through the constant superposition of micro innovation, the Company has promoted a batch of products of electric connection, smart electrical lighting and new energy with new and different characteristics in the aspects of design, performance, technology and function, which are popular among consumers. During 2024, the Company was granted 5 international design awards. By the end of the Reporting Period, it has cumulatively won 94 domestic and international design awards, including Red Dot (Germany), iF (Germany), G-Mark (Japan), IDEA, Red Star (China), AWE, DIA (China), etc. In addition, it has a National Industrial Design Centre recognized by the Ministry of Industry and Information Technology of China.

Each year, the Company formulates a three-year technical plan in a rolling manner, leveraging the organisational structure of the Future Research Institute to plan prospective technologies, key technologies, and product application technologies. It has developed a roadmap for achieving technical development and leadership goals. Concurrently, the Company has actively integrated internal and external resources, collaborating with top-notch universities and consulting firms in areas such as new energy-based electrical products, digital intelligent control, healthy lighting, and AI industrial applications. In 2024, the Company experienced a further boost in technological capabilities, achieving 441 newly authorised patents and four new software copyrights. By the end of the Reporting Period, the Company had accumulated a total of 3,029 valid patents and 72 software copyrights, had been recognised as a national demonstration enterprise in intellectual property rights, and had been approved for establishing a national post-doctoral workstation.

In terms of promoting healthy development of the industry, for years, the Company has participated in drafting 156 national standards, industry standards and association standards. It is the vice chairman unit of the Electrical Accessories and Household Controller Branch of the China Electrical Equipment Industry Association. It is also the vice chairman unit of the National Technical Committee for

Standardization of Electrical Accessories. What's more, it is the first electrical enterprise in the industry to draft the "Made in Zhejiang" standard and attain certification.

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

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

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

With long-term accumulation, the Company has formed an efficient and systematic quality management and control system. It has achieved the management system certification of ISO9001, ISO14001, OHSAS18001, IATF16949, and AS9100D for its relevant business operations. Besides, it has been successively awarded over 20 prizes related to quality such as "National Qualified Products of Stable Quality", "Products with Reliable Quality", "Demonstration Enterprise of Export Quality and Safety in China", "Famous Brand Products in Zhejiang" and "Ningbo Mayor Quality Award".

**ii. Marketing strength**

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

Supported by the offline marketing network of more than 1.1 million outlets covering urban and rural areas, as well as a professional online marketing network, the Company has established a marketing system featuring coordinative online and offline channels in the civil electrical industry. Over

the years, with an innovative offline sales model featuring “distribution, delivery, visit and sales”, it has developed in China more than 750,000 hardware channel retailers (including hardware stores, grocery stores, office supplies stores, supermarkets and so on), more than 120,000 specialized decoration and lamp decoration retailers, and more than 250,000 digital accessories channel retailers. These channels have expanded the selling points to stores, large market places, professional markets in urban and rural areas, forming an offline marketing network hard to be duplicated. At the same time, the Company has established a professional e-commerce direct selling operational team and an online distributor system with strong ability. Nowadays, the Company has comprehensively entered the leading e-commerce platforms such as Tmall, Taobao, JD.com, Vipshop, Pinduoduo, and so on. It has dozens of authorized online distributors. On the basis of maintaining the sales on traditional e-commerce platforms, the Company also worked on hobby and content-oriented e-commerce channels to strengthen its brand presence while driving sales. According to the data provided by Info Master, in 2024, the Company’s products such as adaptors, wall switches and sockets, new energy vehicle charging points, and new energy vehicle charging plugs had the No. 1 online sales volume on the e-commerce platform of Tmall.

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

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

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

### **iii. Operational strength**

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

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

The Company has constantly improved the lean, automated and digitalized manufacturing capabilities and established an industrial automatic team of integrated research, design and manufacturing. The independent development and design, and the assembly application capability of automatic devices and smart assembly devices have constantly improved. The flexible production mode of "man-machine integration" has been promoted rapidly. With the help of a leading automatic stereoscopic warehouse and smart sorting shipment system, the Company has achieved the mechanization and automation of warehouse work, which greatly improves the speed of distribution and delivery, and the customer response ability. The automatic stereoscopic warehouse has efficiently connected the front-end automatic production. The smart manufacturing system for the whole process of feedstock -- production -- storage -- shipment has been established. Meanwhile, by comprehensively upgrading the MES system and integrating ERP, QMS, PLM and other hardware and software systems, the Company has achieved digitalized whole-process information monitoring and management of "integrated design and manufacturing, automated production and processing, transparent production process, and precise logistics control", providing solid support for the sustainable development of the Company's business.

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

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

## V Major Operations during the Reporting Period

For the Reporting Period, operating revenue increased 7.24% year on year to RMB16.831 billion and the net profit attributable to the Company's shareholders amounted to RMB4.272 billion, up 10.39% from the previous year.

### i. Analysis of Principal Operations

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

			Unit: RMB
Item	2024	2023	Change (%)
Operating revenue	16,830,541,086.13	15,694,755,606.24	7.24
Cost of sales	9,551,809,101.31	8,914,184,532.27	7.15
Selling expense	1,369,414,932.93	1,070,438,160.60	27.93
Administrative expense	732,045,842.50	626,198,552.51	16.90
Finance costs	-118,167,719.43	-108,510,345.64	Not applicable
R&D expense	745,510,215.17	673,427,386.61	10.70
Net cash generated from/used in operating activities	3,730,346,896.27	4,827,282,098.55	-22.72
Net cash generated from/used in investing activities	-706,309,760.89	-3,434,383,521.90	Not applicable
Net cash generated from/used in financing activities	-3,522,305,034.80	-1,987,046,180.27	Not applicable

The change in operating revenue was primarily driven by the increased sales in the year.

The change in cost of sales was primarily driven by the fluctuations of bulk material prices and internal cost reduction.

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

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

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

The change in finance costs was primarily driven by the decreased bank loans in the year.

The change in net cash generated from/used in operating activities was primarily driven by the decreased advance payments from customers in the year.

The change in net cash generated from/used in investing activities was primarily driven by the increased redeemed amount of financial products that became due in the year.

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

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

Applicable  Not applicable

#### 2. Revenue and cost analysis

Applicable  Not applicable

In 2024, the electric connection business continued to drive product upgrades, strengthened Goneo as a trendy and high-end brand, and achieved solid growth. The smart electrical lighting business created a trendy and high-end product ecosystem, vigorously promoted the channel reform featuring "flagship stores + new retail model", and achieved sustained growth across economic cycles. The new energy business swiftly enriched product offerings, increased competitiveness across the board, such as technology, supply chain, and channels, and achieved leapfrog development.

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

Unit: RMB

Principal operations by operating division						
Operating division	Operating revenue	Cost of sales	Gross profit margin (%)	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
Civil electrical appliances	16,791,878,289.65	9,526,307,901.26	43.27	7.16	7.04	Up by 0.06 percentage point
Principal operations by product category						
Product category	Operating revenue	Cost of sales	Gross profit margin (%)	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
Electric connection products	7,683,488,616.28	4,535,787,243.96	40.97	4.01	3.87	Up by 0.08 percentage point
Smart electrical lighting products	8,330,943,960.24	4,483,681,242.98	46.18	5.42	4.70	Up by 0.37 percentage point
New energy products	777,445,713.13	506,839,414.32	34.81	104.75	102.72	Up by 0.65 percentage point
Principal operations by operating segment						
Operating segment	Operating revenue	Cost of sales	Gross profit margin (%)	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
Domestic	16,552,406,241.76	9,326,318,407.84	43.66	6.83	6.32	Up by 0.27 percentage point
Overseas	239,472,047.89	199,989,493.42	16.49	36.75	57.07	Down by 10.80 percentage points

Notes:

1) During the year, the electric connection business recorded operating revenue of RMB7.683 billion, up 4.01% year on year; and a cost of sales of RMB4.536 billion, up 3.87% year on year. As the core of the Company, the electric connection business continued to drive product upgrades, strengthened Goneo as a trendy and high-end brand, and achieved solid growth.

2) During the year, the smart electrical lighting business recorded operating revenue of RMB8.331 billion, up 5.42% year on year; and a cost of sales of RMB4.484 billion, up 4.70% year on year. The smart electrical lighting business created a trendy and high-end product ecosystem, vigorously promoted the channel reform featuring "flagship stores + new retail model", and achieved sustained growth across economic cycles.

3) During the year, the new energy business recorded operating revenue of RMB777 million, up 104.75% year on year; and a cost of sales of RMB507 million, up 102.72% year on year. The new energy business swiftly enriched product offerings, increased competitiveness across the board, such as technology, supply chain, and channels, and achieved leapfrog development.

## (2) Output and unit sales analysis

√ Applicable □ Not applicable

Primary products	Unit	Output	Unit sales	Inventory	YoY change in output (%)	YoY change in unit sales (%)	YoY change in inventory (%)
Electricity connecting products	0,000 pieces	59,637.49	58,552.70	4,456.73	-3.70	-0.98	-5.26
Smart electrical lighting products	0,000 pieces	126,716.90	97,211.04	8,557.02	33.96	6.41	38.85
New energy products	0,000 pieces	134.91	126.04	14.71	109.68	119.27	151.83

Notes:

- 1) The inventory of electric connection products decreased slightly in the period compared with last year.
- 2) The inventory of smart electrical lighting products increased in the period compared with last year, primarily driven by the year-end stocking.
- 3) The unit sales of new energy products showed a significant increase compared with last year, mainly due to the strong sales of these products.

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

□ Applicable √ Not applicable

## (4) Cost analysis

Unit: RMB

By operating division							
Operating division	Cost category	2024	As % of total costs in 2024 (%)	2023	As % of total costs in 2023 (%)	Change in amount (%)	Note
Civil electrical appliances	Direct materials	7,740,932,060	81.04	7,137,885,744.17	80.07	8.45	
	Direct labor cost	617,003,243	6.46	616,271,427.08	6.91	0.12	
	Manufacturing expense	1,168,372,598	12.23	1,145,310,116.91	12.85	2.01	

Notes:

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

**(5) Changes to the consolidation scope due to changed ownership in principal subsidiaries in the Reporting Period**√ Applicable  Not applicable

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

**(6) Significant changes to the business scope or product or service range in the Reporting Period** Applicable √ Not applicable**(7) Major customers and suppliers****A. Major customers**√ Applicable  Not applicable

Sales to the top five customers stood at RMB1,404.1508 million, accounting for 8.36% of the total annual sales. Sales to the related-parties among the top five customers stood at RMB0, accounting for 0% of the total annual sales.

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

 Applicable √ Not applicable**B. Major suppliers**√ Applicable  Not applicable

Purchases from the top five suppliers stood at RMB2,175.3162 million, accounting for 17.00% of the total annual purchases. Purchases from the related-parties among the top five suppliers stood at RMB0, accounting for 0% of the total annual purchases.

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

 Applicable √ Not applicable**3. Expense**√ Applicable  Not applicable

Item	Unit: RMB			
	2024	2023	Amount of change	Change (%)
Selling expense	1,369,414,932.93	1,070,438,160.60	298,976,772.33	27.93
Administrative expense	732,045,842.50	626,198,552.51	105,847,289.99	16.90
Finance costs	-118,167,719.43	-108,510,345.64	-9,657,373.79	Not applicable
R&D expense	745,510,215.17	673,427,386.61	72,082,828.56	10.70

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

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

(3) R&amp;D expense increased primarily driven by the increased salaries for R&amp;D personnel and direct investments.

(4) Finance costs decreased primarily driven by the decreased bank loans in the year.

**4. R&D investments****(1) R&D investments**√ Applicable  Not applicable

	Unit: RMB
Expensed R&D investments in the period	745,510,215.17
Capitalized R&D investments in the period	/
Total R&D investments	745,510,215.17
Total R&D investments as % of operating revenue	4.43
Capitalized R&D investments as % of total R&D investments	/

**(2) R&D personnel**

√ Applicable □ Not applicable

Number of R&D personnel	1,650
R&D personnel as % of total employees	12.48
Educational background of R&D personnel	
Educational background	Number of employees
Doctoral degree	2
Master's degree	142
Bachelor's degree	987
Junior colleges	451
Senior high school and below	68
Age structure of R&D personnel	
Age	Number of employees
Below 30 (exclusive)	387
30-40 (inclusive of 30 and exclusive of 40)	898
40-50 (inclusive of 40 and exclusive of 50)	335
50-60 (inclusive of 50 and exclusive of 60)	27
60 and beyond	3

**(3) Other information**

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

**5. Cash flows**

√ Applicable □ Not applicable

	Unit: RMB			
Item	2024	2023	Amount of change	Change
Net cash generated from/used in operating activities	3,730,346,896.27	4,827,282,098.55	-1,096,935,202.28	-22.72%
Net cash generated from/used in investing activities	-706,309,760.89	-3,434,383,521.90	2,728,073,761.01	Not applicable
Net cash	-3,522,305,034.80	-1,987,046,180.27	-1,535,258,854.53	Not

generated from/used in financing activities				applicable
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(1) Net cash generated from operating activities increased primarily driven by the decreased advance payments from customers in the year.

(2) Net cash generated from investing activities decreased primarily driven by the increased redeemed amount of financial products that became due in the year.

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

## ii. Significant changes in profit incurred by non-core business

Applicable  Not applicable

## iii. Analysis of assets and liabilities

Applicable  Not applicable

### 1. Assets and Liabilities

Unit: RMB

Item	Closing amount	As % of closing total assets (%)	Opening amount	As % of opening total assets (%)	Change (%)	Note
Held-for-trading financial assets	9,215,000,000.00	44.96	9,727,000,000.00	49.22	-4.26	
Derivative financial assets	10,010,725.00	0.05	8,263,755.00	0.04	0.01	
Receivables financing	8,118,100.48	0.04	5,359,014.96	0.03	0.01	
Prepayments	71,041,713.00	0.35	56,229,933.95	0.28	0.07	
Other receivables	14,247,382.42	0.07	11,433,179.13	0.06	0.01	
Other current assets	124,773,108.67	0.61	109,982,385.06	0.56	0.05	
Construction in progress	316,734,623.80	1.55	806,585,458.56	4.08	-2.53	
Right-of-use assets	31,309,235.19	0.15	18,802,451.89	0.10	0.05	
Short-term borrowings	282,663,754.75	1.38	588,344,176.01	2.98	-1.6	
Other payables	639,246,264.15	3.12	705,060,906.64	3.57	-0.45	
Current portion of non-current liabilities	13,165,325.36	0.06	406,959,339.77	2.06	-2	
Deferred income	63,551,756.57	0.31	68,417,470.86	0.35	-0.04	
Other non-current liabilities	95,355,810.02	0.47	86,411,741.16	0.44	0.03	
Paid-in capital (or share capital)	1,292,158,890.00	6.31	891,540,875.00	4.51	1.8	
Other comprehensive	21,880,910.00	0.11	13,570,498.15	0.07	0.04	

income						
Surplus reserves	646,079,445.00	3.15	562,217,890.93	2.84	0.31	

**Other notes:**

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

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

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

Prepayments increased primarily driven by the increased advance expense payments.

Other current assets increased primarily driven by the increased prepaid value added tax and corporate income tax.

Construction in progress decreased primarily driven by the transfer of construction in progress to fixed assets in the period.

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

Short-term borrowings decreased primarily driven by the repayment of borrowings in the period.

Other payables decreased primarily driven by the decreased sales discount accruals.

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

Deferred income decreased primarily driven by the amortization of government grants in the period.

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

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

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

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

**2. Overseas assets**

Applicable  Not applicable

**(1) Value of assets**

Of which: overseas assets stood at RMB51,896,986.13, accounting for 0.25% of the total assets.

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

Applicable  Not applicable

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

Applicable  Not applicable

For details, please refer to “31. Assets with restricted ownership or right to use” under “VII Notes to the Consolidated Financial Statements” of “Part X Financial Statements”.

**4. Other information**

Applicable  Not applicable

**iv. Industry environment analysis**

Applicable  Not applicable

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

**v. Investments made****Equity investments in other entities**

Applicable  Not applicable

**1. Significant equity investments**

Applicable  Not applicable

**2. Significant non-equity investments**

Applicable  Not applicable

For details, please refer to “22. Construction in progress” in “VII Notes to the Consolidated Financial Statements” of “Part X Financial Statements”.

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

Applicable  Not applicable

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

Securities investments:

Applicable  Not applicable

Notes to securities investments:

Applicable  Not applicable

Investments in private equity funds:

Applicable  Not applicable

Derivatives investments:

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

Other information:

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

The Company's specific hedging methods are described below:

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

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

Additionally, the Company, in accordance with its risk management strategy, hedges certain raw materials such as silver, aluminium, and tin. However, due to factors such as quantity conversion, the

hedging may not be highly effective after futures closing, resulting in ineffective hedging portions being included in return on investment.

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

Applicable  Not applicable

#### vi. Sale of significant assets and equity investments

Applicable  Not applicable

#### vii. Principal subsidiaries

Applicable  Not applicable

Unit: RMB'0,000

Full name of subsidiary	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Net profit
Ningbo Goneo Electrics Co., Ltd.	Household appliances manufacturing; manufacturing of mechanical and electrical equipment; manufacturing of distribution switch control equipment; lighting apparatus manufacturing; general merchandising of hardware products; electrical materials manufacturing; manufacturing of electronic components and electromechanical components and equipment; manufacturing of intelligent home consumption equipment; communication equipment manufacturing; network equipment manufacturing; IoT equipment manufacturing; technical services, technical development, technical consulting, technical communication, technical transfer, and technical promotion (business activities shall be conducted independently in accordance with laws with the business license, except the items that require approval in accordance with laws). Items permitted: Import and export of products; and import and export of technologies (business activities that require approval in accordance with laws shall be subject to the approval by relevant authorities. Specific	10,000	562,256.11	336,156.91	498,013.00	179,776.94

	business items are indicated on the approval results).					
Ningbo Goneo Precision Manufacturing Co., Ltd.	Manufacturing, processing and sales of mold, plastic products, hardware accessories, and electronic components.	10,000	105,987.36	17,285.11	306,735.59	9,045.48
Ningbo Goneo Electric Sales Co., Ltd.	General merchandising, retailing and online sales of electrical materials, electronic products, hardware products, household appliances, communication apparatus, lamps, and articles of everyday use; import and export businesses of self-owned and commissioned goods and technologies (excluding those limited or prohibited by state laws and regulations). (business activities that require approval in accordance with laws shall be subject to the approval by relevant authorities)	10,000	187,146.63	20,738.65	424,239.70	29,943.32
Ningbo Goneo Marketing Co., Ltd.	Wholesale of hardware, sales of electrical accessories, sales of household appliances, sales of communication equipment, sales of electronic products, sales of daily necessities, sales of special equipment for lighting apparatus production, sales of mechanical and electrical equipment, sales of lighting apparatus, sales of general merchandise, sales of lamps, sales of wind and power tools, sales of metal tools, wholesale of electronic components, sales of plastic products, sales of motor vehicle chargers, sales of charging points, sales of household goods, installation services for household appliances (business activities shall be conducted independently in accordance with laws with the business license, except the items that require approval in accordance with laws).	1,000	111,951.81	19,381.27	1,162,843.81	32,149.31

New subsidiaries

Unit: RMB'0,000

Full name	Principal activities	How it was	Registered	Closing net	Net profit in
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of subsidiary		obtained	capital	assets	the period
Goneo Vietnam	1. Wholesale of power distribution switch equipment, wires, cables, and connectors; appliances and appliance accessories; electric light sources and lighting lamps; pneumatic and metal tools, power tools, plastic products, hardware accessories, and electronic components; household appliances and communication equipment; photovoltaic equipment, energy storage, potassium batteries, electric vehicle charging stations and chargers and related products; 2. Design, research and development of photovoltaic equipment, energy storage, potassium batteries, electric vehicle charging stations and chargers and related products; 3. Provision of assembly, technical support, technical consulting and other services.	Incorporated	USD750 thousand	552.39	19.48

### viii. Structured entities controlled by the Company

Applicable  Not applicable

## VI Discussion and Analysis on the Company's Future Development

### i. Industry landscape and trends

Applicable  Not applicable

According to the National Bureau of Statistics, the national GDP grew by 5.0% year on year in 2024; the national per capita disposable income reached RMB41,314 in 2024, up by 5.3% year on year; the national per capita consumption expenditure for the year was RMB28,227, up by 5.3% compared to the previous year; the urbanization rate of the resident population was 67.00% at the end of the year, up by 0.84 percentage points compared to the end of the previous year. In 2024, China's real estate market continued to benefit from policy easing, including the relaxation of purchase and loan restrictions and the implementation of special policies to ensure the timely delivery of homes. These adjustments led to the stabilization of the real estate market in core cities, with the demand for housing upgrades being gradually released, effectively stabilizing market expectations.

With a stronger focus of consumers on the home light health, light environment and light effect, intelligent no-main-lamp lighting with light quality are gaining more and more popularity and enter gradually into the mass market and become a trend from the previous commercial lighting and high-end home decoration field. Driven by innovations in LED lighting technology, improvements in light source quality, and the rapid advancement of AI and IoT technologies, smart, healthy, and integrated

no-main-lamp lighting systems are expected to become the preferred family lighting solutions, offering enhanced products and experiences. After incubation and cultivation, the Company's no-main-lamp lighting business has adopted a dual-brand-driven strategy and initially built up differentiated core competencies in hardware and software products, channels, supply chain, etc. In the future, the Company will continue to promote business synergies, seize the minds of consumers, and achieve ground-breaking development.

The integration of AI and IoT technologies is accelerating the development of integrated smart ecosystems in China's smart home industry. According to data from AVC, the market penetration rate of smart home systems in China's refined decoration market reached 29.6% in 2024, reflecting a 9.2% year-on-year increase. The brand pattern of the smart home industry has not yet been formed, and there is a huge market space behind the rapid development. As the core of the smart home system, the lighting control system has obvious user interaction perception and high usage frequency. The Company makes intelligent no-main-lamp lighting and self-developed control system the entry point, and integrates with smart door locks, smart curtain machines, smart clothes drying racks and other ecosystem product categories to provide household solutions of safe electricity use, which will be an important development direction and a differentiated competitive edge for the smart electrical lighting business.

According to the China Association of Automobile Manufacturers, the production and sales of new energy vehicles (NEVs) in China reached 12.888 million and 12.866 million, respectively, in 2024, growing by 34.4% and 35.5% year-on-year. The market penetration rate for NEVs reached 40.92%, marking an increase of 9.32 percentage points compared to 2023. By the end of 2024, the number of new energy vehicles in China totaled 31.4 million, accounting for 8.90% of the total vehicle population. The rapid development of new energy vehicles necessitates parallel advancements in charging infrastructure. According to the Guiding Opinions on Further Establishing a High-Quality Charging Infrastructure System issued by the State Council, a high-quality charging infrastructure system featuring wide coverage, an appropriate scale, a reasonable structure, and well-improved functions is expected to be preliminarily established by 2030 to support the development of the new energy vehicle industry. Seizing this momentum, the Company swiftly completed the layout of new energy vehicle charging plugs and points for both individual consumers and operators, experiencing a business leap. Anticipating the future transformation in energy structures, the Company has entered the emerging energy storage sector. Leveraging the strengths of domestic supply chains in this sector, the Company has taken the lead in promoting household-oriented smart energy systems in Europe, a region with tight energy supplies and ample future market potential. Domestically, the Company has promoted energy storage systems for industrial and commercial users. Meanwhile, the Company will accelerate product innovation and technology reserves, proactively explore new business directions, meet the storage and charging needs of more user groups in a wider variety of scenarios, and seize the historical opportunities of the development of the new energy industry.

## ii. Development strategies of the Company

Applicable  Not applicable

With the vision of “Becoming a Leader in the International Civil Electrical Industry”, the Company will grasp every opportunity in the changing times and accelerate the implementation of the smart ecosystem, new energy and internationalization strategies. It will continue to build comprehensive competitive edges in product, marketing and operational strengths, with an aim to provide consumers with more and better electrical products and services.

## iii. Business plans

Applicable  Not applicable

In order to achieve its operating goals in 2025, the Company will work on the following priorities:

### **1. Electric connection business: Continuously iterating and innovating products, expanding product lines overseas**

The adaptor business will focus on meeting new scene demands while promoting iterative innovation in products such as track sockets, embedded sockets, and “New Fashion” sockets. The digital accessories business will emphasize scene integration and functional integration, further expanding the ecosystem for strong and weak current connection services. The power tools business will continue to diversify its product line and accelerate market share growth.

### **2. Smart electrical lighting business: Driving industry upgrades through high-end fashion technology and innovation focused on health and intelligence**

The wall switch business will continue innovating products based on ultra-thin, smart, and home decoration trends to cater to segmented market needs. Products such as “whole-house Wi-Fi sockets” and “toggle switches” will further promote high-end fashion upgrades, enhancing the Company’s competitive edge. The LED lighting business will continue with the strategy of whole-house healthy lighting, with dual-brand operations under the Goneo and Murora brands. The Company will accelerate the development and innovation of healthy, comfortable lighting, light efficiency, and MOS-home intelligent control systems to cater to high-end, quality consumer groups, thereby enhancing its position in the industry. The household appliances, circuit breakers, and other ecosystem businesses will focus on innovation to differentiate and create unique offerings within traditional categories, providing consumers with high-quality, one-stop home decoration products. Further marketing innovations will deepen the development of all-category flagship stores and new retail models, strengthening distributor-driven marketing and delivery services to offer consumers richer, smarter, and higher-quality pre-installed home electrical products.

### **3. New energy business: Enhancing product innovation and customer service capabilities to consolidate industry leadership**

The new energy charging business will follow industry trends, accelerating the launch of the “Skyline” series products, increasing brand recognition and marketing efforts, and reinforcing Goneo’s leadership in the personal charging point market both online and offline. The Company will continue accelerating technological breakthroughs and product innovations in ultra-fast charging, fast charging,

and group charging, establishing comprehensive customer service capabilities for delivery, installation, and operation and maintenance. This will provide strategic large clients and operator customers with reliable products and timely services. In the energy storage business, the Company will focus on the European household energy storage market, accelerating localized product, channel, and organizational innovation. The Company aims to capitalize on industry cycles and explore differentiated, sustainable development paths.

**4. Focusing on emerging markets, Europe, and cross-border e-commerce markets: Building localized operational capabilities**

In 2025, the Company will continue to concentrate on emerging markets, Europe, and cross-border e-commerce, seeking high-quality global partners. Through product co-creation and co-building marketing networks, the Company will quickly integrate resources to establish localized sales and service capabilities. The Company will also focus on expanding adaptors, strong and weak current connections, power tools, smart lighting, and smart ecosystem products internationally, leveraging Goneo's strengths in product safety, fashion, and uniqueness to solidify its presence in emerging markets. The Company will aim for breakthroughs in the European household energy storage market and accelerate the expansion of its charging business.

**5. Continuing to promote innovation in BBS, full-value chain digital transformation, and talent strategy: Improving operational levels**

In 2025, BBS will undergo a transformation and upgrade to adopt a three-in-one management approach that emphasizes lean growth and leadership innovation. The Company will deepen digitalization and AI+ applications across the entire value chain, from production to supply and sales. Additionally, the Company will accelerate talent acquisition to meet strategic needs, improving talent coverage and satisfaction, providing solid support for business and organizational development.

**iv. Possible risks**

Applicable  Not applicable

1. Risk associated with the sluggish macroeconomic growth

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

2. Risk of intensified market competition

The civil electrical industry demonstrates full market competition. There are not only many domestic enterprises, but also some famous international brands. Meanwhile, adaptors, wall switches

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

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

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

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

According to the differences and changes of consumers' purchasing habits, the Company continued to improve the layout of channels. Regarding channels such as the B-end business with engineering projects as the core, the vehicle after-markets for new energy charging plugs/points, and B-end operators, the Company remains in a stage of developing and building capabilities. Meanwhile, the Company is in the early stage of business expansion in overseas markets and needs to gradually build up its competitive edges; and the increasing uncertainty in international trade has also posed new challenges to the Company's market planning and business development. The possibility that the development of new channels and markets will fail to reach expectation cannot be excluded.

5. Risk of fluctuations in main material prices

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

**v. Other information**

Applicable  Not applicable

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

Applicable  Not applicable

## Part IV Corporate Governance

### I Overview of Corporate Governance

Applicable  Not applicable

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

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

The Company has established a sound corporate governance system, forming a "1+3+N" governance system composed of "Articles of Association + Rules of Procedure for Three Meetings + Various Special Governance Systems". During the year, in accordance with the revisions to the Company Law, the Guidelines for the Articles of Association of Listed Companies, etc., the Company revised its Articles of Association in conjunction with the actual operation, as well as issued the Rules for the Appointment of Accounting Firm and the Market Value Management Rules, effectively safeguarding the standardised operation of the Company's General Meeting of Shareholders, Board of Directors, Supervisory Committee, executives and key internal control departments.

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

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

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

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

## III General Meetings of Shareholders

Meeting	Date	Index to disclosed resolutions	Disclosure date	Resolutions
The First Extraordinary General Meeting of Shareholders in 2024	January 5, 2024	www.sse.com.cn (the website of the Shanghai Stock Exchange)	January 6, 2024	The following resolutions were passed: Proposal on the Remuneration Plan for the Third Board of Directors Members Proposal on the Remuneration Plan for the Third Supervisory Committee Members Proposal on Amendments to the Articles of Association Proposal on Amendments to the Rules of Procedure for General Meetings of Shareholders Proposal on Amendments to the Rules of Procedure for the Board of Directors Proposal on Amendments to the Rules of Procedure for the Supervisory Committee Proposal on Amendments to the Work Rules for Independent Directors Proposal on Amendments to the Management Methods for the Use of Raised Funds Proposal on the Use of Equity Funds for Entrusting Wealth Management Proposal on the Conclusion of Some Investment Projects with Raised Funds and the Use of the Surplus Raised Funds for Permanent Replenishment of Working Capital Proposal on the Election of Non-Independent Directors for the Third Board of Directors Proposal on the Election of Independent Directors for the Third Board of Directors Proposal on the Election of Non-Staff Supervisors for the Third Supervisory Committee
The 2023 Annual General Meeting of	May 20, 2024	www.sse.com.cn (the website of the Shanghai Stock Exchange)	May 21, 2024	The following resolutions were passed: Proposal on the Work Report of the Board of Directors in 2023 Proposal on the Work Report of the

Shareholders				Supervisory Committee in 2023 Proposal on the Financial Final Account Report of 2023 Proposal on the Annual Report and its Summary for 2023 Proposal on the Plan for Profit Distribution and a Bonus Issue from Capital Reserves for 2023 Proposal on Amendments to the Articles of Association Proposal on the Renewal of the Annual Auditor for 2024 Proposal on the Establishment of the “Accountants Firm Selection Policy” Proposal on the Restricted Share Incentive Plan for 2023 (Draft) and its Summary Proposal on the Management Measures for the Assessment of the Restricted Share Incentive Plan for 2024 Proposal on the Request to the General Meeting of Shareholders to Authorize the Board of Directors to Handle Share Incentive-Related Matters Proposal on the 2024 Special Talent Stockholding Plan (Draft) and Its Summary Proposal on the Management Methods for the 2024 Special Talent Stockholding Plan Proposal Requesting the Shareholders’ Meeting to Authorize the Board of Directors to Handle Related Matters of the 2024 Special Talent Stockholding Plan
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Extraordinary general meetings of shareholders convened at the request of preference shareholders with resumed voting rights:

Applicable  Not applicable

Notes to general meetings of shareholders:

Applicable  Not applicable

For details, please refer to the Announcement on the Resolutions of the First Extraordinary General Meeting of Shareholders in 2024 (Announcement No.: 2024-002), and the Announcement on the Resolutions of the 2023 Annual General Meeting of Shareholders (Announcement No.: 2024-037) published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

**IV Directors, Supervisors and Senior Management****i. Shareholding changes and remunerations of incumbent directors, supervisors and senior management and those who resigned before the end of their tenures during the Reporting Period**

√ Applicable □ Not applicable

Unit: share

Name	Office title	Gender	Age	Start of tenure	End of tenure	Opening shareholding (share)	Closing shareholding (share)	Change in shareholding in the Reporting Period (share)	Reason for change	Total pre-tax remuneration received from the Company in the Reporting Period (RMB' 0,000)	Remuneration received from any of the Company's related parties (yes/no)
Ruan Liping	Chairman of the Board and President	Male	61	2017-12-23	2027-1-4	143,693,654	208,355,798	64,662,144	Bonus issue from capital reserves	297.47	No
Ruan Xueping	Vice Chairman of the Board	Male	53	2017-12-23	2027-1-4	125,901,758	182,557,549	56,655,791	Bonus issue from capital reserves	248.00	No
Zhou Wenchuan	Director	Female	41	2021-5-20	2027-1-4	0	0	0		0	Yes
Liu Shengsong	Director, Senior Vice President and Board Secretary	Male	55	2017-12-23	2027-1-4	152,048	165,469	13,421	Bonus issue from capital reserves, and shareholding reduction	266.47	No
	Chief Financial Officer			2024-1-5	2027-1-4						
Zhou Zhenghua	Director and Senior	Male	53	2017-12-23	2027-1-4	196,993	229,190	32,197	Bonus issue from capital	288.65	No

	Vice President								reserves, and shareholding reduction		
Xie Weiwei	Director	Male	45	2024-1-5	2027-1-4	110,853	160,736	49,883	Bonus issue from capital reserves	269.89	No
Chen Zhen	Independent Director	Female	67	2024-1-5	2027-1-4	0	0	0		19.78	Yes
Li Gang	Independent Director	Male	61	2024-1-5	2027-1-4	0	0	0		19.78	Yes
Li Jianbin	Independent Director	Male	46	2024-1-5	2027-1-4	0	0	0		19.78	No
Yu Yingqi	Chairman of the Supervisory Committee	Male	48	2024-1-5	2027-1-4	19,920	0	-19,920	Bonus issue from capital reserves, and share repurchase and retirement	172.47	No
Wei Lingpeng	Supervisor	Male	48	2024-1-5	2027-1-4	28,200	17,989	-10,211	Bonus issue from capital reserves, share repurchase and retirement, and shareholding reduction	93.24	No
He Min	Employee Supervisor	Male	42	2024-1-5	2027-1-4	9,132	0	-9,132	Bonus issue from capital reserves, and share repurchase and	81.69	No

									retirement		
Li Guoqiang	Senior Vice President	Male	58	2017-12-23	2027-1-4	244,008	353,812	109,804	Bonus issue from capital reserves	223.70	No
Cai Yingfeng	Director and Senior Vice President (former)	Male	62	2017-12-23	2024-1-5	288,066	353,202	65,136	Bonus issue from capital reserves, and shareholding reduction	2.43	No
Xie Tao	Independent Director (former)	Male	62	2017-12-23	2024-1-5	0	0	0		0.26	No
Zhang Zeping	Independent Director (former)	Male	52	2017-12-23	2024-1-5	0	0	0		0.26	No
He Hao	Independent Director (former)	Female	49	2017-12-23	2024-1-5	0	0	0		0.26	No
Shen Huiyuan	Chairman of the Supervisory Committee (former)	Male	61	2017-12-23	2024-1-5	178,593	215,960	37,367	Bonus issue from capital reserves, and shareholding reduction	2.60	No
Guan Xuejun	Supervisor (former)	Male	47	2017-12-23	2024-1-5	89,297	0	-89,297	Bonus issue from capital reserves, and shareholding reduction	2.27	No
Li Yu	Employee Supervisor (former)	Male	42	2017-12-23	2024-1-5	44,648	64,740	20,092	Bonus issue from capital reserves	0.97	No
Zhang Lina	Senior Vice President	Female	65	2017-12-23	2024-1-5	121,264	127,077	5,813	Bonus issue from capital	1.63	No

	and Chief Financial Officer (former)								reserves, and shareholding reduction		
Total	/	/	/	/	/	271,078,434	392,601,522	121,523,088	/	2,011.60	/

Name	Main work experience
Ruan Liping	Born in 1964, Bachelor's degree, Chinese nationality, with permanent residence in Singapore and a Hong Kong Identity Card. He once served as an engineer at Hangzhou Mechanical Design Institute of the Ministry of Water Resources, and Chairman of the Board and President of Goneo Group Co., Ltd. (the former private company). He is currently the Chairman of the Board and President of Goneo Group. Also, he is the General Manager of Goneo Photoelectric, and the Executive Director of Liangji Industrial, among others.
Ruan Xueping	Born in 1972, junior secondary education, Chinese nationality, with permanent residence in Singapore and a Hong Kong Identity Card. He once served as the Production Manager of Cixi Goneo, Vice Chairman of the Board of Goneo Group Co., Ltd. (the former private company). He is currently the Vice Chairman of the Board of Goneo Group. Also, he is the Executive Director of Cixi Goneo, and the Supervisor of Liangji Industrial.
Liu Shengsong	Born in 1970, Bachelor's degree, engineer, Chinese nationality, no permanent residence abroad. He once served as the Director's Assistant of the Science and Technology Department of Kmk Group, Senior Manager of Midea Group Co., Ltd., Director of strategic operations and Deputy General Manager of the Business Division of AUX Group Co., Ltd., President's Assistant and General Manager of the Business Division of Jiangxi Zhengbang Technology Co., Ltd., and Vice President of Goneo Group Co., Ltd. He is currently a director, Senior Vice President, General Manager of the International Division, Board Secretary, and Chief Financial Officer of Goneo Group, with the professional qualification of Board Secretary of the Shanghai Stock Exchange.
Zhou Zhenghua	Born in 1972, Master's degree, Chinese nationality, no permanent residence abroad. He once served as a technician of incoming material quality control (IQC) at Zhongshan Kawa Electronic(Group)Co., Ltd., the Managing Officer of quality control (QC) at One Earth Group Limited, General Manager of the product company of Midea Group Co., Ltd., and Vice President of Goneo Group Co., Ltd. (the former private company). He is currently a director and Senior Vice President of Goneo Group, as well as General Manager of the Wall Switch Division of Goneo Group.
Xie Weiwei	Born in 1979, Master's degree, Chinese nationality and no permanent residence abroad. He previously served as Operations Manager at Hi-P Shanghai Home Appliance Co., Ltd., Global Operations Manager at Dell (China) R&D Center, Supply Chain Development Manager at Motorola (China) Co., Ltd., Operations Director at Flex Precision Manufacturing Co., Ltd., Vice President of Goneo Group, and General Manager of Converter Business Unit. Currently he serves as Director, Vice President, and General Manager of New Energy Division at Goneo Group Co., Ltd.
Zhou Wenchuan	Born in 1983, Master's degree, Ph.D. in progress, permanent resident of Hong Kong. She is currently the President of Meilleure Health International Group, General Manager of Shenzhen Xiaozhou Investment Co., Ltd., a member of the Standing Executive Committee of Shenzhen Federation of Industry & Commerce (Chamber of Commerce), and a director of Goneo Group.
Chen Zhen	Born in 1957, Master's degree, Chinese nationality, and no permanent residence abroad. She previously served as Director of Legal Affairs Office of Zhejiang Provincial Electric Power Bureau and is currently the Founder and Director of Zhejiang Sunshine Era Law Firm, Vice Chairman of Legal Branch of China Electricity Enterprise Association, Vice Chairman of China Energy Law Research Association, Deputy Director of

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

Other information:

Applicable  Not applicable

**ii. Offices held by incumbent directors, supervisors and senior management and those who resigned before the end of their tenures during the Reporting Period**

**1. Offices held concurrently in shareholding entities**

√ Applicable □ Not applicable

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

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

√ Applicable □ Not applicable

Name	Other entity	Office held in other entity	Start of tenure	End of tenure
Ruan Liping	Wuhan Zhongjia Hongyi Technology Information Industrial Park Co., Ltd.	Director	January 2019	Currently ongoing
Ruan Liping	Ningbo Goneo Precision Manufacturing Co., Ltd.	General Manager	September 2015	Currently ongoing
Ruan Liping	Ningbo Meishan Bonded Port Shuojin Investment Management Co., Ltd.	Executive Director	November 2017	Currently ongoing
Ruan Liping	Cixi Goneo Electrics Co., Ltd.	General Manager	January 2008	Currently ongoing
Ruan Liping	Wuhan Fenjin Power Tech Co., Ltd.	Executive Director	December 2006	Currently ongoing
Ruan Liping	Dalitek Intelligent Technology (Shanghai) Inc.	Chairman of the Board	October 2021	Currently ongoing
Ruan Liping	Ningbo Goneo Photoelectric Technology Co., Ltd.	General Manager	June 2014	Currently ongoing
Ruan Liping	Qingdao Haili Commercial Appliances Co., Ltd.	Director	May 2009	Currently ongoing
Ruan Liping	Shanghai Minshen Property Co., Ltd.	Vice Chairman of the Board	July 1999	Currently ongoing
Ruan Liping	Shenzhen Goneo Intelligent Information Co., Ltd.	General Manager	July 2022	Currently ongoing
Ruan Xueping	Ningbo Meishan Bonded Port Shuojin Investment Management Co., Ltd.	Supervisor	November 2017	Currently ongoing
Ruan Xueping	Cixi Goneo Electrics Co., Ltd.	Executive Director	January 1995	Currently ongoing
Ruan Xueping	Dalitek Intelligent Technology (Shanghai) Inc.	Supervisor	September 2021	Currently ongoing
Ruan Xueping	Shanghai Minshen Property Co., Ltd.	Director	July 1999	Currently ongoing
Ruan Xueping	Shanghai Dumin Real Estate Co., Ltd.	Vice Chairman of the Board	August 2022	Currently ongoing
Ruan Xueping	Shanghai Minshen Real Estate Management Co., Ltd.	Director	August 2005	Currently ongoing
Liu Shengsong	Wuhan Goneo Investment Management Co., Ltd.	Supervisor	October 2021	Currently ongoing
Liu Shengsong	Shanghai Goneo Information Technology Co., Ltd.	Executive Director	March 2024	Currently ongoing
Liu Shengsong	Wuhan Goneo Venture Capital Co., Ltd.	Supervisor	January 2021	Currently ongoing

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

Wenchuan	Investment Co., Ltd.	Director and General Manager		ongoing
Zhou Wenchuan	Wuhu Ruimei Kunrun Industrial Investment Co., Ltd.	Executive Director and General Manager	September 2023	October 2024
Zhou Wenchuan	Beijing Meiaikang Technology Co., Ltd.	Director	February 2020	Currently ongoing
Zhou Wenchuan	Shenzhen Ruima Biotechnology Co., Ltd.	Director and General Manager	September 2024	Currently ongoing
Zhou Wenchuan	Wuhu Xiaozhou Investment Co., Ltd.	General Manager	October 2019	Currently ongoing
Zhou Wenchuan	Shenzhen Jixiaojian Beauty Technology Service Co., Ltd.	Director	September 2024	Currently ongoing
Zhou Wenchuan	Shenzhen Zhoucheng Investment Co., Ltd.	Director and Manager	July 2024	Currently ongoing
Zhou Wenchuan	Shenzhen Zhoutuo Investment Co., Ltd.	Executive Director and General Manager	June 2024	Currently ongoing

### iii. Remunerations of directors, supervisors and senior management

Applicable  Not applicable

Decision-making procedures for the remuneration of directors, supervisors and senior management personnel	The remuneration of directors and supervisors shall be deliberated and determined by the General Meeting of Shareholders. The remuneration of senior management personnel shall be reviewed and determined by the Board of Directors.
Whether a director recused himself/herself from the Board's discussion of his/her remuneration matters	Not applicable (personal remunerations not discussed)
Details of recommendations issued by the Remuneration and Appraisal Committee or independent directors at any special meeting on matters relating to the remunerations of directors, supervisors and senior management	The Remuneration and Appraisal Committee has approved the proposal on the matters relating to the remunerations of directors and senior management and unanimously agreed to submit the proposal to the Board of Directors and a general meeting of shareholders for review.
Basis for determining the remuneration of directors, supervisors and senior management personnel	Internal directors, supervisors and senior management personnel are paid remuneration in accordance with the specific management positions they hold in the Company, taking into account the Company's business picture, relevant remuneration system and results of performance appraisals. The remuneration of independent directors is based on an allowance system, and directors who do not hold specific management positions in the Company will not receive remuneration.
Actual payment of remuneration for directors, supervisors and senior management personnel	The earnings disclosed in the report represent the actual remuneration of the directors, supervisors and senior management personnel.
Total actual remuneration received by all directors, supervisors and senior	RMB20.116 million

management personnel at the end of the Reporting Period	
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#### iv. Changes of directors, supervisors and senior management

√ Applicable □ Not applicable

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

Notes:

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

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

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

**v. Punishments imposed by securities regulators in the past three years**

Applicable  Not applicable

**vi. Other information**

Applicable  Not applicable

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

Meeting	Date	Resolutions
The First Meeting of the Third Board of Directors	January 5, 2024	<p>The following resolutions were passed:</p> <p>Proposal on the Election of the Company's Chairman and Vice-Chairman</p> <p>Proposal on the Election of Members for the Specialized Committees of the Board of Directors</p> <p>Proposal on the Appointment of Senior Management Personnel and Securities Affairs Representative</p> <p>Proposal on the Continued Use of Part of Idle Raised Funds for Temporary Replenishment of Working Capital</p> <p>Proposal on Applying for a Comprehensive Credit Line with a Bank</p> <p>Proposal on Conducting Large Raw Material Futures Trading</p>
The Second Meeting of the Third Board of Directors	April 25, 2024	<p>The following resolutions were passed:</p> <p>Proposal on the Work Report of the President (General Manager) in 2023</p> <p>Proposal on the Work Report of the Board of Directors in 2023</p> <p>Proposal on the Financial Final Account Report of 2023</p> <p>Proposal on the Annual Report and its Summary for 2023</p> <p>Proposal on the First Quarterly Report 2024</p> <p>Proposal on the Plan for Profit Distribution and Bonus Issue from Capital Reserves for 2023</p> <p>Proposal on Amendments to the Articles of Association</p> <p>Proposal on the Renewal of the Annual Auditor for 2024</p> <p>Proposal on the 2023 Annual Internal Control Evaluation Report</p> <p>Proposal on the 2023 Environmental, Social and Governance Report</p> <p>Proposal on the Special Report on the Deposit and Actual Use of Raised Funds for 2023</p> <p>Proposal on the Evaluation of the 2023 Accounting Firm's Performance</p> <p>The Board of Directors' Proposal on the Independent Directors' Independence Assessment Report</p> <p>Proposal on the Work Report of Independent Directors for 2023</p> <p>Proposal on the Report on the Performance of the Audit and Risk Committee of the Board of Directors for 2023</p> <p>The Board of Directors' Proposal on the Audit and Risk Committee's Supervision Report for the Accounting Firm in 2023</p> <p>Proposal on the Estimated Routine Related-party Transactions of the Company in 2024</p> <p>Proposal on Conducting Foreign Exchange Derivative Trading</p> <p>Proposal on the Repurchase and Cancellation of Certain Restricted Stocks</p> <p>Proposal on the Restricted Share Incentive Plan in 2024 (Draft) and Its Summary</p> <p>Proposal on the Management Measures for the Assessment of the Restricted Share Incentive Plan for 2024</p> <p>Proposal on the Request to the General Meeting of Shareholders to Authorize the Board of Directors to Handle Share Incentive-Related Matters</p> <p>Proposal on the 2024 Special Talent Stockholding Plan (Draft) and Its Summary</p> <p>Proposal on the Management Methods for the 2024 Special Talent Stockholding Plan</p>

		<p>Proposal Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Related Matters of the 2024 Special Talent Stockholding Plan</p> <p>Proposal on the Share Repurchase Plan Through Centralized Bidding Transactions</p> <p>Proposal on Authorizing Management to Handle Share Repurchase-Related Matters</p> <p>Proposal on the "Company's Remuneration Management Policy"</p> <p>Proposal on Establishing the "Accounting Firm Selection Policy"</p> <p>Proposal on Holding 2023 Annual General Meeting of Shareholders</p>
The Third Meeting of the Third Board of Directors	June 6, 2024	<p>The following resolutions were passed:</p> <p>Proposal on the Adjustment of the Repurchase Price and Number of the 2021 Restricted Share Incentive Plan</p> <p>Proposal on the Adjustment of the Repurchase Price and Number for the 2022 Restricted Stock Incentive Plan</p> <p>Proposal on the Adjustment of the Repurchase Price and Number for the 2023 Restricted Stock Incentive Plan</p> <p>Proposal on Adjusting the List of Incentive Targets, the Number of Shares Granted, and the Grant Price for the 2024 Restricted Stock Incentive Plan</p> <p>Proposal on Granting Restrictive Shares to Awardees</p> <p>Proposal on the Achievement of Lifting the Restriction Conditions in the Third Lifting Period of the 2021 Restricted Share Incentive Plan</p> <p>Proposal on the Achievement of Lifting the Restriction Conditions in the Second Lifting Period of the 2022 Restricted Share Incentive Plan</p> <p>Proposal on the Achievement of Lifting the Restriction Conditions in the First Lifting Period of the 2023 Restricted Share Incentive Plan</p>
The Fourth Meeting of the Third Board of Directors	June 24, 2024	<p>The following resolution was passed:</p> <p>Proposal on Adjusting the Purchase Price for the 2024 Special Talent Stockholding Plan</p>
The Fifth Meeting of the Third Board of Directors	August 29, 2024	<p>The following resolutions were passed:</p> <p>Proposal on the 2024 Interim Report and the Summary</p> <p>Proposal on the Special Report on the Deposit and Actual Use of Raised Funds for H1 2024</p>
The Sixth Meeting of the Third Board of Directors	October 30, 2024	<p>The following resolutions were passed:</p> <p>Proposal on the Third Quarterly Report 2024</p> <p>Proposal on the Repurchase and Retirement of Certain Restricted Shares</p>
The Seventh Meeting of the Third Board of Directors	December 26, 2024	<p>The following resolutions were passed:</p> <p>Proposal on the Use of Equity Funds for Entrusting Wealth Management</p> <p>Proposal on the Continued Use of Part of Idle Raised Funds for Temporary Replenishment of Working Capital</p> <p>Proposal on Conducting Large Raw Material Futures Trading</p> <p>Proposal on Applying for a Comprehensive Credit Line with a Bank</p> <p>Proposal on Amendments to the Articles of Association</p> <p>Proposal on Establishing the "Market Value Management Policy"</p> <p>Proposal on Convening the First Extraordinary Shareholders' Meeting of 2025</p>

## VI Performance of Duty by Directors

### i. Attendance of directors at board meetings and general meetings of shareholders during the Reporting Period

Name of director	Independent director or not	Attendance at board meetings						Attendance at general meetings of shareholders
		Total number of board meetings the director was supposed to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings attended through a proxy	Absence	The director failed to attend two consecutive board meetings (yes/no)	Total number of general meetings of shareholders the director was supposed to attend
Ruan Liping	No	7	7	3	0	0	No	2
Ruan Xueping	No	7	7	5	0	0	No	2
Zhou Wenchuan	No	7	7	5	0	0	No	2
Liu Shengsong	No	7	7	3	0	0	No	2
Zhou Zhenghua	No	7	7	5	0	0	No	2
Xie Weiwei	No	7	7	5	0	0	No	2
Chen Zhen	Yes	7	7	5	0	0	No	2
Li Gang	Yes	7	7	6	0	0	No	2
Li Jianbin	Yes	7	7	6	0	0	No	2

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

Applicable  Not applicable

Total number of board meetings convened in the Reporting Period	7
Of which: on-site meetings	0
Meetings convened by way of telecommunication	3
Meetings where on-site attendance and attendance by telecommunication were both allowed	4

**ii. Objections raised by directors on matters of the Company**

Applicable  Not applicable

**iii. Other information**

Applicable  Not applicable

**VII Specialized Committees under the Board of Directors**

Applicable  Not applicable

**i. Members of the specialized committees**

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

**ii. The Audit and Risk Committee held five meetings during the Reporting Period.**

Date	Contents	Important comments and suggestions	Other performance of duties
January 2, 2024	The following resolution was passed: Proposal on Appointing the Chief Financial Officer	The Audit and Risk Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	For details, please refer to the Report of Goneo Group Co., Ltd. On the Duty Performance of the Audit and Risk Committee of the Board of Directors in 2024.
April 19, 2024	The following resolutions were passed: Proposal on the Annual Report and its Summary for 2023 Proposal on the Financial Final Account Report of 2023 Proposal on the First Quarterly Report 2024 Report on the Deposit and Actual Use of Raised Funds for 2023 Proposal on the 2023 Annual Internal Control Evaluation Report Proposal on the 2023 Audit and Inspection Center Work Summary Report Proposal on the 2023 Audit Committee Performance Report The Board of Directors'	The Audit and Risk Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	For details, please refer to the Report of Goneo Group Co., Ltd. On the Duty Performance of the Audit and Risk Committee of the Board of Directors in 2024.

	<p>Proposal on the Audit Committee's Supervision Report on the Accounting Firm's Performance</p> <p>Proposal on the Evaluation of the 2023 Performance of the Accounting Firm</p> <p>Proposal on Establishing the "Accounting Firm Selection Policy"</p> <p>Proposal on the Renewal of the Annual Auditor for 2024</p>		
August 15, 2024	<p>The following resolutions were passed:</p> <p>Proposal on the 2024 Interim Report and the Summary</p> <p>Proposal on the Special Report on the Deposit and Actual Use of Raised Funds for H1 2024</p> <p>Proposal on the 2024 First-Half Audit and Inspection Center Work Summary Report</p>	<p>The Audit and Risk Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.</p>	<p>For details, please refer to the Report of Goneo Group Co., Ltd. On the Duty Performance of the Audit and Risk Committee of the Board of Directors in 2024.</p>
October 22, 2024	<p>The following resolution was passed:</p> <p>Proposal on the Third Quarterly Report 2024</p>	<p>The Audit and Risk Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.</p>	<p>For details, please refer to the Report of Goneo Group Co., Ltd. On the Duty Performance of the Audit and Risk Committee of the Board of Directors in 2024.</p>
December 26, 2024	<p>The meeting listened to the Annual Audit Plan Presented by Pan-China Certified Public Accountants LLP.</p>	<p>The Audit and Risk Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It was briefed on the Annual Audit Plan, and required the Company to provide necessary support for the accounting firm in the annual audit.</p>	<p>For details, please refer to the Report of Goneo Group Co., Ltd. On the Duty Performance of the Audit and Risk Committee of the Board of Directors in 2024.</p>

**iii. The Remuneration and Appraisal Committee held three meetings during the Reporting Period.**

Date	Contents	Important comments and suggestions	Other performance of duties
April 24, 2024	<p>The following resolutions were passed:</p> <p>Proposal on the Restricted Share Incentive Plan in 2024 (Draft) and Its Summary</p> <p>Proposal on the Management Measures for the Assessment</p>	<p>The Remuneration and Appraisal Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the</p>	

	of the Restricted Share Incentive Plan for 2024 Proposal on the 2024 Special Talent Stockholding Plan (Draft) and Its Summary Proposal on the “Company Remuneration Management System” Proposal on the Management Methods for the 2024 Special Talent Stockholding Plan	reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	
June 6, 2024	The following resolutions were passed: Proposal on Granting Restrictive Shares to Awardees Proposal on the Achievement of Lifting the Restriction Conditions in the Third Lifting Period of the 2021 Restricted Share Incentive Plan Proposal on the Achievement of Lifting the Restriction Conditions in the Second Lifting Period of the 2022 Restricted Share Incentive Plan Proposal on the Achievement of Lifting the Restriction Conditions in the First Lifting Period of the 2023 Restricted Share Incentive Plan	The Remuneration and Appraisal Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	
June 24, 2024	The following resolution was passed: Proposal on Adjusting the Purchase Price for the 2024 Special Talent Stockholding Plan	The Remuneration and Appraisal Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full communication and discussion, all proposals were unanimously approved.	

**iv. The Nomination Committee held one meeting during the Reporting Period.**

Date	Contents	Important comments and suggestions	Other performance of duties
January 2, 2024	The Proposal on Nominating the Third Term of Senior Management was approved.	The Nomination Committee carried out its work in strict accordance with laws, regulations and relevant rules and policies with diligence. It put forward relevant opinions based on the reality of the Company. Upon full	

		communication and discussion, all proposals were unanimously approved.	
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**v. Objections**

Applicable  Not applicable

**VIII Risks Detected by the Supervisory Committee**

Applicable  Not applicable

The Supervisory Committee raised no objections during the Reporting Period.

**IX Employees of the parent company and Its Principal Subsidiaries at the Period-end****i. Employees**

Number of in-service employees of the parent company	3,629
Number of in-service employees of principal subsidiaries	9,594
Total number of in-service employees	13,223
Number of retirees to whom the parent company or its principal subsidiaries need to pay retirement pensions	0
<b>Functions</b>	
Function	Employees
Production	8,246
Sales	1,322
Technical	2,037
Financial	171
Administrative	1,447
Total	13,223
<b>Educational background</b>	
Educational background	Employees
Bachelor's degree and above	2,864
Junior college	2,344
Technical secondary school and below	8,015
Total	13,223

**ii. Remuneration policy**

Applicable  Not applicable

In the deep transformation of human resource management, the Company has carried out comprehensive and detailed optimization in compensation and performance management. Through systematic job analysis and iterative updates of the job grading system, the Company has reorganized its job structure to ensure that job settings are more scientifically and reasonably arranged, laying a foundation for future management work. By anchoring key positions to market salary levels, the Company has reviewed the compensation for each level and category of employees, further improving the salary reference lines to ensure that the compensation system is both internally fair and externally competitive. The Company has also established rules for salary matching, ensuring the alignment of “job-person-salary”, allowing employees’ efforts and rewards to match, which helps stimulate their work enthusiasm and creativity. In terms of performance evaluation and incentives, the Company has established a logical connection between organizational and individual performance goals, managing

objectives from top to bottom, motivating employees to strive for organizational goals and achieve them together.

### **iii. Training plans**

Applicable  Not applicable

The Company continues to deepen its employee development and talent cultivation mechanisms, focusing on the needs of talent at different levels, and implementing targeted empowerment strategies to comprehensively improve talent echelon construction. For the management team, based on leadership standards, the Company has developed a tiered, specialized training plan. Through systematic training, practical exercises, and case studies, the Company aims to enhance the strategic thinking, team management, and decision-making abilities of its leaders. Additionally, the Company has refined the qualification standards for professional teams, providing multi-dimensional specialized courses based on job requirements to help employees continually improve in technology, innovation, and industry-leading fields. For the cultivation of young talent, the Company continues to recruit outstanding university graduates and helps them quickly integrate and enhance their comprehensive abilities through diverse methods, including cultural immersion training, mentorship programs, and cross-departmental rotations. Furthermore, the Company places great emphasis on the training of blue-collar skilled workers. For key job functions, the Company enhances the skills of blue-collar workers through theoretical training, practical teaching, and the “master-apprentice” model.

The Company consistently adheres to the principle of “people-oriented and continuous learning”, creating an open and inclusive learning atmosphere, encouraging employees to constantly break through their limits and providing solid talent support for the sustainable development of the Company.

### **iv. Labor outsourcing**

Applicable  Not applicable

## **X Final Dividend Plan and Bonus Issue Plan**

### **i. Formulation, execution and adjustments of the cash dividend policy**

Applicable  Not applicable

#### **1. The cash dividend policy**

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

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

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

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

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

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

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

## 2. Cash dividend payouts during the Reporting Period

As approved at the 2023 Annual General Meeting of Shareholders on May 20, 2024, the 2023 final dividend payout was carried out. Based on the total share capital of 891,540,875 shares minus the 46 shares in the repurchased share account at the record date of the dividend payout (i.e. June 5, 2024), the Company paid out a cash dividend of RMB31 (tax inclusive) per 10 share to its shareholders, with a bonus issue of 4.5 additional shares for every 10 shares held by shareholders from capital reserves. The total amount of the cash dividend payout was RMB2,763,776,569.90 (tax inclusive), accounting for 71.41% of the net profit attributable to the Company's ordinary shareholders during 2023. The dividend payout was completed on June 6, 2024.

### ii. Special statement on the cash dividend policy

Applicable  Not applicable

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

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

Applicable  Not applicable

**iv. Final dividend plan and bonus issue plan for the Reporting Period**√ Applicable  Not applicable

Unit: RMB

Bonus issue from profit (share/10 shares)	/
Cash dividend/10 shares (tax inclusive)	24.00
Bonus issue from capital reserves (share/10 shares)	4.00
Cash dividends (tax inclusive)	3,101,181,160.80
Consolidated net profit attributable to the ordinary shareholders of the listed company	4,272,204,565.03
Cash dividends as % of consolidated net profit attributable to the ordinary shareholders of the listed company	72.59
Cash dividends in form of share repurchase in cash	324,997,324.56
Total dividend amount (tax inclusive)	3,426,178,485.36
Total dividend amount as % of consolidated net profit attributable to the ordinary shareholders of the listed company	80.20

**v. Cash dividends for the last three accounting years**√ Applicable  Not applicable

Unit: RMB

Total cash dividend amount (tax inclusive) for the last three accounting years (1)	7,848,513,625.90
Total amount used to repurchase shares for retirement in the last three accounting years (2)	0.00
Total cash dividend amount and amount used to repurchase shares for retirement for the last three accounting years (3)=(1)+(2)	7,848,513,625.90
Average net profit in the last three accounting years (4)	3,777,016,508.80
Cash dividend payout ratio for the last three accounting years (%) (5)=(3)/(4)	207.80
Net profit attributable to the listed company's ordinary shareholders in the consolidated financial statements of the last accounting year	4,272,204,565.03
Closing retained earnings in the parent company's financial statements of the last accounting year	4,871,650,229.62

**XI Status and Impact of Share Incentive Plans, Employee Shareholding Plan or Other Incentive Measures for Employees****i. Relevant incentive matters disclosed in current announcement with no subsequent progress or change**√ Applicable  Not applicable

Overview	Index to the disclosed information
Grant registration for the 2024 Restricted Stock Incentive Plan	For detailed information, please refer to the Shanghai Stock Exchange website <a href="http://www.sse.com.cn">www.sse.com.cn</a> , where the following documents are disclosed: Goneo Group 2024 Restricted Stock Incentive Plan (Draft) Announcement on Adjusting the List of Incentive Targets, Grant Numbers, and Grant Prices for the 2024 Restricted Stock Incentive Plan (Announcement No: 2024-045) Announcement on the Grant Results of the 2024 Restricted Stock Incentive Plan (Announcement No: 2024-064)

Repurchase and cancellation of restricted stocks under previous incentive plans	<p>For detailed information, please refer to the Shanghai Stock Exchange website <a href="http://www.sse.com.cn">www.sse.com.cn</a>, where the following documents are disclosed:</p> <p>Announcement on the Repurchase and Cancellation of Some Restricted Shares (Announcement No: 2024-021)</p> <p>Announcement on Adjusting the Repurchase Price and Number for the 2021 Restricted Share Incentive Plan (Announcement No: 2024-042)</p> <p>Announcement on Adjusting the Repurchase Price and Number for the 2022 Restricted Share Incentive Plan (Announcement No: 2024-043)</p> <p>Announcement on Adjusting the Repurchase Price and Number for the 2023 Restricted Share Incentive Plan (Announcement No: 2024-044)</p> <p>Announcement on the Implementation of the Repurchase and Cancellation of Some Restricted Incentive Shares (Announcement No: 2024-053)</p> <p>Announcement on the Repurchase and Cancellation of Some Restricted Shares (Announcement No: 2024-073)</p> <p>Announcement on the Implementation of the Repurchase and Cancellation of Some Restricted Incentive Shares (Announcement No: 2024-077)</p>
Lifting of restrictions and listing of restricted stocks under previous incentive plans	<p>For detailed information, please refer to the Shanghai Stock Exchange website <a href="http://www.sse.com.cn">www.sse.com.cn</a>, where the following documents are disclosed:</p> <p>Announcement on the Achievement of the Conditions for Lifting Restrictions for the Third Unlocking Period of the 2021 Restricted Stock Incentive Plan (Announcement No: 2024-047)</p> <p>Announcement on the Achievement of the Conditions for Lifting Restrictions for the Second Unlocking Period of the 2022 Restricted Stock Incentive Plan (Announcement No: 2024-048)</p> <p>Announcement on the Achievement of the Conditions for Lifting Restrictions for the First Unlocking Period of the 2023 Restricted Stock Incentive Plan (Announcement No: 2024-049)</p> <p>Announcement on Lifting Restrictions and Listing of the Second Unlocking Period of the 2022 Restricted Stock Incentive Plan (Announcement No: 2024-054)</p> <p>Announcement on Lifting Restrictions and Listing of the First Unlocking Period of the 2023 Restricted Stock Incentive Plan (Announcement No: 2024-058)</p> <p>Announcement on Lifting Restrictions and Listing for the Third Unlocking Period of the 2021 Restricted Stock Incentive Plan (Announcement No: 2024-061)</p>
Grant registration for the 2024 Special Talent Stockholding Plan	<p>For detailed information, please refer to the Shanghai Stock Exchange website <a href="http://www.sse.com.cn">www.sse.com.cn</a>, where the following documents are disclosed:</p> <p>Goneo Group 2024 Special Talent Stockholding Plan (Draft)</p> <p>Announcement on Adjusting the Purchase Price for the 2024 Special Talent Stockholding Plan (Announcement No: 2024-056)</p> <p>Announcement on Adjusting the Upper Limit of the Stock Scale for the 2024 Special Talent Stockholding Plan (Announcement No: 2024-059)</p> <p>Announcement on the Completion of Non-Transaction Transfer for the 2024 Special Talent Stockholding Plan (Announcement No: 2024-060)</p>

## ii. Incentive Plans undisclosed in current announcements or disclosed but with new progress

Equity Incentive Plans:

Applicable  Not applicable

Other information:

Applicable  Not applicable

Employee stock ownership plans:

Applicable  Not applicable

Other incentive measures:

Applicable  Not applicable

**iii. Equity incentives granted to directors and senior management during the Reporting Period**

Applicable  Not applicable

**iv. Establishment and formulation of appraisal and incentive mechanisms for senior management during the Reporting Period**

Applicable  Not applicable

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

**XII Development and implementation of internal control systems during the Reporting Period**

Applicable  Not applicable

During the Reporting Period, in strict compliance with the Company Law, Securities Law, Code of Corporate Governance for Listed Companies, Guidelines for Evaluation of Enterprise Internal Control and other relevant laws and regulations, the Company continuously established and improved its internal control system and enhanced the level of internal control management. The risk and internal control management organization system, comprising the Audit and Risk Committee, the Internal Audit Department, etc., supervises and evaluates the internal control management of the Company. Through comprehensive risk identification and management, and sound operation and checking of the internal control system, the Company has effectively prevented various risks in its operation, promoted the realization of internal control objectives, and further strengthened compliance in operation.

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

Applicable  Not applicable

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

Applicable  Not applicable

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

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

Applicable  Not applicable

Upon its audit on the effectiveness of the Company's internal control over financial reporting for 2024, Pan-China Certified Public Accountants LLP is of the opinion that the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the Basic Rules on Enterprise Internal Control and other applicable regulations. For further information, see the Independent Auditor's Report on Internal Control for 2024, which has been disclosed together with this Report on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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

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

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

Not applicable

**XVI Other information**

Applicable  Not applicable

## Part V Environmental and Social Responsibility

### I Environmental information

Whether any environment protecting mechanism has been established	Yes
Spending on environmental protection during the Reporting Period (unit: RMB'0,000)	1,305.50

#### i. Description of the environmental protection of the Company and its major subsidiaries that are key emission units as declared by the environmental protection authorities

Applicable  Not applicable

##### 1. Discharge information

Applicable  Not applicable

During the Reporting Period, according to the public announcement of Ningbo Municipal Bureau of Ecology and Environment [Xin Xi Yong Huan Fa {2024} No.16], Goneo Group Co., Ltd. is identified as a key environmental risk control unit. Except for this legal entity, none of the other units within the Group is a key emission unit as declared by the environmental protection authorities.

During the Reporting Period, the Company discharged in strict accordance with the requirements of the implemented pollutant discharge standards, with no environmental pollution incidents and no penalties imposed by the environmental protection authorities. The Group-wide commissioned disposal volume was 787.4 tons of hazardous waste in 2024. The Company's hazardous waste disposal is in compliance with relevant regulations and administrative plans. The concentration and rate of emission of each pollutant meet the concentration limits and rate requirements of the emission standards.

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

Applicable  Not applicable

The Company actively implements a green development strategy, adheres to the concept of green, low-carbon, and ecological development, increases investment in safety and environmental protection, applies green technologies such as energy conservation, environmental protection, and resource recycling, and promotes innovation and transformation in manufacturing processes and business flows. The Company vigorously carries out energy-saving technological improvements and the elimination of outdated, high-energy-consuming equipment, effectively reducing wastewater, waste gas emissions, and noise pollution, while continuously improving the construction of a green manufacturing system. In 2024, the total investment in new environmental protection equipment and operational costs amounted to RMB 13.055 million.

During the reporting period, the Company built new anodizing pollution control facilities. Aluminum anodizing acid mist is filtered through an alkaline spray system and then discharged 15 meters away. The exhaust gas from the sewage treatment plant and acid recovery waste gas is filtered by a two-stage alkaline spray system before being discharged 15 meters away. Nickel-containing wastewater from aluminum anodizing is treated in a two-stage reaction and sedimentation process,

followed by pH adjustment, sand filtration, and then enters the integrated wastewater treatment system. The integrated wastewater treatment system includes secondary reaction, pH adjustment, hydrolysis acidification, A/O (anaerobic-aerobic) process, biochemical sedimentation, and reaction sedimentation. The treated water then enters the reclaimed water system, with the produced water returned to the aluminum anodizing line. The concentrated water is discharged after meeting standards, and the reclaimed water usage rate can reach 60%.

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

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

Applicable  Not applicable

In accordance with the pollutant discharge permits and the requirements of self-monitoring of environmental protection, the Company has formulated the Management System for Self-monitoring of Pollution Sources and regularly carries out self-monitoring work. It commissioned qualified third-party testing units to carry out the annual testing, precisely and orderly testing atmospheric pollution factors such as spraying exhaust, welding exhaust, and injection molding exhaust, as well as noise at the factory boundary, domestic sewage, rainwater, etc., and made sure that the monitoring requirements of pollutant discharge permits were met and that the test reports issued were all within the valid periods.

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

Applicable  Not applicable

**7. Other environmental information that should be disclosed**

Applicable  Not applicable

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

**ii. Environmental protection of companies other than key emission units**

Applicable  Not applicable

**1. Administrative penalties for environmental problems**

Applicable  Not applicable

**2. Other environmental information disclosed with reference to key emission units**

Applicable  Not applicable

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

**3. Reasons for not disclosing other environmental information**

Applicable  Not applicable

**iii. Efforts and results in ecological protection, pollution prevention and environmental responsibility performance**

Applicable  Not applicable

The Company adheres to the business philosophy of “taking the long way with professionalism and devotion” and fulfills its environmental responsibilities seriously. To raise employees’ environmental awareness, the Company organized a knowledge competition for the 2024 “Sixth World Environment Day”, with themes such as “Comprehensively Advancing the Construction of a Beautiful China” and “Reducing Pollution Emissions and Building Green Factories”. The event was conducted in a team competition format, featuring a knowledge contest and environmental protection activities. Award-winning works were displayed, and employees were encouraged.

The newly constructed water reuse system for the anodizing wastewater treatment station has a processing capacity of 300m<sup>3</sup>/day, with a reuse rate of 60%. This reduces wastewater discharge and the resulting pollution to water bodies, turning wastewater into a resource for reuse, achieving the recycling of water resources and sustainable development.

**iv. Measures taken to reduce carbon emissions during the Reporting Period and their effects**

Whether any measure was taken to reduce carbon emissions	Yes
Emissions of CO2 equivalent reduced (unit: ton)	/
Type of carbon reduction measures (for example, use of clean energy in power generation, use of carbon reducing technologies in production processes, development and production of novel products that can help reduce carbon emissions, etc.)	<p>During the Reporting Period, the Company actively enhanced the management and conservation of energy resources and took necessary measures, including vigorously increasing the proportion of clean energy use such as photovoltaic. In 2024, the newly constructed photovoltaic power generation project reached a total installed capacity of 8.64 million kWh, with the total amount of green electricity generated expected to reduce CO2e emissions by 6,887.16 tons. To enhance energy management at the production base, the Company set up a smart energy monitoring system to monitor energy-consuming equipment and provide data analysis and continuous improvement measures. Meanwhile, the Company strengthened the conservation management of water resources, promoted green office and issued office rules, etc.</p> <p>Meanwhile, the Company is vigorously developing its new energy business and has launched various products such as new energy vehicle charging plugs/points, chargers and portable products.</p> <p>As of the report publication date, the Company has completed the 2024 group-wide greenhouse gas verification report, which was certified by the China Quality Certification Center (CQC), actively supporting the national strategy for “carbon peak and carbon neutrality”.</p> <p>During the Reporting Period, the Company’s Western District base achieved first-level energy efficiency station certification for its air compressor energy-saving renovation project. The project received a special fund subsidy from the Ningbo Municipal Energy Bureau for the improvement of energy efficiency in air compressors in 2024, with expected annual energy savings of 5,550 tons of standard coal.</p>

Detailed description:

√ Applicable  Not applicable

For details, please refer to the 2024 Sustainability Report of Goneo Group Co., Ltd. published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

**II Fulfillment of Social Responsibility**

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

√ Applicable  Not applicable

For details, please refer to the 2024 Sustainability Report of Goneo Group Co., Ltd. published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

**ii. Specific efforts in relation to social responsibility**

√ Applicable  Not applicable

Donations and public welfare programs	Number/content	Description
Total spending (RMB'0,000)	3,522.26	
Of which: Funds (RMB'0,000)	3,522.26	
Worth of supplies (RMB'0,000)		
Number of beneficiaries		

Detailed description:

Applicable  Not applicable

For details, please refer to the 2024 Sustainability Report of Goneo Group Co., Ltd. published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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

Applicable  Not applicable

Poverty alleviation and rural revitalization programs	Number/content	Description
Total spending (RMB'0,000)	1,168.09	
Of which: Funds (RMB'0,000)	1,168.09	
Worth of supplies (RMB'0,000)		
Number of beneficiaries	8,755	Rural infrastructure, education support, employment assistance for the disabled in Guanhaiwei Town and Zhangqi Town, Cixi City, Zhejiang Province
Way of helping (through industrial development, employment, educational development, etc.)	Rural infrastructure, education support, employment assistance for the disabled, etc.	

Detailed description:

Applicable  Not applicable

For details, please refer to the 2024 Sustainability Report of Goneo Group Co., Ltd. published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

## Part VI Significant Events

### I Fulfillment of Commitments

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

√ Applicable □ Not applicable

Commitment background	Commitment category	Promisor	Commitment contents	Time of commitment making	Whether there is a deadline for performance	Term of commitment	Whether it is timely and strictly performed	If it is not timely performed, the specific reasons shall be stated	If it is not timely performed, the plan for the next step shall be stated
Commitments related to IPO	Restricted share sales	Ruan Liping, Ruan Xueping, Cai Yingfeng, Liu Shengsong, Zhou Zhenghua, Li Guoqiang, Zhang Lina	Within 36 months from the date of listing of the Company's shares, the promisor will not transfer or entrust others to manage the shares he/she directly or indirectly holds in the Company which were issued before the IPO, nor will the Company repurchase such shares. If the Company's shares directly or indirectly held by the promisor are reduced within two years after the expiry of the lock-up period, the price of such reduction shall not be lower than the issue price (if the Company's shares are subject to ex-rights and ex-dividend matters such as dividend distribution, share bonus and capital reserves to share capital, the issue price will be adjusted ex-rights and ex-dividend, the same below); if the closing price of the Company's shares for 20 consecutive trading days is lower than the issue price within six months after the listing of the Company, or the closing price at the end of six months after the listing is lower than the issue price, the lock-up period for holding the Company's shares will be automatically extended for at least six months. After the expiry of the above-mentioned commitment lock-up period, during my term of office as a director, supervisor or senior management personnel of the Company, if I leave the Company before the expiry of my term of office, during the term of office determined at the time of my assumption of office and within six	6 February 2020	Yes	Within 36 months from the date of listing of the Company's shares	Yes	Not applicable	Not applicable

			months after the expiry of my term of office: 1) I will transfer no more than 25% of the total number of shares of the Company held directly or indirectly by me each year; 2) I will not transfer the shares of the Company held directly or indirectly by me within six months after leaving the Company; 3) iii. I will comply with laws, administrative regulations, departmental rules and regulations, regulatory documents and other regulations for the transfer of shares by directors, supervisors and senior management personnel of the business rules of the stock exchange.						
Restricted share sales	Shen Huiyuan, Guan Xuejun, Li Yu		Within 36 months from the date of listing of the Company's shares, the promisor will not transfer or entrust others to manage the shares he/she directly or indirectly holds in the Company which were issued before the IPO, nor will the Company repurchase such shares. After the expiry of the above-mentioned commitment lock-up period, during my term of office as a director, supervisor or senior management personnel of the Company, if I leave the Company before the expiry of my term of office, during the term of office determined at the time of my assumption of office and within six months after the expiry of my term of office: 1) I will transfer no more than 25% of the total number of shares of the Company held directly or indirectly by me each year; 2) I will not transfer the shares of the Company held directly or indirectly by me within six months after leaving the Company; 3) iii. I will comply with laws, administrative regulations, departmental rules and regulations, regulatory documents and other regulations for the transfer of shares by directors, supervisors and senior management personnel of the business rules of the stock exchange.	6 February 2020	Yes	Within 36 months from the date of listing of the Company's shares	Yes	Not applicable	Not applicable
Settlement of horizontal competition	Liangji Industrial		(1) The company and companies or other organizations controlled by the company are not engaged in the same or similar business as the issuer and its subsidiaries, with no horizontal competition. (2) The company and companies or other organizations controlled by the company will not engage in the same or similar business as the existing business of the issuer and its subsidiaries in any form outside China, including not investing in, acquiring or merging with companies or	6 February 2020	No	Not applicable	Yes	Not applicable	Not applicable

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

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

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

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

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

Forecast reached  Forecast unreached  Not applicable

**iii. Fulfillment of performance commitments and the impact on goodwill impairment tests**

Applicable  Not applicable

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

Applicable  Not applicable

**III Irregularities in the Provision of Guarantees**

Applicable  Not applicable

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

Applicable  Not applicable

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

**i. Reasons for accounting policy or estimate changes and the impact**

Applicable  Not applicable

**ii. Reasons for correction of material accounting errors and the impact**

Applicable  Not applicable

**iii. Communications with the former CPA firm**

Applicable  Not applicable

**iv. Approval process and other information**

Applicable  Not applicable

**VI Appointment and Dismissal of CPA Firm**

Unit: RMB'0,000

	In service
Name of the domestic CPA firm	Pan-China Certified Public Accountants LLP
The Company's payment to the domestic CPA firm	286
How many years the domestic CPA firm has provided audit service for the Company	12
Name of certified public accountants of the domestic CPA firm	Yao Benxia, and Chen Zhuoyan
How many years the certified public accountants of the domestic CPA firm have provided audit service for the Company	Yao Benxia: 2 years Chen Zhuoyan: 2 years

Note: The audit fees of the Company for the year 2024 amounted to RMB2,860,000, of which the audit fee for the financial statements of the Company for the year 2024 amounted to RMB2,260,000, the internal control audit fee amounted to RMB500,000 and the raised funds authentication fee amounted to RMB100,000.

	Name	Payment

CPA firm for the audit of internal control	Pan-China Certified Public Accountants LLP	50
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Appointment and dismissal of CPA firm:

Applicable  Not applicable

As resolved by the 2023 Annual General Meeting of Shareholders, the Company decided to re-appoint Pan-China Certified Public Accountants LLP as the independent auditor for the financial statements and internal control of 2024.

Change of the CPA firm during the audit:

Applicable  Not applicable

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

Applicable  Not applicable

## VII Delisting Risk

### i. Reasons for the delisting risk warning

Applicable  Not applicable

### ii. The Company's response

Applicable  Not applicable

### iii. Risk of termination of listing and the reasons

Applicable  Not applicable

## VIII Insolvency and Reorganization

Applicable  Not applicable

## IX Significant Legal Matters

The Company has material litigation and arbitration this year

The Company has no material litigation and arbitration this year

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

Applicable  Not applicable

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

Applicable  Not applicable

## XII Major Related-Party Transactions

### i. Continuing related-party transactions

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

Applicable  Not applicable

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

Applicable  Not applicable

The Proposal on Estimated Continuing Related-Party Transactions for 2024 was approved at the Second Meeting of the Third Board of Directors. For details, please refer to the Announcement on

Estimated Continuing Related-Party Transactions for 2024 (Announcement No. 2024-019) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn). For the actual execution of the aforesaid estimated related-party transactions, see the Announcement on Estimated Continuing Related-Party Transactions for 2025 (Announcement No. 2025-014).

**3. Undisclosed in current announcement**

Applicable  Not applicable

**ii. Related-party transactions regarding purchase or sale of assets or equity investments**

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

Applicable  Not applicable

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

Applicable  Not applicable

**3. Undisclosed in current announcement**

Applicable  Not applicable

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

Applicable  Not applicable

**iii. Major related-party transactions regarding joint investments in third parties**

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

Applicable  Not applicable

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

Applicable  Not applicable

**3. Undisclosed in current announcement**

Applicable  Not applicable

**iv. Amounts due to and from related parties**

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

Applicable  Not applicable

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

Applicable  Not applicable

**3. Undisclosed in current announcement**

Applicable  Not applicable

**v. Financial transactions between the Company and related finance companies, or between finance companies under the Company's control and related parties**

Applicable  Not applicable

**vi. Other information**

Applicable  Not applicable

### **XIII Major Contracts and the Execution**

#### **i. Entrustment, Contracting and Leases**

##### **1. Entrustment**

Applicable  Not applicable

##### **2. Contracting**

Applicable  Not applicable

##### **3. Leases**

Applicable  Not applicable

**ii. Guarantees**

Applicable  Not applicable

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

Applicable  Not applicable

Unit: RMB

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount
Bank's financial product	Self-funded	8,180,000,000.00	434,000,000.00	
Trust company's financial product	Self-funded	4,880,000,000.00	3,400,000,000.00	
Securities firm's financial product	Self-funded	4,481,000,000.00	5,381,000,000.00	

Other information:

Applicable  Not applicable

**(2) Single Wealth Management Entrustment**

Applicable  Not applicable

Other information:

Applicable  Not applicable

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

Applicable  Not applicable

**2. Entrustment loans****(1) Total entrustment loans**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**(2) Single entrustment loans**

Applicable  Not applicable

Other information:

Applicable  Not applicable

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

Applicable  Not applicable

**3. Other information**

Applicable  Not applicable

**iv. Other significant contracts**

Applicable  Not applicable

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

Applicable  Not applicable

**i. Overall use of raised funds**

Applicable  Not applicable

Unit: RMB'0,000

Source of raised funds	Raised funds availability date	Total raised funds	Net proceeds (1)	Total committed investment amount of raised funds in the prospectus or offering statement (2)	Total amount of over-subscribed funds (3)=(1)-(2)	Cumulative amount of raised funds invested as of the period-end (4)	Of which: Cumulative amount of over-subscribed funds invested as of the period-end (5)	Cumulative investment progress with raised funds as of the period-end (%) (6)=(4)/(1)	Cumulative investment progress with over-subscribed funds as of the period-end (%) (7)=(5)/(3)	Investment amount in the period (8)	Investment amount in the period as % of net proceeds (9)=(8)/(1)	Total amount of re-purposed raised funds
Initial	January	356,700.0	350,320.8	350,320.8		336,247.36		95.98		61,945.86	17.68	129,996.12

Public Offering of Shares	22, 2020	0	5	5								
Total	/	356,700.00	350,320.85	350,320.85		336,247.36		/	/	61,945.86	/	129,996.12

Other information:

Applicable  Not applicable

**ii. Details of raised funds invested projects**

Applicable  Not applicable

**1. Use of raised funds**

Applicable  Not applicable

Unit: RMB'0,000

Source of raised funds	Project name	Project nature	Whether a committed investment project in the prospectus or offering statement	Re-purposed or not	Total planned investment amount of raised funds (1)	Investment amount in the period	Cumulative amount of raised funds invested as of the period-end (2)	Cumulative investment progress as of the period-end (%) (3) = (2)/(1)	Date when the project is ready for its intended use	Project concluded or not	Whether investment progress meets the plan	Specific reasons for investment progress not meeting the plan	Earning in the period	Cumulative earnings or R&D results	Significant change in project feasibility	Remaining amount
Initial Public Offering of Shares	Base construction project for annual output of 410 million sets of wall switches and sockets	Production and construction	Yes	No	75,452.86	6,293.46	57,265.96	75.90	February 2026	No	No	Due to the large overall engineering volume of the investment project, the construction period is long, and there are many uncontrollable factors during the project construction.	N/A	N/A	No	

													Therefore, the construction and filing of the investment project have been adversely affected, resulting in an overall delay in the project progress compared to the plan.				
Initial Public Offering of Shares	Construction project for automation upgrading of annual output of 400 million sets of adaptors	Production and construction	Yes	Yes. This project has been cancelled.	58,883.63	14.15	47,851.03	81.26	November 2023	Yes	Yes		87,353.92	89,762.18	No	9,777.57	
Initial Public Offering of Shares	Construction project for a base with annual output of 180 million sets of LED lamps, and R&D centre and headquarters	Production and construction	Yes	Yes. This is a new project.	115,203.61	27,322.05	113,507.78	98.53	February 2025	No	No	Due to the large overall engineering volume of the investment project, the construction period is long, and there are many uncontrollable factors during the project construction, resulting in an overall delay in the project progress compared to the plan.	N/A	N/A	No		

Initial Public Offering of Shares	Information technology promotion project	Operation and management	Yes	No	16,035.00	3,313.09	14,351.25	89.50	February 2026	No	No	As the Company undergoes digital transformation and upgrading, the demand for information systems is continuously increasing and adjusting. Meanwhile, due to the need for a large amount of time for system implementation stage for configuration, testing, debugging, and optimization, the overall implementation progress of the project has been delayed.	N/A	N/A	No	
Initial Public Offering of Shares	Channel end construction and brand promotion project	Operation and management	Yes	No	84,745.75	10,210.60	88,478.83	104.41	August 2024	No	No	As the market environment changes, the Company prudently expends raised funds, leading to a slight delay in the construction progress of this project compared to the original plan.	N/A	N/A	No	

Initial Public Offering of Shares	Replenishing working capital permanently	/	No	No		14,792.51	14,792.51	100.00					N/A	N/A	No	
Total	/	/	/	/	350,320.85	61,945.86	336,247.36	/	/	/	/	/	/	/	/	9,777.57

2. Use of over-subscribed funds

Applicable  Not applicable

**iii. Changes in or termination of raised funds invested projects during the Reporting Period**

Applicable  Not applicable

**iv. Other use of the raised funds during the Reporting Period**

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

Applicable  Not applicable

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

Applicable  Not applicable

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

On January 5, 2024, the First Meeting of the Third Board of Directors and the First Meeting of the Third Supervisory Committee of the Company approved the Proposal on the Use of Part of Idle Raised Funds for Temporary Replenishment of Working Capital, agreeing that the Company would use RMB500 million of temporarily idle raised funds to replenish working capital. The period of use is within 12 months from the expiration of the authorisation of the 16th Meeting of the Second Board of Directors, from February 6, 2023 to February 5, 2024. After the expiration, the Company will promptly return the funds to the dedicated account for raised funds. The Supervisory Committee and the sponsor expressed their consent to the use of part of idle raised funds for temporary replenishment of working capital.

As of December 31, 2024, the balance of idle raised funds that had not yet been returned was RMB123.31 million.

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

Applicable  Not applicable

Unit: RMB'0,000

Date of review by the Board of Directors	Effective approved amount of raised funds used for cash management	Start date	End date	Cash management balance at the period-end	Whether the highest balance exceeded the authorised amount
December 21, 2022	120,000.00	February 6, 2023	February 5, 2024	0	No

4. Other information

Applicable  Not applicable

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

Applicable  Not applicable

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

### I Share Changes

#### i. Share changes

##### 1. Share changes

Unit: share

	Before		Increase/decrease in the period (+/-)					After	
	Shares	Percentage (%)	New issue	Bonus issue from profit	Bonus issue from capital reserves	Other	Subtotal	Shares	Percentage (%)
I Restricted shares	3,559,216	0.40			1,601,647	536,390	2,138,037	5,697,253	0.44
1. Shares held by the state									
2. Shares held by state-owned corporations									
3. Shares held by other domestic investors	3,559,216	0.40			1,601,647	536,390	2,138,037	5,697,253	0.44
Including: Shares held by domestic corporations									
Shares held by domestic individuals	3,559,216	0.40			1,601,647	536,390	2,138,037	5,697,253	0.44
4. Shares held by overseas investors									
Including: Shares held by overseas corporations									
Shares held by overseas individuals									
II Unrestricted shares	887,981,659	99.60			399,591,726	-1,111,748	398,479,978	1,286,461,637	99.56
1. RMB-denominated ordinary shares	887,981,659	99.60			399,591,726	-1,111,748	398,479,978	1,286,461,637	99.56
2. Domestically listed foreign shares									
3. Overseas listed foreign									

shares									
4. Others									
III Total shares	891,540,875	100.00			401,193,373	-575,358	400,618,015	1,292,158,890	100.00

## 2. Description of changes in shares

√ Applicable □ Not applicable

### (1) Capital reserve transfer to share capital

On June 6, 2024, the Company implemented the 2023 annual equity distribution. Based on the total share capital registered on the equity distribution record date, minus the shares in the Company's repurchase special account, the Company proposed to distribute a cash dividend of RMB3.1 per share (before tax) to all shareholders, and to transfer 0.45 shares for every share held to all shareholders from the capital reserve. After this equity distribution, the total share capital of the Company increased from 891,540,875 shares to 1,292,734,248 shares, with restricted shares in circulation increasing from 3,559,216 shares to 5,160,863 shares, and unrestricted shares in circulation increasing from 887,981,659 shares to 1,287,573,385 shares. For more details, please refer to the Goneo Group Co., Ltd. 2023 Annual Equity Distribution Implementation Announcement disclosed on the Shanghai Stock Exchange website [www.sse.com.cn](http://www.sse.com.cn) on May 31, 2024 (Announcement No: 2024-038).

### (2) Repurchase and cancellation of restricted stock under the equity incentive plan

According to the Company's past restricted stock incentive plans, some incentive recipients lost their eligibility due to reasons such as resignation or becoming a supervisor. On June 18, 2024, and December 23, 2024, the Company repurchased and cancelled a total of 575,358 restricted stocks that had been granted but had not yet lifted the trading restrictions. For more details, please refer to the Goneo Group Co., Ltd. Repurchase and Cancellation of Certain Restricted Stocks under the Stock Incentive Plan announcements disclosed on the Shanghai Stock Exchange website [www.sse.com.cn](http://www.sse.com.cn) on June 14, 2024, and December 19, 2024 (Announcement Nos: 2024-053, 2024-077).

### (3) Lifting of restrictions and listing of restricted stocks under the equity incentive plan

In accordance with relevant regulations, the second unlocking period of the 2022 Restricted Stock Incentive Plan has met the lifting conditions, with 559 incentive recipients totaling 804,935 shares eligible for this unlocking. The first unlocking period of the 2023 Restricted Stock Incentive Plan has met the conditions, with 705 incentive recipients totaling 1,172,737 shares eligible for this unlocking. Additionally, the third unlocking period of the 2021 Restricted Stock Incentive Plan has met the conditions, with 428 incentive recipients totaling 349,690 shares eligible for unlocking. After these changes, the total share capital of the Company

remains unchanged, but the restricted shares in circulation decreased by 2,327,362 shares, and the unrestricted shares in circulation increased by 2,327,362 shares. For more details, please refer to the announcements disclosed on the Shanghai Stock Exchange website [www.sse.com.cn](http://www.sse.com.cn) on June 19, 2024, June 26, 2024, and July 10, 2024: Announcement on the Lifting of Restrictions and Listing of the Second Unlocking Period of the 2022 Restricted Stock Incentive Plan (Announcement No: 2024-054), Announcement on the Lifting of Restrictions and Listing of the First Unlocking Period of the 2023 Restricted Stock Incentive Plan (Announcement No: 2024-058), and Announcement on the Lifting of Restrictions and Listing of the Third Unlocking Period of the 2021 Restricted Stock Incentive Plan (Announcement No: 2024-061).

(4) Equity incentive grant (shares from company repurchase)

On July 16, 2024, the Company granted 3,439,110 restricted stocks to 750 incentive recipients under the 2024 Restricted Stock Incentive Plan, with the shares sourced from the Company's repurchased shares. After this change, the total share capital of the Company remains unchanged, but restricted shares in circulation increased from 2,927,145 shares to 6,366,255 shares, while unrestricted shares in circulation decreased from 1,289,551,057 shares to 1,286,111,947 shares. For more details, please refer to the announcements disclosed on the Shanghai Stock Exchange website [www.sse.com.cn](http://www.sse.com.cn) on July 13, 2024, and July 18, 2024: Announcement on the Change in Share Nature and Progress of the 2024 Restricted Stock Incentive Plan (Announcement No: 2024-063) and Announcement on the Grant Results of the 2024 Restricted Stock Incentive Plan (Announcement No: 2024-064).

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

Applicable  Not applicable

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

Applicable  Not applicable

**ii. Change of restricted shares**√ Applicable  Not applicable

Unit: Share

Name of shareholder	Opening restricted shares	Number of shares lifted from restrictions during the year	Number of new restricted shares during the year	Shares repurchased and retired	Closing restricted shares	Reasons for restricted sales	Date of unlocking
Awardees of the 2021 Equity Incentive Plan	251,085	349,690	113,027	14,422	0	Conditions for unlocking the equity incentives are unmet	July 15, 2024
Awardees of the 2022 Equity Incentive Plan	1,170,823	804,935	526,870	146,725	746,033	Conditions for unlocking the equity incentives are unmet	June 21, 2024
Awardees of the 2023 Equity Incentive Plan	2,137,308	1,172,737	961,750	296,181	1,630,140	Conditions for unlocking the equity incentives are unmet	July 1, 2024
Awardees of the 2024 Equity Incentive Plan	0	0	3,439,110	118,030	3,321,080	Conditions for unlocking the equity incentives are unmet	In lockup
Total	3,559,216	2,327,362	5,040,757	575,358	5,697,253	/	/

**II Issuance and Listing of Securities****i. Securities issued during the Reporting Period** Applicable  Not applicable

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

 Applicable  Not applicable**ii. Changes in Total Shares and Shareholder Structure, as well as in Asset and Liability Structures**√ Applicable  Not applicable

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

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

**iii. Existing staff-held shares** Applicable  Not applicable

**III Shareholders and Actual Controller****i. Total number of shareholders**

Number of ordinary shareholders at the period-end	30,882
Number of ordinary shareholders at the month-end prior to the disclosure of this Report	27,482
Number of preference shareholders with resumed voting rights at the period-end	Not applicable
Number of preference shareholders with resumed voting rights at the month-end prior to the disclosure of this Report	Not applicable

**ii. Top 10 shareholders and public shareholders (or unrestricted shareholders) at the period-end**

Unit: share

Top 10 shareholders (exclusive of shares lent in refinancing)							
Full name of shareholder	Shareholding increase/decrease in the Reporting Period	Closing shareholding	Shareholding percentage (%)	Restricted shares held	Shares in pledge, marked or frozen		Nature of shareholder
					Status	Shares	
Ningbo Liangji Industrial Co., Ltd.	215,784,000	695,304,000	53.81		N/A		Domestic non-state-owned corporation
Ruan Liping	64,662,144	208,355,798	16.12		N/A		Domestic individual
Ruan Xueping	56,655,791	182,557,549	14.13		N/A		Domestic individual
Hong Kong Securities Clearing Company Limited	9,325,863	28,110,012	2.18		N/A		Other
Ningbo Ninghui Investment Management Partnership (Limited Partnership)	2,712,587	8,740,559	0.68		N/A		Other
China Merchants Bank Co., Ltd. — Xingquan Herun Mixed Securities Investment Fund	-1,098,971	6,303,095	0.49		N/A		Other
National Social Security Fund—Portfolio 101	3,092,117	4,968,603	0.38		N/A		Other
China Merchants Bank Co., Ltd. — Xingquan Heyi Dynamic Asset Allocation Mixed Securities Investment Fund (LOF)	-866,367	3,634,440	0.28		N/A		Other

Industrial and Commercial Bank of China Limited—Huatai-PineBridge CSI 300 Traded Open-ended Index Securities Investment Fund	2,545,576	3,432,638	0.27		N/A		Other
National Social Security Fund—Portfolio 114	943,792	3,335,000	0.26		N/A		Other
Top 10 unrestricted shareholders (exclusive of shares lent in refinancing)							
Name of shareholder	Unrestricted public shares held	Class and number of shares					
		Class	Number of shares				
Ningbo Liangji Industrial Co., Ltd.	695,304,000	RMB-denominated ordinary stock	695,304,000				
Ruan Liping	208,355,798	RMB-denominated ordinary stock	208,355,798				
Ruan Xueping	182,557,549	RMB-denominated ordinary stock	182,557,549				
Hong Kong Securities Clearing Company Limited	28,110,012	RMB-denominated ordinary stock	28,110,012				
Ningbo Ninghui Investment Management Partnership (Limited Partnership)	8,740,559	RMB-denominated ordinary stock	8,740,559				
China Merchants Bank Co., Ltd.—Xingquan Herun Mixed Securities Investment Fund	6,303,095	RMB-denominated ordinary stock	6,303,095				
National Social Security Fund—Portfolio 101	4,968,603	RMB-denominated ordinary stock	4,968,603				
China Merchants Bank Co., Ltd.—Xingquan Heyi Dynamic Asset Allocation Mixed Securities Investment Fund (LOF)	3,634,440	RMB-denominated ordinary stock	3,634,440				
Industrial and Commercial Bank of China Limited—Huatai-PineBridge CSI 300 Traded Open-ended Index Securities Investment Fund	3,432,638	RMB-denominated ordinary stock	3,432,638				
National Social Security Fund—Portfolio 114	3,335,000	RMB-denominated ordinary stock	3,335,000				
Share repurchase account among the top 10 shareholders	Not applicable						
Shareholders above entrusting/entrusted with or waiving voting rights	Not applicable						
Related or acting-in-concert parties among shareholders above	Ruan Liping and Ruan Xueping are brothers and acting-in-concert parties. They jointly control Ningbo Liangji Industrial Co., Ltd., the Company's controlling shareholder. Ningbo Meishan Bonded Port Area Shuo Jin Investment Management Co., Ltd., under the joint control of Ruan Liping and Ruan Xueping, is an executive partner of Ningbo Ninghui Investment Management Partnership (Limited Partnership), one of the Company's shareholders. Save as disclosed above, the Company is not aware of any other related parties or acting-in-concert parties as defined in the Administration Methods for Acquisition of Listed Companies among the shareholders above.						
Preference shareholders with resumed voting rights and their shareholdings	Not applicable						

5% or greater shareholders, top 10 shareholders and top 10 unrestricted public shareholders involved in refinancing shares lending:

√ Applicable □ Not applicable

Unit: share

5% or greater shareholders, top 10 shareholders and top 10 unrestricted public shareholders involved in refinancing shares lending								
Full name of shareholder	Opening shares in the common account and credit account		Opening shares lent in refinancing and not yet returned		Closing shares in the common account and credit account		Closing shares lent in refinancing and not yet returned	
	Total shares	As % of total share capital	Total shares	As % of total share capital	Total shares	As % of total share capital	Total shares	As % of total share capital
Industrial and Commercial Bank of China Limited—Huatai-PineBridge CSI 300 Traded Open-ended Index Securities Investment Fund	887,062	0.10	9,600	0.001	3,432,638	0.27	0	0

Indicate whether there was any change to the top 10 shareholders or top 10 unrestricted public shareholders due to refinancing shares lending/returning during the Reporting Period compared to the same period of last year.

Applicable  Not applicable

Shareholdings of the top 10 restricted shareholders and the restrictions:

Applicable  Not applicable

Unit: share

No.	Name of restricted shareholder	Restricted shares held	Restricted shares allowed for public trading		Restriction
			Date when public trading is allowed	Increase in restricted shares allowed for public trading	
1	Xie Weiwei	48,155	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
2	Zhou Peifeng	45,156	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
3	Lu Maomao	43,996	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
4	Jiang Jinbiao	39,142	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
5	Cheng Han	36,119	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
6	Deng Cheng	31,854	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
7	Shan Juncheng	30,581	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
8	Zheng Aihua	29,742	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
9	Wang Lingxiao	29,473	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan

10	Jia Lei	28,551	To be unlocked when the conditions for the equity incentives are met		In the lockup period according to the equity Incentive Plan
Related or acting-in-concert parties among shareholders above		None			

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

Applicable  Not applicable

**IV Controlling Shareholder and Actual Controller**

**i. Controlling shareholder**

**1. Corporation**

Applicable  Not applicable

Name	Ningbo Liangji Industrial Co., Ltd.
Legal representative/company principal	Ruan Liping
Date of establishment	November 23, 2011
Principal activities	Investment management
Interests held in other domestically and overseas listed companies in the Reporting Period	Not applicable
Other information	Not applicable

**2. Individual**

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable



**ii. Actual controller**

**1. Corporation**

Applicable  Not applicable

**2. Individual**

Applicable  Not applicable

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

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

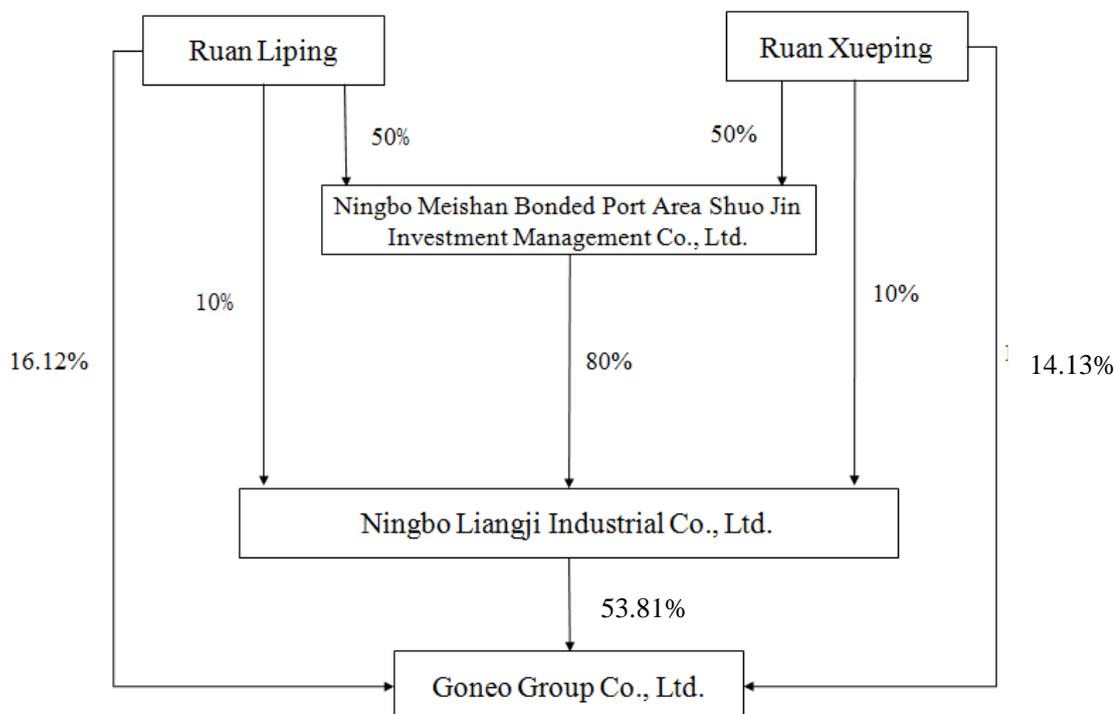
Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable



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

Applicable  Not applicable

**iii. Other information about the controlling shareholder and the actual controller**

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

**VII Restrictions on Shareholding Reduction**

Applicable  Not applicable

**VIII Share Repurchases during the Reporting Period**

Applicable  Not applicable

Unit: RMB

Name of the share repurchase plan	Plan for Share Repurchase on the Open Market
Date of the disclosure of the share repurchase plan	April 26, 2024
Number of shares to be repurchased and that as % of the total share capital	The number of shares to be repurchased is 1,602,600 shares to 2,243,600 shares (calculated based on the upper limit of the repurchase price), accounting for 0.18% to 0.25% of the total share capital.
Amount to be used for the share repurchase	RMB250 million to RMB350 million
Planned repurchase period	April 25, 2024 - April 24, 2025
Purpose of the repurchased shares	The repurchased shares will be used for the Company's equity incentive plans and employee stock ownership plans. If the Company fails to implement the above purposes within three years after the completion of this repurchase, the remaining repurchased shares that have not been transferred (not fully transferred) will be retired.
Number of shares that have been repurchased	As of June 25, 2024, the Company's share repurchase plan has been implemented, and the number of shares repurchased is 3,925,383.
Number of shares that have been repurchased as % of the total underlying shares of the equity incentive plan (if any)	100
Progress on reduction of repurchased shares on the open market	None

Note: For details, please refer to the Announcement of Goneo Group Co., Ltd. on the Results of Share Repurchase and Share Changes (Announcement No.: 2024-057)

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

Applicable  Not applicable

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

### **I Corporate Bonds (Including Enterprise Bonds) and Debt Financing Instruments of Non-financial Enterprise**

Applicable  Not applicable

### **II Convertible Corporate Bonds**

Applicable  Not applicable

## Part X Financial Statements

### I Independent Auditor's Report

Applicable  Not applicable

#### Independent Auditor's Report

PCCPA Audit [2025] No. 7816

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

#### I Opinion

We have audited the financial statements of Goneo Group Co., Ltd. (“Goneo” or the “Company”), which comprise the consolidated and parent company (the parent company exclusive of subsidiaries) balance sheets as at December 31, 2024, the consolidated and parent company statements of income, cash flows and changes in owners' equity for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated and parent company financial position of the Company at December 31, 2024, and the consolidated and parent company operating results and cash flows for the year then ended, in conformity with the Chinese Accounting Standards (CAS).

#### II Basis for Opinion

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

#### III Key Audit Matters

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

##### i. Revenue recognition

##### 1. Description

For relevant information disclosed, please refer to the Notes to the Financial Statements: III xxiv., V ii. 1, and XV i..

The revenue of Goneo Group is mainly derived from electric connection, smart electrical lighting and new energy products. In 2024, Goneo Group achieved operating revenue of RMB16.831 billion.

Goneo Group has identified different specific methods of revenue recognition for different sales methods.

As operating revenue is one of the key performance indicators of Goneo Group, there may be an inherent risk that Goneo Group's management (hereinafter referred to as the "management") will achieve specific objectives or expectations through inappropriate revenue recognition. Therefore, we have identified revenue recognition as a key audit matter.

## 2. Audit response

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

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

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

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

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

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

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

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

## ii. Recognition, measurement and presentation of wealth management products

### 1. Description

For relevant information disclosed, please refer to the Notes to the Financial Statements: III xi., V i. 2, V i. 10, V ii. 8, and X.

As at December 31, 2024, the balance of held-for-trading financial assets of Goneo Group was RMB9,215 million, and the cumulative return on investment for wealth management products in 2024 amounted to RMB541 million. We determined the recognition, measurement and presentation of wealth management products as a key audit matter due to the large amount of wealth management products and

the fact that the return on investment of the relevant products had a significant impact on the net profit of Goneo Group for 2024.

## 2. Audit response

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

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

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

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

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

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

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

## **IV Other Information**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pan-China Certified Public Accountants LLP

Chinese certified public accountant: Yao Benxia  
(engagement partner)

Hangzhou China

Chinese certified public accountant: Chen Zhuoyan

April 23, 2025

**II Financial Statements****Consolidated Balance Sheet**

December 31, 2024

Prepared by Goneo Group Co., Ltd.

Unit: RMB

Item	Note	December 31, 2024	December 31, 2023
<b>Current assets:</b>			
Monetary assets		5,020,380,352.96	4,743,714,425.66
Settlement reserve			
Loans to other banks and financial institutions			
Held-for-trading financial assets		9,215,000,000.00	9,727,000,000.00
Derivative financial assets		10,010,725.00	8,263,755.00
Notes receivable		20,716.39	
Accounts receivable		300,129,129.39	264,754,433.75
Receivables financing		8,118,100.48	5,359,014.96
Prepayments		71,041,713.00	56,229,933.95
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables		14,247,382.42	11,433,179.13
Of which: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories		1,573,672,819.32	1,421,078,059.44
Of which: Data resources			
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets		124,773,108.67	109,982,385.06
Total current assets		16,337,394,047.63	16,347,815,186.95
<b>Non-current assets:</b>			
Loans and advances to customers			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments			
Other equity investments			
Other non-current financial assets			
Investment property			
Fixed assets		3,224,304,800.67	1,986,168,945.03
Construction in progress		316,734,623.80	806,585,458.56
Productive living assets			
Oil and gas assets			
Right-of-use assets		31,309,235.19	18,802,451.89

Intangible assets		332,784,504.01	334,817,972.71
Of which: Data resources			
Development costs			
Of which: Data resources			
Goodwill			
Long-term prepaid expense		35,929,973.15	22,765,692.24
Deferred income tax assets		166,544,345.16	185,493,645.53
Other non-current assets		49,032,961.07	59,756,372.02
Total non-current assets		4,156,640,443.05	3,414,390,537.98
Total assets		20,494,034,490.68	19,762,205,724.93
<b>Current liabilities:</b>			
Short-term borrowings		282,663,754.75	588,344,176.01
Borrowings from the central bank			
Loans from other banks and financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		2,392,046,854.63	2,056,657,805.40
Advances from customers			
Contract liabilities		254,249,946.23	528,493,231.61
Financial assets sold under repurchase agreements			
Customer deposits and deposits from other banks and financial institutions			
Payables for acting trading of securities			
Payables for underwriting of securities			
Employee benefits payable		380,301,850.71	404,816,287.63
Taxes and levies payable		393,467,635.29	311,190,845.43
Other payables		639,246,264.15	705,060,906.64
Of which: Interest payable			
Dividends payable			
Fees and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities		13,165,325.36	406,959,339.77
Other current liabilities		33,044,892.49	68,532,796.91
Total current liabilities		4,388,186,523.61	5,070,055,389.40
<b>Non-current liabilities:</b>			
Insurance contract reserve			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities		18,791,925.77	4,743,227.39
Long-term payables			

Long-term employee benefits payable			
Provisions			
Deferred income		63,551,756.57	68,417,470.86
Deferred income tax liabilities		53,168,103.95	72,166,350.39
Other non-current liabilities		95,355,810.02	86,411,741.16
Total non-current liabilities		230,867,596.31	231,738,789.80
Total liabilities		4,619,054,119.92	5,301,794,179.20
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		1,292,158,890.00	891,540,875.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves		3,284,401,753.57	3,760,751,549.12
Less: Treasury shares		186,706,622.57	165,893,723.38
Other comprehensive income		21,880,910.00	13,570,498.15
Specific reserve			
Surplus reserves		646,079,445.00	562,217,890.93
General reserve			
Retained earnings		10,808,301,315.08	9,383,734,874.02
Total equity attributable to owners (or shareholders) of the parent company		15,866,115,691.08	14,445,921,963.84
Non-controlling interests		8,864,679.68	14,489,581.89
Total owners' equity (or shareholders' equity)		15,874,980,370.76	14,460,411,545.73
Total liabilities and owners' equity (or shareholders' equity)		20,494,034,490.68	19,762,205,724.93

Legal representative: Ruan Liping

Chief Financial Officer: Liu Shengsong

Head of the financial department: Shen Kewei

**Balance Sheet of the Parent Company**

December 31, 2024

Prepared by Goneo Group Co., Ltd.

Unit: RMB

Item	Note	December 31, 2024	December 31, 2023
<b>Current assets:</b>			
Monetary assets		2,070,730,424.69	2,043,009,633.46
Held-for-trading financial assets		3,720,000,000.00	4,930,000,000.00
Derivative financial assets			
Notes receivable			
Accounts receivable		215,670,003.92	279,744,567.07
Receivables financing		4,863,408.95	2,996,611.56
Prepayments		25,207,190.73	80,438,282.35
Other receivables		2,256,550,080.31	1,933,070,108.44
Of which: Interest receivable			
Dividends receivable		1,290,000,000.00	1,100,000,000.00

Inventories		333,463,918.47	351,411,922.28
Of which: Data resources			
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets			50,265,479.45
Total current assets		8,626,485,027.07	9,670,936,604.61
<b>Non-current assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		882,322,609.98	742,389,522.46
Other equity investments			
Other non-current financial assets			
Investment property			
Fixed assets		1,776,303,935.29	964,809,501.44
Construction in progress		161,552,202.20	585,682,503.17
Productive living assets			
Oil and gas assets			
Right-of-use assets		2,238,295.81	3,090,067.64
Intangible assets		228,471,899.53	228,710,136.82
Of which: Data resources			
Development costs			
Of which: Data resources			
Goodwill			
Long-term prepaid expense		34,801,228.09	21,863,048.81
Deferred income tax assets			9,403,769.99
Other non-current assets		39,763,255.82	31,728,444.17
Total non-current assets		3,125,453,426.72	2,587,676,994.50
Total assets		11,751,938,453.79	12,258,613,599.11
<b>Current liabilities:</b>			
Short-term borrowings		12,663,754.75	233,206,211.94
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		70,000,000.00	
Accounts payable		1,190,162,214.22	803,088,395.25
Advances from customers			
Contract liabilities		2,535,200.37	223,654,473.24
Employee benefits payable		118,081,281.08	134,932,917.12
Taxes and levies payable		87,356,333.07	77,900,289.24
Other payables		245,825,508.52	154,649,519.47
Of which: Interest payable			
Dividends payable			
Liabilities directly			

associated with assets held for sale			
Current portion of non-current liabilities		2,054,466.06	385,433,228.70
Other current liabilities		329,576.05	29,075,081.52
Total current liabilities		1,729,008,334.12	2,041,940,116.48
<b>Non-current liabilities:</b>			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities		201,447.16	981,494.50
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		9,731,428.57	14,597,142.86
Deferred income tax liabilities		13,353,410.34	25,671,672.66
Other non-current liabilities		95,355,810.02	86,411,741.16
Total non-current liabilities		118,642,096.09	127,662,051.18
Total liabilities		1,847,650,430.21	2,169,602,167.66
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		1,292,158,890.00	891,540,875.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves		3,281,106,081.53	3,756,252,125.46
Less: Treasury shares		186,706,622.57	165,893,723.38
Other comprehensive income			
Specific reserve			
Surplus reserves		646,079,445.00	562,217,890.93
Retained earnings		4,871,650,229.62	5,044,894,263.44
Total owners' equity (or shareholders' equity)		9,904,288,023.58	10,089,011,431.45
Total liabilities and owners' equity (or shareholders' equity)		11,751,938,453.79	12,258,613,599.11

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

Chief Financial Officer: Liu Shengsong

### Consolidated Income Statement

January-December 2024

Unit: RMB

Item	Note	2024	2023
I Total revenues		16,830,541,086.13	15,694,755,606.24
Of which: Operating revenue		16,830,541,086.13	15,694,755,606.24

Interest income			
Insurance premium income			
Fee and commission income			
II Total costs and expenses		12,413,790,449.55	11,308,534,454.64
Of which: Cost of sales		9,551,809,101.31	8,914,184,532.27
Interest expense			
Fee and commission expense			
Surrenders			
Net insurance claims paid			
Net amount provided as insurance contract reserve			
Expenditure on policy dividends			
Reinsurance premium expense			
Taxes and levies		133,178,077.07	132,796,168.29
Selling expense		1,369,414,932.93	1,070,438,160.60
Administrative expense		732,045,842.50	626,198,552.51
R&D expense		745,510,215.17	673,427,386.61
Finance costs		-118,167,719.43	-108,510,345.64
Of which: Interest expense		17,642,919.79	28,282,578.99
Interest income		135,627,737.79	136,526,600.97
Add: Other income		189,068,481.97	253,389,151.69
Return on investment (“—” for loss)		549,160,107.06	198,690,784.99
Of which: Share of profit or loss of joint ventures and associates			
Income from the derecognition of financial assets at amortized cost			
Exchange gain (“—” for loss)			
Net gain on exposure hedges (“—” for loss)			
Gain on changes in fair value (“—” for loss)			18,200,000.00
Credit impairment loss (“—” for loss)		-3,043,247.87	-61,075,301.86
Asset impairment loss (“—” for loss)		-40,011,850.69	-62,644,874.13
Asset disposal income (“—” for loss)		1,531,409.03	-5,484,474.02
III Operating profit (“—” for loss)		5,113,455,536.08	4,727,296,438.27
Add: Non-operating income		4,813,819.55	2,773,882.97
Less: Non-operating expense		37,813,434.93	193,735,368.88
IV Gross profit (“—” for gross loss)		5,080,455,920.70	4,536,334,952.36
Less: Income tax expense		811,280,009.50	672,008,460.95
V Net profit (“—” for net loss)		4,269,175,911.20	3,864,326,491.41
i. By operating continuity			
1. Net profit from continuing operations (“—” for net loss)		4,269,175,911.20	3,864,326,491.41
2. Net profit from discontinued operations (“—” for net loss)			
ii. By ownership			
1. Net profit attributable to owners of the parent company (“—”		4,272,204,565.03	3,870,135,376.47

for net loss)			
2. Net profit attributable to non-controlling interests (“—” for net loss)		-3,028,653.83	-5,808,885.06
VI Other comprehensive income, net of tax		8,310,411.85	9,180,971.20
i. Other comprehensive income, net of tax attributable to owners of the parent company		8,310,411.85	9,180,971.20
1. Other comprehensive income that will not be reclassified to profit or loss			
(1) Changes caused by remeasurements on defined benefit schemes			
(2) Other comprehensive income that will not be reclassified to profit or loss under the equity method			
(3) Changes in the fair value of other equity investments			
(4) Changes in the fair value arising from changes in own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss		8,310,411.85	9,180,971.20
(1) Other comprehensive income that will be reclassified to profit or loss under the equity method			
(2) Changes in the fair value of other debt investments			
(3) Other comprehensive income arising from the reclassification of financial assets			
(4) Credit impairment allowance for other debt investments			
(5) Reserve for cash flow hedges		8,388,752.98	9,871,936.10
(6) Differences arising from the translation of foreign currency-denominated financial statements		-78,341.13	-690,964.90
(7) Others			
ii. Other comprehensive income, net of tax attributable to non-controlling interests			
VII Total comprehensive income		4,277,486,323.05	3,873,507,462.61
i. Total comprehensive income attributable to owners of the parent company		4,280,514,976.88	3,879,316,347.67
ii. Total comprehensive income attributable to non-controlling interests		-3,028,653.83	-5,808,885.06
VIII Earnings per share:			
i. Basic earnings per share (RMB/share)		3.31	3.01
ii. Diluted earnings per share (RMB/share)		3.31	3.01

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

Legal representative: Ruan Liping

Chief Financial Officer: Liu Shengsong

Head of the financial department: Shen Kewei

### Income Statement of the Parent Company

January-December 2024

Unit: RMB

Item	Note	2024	2023
I Operating revenue		6,150,761,125.24	6,046,213,479.23
Less: Cost of sales		4,393,466,427.96	4,207,217,252.60
Taxes and levies		38,192,498.01	37,871,317.79
Selling expense		66,972,173.78	58,217,696.55
Administrative expense		348,224,000.20	303,182,739.78
R&D expense		280,702,842.99	255,939,611.18
Finance costs		-46,112,546.12	-47,250,144.67
Of which: Interest expense		10,994,150.92	16,635,447.25
Interest income		58,086,127.03	64,458,205.14
Add: Other income		76,039,943.87	72,658,749.79
Return on investment (“—” for loss)		1,783,815,937.42	1,557,162,295.01
Of which: Share of profit or loss of joint ventures and associates			
Income from the derecognition of financial assets at amortized cost			
Net gain on exposure hedges (“—” for loss)			
Gain on changes in fair value (“—” for loss)			18,200,000.00
Credit impairment loss (“—” for loss)		-27,258,045.13	45,336,291.05
Asset impairment loss (“—” for loss)		-28,525,370.84	-65,852,432.40
Asset disposal income (“—” for loss)		-711,794.61	-433,490.70
II Operating profit (“—” for loss)		2,872,676,399.13	2,858,106,418.75
Add: Non-operating income		3,212,970.28	2,221,989.66
Less: Non-operating expense		21,632,517.87	107,961,306.02
III Gross profit (“—” for gross loss)		2,854,256,851.54	2,752,367,102.39
Less Income tax expense		179,862,761.39	158,168,180.44
IV Net profit (“—” for net loss)		2,674,394,090.15	2,594,198,921.95
i. Net profit from continuing operations (“—” for net loss)		2,674,394,090.15	2,594,198,921.95
ii. Net profit from discontinued operations (“—” for net loss)			
V Other comprehensive income, net of tax			
i. Other comprehensive income that will not be reclassified to profit or loss			
1. Changes caused by remeasurements on defined benefit schemes			

2. Other comprehensive income that will not be reclassified to profit or loss under the equity method			
3. Changes in the fair value of other equity investments			
4. Changes in the fair value arising from changes in own credit risk			
ii. Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that will be reclassified to profit or loss under the equity method			
2. Changes in the fair value of other debt investments			
3. Other comprehensive income arising from the reclassification of financial assets			
4. Credit impairment allowance for other debt investments			
5. Reserve for cash flow hedges			
6. Differences arising from the translation of foreign currency-denominated financial statements			
7. Others			
VI Total comprehensive income		2,674,394,090.15	2,594,198,921.95
VII Earnings per share:			
i. Basic earnings per share (RMB/share)			
ii. Diluted earnings per share (RMB/share)			

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

Chief Financial Officer: Liu Shengsong

**Consolidated Cash Flow Statement**  
January-December 2024

Unit: RMB

Item	Note	2024	2023
<b>I Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		18,601,142,796.67	17,836,040,227.21
Net increase in customer deposits and deposits from other banks and financial institutions			
Net increase in borrowings from the central bank			
Net increase in loans from other financial institutions			
Premiums received on original insurance contracts			
Net proceeds from reinsurance			
Net increase in deposits and investments of policy holders			
Interest, fees and commissions received			

Net increase in loans from other banks and financial institutions			
Net increase in proceeds from repurchase transactions			
Net proceeds from acting trading of securities			
Tax and levy rebates		15,786,459.02	15,375,947.44
Cash generated from other operating activities		355,145,443.10	484,470,792.10
Subtotal of cash generated from operating activities		18,972,074,698.79	18,335,886,966.75
Payments for goods and services		9,726,711,927.75	8,552,858,075.92
Net increase in loans and advances to customers			
Net increase in deposits in the central bank and other banks and financial institutions			
Payments for claims on original insurance contracts			
Net increase in loans to other banks and financial institutions			
Interest, fees and commissions paid			
Policy dividends paid			
Cash paid to and for employees		2,423,958,676.60	2,078,209,390.40
Taxes and levies paid		1,855,102,751.85	1,674,790,028.26
Cash used in other operating activities		1,235,954,446.32	1,202,747,373.62
Subtotal of cash used in operating activities		15,241,727,802.52	13,508,604,868.20
Net cash generated from/used in operating activities		3,730,346,896.27	4,827,282,098.55
<b>II Cash flows from investing activities:</b>			
Proceeds from disinvestment			
Return on investment		541,099,431.51	194,153,746.50
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets		8,297,330.40	2,648,921.84
Net proceeds from the disposal of subsidiaries and other business units			
Cash generated from other investing activities		18,922,934,976.07	9,076,568,830.88
Subtotal of cash generated from investing activities		19,472,331,737.98	9,273,371,499.22
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets		938,519,618.43	655,201,996.12
Payments for investments			
Net increase in pledged loans granted			
Net payments for the acquisition of subsidiaries and other business units		31,308,628.23	

Cash used in other investing activities		19,208,813,252.21	12,052,553,025.00
Subtotal of cash used in investing activities		20,178,641,498.87	12,707,755,021.12
Net cash generated from/used in investing activities		-706,309,760.89	-3,434,383,521.90
<b>III Cash flows from financing activities:</b>			
Capital contributions received		120,093,721.20	110,993,059.60
Of which: Capital contributions received by subsidiaries from non-controlling interests			3,800,000.00
Borrowings received		384,244,915.37	1,448,972,102.34
Cash generated from other financing activities		200,662,465.75	
Subtotal of cash generated from financing activities		705,001,102.32	1,559,965,161.94
Repayment of borrowings		1,084,824,646.03	1,312,000,000.00
Interest and dividends paid		2,778,937,711.08	2,011,974,345.06
Of which: Dividends paid by subsidiaries to non-controlling interests			
Cash used in other financing activities		363,543,780.01	223,036,997.15
Subtotal of cash used in financing activities		4,227,306,137.12	3,547,011,342.21
Net cash generated from/used in financing activities		-3,522,305,034.80	-1,987,046,180.27
<b>IV Effect of foreign exchange rate changes on cash and cash equivalents</b>		2,396,099.03	990,633.94
<b>V Net increase in cash and cash equivalents</b>		-495,871,800.39	-593,156,969.68
Add: Cash and cash equivalents, beginning of the period		1,332,186,205.30	1,925,343,174.98
<b>VI Cash and cash equivalents, end of the period</b>		836,314,404.91	1,332,186,205.30

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

Chief Financial Officer: Liu Shengsong

**Cash Flow Statement of the Parent Company**  
January-December 2024

Unit: RMB

Item	Note	2024	2023
<b>I Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		6,789,903,664.01	6,599,093,565.42
Tax and levy rebates			
Cash generated from other operating activities		387,711,977.29	923,317,676.31
Subtotal of cash generated from operating activities		7,177,615,641.30	7,522,411,241.73
Payments for goods and services		4,156,904,683.46	4,234,884,701.23
Cash paid to and for employees		696,229,142.03	664,312,737.79
Taxes and levies paid		405,362,326.28	405,537,370.59

Cash used in other operating activities		753,325,419.33	921,810,410.79
Subtotal of cash used in operating activities		6,011,821,571.10	6,226,545,220.40
Net cash generated from/used in operating activities		1,165,794,070.20	1,295,866,021.33
<b>II Cash flows from investing activities:</b>			
Proceeds from disinvestment			
Return on investment		1,783,805,563.40	2,160,641,473.10
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets		28,460,172.01	13,316,532.29
Net proceeds from the disposal of subsidiaries and other business units			
Cash generated from other investing activities		7,893,810,374.02	4,559,069,155.00
Subtotal of cash generated from investing activities		9,706,076,109.43	6,733,027,160.39
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets		518,751,075.84	343,212,736.25
Payments for investments		81,319,177.80	57,449,318.78
Net payments for the acquisition of subsidiaries and other business units			
Cash used in other investing activities		7,121,346,191.78	6,150,000,000.00
Subtotal of cash used in investing activities		7,721,416,445.42	6,550,662,055.03
Net cash generated from/used in investing activities		1,984,659,664.01	182,365,105.36
<b>III Cash flows from financing activities:</b>			
Capital contributions received		120,093,721.20	107,193,059.60
Borrowings received		116,504,026.48	800,972,102.34
Cash generated from other financing activities			
Subtotal of cash generated from financing activities		236,597,747.68	908,165,161.94
Repayment of borrowings		719,824,646.03	795,000,000.00
Interest and dividends paid		2,775,131,977.52	2,000,859,649.52
Cash used in other financing activities		348,889,665.54	13,237,196.67
Subtotal of cash used in financing activities		3,843,846,289.09	2,809,096,846.19
Net cash generated from/used in financing activities		-3,607,248,541.41	-1,900,931,684.25
<b>IV Effect of foreign exchange rate changes on cash and cash equivalents</b>			
<b>V Net increase in cash and cash equivalents</b>			
Add: Cash and cash equivalents, beginning of the period		-456,794,807.20	-422,700,557.56
		764,837,267.86	1,187,537,825.42

<b>VI Cash and cash equivalents, end of the period</b>		308,042,460.66	764,837,267.86
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Legal representative: Ruan Liping

Head of the financial department: Shen Kewei

Chief Financial Officer: Liu Shengsong

**Consolidated Statements of Changes in Owners' Equity**  
January-December 2024

Unit: RMB

Item	2024													Non-contr olling interests	Total owners' equity
	Equity attributable to owners of the parent company														
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehe nsive income	Speci fic reser ve	Surplus reserves	Gene ral reser ve	Retained earnings	Oth ers	Subtotal		
Prefer ence shares		Perpet ual bonds	Oth ers												
I Balance as at the end of the prior year	891,540,875.00				3,760,751,549.12	165,893,723.38	13,570,498.15		562,217,890.93		9,383,734,874.02		14,445,921,963.84	14,489,581.89	14,460,411,545.73
Add: Adjustments for changes in accounting policies															
Adjustments for correction of previous errors															
Other adjustments															
II Balance as at the beginning of the year	891,540,875.00				3,760,751,549.12	165,893,723.38	13,570,498.15		562,217,890.93		9,383,734,874.02		14,445,921,963.84	14,489,581.89	14,460,411,545.73
III Increase/decrease in the period ("-" for decrease)	400,618,015.00				-476,349,795.55	20,812,899.19	8,310,411.85		83,861,554.07		1,424,566,441.06		1,420,193,727.24	-5,624,902.21	1,414,568,825.03
i. Total comprehensive income							8,310,411.85				4,272,204,565.03		4,280,514,976.88	-3,028,653.83	4,277,486,323.05
ii. Capital increased and reduced by owners	-575,358.00				-75,863,216.77	20,812,899.19							-97,251,473.96	-3,800,000.00	-101,051,473.96
1. Ordinary shares increased by	-575,358.00				-17,207,022.73	317,322.69							-335,105,050.49	-3,800,000.00	-338,905,050.49

owners															
2. Capital increased by other equity holders															
3. Share-based payments recognized in owners' equity					-58,656,194.04	-296,509,770.57							237,853,576.53	237,853,576.53	
4. Others															
iii. Profit distribution								83,861,554.07		-2,847,638,123.97			-2,763,776,569.90	-2,763,776,569.90	
1. Appropriation to surplus reserves								83,861,554.07		-83,861,554.07			0.00		
2. Appropriation to general reserve													0.00		
3. Appropriation to owners (or shareholders)										-2,763,776,569.90			-2,763,776,569.90	-2,763,776,569.90	
4. Others													0.00		
iv. Transfers within owners' equity	401,193,373.00				-401,193,373.00										
1. Increase in capital (or share capital) from capital reserves	401,193,373.00				-401,193,373.00										
2. Increase in capital (or share capital) from surplus reserves															
3. Surplus reserves used to offset loss															
4. Changes in defined benefit schemes transferred to retained earnings															
5. Other															

comprehensive income transferred to retained earnings															
6. Others															
v. Specific reserve															
1. Increase in the period															
2. Used in the period															
vi. Others					706,794.22							706,794.22	1,203,751.62	1,910,545.84	
IV Balance as at the end of the period	1,292,158,890.00				3,284,401,753.57	186,706,622.57	21,880,910.00		646,079,445.00		10,808,301,315.08	15,866,115,691.08	8,864,679.68	15,874,980,370.76	

Item	2023														Non-controlling interests	Total owners' equity
	Equity attributable to owners of the parent company												Subtotal			
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Others				
	Preference shares	Perpetual bonds	Others													
I Balance as at the end of the prior year	601,077,590.00				3,863,547,883.54	129,612,354.00	4,389,526.95		302,797,998.73		7,756,575,284.95	12,398,775,930.17	16,498,466.95	12,415,274,397.12		
Add: Adjustments for changes in accounting policies																
Adjustments for correction of previous errors																
Other																

adjustments															
II Balance as at the beginning of the year	601,077,590.00				3,863,547,883.54	129,612,354.00	4,389,526.95		302,797,998.73		7,756,575,284.95		12,398,775,930.17	16,498,466.95	12,415,274,397.12
III Increase/decrease in the period ("-" for decrease)	290,463,285.00				-102,796,334.42	36,281,369.38	9,180,971.20		259,419,892.20		1,627,159,589.07		2,047,146,033.67	-2,008,885.06	2,045,137,148.61
i. Total comprehensive income							9,180,971.20				3,870,135,376.47		3,879,316,347.67	-5,808,885.06	3,873,507,462.61
ii. Capital increased and reduced by owners	1,946,064.00				185,720,886.58	36,281,369.38							151,385,581.20	3,800,000.00	155,185,581.20
1. Ordinary shares increased by owners	1,946,064.00				94,557,385.41								96,503,449.41	3,800,000.00	100,303,449.41
2. Capital increased by other equity holders															
3. Share-based payments recognized in owners' equity					91,163,501.17	36,281,369.38							54,882,131.79		54,882,131.79
4. Others															
iii. Profit distribution									259,419,892.20		-2,242,975,787.40		-1,983,555,895.20		-1,983,555,895.20
1. Appropriation to surplus reserves									259,419,892.20		-259,419,892.20				
2.															



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

Legal representative: Ruan Liping

Chief Financial Officer: Liu Shengsong

Head of the financial department: Shen Kewei

**Statements of Changes in Owners' Equity of the Parent Company**  
January-December 2024

Unit: RMB

Item	2024										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Others							
I Balance as at the end of the prior year	891,540,875.00				3,756,252,125.46	165,893,723.38			562,217,890.93	5,044,894,263.44	10,089,011,431.45
Add: Adjustments for changes in accounting policies											
Adjustments for correction of previous errors											
Other adjustments											
II Balance as at the beginning of the year	891,540,875.00				3,756,252,125.46	165,893,723.38			562,217,890.93	5,044,894,263.44	10,089,011,431.45
III Increase/ decrease in the period ("-" for decrease)	400,618,015.00				-475,146,043.93	20,812,899.19			83,861,554.07	-173,244,033.82	-184,723,407.87
i. Total comprehensive income										2,674,394.	2,674,394.

Annual Report 2024 of Goneo Group Co., Ltd.

										090.15	090.15
ii. Capital increased and reduced by owners	-575,358.0 0				-75,863,21 6.77	20,812,899 .19					-97,251,47 3.96
1. Ordinary shares increased by owners	-575,358.0 0				-17,207,02 2.73	317,322,66 9.76					-335,105,0 50.49
2. Capital increased by other equity holders											
3. Share-based payments recognized in owners' equity					-138,019,8 45.18	-296,509,7 70.57					158,489,92 5.39
4. Others					79,363,651 .14						79,363,651 .14
iii. Profit distribution									83,861,55 4.07	-2,847,638 ,123.97	-2,763,776 ,569.90
1. Appropriation to surplus reserves									83,861,55 4.07	-83,861,55 4.07	
2. Appropriation to owners (or shareholders)										-2,763,776 ,569.90	-2,763,776 ,569.90
3. Others											
iv. Transfers within owners' equity	401,193,37 3.00				-401,193,3 73.00						
1. Increase in capital (or share capital) from capital reserves	401,193,37 3.00				-401,193,3 73.00						
2. Increase in capital (or share capital) from surplus reserves											
3. Surplus reserves used to offset loss											
4. Changes in defined benefit schemes transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
v. Specific reserve											
1. Increase in the period											
2. Used in the period											
vi. Others					1,910,545. 84						1,910,545. 84
IV Balance as at the end of the period	1,292,158,8 90.00				3,281,106, 081.53	186,706,62 2.57			646,079,4 45.00	4,871,650, 229.62	9,904,288, 023.58

Item	2023										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Others							
I Balance as at the end of the prior year	601,077,59 0.00				3,859,048, 459.88	129,612,35 4.00			302,797,9 98.73	4,693,671, 128.89	9,326,982, 823.50
Add: Adjustments for changes in accounting policies											
Adjustments for correction of previous errors											
Other adjustments											
II Balance as at the beginning of the year	601,077,59 0.00				3,859,048, 459.88	129,612,35 4.00			302,797,9 98.73	4,693,671, 128.89	9,326,982, 823.50
III Increase/ decrease in the period ("-" for decrease)	290,463,28 5.00				-102,796,3 34.42	36,281,369 .38			259,419,8 92.20	351,223,1 34.55	762,028,60 7.95
i. Total comprehensive income										2,594,198, 921.95	2,594,198, 921.95
ii. Capital increased and reduced by owners	1,946,064.0 0				185,720,88 6.58	36,281,369 .38					151,385,58 1.20
1. Ordinary shares increased by owners	1,946,064.0 0				94,557,386 .41						96,503,450 .41
2. Capital increased by other equity holders											
3. Share-based payments recognized in owners' equity					35,125,846 .90	36,281,369 .38					-1,155,522 .48
4. Others					56,037,653 .27						56,037,653 .27
iii. Profit distribution									259,419,8 92.20	-2,242,975 ,787.40	-1,983,555 ,895.20
1. Appropriation to surplus reserves									259,419,8 92.20	-259,419,8 92.20	
2. Appropriation to owners (or shareholders)										-1,983,555 ,895.20	-1,983,555 ,895.20
3. Others											
iv. Transfers within owners' equity	288,517,22 1.00				-288,517,2 21.00						
1. Increase in capital (or share	288,517,22				-288,517,2						

capital) from capital reserves	1.00				21.00						
2. Increase in capital (or share capital) from surplus reserves											
3. Surplus reserves used to offset loss											
4. Changes in defined benefit schemes transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
v. Specific reserve											
1. Increase in the period											
2. Used in the period											
vi. Others											
IV Balance as at the end of the period	891,540,87 5.00				3,756,252, 125.46	165,893,72 3.38			562,217,8 90.93	5,044,894, 263.44	10,089,011 ,431.45

Legal representative: Ruan Liping

Chief Financial Officer: Liu Shengsong

Head of the financial department: Shen Kewei

### III Company Profile

#### 1. Company overview

√ Applicable  Not applicable

Goneo Group Co., Ltd (hereinafter referred to as “the Company” or “Goneo”) is a joint stock company transformed from Goneo Group Limited. It was registered with Ningbo Municipal Market Supervision Administration on 27 December 2017 and is headquartered in Ningbo City, Zhejiang Province. The Company now holds a business license with a unified social credit code of 91330282671205242Y, with a registered capital of RMB1,292,158,900 and a total of 1,292,158,900 shares (each with a par value of RMB1). Among them, there are 5,697,300 restricted public A-shares and 1,286,461,600 unrestricted public A-shares. The Company’s shares were listed for public trading on the Shanghai Stock Exchange on 6 February 2020.

The Company pertains to the electrical machinery and equipment manufacturing industry. It is mainly engaged in the research, development, production and sales of civil electrical products. Products mainly include electric connection products, smart electrical lighting products, new energy products, etc.

These financial statements have been authorized for issue by the Ninth Meeting of the Third Board of Directors of the Company on April 23, 2025.

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

Full name	Abbreviation
Subsidiaries	
Ningbo Goneo Electrics Co., Ltd.	Ningbo Goneo
Ningbo Goneo Photoelectric Technology Co., Ltd.	Goneo Photoelectric
Ningbo Goneo Digital Technology Co., Ltd.	Goneo Digital
Ningbo Goneo Precision Manufacturing Co., Ltd.	Goneo Precision
Ningbo Banmen Electric Appliance Co., Ltd.	Banmen Electric Appliance
Cixi Goneo Electrics Co., Ltd.	Cixi Goneo
Shanghai Goneo Electrics Co., Ltd.	Shanghai Goneo
Goneo International Trading (HK) Limited	Goneo HK
Ningbo Goneo Supply Chain Management Co., Ltd.	Goneo Management
Ningbo Goneo International Trading Co., Ltd.	Goneo International Trading
Ningbo Goneo Electric Sales Co., Ltd.	Electric Sales
Ningbo Xingluo Trading Co., Ltd.	Xingluo Trading
Ningbo Goneo Low Voltage Electric Co., Ltd.	Goneo Low Voltage Electric
Ningbo Goneo Domestic Electrical Appliance Co., Ltd.	Domestic Electrical Appliance
Hainan Dacheng Supply Chain Management Co., Ltd.	Hainan Dacheng
Ningbo Goneo Intelligent Technology Co., Ltd.	Intelligent Technology
Dalitek Intelligent Technology (Shanghai) Inc.	Dalitek
Shanghai Goneo Information Technology Co., Ltd.	Information Technology
Ningbo Goneo Tool Technology Co., Ltd.	Goneo Tool
Ningbo Goneo New Energy Technology Co., Ltd.	Goneo New Energy
Shenzhen Goneo Intelligent Information Co., Ltd.	Shenzhen Intelligent
Guangdong Murora Intelligent Lighting Co., Ltd.	Murora Intelligent
Ningbo Goneo Marketing Co., Ltd.	Goneo Marketing
PT Goneo Electronic Indonesia	Goneo Indonesia
GONEO New Energy Europe GmbH	Goneo Germany
Goneo International Trading (SG) Pte. Ltd.	Goneo Singapore
Suzhou Goneo Tools Co., Ltd.	Suzhou Goneo

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

#### IV Preparation Basis of Financial Statement

##### 1. Basis of preparation

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

##### 2. Continuing operations

Applicable  Not applicable

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

#### V Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimation hint:

Applicable  Not applicable

Important note: The Company has formulated specific accounting policies and accounting estimates for transactions or matters such as impairment of financial instruments, inventories, depreciation of fixed assets, construction in progress, intangible assets, and revenue recognition based on its actual production and operation characteristics.

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

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

##### 2. Accounting period

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

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

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

**4. Recording currency**

The Company adopts RMB as its recording currency.

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

Disclosure matters involving materiality standard determination	Method and basis of selection of materiality standards
Significant individual provision for bad debts of notes receivable	Exceeding 0.3% of the total assets
Significant individual provision for bad debts of accounts receivable	Exceeding 0.3% of the total assets
Significant write-off of accounts receivables	
Significant individual provision for bad debts of other receivables	The Company recognises individual other receivables exceeding 0.3% of the total assets as significant other receivables.
Significant construction in progress	The Company recognises projects with amounts or balances exceeding 0.3% of the total assets as significant projects under construction.
Significant cash flows from investing activities	The Company considers investing cash flows exceeding 5% of the total assets as significant investing cash flows.
Significant subsidiaries and non-wholly-owned subsidiaries	The Company identifies a subsidiary with operating revenue exceeding 15% of the Group's total operating revenue as a significant subsidiary or non-wholly-owned subsidiary.
Significant commitment	The Company considers commitments amounting to 0.3% of the total assets as significant commitments.
Significant subsequent events as of the balance sheet date	The Company considers events with amounts exceeding 0.3% of the total assets as significant subsequent events on the balance sheet date.

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

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

## 2. Accounting methods of business combination not under the same control

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

## 7. Judgment criteria for control and method of preparation of consolidated financial statements

Applicable  Not applicable

### 1. Judgment of control

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

### 2. Method of preparation of consolidated financial statements

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

(2) Accounting treatment for the purchase and sale, or sale and purchase, of the same subsidiary's equity in two consecutive accounting years

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

Applicable  Not applicable

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

2. When the Company is a participant in a joint operation, it recognizes the following items related to its share of interests in the joint operation:

(1) The assets it holds separately, as well as the assets it jointly holds in proportion to its shareholding;

(2) The liabilities it assumes separately, as well as the liabilities it jointly assumes in proportion to its shareholding;

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

(4) The revenue generated from the sale of assets in the joint operation, in proportion to the Company's shareholding;

(5) The expenses it incurs separately, as well as the expenses incurred by the joint operation in proportion to the Company's shareholding.

## 9. Criteria for recognition of cash and cash equivalents

Cash listed in cash flow statement refers to cash on hand and reserves always available for payment. Cash equivalents refer to investments that are held for short term (generally due within three months from the date of purchase), highly liquid, and readily convertible to known amounts of cash and subject to insignificant risk of change in value.

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

Applicable  Not applicable

### 1. Conversion of foreign currency business

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

### 2. Conversion of foreign currency financial statements

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

## 11. Financial instruments

Applicable  Not applicable

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

Financial assets are classified into the following three categories when they are initially recognized: (1) Financial assets measured at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through current profit or loss.

Financial liabilities are classified into the following four categories when they are initially recognized: (1) Financial liabilities at fair value through current profit or loss; (2) financial liabilities arising from the transfer of financial assets not meeting the de-recognition criteria or from the continuing involvement in the transferred assets; (3) financial guarantee contracts which do not fall within the

category of (1) or (2) above, and loan commitments which do not fall within category (1) above and made at an interest rate lower than the market rate; (4) financial liabilities measured at amortized cost.

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

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

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

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

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

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

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

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

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

4) Financial assets at fair value through profit or loss

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

(3) Method for the subsequent measurement of financial liabilities

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

Such financial liabilities include transactional financial liabilities (including derivative instruments

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

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

3) Financial guarantee contracts that do not fall within the category of 1) or 2) above, and loan commitments that do not fall within the category of 1) above and made at an interest rate lower than the market rate, are subsequently measured at the higher of the two following amounts after initial recognition: ① The amount of loss provision determined according to the rules related to the impairment of financial instruments; ② The remaining balance of the initially recognized amount after deducting the amount of cumulative amortization determined according to relevant rules of the Accounting Standard for Business Enterprises No.14-Income.

4) Financial liabilities measured at amortized cost

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

(4) Derecognition of financial assets and financial liabilities

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

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

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

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

3. Recognition basis and measurement method of financial asset transfer

If the Company has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized, and the right and obligation arising from or retained in the transfer are individually recognized as an asset or liability. If substantially all risks and rewards of

ownership of the financial asset are retained, the financial asset transferred remains recognized. If the Company has not transferred or retained nearly all the risks and remunerations of ownership of the credit assets, different measures should be taken in accordance with the following circumstances respectively: (1) If the Company gives up the control of the financial assets, these financial assets shall be derecognized; (2) if the Company does not give up the control of the financial assets, the relevant financial assets shall be recognized and the relevant liabilities shall be recognized accordingly in accordance with the extent of their continued involvement in the transferred financial assets.

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

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

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

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

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

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

## 5. Impairment of financial instruments

Based on the expected credit loss, for financial assets measured in amortized cost, investment in debt instruments measured at fair value and whose changes are recorded in other comprehensive income, contract assets, lease receivables, loan commitments classified as financial liabilities measured at fair value and whose changes are recorded in profit and loss of the period, financial guarantee contracts that do not belong to financial liabilities measured at fair value and whose changes are recorded in the profits and losses of the period or financial liabilities formed by the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets shall be impaired and loss reserves shall be recognized.

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

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

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

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

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

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

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

according to the common risk characteristics.

The Company re-measures expected credit loss at each balance sheet date, and the amount of increase in loss provision or the written-back amount of loss provision arising from re-measurement is recorded in current profit or loss as an impairment loss or gain. For financial assets measured at amortized cost, impairment losses were allocated to offset the carrying value of the financial asset presented in the balance sheet. For the debt investments measured at fair value through other comprehensive income, the Company recognized its loss reserves in other comprehensive income but did not offset the carrying value of the financial asset.

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

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

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

#### 12. Notes receivable

Applicable  Not applicable

#### 13. Accounts receivable

Applicable  Not applicable

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

Applicable  Not applicable

Group category	Basis for determining the group	Methods for measuring expected credit loss
Bank acceptance bills receivable	Note type	Calculate the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of future economic situation, and using the default risk exposure and the expected credit loss rate for the entire duration
Trade acceptance bills receivable		
Accounts receivable - aging group	Aging	Calculate the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of future economic situation, and preparing a comparison table of accounts receivable aging and expected credit loss rates
Other receivables - aging group	Aging	Calculate the expected credit

		loss by referring to the historical credit loss experience, combining the current situation and the forecast of future economic situation, and preparing a comparison table of other receivables aging and expected credit loss rates
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**Aging methodology for age-based recognition of a group of credit risk characteristics**√ Applicable  Not applicable

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (inclusive, the same below)	5.00	5.00
1-2 years	10.00	10.00
2-3 years	50.00	50.00
3+ years	100.00	100.00

Accounts receivable and other receivables are aged from the date of initial recognition.

**Judgment criteria for establishing allowances for doubtful accounts on an individual basis**√ Applicable  Not applicable

For receivables and contract assets of which the credit risk is significantly different from the group credit risk, the Company makes allowances for expected credit losses on an individual basis.

**14. Receivables financing** Applicable √ Not applicable**15. Other receivables** Applicable √ Not applicable**16. Inventories**√ Applicable  Not applicable**Inventory categories, issue valuation method, inventory system, amortisation method for low-value consumables and packing materials**√ Applicable  Not applicable

## 1. Classification of inventories

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

## 2. Valuation method of inventories upon delivery

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

## 3. Inventory system of inventories

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

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

##### (1) Low-value consumables

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

##### (2) Packing materials

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

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

Applicable  Not applicable

#### **17. Contract assets**

Applicable  Not applicable

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

Applicable  Not applicable

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

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

contract asset.

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

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

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

1. Classification of non-current assets or disposal groups held for sale

The Company classifies non-current assets or disposal groups as held for sale when they meet all of the following conditions: (1) The assets or disposal group can be immediately sold under current conditions, based on the practices of similar transactions; (2) The sale is highly probable, meaning the Company has made a resolution regarding the sale plan and has received a firm purchase commitment, with the expected sale to be completed within one year.

Non-current assets or disposal groups obtained specifically for resale, which meet the condition of “expected sale within one year” on the acquisition date, and are likely to meet other classification conditions of held for sale within a short period (usually three months), will be classified as held for sale on the acquisition date.

If, for reasons beyond the Company’s control, a transaction between a non-related party is not completed within one year, but the Company still commits to selling the non-current assets or disposal group, the non-current assets or disposal group will continue to be classified as held for sale under the following conditions: (1) The buyer or other party unexpectedly sets conditions that cause the sale to be delayed, but the Company has taken timely actions to resolve the delaying factors, and expects the delay to be resolved within one year from the set delay conditions; (2) Due to exceptional circumstances, the sale of non-current assets or disposal groups held for sale is not completed within one year, but the Company has already taken necessary actions within the first year to address these new circumstances, and the classification conditions for held for sale are re-met.

**Recognition Standards and Accounting Treatment for Non-current Assets or Disposal Groups Classified as Held for Sale**

Applicable  Not applicable

(1) Initial measurement and subsequent measurement

When initially measuring or remeasuring non-current assets or disposal groups classified as held for

sale on the balance sheet date, if the carrying amount exceeds the fair value less the cost to sell, the carrying amount will be written down to fair value less the cost to sell. The write-down amount is recognized as an impairment loss, recorded in the current profit and loss, and a provision for impairment of assets held for sale is recognized.

For non-current assets or disposal groups classified as held for sale on the acquisition date, the initial measurement will compare the initial measurement amount if not classified as held for sale with the fair value less the cost to sell. The lower of the two will be used for measurement. Except for non-current assets or disposal groups acquired in a business combination, the difference arising from using fair value less the cost to sell as the initial measurement amount will be recognized in the current profit and loss.

For impairment losses recognized on assets in a held-for-sale disposal group, the impairment will first reduce the carrying amount of goodwill in the disposal group, then reduce the carrying amount of other non-current assets in the disposal group in proportion to their carrying amounts.

Non-current assets in a disposal group held for sale will not be depreciated or amortized. However, interest and other expenses on liabilities in the disposal group held for sale will continue to be recognized.

#### (2) Accounting treatment for reversal of impairment losses

If the fair value less the cost to sell of a non-current asset held for sale increases on subsequent balance sheet dates, the previously written-down amount will be restored and the reversal will be recognized within the amount of impairment loss recognized after the asset was classified as held for sale. The reversal amount will be recorded in the current profit and loss. Impairment losses recognized before the classification as held for sale will not be reversed.

If the fair value less the cost to sell of a disposal group held for sale increases on subsequent balance sheet dates, the previously written-down amount will be restored and the reversal will be recognized within the impairment loss amount recognized on non-current assets after the disposal group was classified as held for sale. The reversal amount will be recorded in the current profit and loss. The carrying amount of the previously written-down goodwill and impairment losses on non-current assets recognized before the classification as held for sale will not be reversed.

For the reversal of impairment losses on non-current assets recognized in a disposal group held for sale, the amount of reversal will be proportionally allocated to the carrying amount of each non-current asset, except for goodwill.

#### (3) Accounting treatment for declassification from held for sale and derecognition

When non-current assets or disposal groups no longer meet the conditions for classification as held for sale, or when non-current assets are removed from the disposal group held for sale, they will be measured at the lower of: 1.The carrying amount before classified as held for sale, adjusted for depreciation, amortization, or impairment that would have been recognized if the asset had not been classified as held for sale; 2.The recoverable amount.

When derecognizing non-current assets or disposal groups classified as held for sale, any

unrecognized gains or losses will be included in the current profit and loss.

### **Recognition Standards and Reporting Method for Discontinued Operations**

Applicable  Not applicable

#### 3. Recognition standards for discontinued operations

A component that has been disposed of or classified as held for sale and can be separately distinguished is recognized as discontinued operation if it meets one of the following conditions:

(1) The component represents a major independent business or a major geographical area of operation;

(2) The component is part of a plan to dispose of a major independent business or a major geographical area of operation;

(3) The component is a subsidiary acquired specifically for resale.

#### 4. Reporting method for discontinued operations

The Company separately presents the profit or loss from continuing operations and discontinued operations in the income statement. The impairment losses, reversals, operating profit or loss, and disposal profit or loss related to discontinued operations are reported as discontinued operation profits or losses. For discontinued operations reported in the period, the information previously presented as continuing operations in the financial statements will be reclassified as discontinued operations for the comparable period. If discontinued operations no longer meet the criteria for classification as held for sale, the information previously reported as discontinued operations will be reclassified as continuing operations in the period's financial statements for the comparable period.

Details of the Company's discontinued operations can be found in Note XV v. of the financial statements.

### **19. Long-term equity investments**

Applicable  Not applicable

#### 1. Judgment criteria for joint control and significant influence

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

#### 2. Determination of investment cost

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

carrying value of paid combination consideration or total nominal value of issued share; if the capital reserve is insufficient to offset such difference, the difference will be offset against retained earnings.

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

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

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

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

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

(3) Except for business combination: If it is acquired by paying cash, the actual acquisition price shall be taken as its initial investment cost; if it is acquired by issuing equity securities, the fair value of the issued equity securities shall be taken as its initial investment cost; if it is acquired by means of debt restructuring, the initial investment cost shall be determined according to the Accounting Standards for Business Enterprises No. 12-Debt Restructuring; if it is acquired by exchange of non-monetary assets, the initial investment cost shall be determined according to the Accounting Standards for Business Enterprises No. 7-Exchange of Non-monetary Assets.

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

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

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

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

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

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

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

1) Separate financial statements

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

2) Consolidated financial statements

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

In case of loss of control over the original subsidiary, the remaining equity shall be re-measured according to its fair value on the date of loss of control. The aggregate of the consideration obtained by disposing of the equity and the fair value of the remaining equity less the portion of the net assets of the subsidiary that has been measured, as calculated at the original shareholding proportion, from the acquisition date or combination date is recognized in profit and loss of the period on investments in which the control is lost, and goodwill shall be offset. Other comprehensive income, etc. related to the original subsidiary's equity investment will be converted into income from investment for the period

when the control is lost.

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

1) Individual financial statements

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

2) Consolidated financial statements

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

## 20. Investment property

Not applicable

## 21. Fixed assets

### (1). recognition criteria

Applicable  Not applicable

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

### (2). Depreciation method

Applicable  Not applicable

Category	Depreciation method	Depreciable life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line depreciation method	20	3%	4.85%
Machinery equipment	Straight-line depreciation method	4-10	3%	9.70%-24.25%
Means of transportation	Straight-line depreciation method	2-10	3%	9.70%-48.50%
Electronic and other equipment	Straight-line depreciation method	2-10	3%	9.70%-48.50%
Fixed assets fixtures	Straight-line depreciation method	5	0%	20%

**22. Construction in progress**√ Applicable  Not applicable

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

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

Category	Standard and timing for transferring construction in progress to fixed assets
Buildings and constructions	Transferred to fixed assets after completion inspection and fire inspection
Machinery equipment	Transferred to fixed assets after installation, commissioning, reaching the intended usable state, and passing acceptance
Electronic and other equipment	Transferred to fixed assets after installation, commissioning, reaching the intended usable state, and passing acceptance

**23. Borrowing costs**√ Applicable  Not applicable

## 1. Recognition principles for the capitalization of borrowing costs

The borrowing costs that have occurred and can be directly attributed to the acquisition, construction or production of assets eligible for capitalization are capitalized by the Company and recorded in relevant cost of assets; other borrowing costs are recognized as expenses based on the amount incurred when they occur, and shall be recorded in profit and loss.

## 2. Period for capitalization of borrowing costs

(1) When all the following conditions are met by the borrowing costs, capitalization will start: 1) asset expenditure has occurred; 2) borrowing costs have occurred; 3) acquisition, construction or production activities have started in order to make the fixed asset be ready for the intended use or sale.

(2) If the acquisition, construction or production of an asset eligible for capitalization is continuously suspended for over 3 months for abnormal reasons, capitalization of the borrowing costs shall be suspended; borrowing costs incurred during the suspension shall be recognized as the current expenses until the acquisition, construction or production of the asset is resumed.

(3) When the assets with the purchase, construction or production meeting the capitalization conditions reach the expected available or marketable state, the borrowing cost ceases to be capitalized.

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

For a specifically borrowed fund for the acquisition, construction or production of an asset eligible for capitalization, the amount of interest that shall be capitalized is determined based on the interest expenses incurred in the period when a specifically borrowed fund is obtained (including the amortization of discounts or premiums recognized according to the effective interest method) less any

income earned on the unused borrowing fund as a deposit in a bank or as a temporary investment. Where a general borrowing is used for the acquisition, construction and production of an asset eligible for capitalization, the amount of interest that shall be capitalized is determined by multiplying the part of the accumulative asset disbursements in excess of the weighted average asset disbursement for the specifically borrowed fund by the capitalization rate of the general borrowing used.

#### 24. Biological assets

Applicable  Not applicable

#### 25. Oil and gas assets

Applicable  Not applicable

#### 26. Intangible assets

##### (1) Service life and determination basis, estimation, amortization method or review process

Applicable  Not applicable

1. Intangible assets include land use rights, software, etc., which are initially measured at costs.

2. Intangible assets with limited service life are properly amortized within the service life based on the expected method to realize economic benefits relating to the intangible assets. Where the expected realization method cannot be reliably determined, Straight-line Amortization Method is adopted. The details are as follows:

Item	Service life and basis for determination	Amortization method
Land use right	Duration of land use	Straight line method
Software use right	2-5	Straight line method

##### (2) Scope of R&D expenditures and related accounting treatment

Applicable  Not applicable

###### (1) Personnel costs

Personnel costs include the salaries, basic pension insurance, basic medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund for the Company's R&D personnel, as well as the labor costs for outsourced R&D personnel.

When R&D personnel serve multiple research and development projects simultaneously, the personnel costs are confirmed based on the work hour records provided by the Company's management department for each research and development project, and the costs are proportionally allocated across different R&D projects.

For personnel directly engaged in R&D activities, or outsourced R&D personnel who are simultaneously engaged in non-R&D activities, the Company allocates the actual personnel costs based

on the work hour records in different positions, using reasonable methods such as the actual work hour percentage, and allocates them between R&D expenses and operating expenses.

(2) Direct input costs

Direct input costs refer to actual expenses incurred by the Company in carrying out research and development activities. These include: 1) Directly consumed materials, fuel, and power costs; 2) Costs related to molds, process equipment development, and manufacturing used for intermediate testing and product trial production; costs for non-fixed assets such as samples, prototypes, and general testing equipment; testing costs for trial products; and 3) Costs related to the operation, maintenance, adjustment, inspection, testing, and repair of instruments and equipment used in research and development activities.

(3) Depreciation and long-term deferred expenses

Depreciation costs refer to the depreciation of instruments, equipment, and buildings used in research and development activities.

For instruments, equipment, and buildings used in R&D activities and simultaneously used in non-R&D activities, necessary records are kept of the usage of these assets, and the actual depreciation incurred is allocated proportionally between R&D expenses and operating expenses based on factors such as actual work hours and area used.

Long-term deferred expenses refer to costs incurred during the remodeling, refurbishment, and repair of R&D facilities. These expenses are collected based on actual expenditures and amortized evenly over the prescribed period.

(4) Amortization of intangible assets

Amortization of intangible assets refers to the amortization of software, intellectual property, and non-patent technologies (such as proprietary technology, licenses, designs, and calculation methods) used in research and development activities.

(5) Design costs

Design costs refer to expenses incurred in the conception, development, and manufacturing of new products and new processes, as well as in the design of processes, technical specifications, and operational characteristics. This includes expenses related to creative design activities aimed at developing innovative, creative, and breakthrough products.

(6) Equipment debugging and testing costs

Equipment debugging costs refer to expenses incurred during the preparation of production tools for research and development activities. These include the costs of developing special or customized production machinery, changing production and quality control procedures, or developing new methods and standards.

Routine equipment preparation and industrial engineering for mass production and commercialization are not included in the scope of collection.

Testing costs include clinical trial costs for new drug development, on-site testing costs for exploration and development technology, field trial costs, etc.

(7) External research and development costs

External research and development costs refer to expenses incurred by the Company when commissioning domestic or foreign institutions or individuals to conduct research and development activities (with the research and development results owned by the Company and closely related to its main business activities).

(8) Other costs

Other costs refer to other expenses directly related to research and development activities, excluding the above-mentioned expenses. This includes costs for technical books and materials, translation fees, expert consulting fees, high-tech R&D insurance, costs for searching, reviewing, evaluating, certifying, and accepting R&D results, intellectual property application, registration, and agency fees, as well as meeting expenses, travel expenses, communication fees, etc.

4. Expenditures in the Research Phase of Internal Research and Development Projects Expenditures in the research phase of internal R&D projects are recognized as expenses in the period. Expenditures in the development phase of internal R&D projects are recognized as intangible assets if they meet the following conditions: (1) The intangible asset is technically feasible for use or sale; (2) There is an intention to complete the intangible asset and use or sell it; (3) The intangible asset will generate economic benefits, including evidence that products produced using the intangible asset have a market, or the intangible asset itself has a market. If the intangible asset will be used internally, its usefulness must be demonstrated; (4) The Company has sufficient technical, financial, and other resources to complete the development of the intangible asset and the ability to use or sell it; (5) The expenditures attributed to the development phase of the intangible asset can be reliably measured.

5. Specific Standards for Classifying Research Phase and Development Phase Expenditures for Internal Research and Development Projects:

**27. Long-term assets impairment**

Applicable  Not applicable

For long-term equity investments, fixed assets, construction in progress, right-of-use assets, long-term assets with limited service life and other long-term assets, if there are signs of impairment on the balance sheet date, the recoverable amount shall be estimated. Goodwill and intangible assets with uncertain service life formed by business combinations are tested for impairment every year regardless of whether there are signs of impairment. Goodwill is tested for impairment in conjunction with the asset group or combination of asset groups to which it relates.

If the recoverable amount of the above-mentioned long-term assets is lower than its carrying value, the asset impairment reserve shall be recognized according to the difference and recorded in profit and loss of the period.

**28. Long-term prepaid expense**

Applicable  Not applicable

Long-term prepaid expenses are accounted for all expenses that have been paid and have an amortization period of more than one year (excluding one year). The long-term prepaid expenses are accounted for according to the actual amount incurred and are amortized averagely over the benefit period or the specified period. If the long-term deferred expenses item cannot bring benefit in the subsequent accounting period, the amortized value of the item that has not been amortized will be transferred to the profit or loss for the period.

## **29. Contract liabilities**

√ Applicable  Not applicable

The Company presented contract assets or contract liabilities on the balance sheet in accordance with the relationship of performance obligations and customer payment. The Company will set off the contract assets and contract liabilities under the same contract and present them in net amount.

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

The obligations of transferring goods to customers as a result of the consideration that the Company had received or shall receive from customers were presented as contract liabilities.

## **30. Employee remuneration**

### **(1) Accounting treatment methods of short-term remuneration**

√ Applicable  Not applicable

Within the accounting period when employees provide service, the actual short-term remuneration shall be recognized as liabilities and be recorded in profit and loss of the period or relevant asset costs.

### **(2) Accounting treatment method for post-employment benefits**

√ Applicable  Not applicable

The Company classifies post-employment benefit plans into the defined contribution plan and the defined benefit plan.

(1) During the accounting period in which the employees provide services to the Company, the amount to be contributed as calculated according to the defined contribution plan is recognized as a liability and recorded in the profit or loss for the period or the related asset costs.

(2) The accounting handling of the defined benefit plan usually includes the following steps:

1) Based on the projected unit credit method, related demographic variables and financial variables are estimated by using unbiased and mutually compatible actuarial assumptions, the obligations under the defined benefit plan are measured, and the periods to which relevant obligations are attributed are determined. Meanwhile, the Company will discount the obligations incurred from a defined benefit plan, to determine present value of defined benefit plan and current service cost.

2) The deficit or surplus formed by present value of obligations to the defined benefit plan minus the fair value of assets of the defined benefit plans is recognized as one net liabilities or net profits of the defined benefit plans. If the defined benefit plans have a surplus, the Company shall measure the net profit of the defined benefit plans according to whichever is lower between the surplus and upper limit on the assets of the defined benefit plans.

3) At the end of the period, the employee compensation cost incurred in the defined benefit plan is recognized as service cost, net interest arising from the net liabilities and net assets of the defined benefit plan, and changes in the net liabilities or net assets of the remeasured defined benefit plan. Of which, the net interest arising from the net liabilities or net assets of the defined benefit plan is recorded in profit and loss of the period or related asset cost, and changes in the net liabilities or net assets of the remeasured defined benefit plan are recorded in other comprehensive income, and is not written-back to profits and losses in subsequent accounting periods. But these amounts recognized in other comprehensive income can be transferred within the scope of equity.

**(3). Accounting treatment method for dismissal benefits**

Applicable  Not applicable

If the Company provides the employee with dismissal benefits, the Company shall recognize the employee remuneration liabilities and record them in profit or loss for the period on the following dates (whichever is earlier): (1) the date when the Company may not unilaterally withdraw dismissal benefits provided due to termination of labor relationship plans or layoff proposals; (2) the date when the Company recognizes costs or expenses relating to the restructure of payments of dismissal benefits.

**(4). Accounting treatment method for other long-term employee benefits**

Applicable  Not applicable

If other long-term benefits provided by the Company to employees meet the conditions of the defined contribution plan, accounting treatment shall be carried out according to the relevant provisions of defined contribution plan. Except for that, the other long-term benefits shall be subject to the accounting handling according to the defined benefit plan. To simplify the related accounting treatment, employee compensation cost incurred in the defined benefit plan is recognized as service costs. Net interests of net liabilities or net assets of other long-term employee benefits, as well as the total net amount of changes caused by re-measurement of net liabilities or net assets of other long-term employee benefits, will be recorded in profit and loss of the period or the related asset costs.

**31. Provisions**

Applicable  Not applicable

**32. Share-based payment**

Applicable  Not applicable

1. Category of share-based payment

The Company's share-based payment includes equity-settled share-based payment and cash-settled share-based payment.

2. Relevant accounting processing for the implementation, modification, and termination of share-based payment plans

(1) Equity-settled share-based payment

For an equity-settled share-based payment in return for services of employees, if the right can be exercised immediately after the grant, the fair value of the equity instruments shall, on the grant date, be recorded in the relevant costs or expenses and the capital reserve shall be adjusted accordingly. For an equity-settled share-based payment in return for employee services, if the right cannot be exercised only after completing the service during the vesting period or meeting the prescribed performance conditions, then on each balance sheet date within the vesting period, the services acquired in the period shall, based on the best estimate of the number of vested equity instruments, be recorded in the relevant costs or expenses at the fair value of the equities instruments on the grant date, and the capital reserve shall be increased accordingly.

For an equity-settled share-based payment in return for the service of any other party, if the fair value of the service of any other party can be reliably measured, it shall be measured at the fair value of the service of any other party on the acquisition date; if the fair value of the service of any other party cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, it shall be measured at the fair value of the equity instruments on the acquisition date and recorded in the relevant costs or expenses, and the owner's equity shall be increased correspondingly.

(2) Cash-settled share payment

For a cash-settled share-based payment in return for services of employees, if the right can be exercised immediately after the grant, the fair value of liabilities assumed by the Company shall, on the grant date, be recorded in the relevant costs or expenses and the liabilities shall be increased accordingly. For a cash-settled share-based payment, if the right cannot be exercised only after completing the service during the vesting period or meeting the prescribed performance conditions, on each balance sheet date within the vesting period, the services acquired in the period shall, based on the best estimate of the information about the vesting right, be recorded in the relevant costs or expenses and the corresponding liabilities at the fair value of the liabilities assumed by the Company.

(3) Modification and termination of share-based payment plans

If the modification increases the fair value of the granted equity instruments, the Company shall recognize the increase of the services acquired according to the increase of the fair value of the equity instruments. If the modification increases the number of the granted equity instruments, the Company shall recognize the increased fair value of equity instruments as the increase of the services acquired. If the Company modifies the vesting conditions in a way that is favorable to employees, the Company shall consider the modified vesting conditions when processing vesting conditions.

If the modification reduces the fair value of the granted equity instruments, the Company shall

continue to recognize the amount of the service acquired based on the fair value of the equity instruments on the grant date, and shall not consider the decrease of the fair value of the equity instruments. If the modification reduces the number of equity instruments, the Company shall process equity instruments by reducing some of them as the cancellation of the granted equity instruments. If the vesting conditions are modified in a way that is unfavorable to employees, the Company shall not consider the modified vesting conditions when processing vesting conditions.

If the Company cancels the granted equity instruments or settles the granted equity instruments (not including those canceled due to failure to meet vesting conditions) during the vesting period, the cancellation or settlement shall be processed as the vested right and the amount to be recognized within the remaining vesting period originally shall be recognized immediately.

### **33. Preference shares, perpetual bonds and other financial instruments**

Applicable  Not applicable

### **34. Revenue**

#### **(1). Accounting policy for recognition and measurement of revenue by type of business**

Applicable  Not applicable

##### **1. Principles of revenue recognition**

On the commencement date of a contract, the Company shall assess the contract, identify each single performance obligation in the contract, and determine that each single performance obligation is satisfied whether within a certain period of time or at a certain point in time.

When one of the following conditions is met, it belongs to fulfilling the performance obligation within a certain period of time, otherwise, it belongs to fulfilling the performance obligation at a certain point in time: (1) The customer obtains and consumes the economic benefits brought by the Company's performance while the Company performs the obligation; (2) The customer can control the goods under construction during the performance of the Company; (3) The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect amount for the cumulative performance completed so far during the whole contract period.

For the performance obligations performed within a certain period of time, the Company recognizes the revenue according to the performance progress within that period of time. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined. For performance obligations performed at a certain point in time, revenue is recognized at the time when the customer obtains control over related goods or services. To decide whether the customer has obtained the control over goods, the Company takes into account the following signs: (1) the enterprise has the present right to collection for the goods, meaning the customer bears the present obligation to payment for the goods; (2) the enterprise has passed the legal title to the goods to the customer, meaning the customer has had the legal title to the goods; (3) the enterprise has transferred

the physical possession of the goods to the customer, meaning the customer has had the physical possession of the goods; (4) the enterprise has transferred the major risks and remunerations concerning the title to the goods to the customer, meaning the customer has obtained the major risks and remunerations concerning the title to the goods; (5) the customer has accepted the goods; (6) other signs to show that the customer has obtained the control over the goods.

## 2. Principles of revenue measurement

(1) The Company measures revenue on the basis of the transaction price allocated to each performance obligation. Transaction price is the amount of consideration that the Company is expected to be entitled to receive for transferring goods or services to customers, excluding the amount received on behalf of third parties and the amount expected to be refunded to customers.

(2) If there is variable consideration in a contract, the Company shall determine the best estimate of the variable consideration according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount that the cumulative recognized income will most likely not be significantly written-back when the relevant uncertainty is eliminated.

(3) If there is a significant financing component in a contract, the Company shall determine the transaction price according to the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest rate method during the contract period.

(4) If a contract contains two or more performance obligations, the Company shall allocate the transaction price to each single performance obligation according to the relative proportion of the single selling price of the goods promised by each single performance obligation on the commencement date of the contract.

## 3. Specific methods for revenue recognition

The Company mainly sells adaptors, wall switches and sockets, LED lighting and digital accessories.

(1) The specific time points for revenue recognition of various domestic sales methods of the Company

1) Distribution method: Revenue is recognized when the goods are sent to the designated place and the distributor receives the goods.

2) Direct sales: For direct sales by supermarkets and e-commerce, when the customer receives the goods and publishes the information on the quantity and amount of goods received on its supplier platform, the Company recognizes the revenue when it completes the reconciliation. For sales by opening an online shop on the e-commerce platform, the Company recognizes the revenue when the customer receives the goods and confirms such receipt on the e-commerce platform. For offline direct sales to customers in Shanghai, etc., the Company recognizes the revenue when the goods are delivered to the customer.

3) Consignment method: The Company recognizes the revenue when receiving the consignment list.

(2) The Company recognizes its revenue when it has completed the customs declaration formalities

and obtained the bill of lading.

**(2) Different recognition and measurement methods for revenue for different business models adopted in the same type of business**

Applicable  Not applicable

**35. Contract costs**

Applicable  Not applicable

Assets related to contract costs include costs of obtaining a contract and costs to fulfill a contract.

The Company recognizes as an asset the incremental costs of obtaining a contract if it expects to recover those costs. The costs of obtaining a contract shall be included in profit or loss if the asset's amortization period is one year or less.

If the costs incurred in fulfilling a contract are not within the scope of standards related to inventories, fixed assets or intangible assets, etc., the Company shall recognize the costs to fulfill a contract as an asset if all the following criteria are satisfied:

1. The costs relate directly to a contract or to an anticipated contract, including direct labor, direct materials, manufacturing overhead cost (or a similar cost), costs that are explicitly chargeable to the customer under the contract, and other costs that are only related to the contract.

2. The costs enhance the resources of the Company that will be used in satisfying performance obligations in the future.

3. The costs are expected to be recovered.

An asset related to contract costs shall be amortized on a systematic basis that is consistent with related goods or services and included in profit or loss.

The Company shall make provision for impairment and recognize it as impairment losses on assets to the extent that the carrying amount of an asset related to the contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates less the costs expected to be incurred. If the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates minus the costs expected to be incurred is higher than the carrying amount of the asset due to the subsequent changes in the factors of impairment in previous periods, the asset impairment provisions set aside should be reversed and included in profit and loss of the period. However, the carrying amount of the asset upon the reversal should not exceed the carrying amount of the asset on the reversal date, supposing that impairment provisions are not set aside.

**36. Government grants**

Applicable  Not applicable

1. Government grants are recognized when all the criteria below are satisfied: (1) The Company is able to satisfy all the conditions attached to such government grant; (2) The Company is able to receive the grants from the government. Government grants were measured at the amount received or receivable

if they were monetary assets. Non-monetary government grants were measured at fair value; if the fair value could not be reliably obtained, they were measured at the nominal amount.

2. Judgment basis and accounting treatment method for government grants related to assets

Government documents stipulate that government grants used to purchase, build or otherwise form long-term assets are classified as government grants related to assets. If the government documents concerning a government grant do not specify the target of the grant, it should be determined based on the basic conditions that must be met in order to receive the grant, and government grants which are conditional upon a long-term asset acquired, constructed or otherwise formed are classified as asset-related government grants. Government grants related to assets are used to offset carrying value of assets or are recognized as deferred income. If recognized as deferred income, government grants related to assets shall be recorded in the profit and loss in stages in a reasonable and systematic manner within the useful life of the relevant asset. Government grants measured at nominal amount were directly recognized as profit or loss for the period. If the underlying assets were sold, transferred, scrapped, or damaged before the end of the useful life, the unallocated balance of the relevant deferred income was transferred to the profit or loss for the period of assets disposal.

3. Judgment basis and accounting treatment method for government grants related to income

Government grants other than government grants related to assets were classified as government grants related to income. For government grants, including both asset-related parts and income-related parts that are difficult to be distinguished, overall government grants shall be classified as government grants related to income. Government grants related to income shall be recognized as deferred income if they are used to compensate related future expenses or losses and recorded in profit and loss of the period during the period when relevant expenses are recognized, or shall be recognized as current profit and loss or offset the related costs if they are used to compensate related expenses or losses incurred.

4. Government grants related to daily activities are recognized as other income or used to offset relevant costs according to the substance of business activities. Government grants that are not related to daily activities are recognized as non-operating income and expenses.

5. Accounting method for interest subsidy on policy prime loans

(1) If the fiscal system allocated the funds of interest subsidies to the lending bank, and the lending bank provided loans to the Company at a policy prime interest rate, the actual loan amount received by the Company was recognized as the carrying value of the loan, and the relevant borrowing costs were calculated in accordance with the loan principal and the policy prime interest rate.

(2) If the fiscal system allocated the funds of interest subsidies to the Company directly, the Company reduced the corresponding interest subsidies against relevant borrowing costs.

**37. Deferred income tax assets/Deferred income tax liabilities**

Applicable  Not applicable

1. Based on the difference between the carrying value of assets and liabilities and their tax bases (the difference between the tax base and the carrying value, where tax bases of items that are not

recognized as assets and liabilities can be determined according to the tax law), deferred income tax assets or deferred income tax liabilities are recognized in accordance with the applicable tax rates during the expected period in which such assets are to be recovered or such liabilities are to be settled.

2. Deferred income tax assets shall be recognized to the extent of the amount of the taxable income that is likely to be obtained and deducted from deductible temporary difference. On the balance sheet date, if there is conclusive evidence that it is probable that sufficient taxable income will be available to offset the deductible temporary differences in the future, the deferred income tax assets that have not been recognized in the previous accounting period shall be recognized.

3. The Company reviews carrying values of deferred tax assets on the balance sheet date. If it is determined that the Company is not Period likely to obtain adequate taxable income to offset benefits from deferred tax assets, the carrying values of deferred tax assets are written down. Such write-downs are reversed when it becomes probable that sufficient taxable income should be available.

4. The current income tax and deferred income tax of the Company shall be recorded in profit and loss of the period as income tax expenses or incomes, excluding the income taxes incurred in the following circumstances: (1) Business combination; (2) Transactions or events directly recognized in the owner's equity.

5. Deferred income tax assets and deferred income tax liabilities are presented in net amount after offsetting when the following conditions are simultaneously met: (1) there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; (2) the deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity or are related to different taxable entities, but are not expected to reverse in the future in each of the periods in which the deferred income tax assets and deferred income tax liabilities are material; and the taxable entities involved intend to settle current income tax assets and current income tax liabilities on a net basis. However, in each future period in which the deferred tax assets and deferred tax liabilities are reversed, the taxable entity involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

### **38. Leases**

Applicable  Not applicable

#### **Judgment criteria and accounting treatments for simplified treatments for short-term leases and leases of low-value assets as lessee**

Applicable  Not applicable

1. On the beginning date of the lease term, the Company will recognize the lease with a lease term not exceeding 12 months and excluding the purchase option as a short-term lease. Leases with lower value when a single leased asset is a brand-new asset are identified as low-value asset leases. If the Company sublets or expects to sublet the leased assets, the original lease shall not be deemed as a low-value asset lease.

The Company records the payments of short-term and low-value asset leases incurred during each period of the lease term in the relevant asset costs or the profit or loss for the period by the straight-line method.

The Company will recognize right-of-use assets and lease liabilities on the inception date of the lease term, excluding the above short-term and low-value asset leases.

(1) Right-of-use assets

Right-of-use assets are initially measured at costs, including: 1) The initial measurement amount of lease liabilities; 2) If there is a lease incentive for the lease payment paid on or before the start date of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted; 3) Initial direct expenses incurred by the lessee; 4) The expected cost to be borne by the lessee in order to dismantle and remove the assets leased, restore original state of the place where the assets leased are in, or restore the assets leased to the state stipulated in the lease terms.

The Company depreciates right-of-use assets on a straight-line/workload basis. If it is reasonably certain that ownership of the leased asset(s) will be obtained at the end of the lease term, the Company depreciates the leased asset(s) over its/their remaining service life. If it is not reasonably certain that the ownership of the leasehold property will be obtained at the end of the lease term, the Company will depreciate the leased asset(s) over the lease term or the remaining service life, whichever is shorter.

(2) Lease liabilities

On the start date of the lease term, the Company recognizes the present value of the outstanding lease payments as lease liabilities. The Company regards the interest rate implicit in lease as the rate of discount when calculating the present value of the lease payment. The incremental lending rate of the lessee will be deemed as the rate of discount, if the interest rate implicit in lease cannot be confirmed. The difference between the lease payment and its present value is regarded as an unrecognized financing expense. Interest expense is recognized at the discount rate of the present value of the recognized lease payment during each period of the lease term and is recorded in the profits and losses of the period. Variable lease payments that are not recorded in the lease liabilities measurement are recorded in profits and losses of the period when they are actually incurred.

After the start of the lease term, in case of any changes in actual fixed payment amount, the expected payable amount of the guarantee residual value, the index or ratio used to determine the lease payment amount, and the evaluation result or actual exercise of the purchase option, renewal option or termination option, the Company will re-calculate the lease obligation using the present value of the changed lease payment, and adjusts the carrying value of right-of-use assets accordingly. If the carrying value of right-of-use assets has been reduced to zero, while lease liabilities still needs to be further reduced, the remaining amount will be recorded in the profits and losses of the period.

2. Sale and leaseback

The Company assesses whether the asset transfer in a sale and leaseback transaction is a sale in accordance with relevant provisions of the Accounting Standards for Business Enterprises No. 14 -

Income.

If the asset transfer in a sale and leaseback transaction is a sale, the Company measures the right-of-use assets formed by the sale and leaseback based on the portion of the original asset's carrying value that is related to the use right acquired by the leaseback, and recognizes related gains or losses only for the right transferred to the lessor.

If the asset transfer in a sale and leaseback transaction is not a sale, the Company continues to recognize the transferred asset and at the same time recognizes a financial liability equivalent to the transfer income, and conducts corresponding accounting treatment for the financial liability in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

### **Classification criteria and accounting treatments for leases as lessor**

Applicable  Not applicable

1. On the start date of the lease term, the Company divides the lease that substantially transfers almost all risks and rewards related to the ownership of the leased assets into finance leases, except for operating leases.

#### (1) Operating leases

The Company recognizes the lease payments receivable as rental earnings in each period within the lease term on a straight-line basis. The initial direct costs related to the operating lease are capitalized, amortized within the lease term on the same basis as the recognition of rental earnings, and included in the profit or loss for the period. Variable lease payments obtained by the Company in relation to operating leases that are not included in the lease receivable are included in the profit or loss for the period when they are actually incurred.

#### (2) Finance leases

At the commencement date, the Company recognizes the finance lease payment receivable based on the net investment in the lease (sum of the present value of unguaranteed residual value and lease receipts that are not received at the commencement date, discounted by the interest rate implicit in the lease), and derecognizes assets held under the finance lease.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

#### 2. Sale and leaseback

The Company assesses whether the asset transfer in a sale and leaseback transaction is a sale in accordance with relevant provisions of the Accounting Standards for Business Enterprises No. 14 - Income.

If the asset transfer in a sale and leaseback transaction is a sale, the Company applies other accounting standards for business enterprises to the accounting treatment for asset purchase, and conducts corresponding accounting treatment for asset lease in accordance with the Accounting Standard for Business Enterprises No. 21 - Leases.

If the asset transfer in a sale and leaseback transaction is not a sale, the Company does not recognize the transferred asset, but recognizes a financial asset equivalent to the transfer income, and conducts corresponding accounting treatment for the financial asset in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

### 39. Other important accounting policies and accounting estimation

√ Applicable □ Not applicable

#### 1. Basis for applying hedge accounting, and accounting treatments

(1) The hedging relationship is classified into fair value hedge, cash flow hedge and hedge of net investment in foreign operations.

(2) For hedging that meets the following conditions, hedging accounting methods are used to deal with it: 1) The hedging relationship is only composed of qualified hedging instruments and hedged instruments; 2) At the beginning of hedging, the Company formally designated hedging instruments and hedged items, and prepared written documents on hedging relationship and risk management strategies and risk management objectives of the Company engaged in hedging; 3) The hedging relationship meets the requirements of hedging effectiveness.

When the hedging meets the following conditions at the same time, the Company determines that the hedging relationship meets the requirements of hedging effectiveness: 1) There is an economic relationship between the hedged item and the hedging instrument; 2) Credit risk does not play a dominant role in the value changes caused by the economic relationship between hedged items and hedging instruments; 3) The hedging ratio of the hedging relationship is equal to the ratio of the number of hedged items actually hedged by the Company to the actual number of hedging instruments, but does not reflect the imbalance of the relative weights of hedged items and hedging instruments.

The Company continuously evaluates whether the hedging relationship meets the hedging effectiveness requirements on and after the hedging start date. If the hedging relationship no longer meets the requirements of hedging effectiveness due to the hedging ratio, but the risk management objectives of the designated hedging relationship have not changed, the Company shall rebalance the hedging relationship.

#### (3) Hedging accounting treatment

##### 1) Fair value hedge

① Gain or loss arising from a hedging instrument shall be recorded in profit and loss of the period. If the hedging instrument is used to hedge a non-trading equity instrument (or a component thereof) that is chosen to be measured at fair value and whose changes are included in other comprehensive income, the gains or losses arising from the hedging instrument are included in other comprehensive income.

② Gain or loss of a hedged item arising from hedged risk exposure shall be recorded in profit and loss of the period and meanwhile the carrying value of the hedged item not measured at fair value shall be adjusted. If a hedged item is classified as financial assets (or a component thereof) that are measured at fair value and whose changes are recorded in other comprehensive income according to Article 18 of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, its gains or losses due to hedged risk exposure are recorded in profit and loss of the period, and its carrying value has been measured at fair value and will not be adjusted. If the hedged item is a non-trading equity instrument investment (or a component thereof) that the Company chooses to

measure at fair value and its changes are recorded in other comprehensive income, the gains or losses arising from the hedged risk exposure are recorded in other comprehensive income, and its carrying value has been measured at fair value and will not be adjusted.

If a hedged item is an unrecognized firm commitment (or a component thereof), the cumulative changes in the fair value arising from hedged risk after the designation of hedging relationship shall be recognized as an asset or liability, and the related gain or loss shall be recorded in profit and loss of the respective periods. In case of acquiring assets or bearing liabilities for performing a firm commitment, the initially recognized amount of the assets or liabilities shall be adjusted to include the cumulative changes in the fair value of the recognized hedged item.

If a hedged item is a financial instrument (or a component thereof) at measured amortized cost, the adjustment to the carrying value of the hedged item shall be amortized based on the actual interest rate recalculated on the commencement date of amortization and recorded in profit and loss of the period. If a hedged item is classified as financial assets (or a component thereof) that are measured at fair value and whose changes are recorded in other comprehensive income according to Article 18 of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, cumulative recognized hedging gains or losses are amortized in the same manner and recorded in profit and loss of the period, but the carrying value of financial assets (or their components) is not adjusted.

#### 2) Cash flow hedge

① The part of the gain or loss of the hedging instrument that belongs to the effective hedging is included in the other comprehensive income as a reserve for cash flow hedges, and the invalid part is included in profit and loss of the period. The amount of reserve for cash flow hedges is recognized as the absolute amount of the lower of the following two items: A. The cumulative gains or losses of hedging instruments since hedging; B. The cumulative change in the present value of the estimated future cash flows of the hedged item since hedging.

② If a hedged item is a forecast transaction and the forecast transaction leads the Company to subsequently recognize a non-financial asset or non-financial liability, or the forecast transaction of the non-financial asset or non-financial liability forms a recognized commitment to which fair value hedge accounting is applicable, the original amount of reserve for cash flow hedges recognized in other comprehensive income shall be transferred out and recorded in the initially recognized amount of such non-financial asset or non-financial liability.

③ For other cash flow hedges, the amount of reserve for cash flow hedges originally included in other comprehensive income is transferred out during the same period when the hedged expected transaction affects the profit and loss, and is recorded in the profit and loss of the current profit.

#### 3) Net investment hedge in a foreign operation

The part of the gains or losses formed by hedging instruments that belong to effective hedging is recognized as other comprehensive income, and when disposing of foreign operations, it is transferred out and recorded in the profit and loss of the current profit. The part of the gains or losses resulting from hedging instruments that belong to invalid hedging shall be recorded in profit and loss of the period.

## 40. Changes in important accounting policies and accounting estimation

### (1) Changes in important accounting policy

Applicable  Not applicable

**(2) Changes in important accounting estimates**

Applicable  Not applicable

**(3) Adjustments to the financial statements at the beginning of the year of implementation of the new accounting standards or interpretations of the standards for the first time since 2024**

Applicable  Not applicable

**41. Other information**

Applicable  Not applicable

**VI Taxation****1. Main taxes and tax rates**

Major types of taxes and tax rates

Applicable  Not applicable

Tax	Tax basis	Tax rate
VAT	Revenue from commodity sales and taxable services calculated according to the tax law are the basic calculation of output tax. After deducting the amount of input tax which is allowed to be deducted in the period, the difference is the VAT payable.	13%, 9%, 6%, 5% [Note 1]
Real estate tax	Ad valorem tax: levied at 1.2% of the remaining value after deducting 30% from the original value of the housing property; Tax levied from rent: levied at 12% of the rental income.	1.2%, 12%
Urban maintenance and construction tax	Turnover tax paid	5%, 7% [Note 2]
Enterprise income tax	Amount of taxable income	25%, 15%, 8.25%, 15.83%, 20%, 22%, 17%
Educational fee	Turnover tax paid	3%
Local educational fee	Turnover tax paid	By 2%

[Note 1] The tax of the Company's main products is levied at the tax rate of 13%, and VAT of interest income is levied at the tax rate of 6%; VAT of the real estate rental income of subsidiaries Banmen Electric Appliance and Shanghai Goneo is levied at a tax rate of 5% according to the simple method; VAT of Lingbo Goneo's real estate rental income is partly levied at a tax rate of 9% and partly at 5% according to the simple method.

[Note 2] Electric Sales is levied at a tax rate of 7%, and other companies at a tax rate of 5%

Explanation of disclosure if different income tax rates apply to different corporate taxpayers

Applicable  Not applicable

Name of taxpayer	Income tax rate (%)
The Company	15%
Ningbo Goneo	15%
Goneo Photoelectric	15%
Goneo Digital	15%
Domestic Electrical Appliance	15%
Goneo Low Voltage	15%

Intelligent Technology	15%
Dalitek	15%
Goneo HK	8.25%
Goneo Germany	15.83%
Goneo Vietnam	20%
Goneo Indonesia	22%
Goneo Singapore	17%
Other taxpayers except the above	25%

## 2. Tax concessions

Applicable  Not applicable

1. According to the Notice on the Filing of the First Batch of Innovation Companies Identified by Ningbo City's Accreditation Authority in 2024 issued by the National Innovation Company Certification Management Task Force Office on December 24, 2024, the Company passed the innovation company review, and its qualification is valid for 3 years. From 2024 to 2026, Ningbo Goneo and Goneo Photoelectric enjoy a preferential corporate income tax rate of 15%.

2. According to the Notice on the Filing of the First Batch of Innovation Companies Identified by Ningbo City's Accreditation Authority in 2022 issued by the Office of the National Leading Group for the Identification and Management of Innovation Companies on 30 December 2022, the Company and Domestic Electrical Appliance were identified as innovation companies in Ningbo in 2022, with a valid term of 3 years. Therefore, from 2022 to 2024, the Company and Domestic Electrical Appliance enjoy a preferential corporate income tax rate of 15%.

3. According to the Notice on Publishing the List of the Third Batch of Innovation Companies-to-Be in Shanghai in 2022 (H.G.Q.R.B [2022] No. 021) issued by the Shanghai Innovation Company Recognition Steering Group on 14 November 2022, Dalitek was recognized as an innovation company in Shanghai in 2022. From 2022 to 2024, Dalitek enjoys a preferential corporate income tax rate of 15%.

4. According to the Public Notice on the First Batch of Innovation Companies Identified and Reported by the Ningbo Municipal Accreditation Organization for Filing in 2023 issued by the Office of the National Leading Group for the Identification and Management of Innovation Companies on 8 December 2023, Intelligent Technology and Goneo Low Voltage were recognized as Innovation Companies in Ningbo in 2023, and Goneo Digital passed the Innovation Company review, with a valid period of three years. As such, from 2023 to 2025, Intelligent Technology, Goneo Low Voltage, and Goneo Digital enjoy a preferential corporate income tax rate of 15%.

## 3. Other information

Applicable  Not applicable

## VII Notes to the Consolidated Financial Statements

### 1. Monetary assets

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	23,396.58	14,467.69
Bank deposits	4,749,120,137.68	4,548,290,085.14
Other monetary assets	114,806,385.62	100,324,302.30
Interest receivable on term deposits	156,430,433.08	95,085,570.53
Total	5,020,380,352.96	4,743,714,425.66
Of which: Total amount deposited overseas	23,736,739.09	23,017,044.95

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

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance	Reasons and basis for recognition
Financial assets at fair value through profit or loss	9,215,000,000.00	9,727,000,000.00	/
Of which:			
Banking WM products	434,000,000.00	630,000,000.00	/
Trust product	3,400,000,000.00	4,617,000,000.00	/
Asset management plan	5,381,000,000.00	4,180,000,000.00	
Securities return voucher		300,000,000.00	
Total	9,215,000,000.00	9,727,000,000.00	/

Other information:

√Applicable □Not applicable

(1) Description of held-for-trading financial assets with restrictions on the realization

The closing balance of held-for-trading financial assets includes closed-end WM products worth RMB8,631 million.

(2) Details of banking WM products

Bank	Closing amount	Opening amount
China Everbright Bank Co., Ltd., Ningbo Branch		300,000,000.00
Bank of Ningbo Co., Ltd., Cixi Sub-branch	50,000,000.00	200,000,000.00
Industrial Bank Co., Ltd., Ningbo Cixi Sub-branch		110,000,000.00
China Minsheng Bank Co., Ltd., Ningbo Cixi Sub-branch		20,000,000.00
Agricultural Bank of China Limited, Cixi Shiqiao Sub-branch	384,000,000.00	
Subtotal	434,000,000.00	630,000,000.00

(3) Details of trust products

Trust company	Closing amount	Opening amount
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SDIC Taikang Trust Co., Ltd.		1,367,000,000.00
COFCO Trust Co., Ltd.	1,080,000,000.00	1,300,000,000.00
Lujiazui International Trust Co., Ltd.		650,000,000.00
Minmetals International Trust Co., Ltd.		450,000,000.00
Huaneng Guicheng Trust Co., Ltd.	140,000,000.00	300,000,000.00
China Railway Trust Co., Ltd.	250,000,000.00	250,000,000.00
Shaanxi International Trust Co., Ltd.	1,340,000,000.00	200,000,000.00
China Fortune International Trust Co., Ltd.	160,000,000.00	50,000,000.00
Everbright Xinglong Trust Co., Ltd.	30,000,000.00	50,000,000.00
Bridge Trust Co., Ltd.	350,000,000.00	
Zhonghai Trust Co., Ltd.	50,000,000.00	
Subtotal	3,400,000,000.00	4,617,000,000.00

## (4) Asset management plan

Securities firm	Closing amount	Opening amount
Shanghai Everbright Securities Asset Management Co., Ltd.	1,540,000,000.00	1,800,000,000.00
Founder Securities Co., Ltd.	750,000,000.00	800,000,000.00
Huafu Securities Co., Ltd.	880,000,000.00	550,000,000.00
Soochow Securities Co., Ltd.	200,000,000.00	530,000,000.00
Southwest Securities Co., Ltd.	200,000,000.00	350,000,000.00
Shanghai Guotai Junan Securities Asset Management Co., Ltd.	200,000,000.00	100,000,000.00
Changjiang Securities (Shanghai) Asset Management Co., Ltd.	500,000,000.00	50,000,000.00
Nanjing Securities Co., Ltd.	691,000,000.00	
Huayuan Securities Co., Ltd.	420,000,000.00	
Subtotal	5,381,000,000.00	4,180,000,000.00

## (5) Securities return voucher

Securities firm	Closing amount	Opening amount
Founder Securities Co., Ltd.		100,000,000.00
Industrial Securities Co., Ltd.		50,000,000.00
Southwest Securities Co., Ltd.		50,000,000.00

Sinolink Securities Co., Ltd.		50,000,000.00
Caitong Securities Co., Ltd.		50,000,000.00
Subtotal		300,000,000.00

### 3. Derivative financial assets

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Hedge instruments - commodity future contract	10,010,725.00	8,263,755.00
Total	10,010,725.00	8,263,755.00

Other information:

The Company hedged raw materials such as copper and plastic particles purchased, performed accounting treatment as cash flow hedges, and recorded the profit on the book in the derivative financial assets.

### 4. Notes receivable

#### (1) Notes receivable listed by category

Applicable Not applicable

#### (2) Notes receivable in pledge at the end of the period

Applicable Not applicable

#### (3) Notes receivable endorsed or discounted by the Company at the end of the period and not expired yet on the balance sheet date

Applicable Not applicable

#### (4) Breakdown by method of establishing bad debt provisions

Applicable Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision on percentage (%)		Amount	Percentage (%)	Amount	Provision on percentage (%)	
Bad debt provision established on an individual basis	3,712,829.75	99.42	3,712,829.75	100.00		3,712,829.75	100.00	3,712,829.75	100.00	

Of which:										
Trade acceptance notes	3,712,829.75	99.42	3,712,829.75	100.00		3,712,829.75	99.42	3,712,829.75	100.00	
Bad debt provision established on a grouping basis	21,806.73	0.58	1,090.34	5.00	20,716.39					
Of which:										
Trade acceptance notes	21,806.73	0.58	1,090.34	5.00	20,716.39					
Total	3,734,636.48	100.00	3,713,920.09	99.45	20,716.39	3,712,829.75	100.00	3,712,829.75	100	

Bad debt provision established on an individual basis:

Applicable Not applicable

Unit: RMB

Name	Closing balance			
	Gross amount	Bad debt provision	Provision percentage (%)	Reason for provision
Sunac Real Estate Group Co., Ltd.	3,712,829.75	3,712,829.75	100	Significant impairment risk expected
Total	3,712,829.75	3,712,829.75	100	/

Notes to bad debt provision established on an individual basis:

Applicable Not applicable

Note: Sunac Real Estate Group Co., Ltd. referred to the ultimate note issuers that were controlled by Sunac Real Estate Group.

Bad debt provision established on a grouping basis:

Applicable Not applicable

Bad debt provision established using the general model of expected credit loss

Applicable Not applicable

Significant change in the gross amount of a note receivable with change in loss provision in the period:

Applicable Not applicable

**(5) Bad debt provision**

√Applicable□Not applicable

Unit: RMB

Type	Opening balance	Changes for the period				Closing balance
		Established	Reversed or transferred-back	Charged-off/Written-off	Other changes	
Bad debt provision established on an individual basis	3,712,829.75					3,712,829.75
Bad debt provision established on a grouping basis		1,090.34				1,090.34
Total	3,712,829.75	1,090.34				3,713,920.09

Of which significant amount of recovered or transferred-back bad debt provision for the period:

□Applicable√Not applicable

**(6) Notes receivable actually written off in the period**

□Applicable√Not applicable

Of which, significant notes receivable written off:

□Applicable√Not applicable

A description of notes receivable written off:

□Applicable√Not applicable

Other information:

□Applicable√Not applicable

**5. Accounts receivable****(1) Breakdown by aging**

√Applicable□Not applicable

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year		
Of which: Sub-items within 1 year		
Within 1 year	312,739,320.44	273,476,497.96
Subtotal within 1 year	312,739,320.44	273,476,497.96
1 to 2 years	6,079,426.65	7,866,907.10
2 to 3 years	3,033,865.25	3,459,391.51
Over 3 years	7,151,837.78	6,542,888.61
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	329,004,450.12	291,345,685.18

**(2) Breakdown by method of establishing bad debt provisions**

√Applicable □Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision established on an individual basis	5,416,236.01	1.65	5,416,236.01	100.00		4,182,353.15	1.44	4,182,353.15	100.00	
Of which:										
Bad debt provision established on a grouping basis	323,588,214.11	98.35	23,459,084.72	7.25	300,129,129.39	287,163,332.03	98.56	22,408,898.28	7.80	264,754,433.75
Of which:										
Total	329,004,450.12	100.00	28,875,320.73	8.78	300,129,129.39	291,345,685.18	100.00	26,591,251.43	9.13	264,754,433.75

Bad debt provision established on an individual basis:

□Applicable √Not applicable

Bad debt provision established on a grouping basis:

√Applicable □Not applicable

Unit: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provision	Provision percentage (%)
Within 1 year	312,677,988.78	15,633,899.42	5.00
1 to 2 years	3,014,615.70	301,461.59	10.00
2 to 3 years	743,771.85	371,885.93	50.00
Over 3 years	7,151,837.78	7,151,837.78	100.00
Total	323,588,214.11	23,459,084.72	7.25

Notes to bad debt provision established on a grouping basis:

□Applicable √Not applicable

Bad debt provision established using the general model of expected credit loss

Applicable Not applicable

Significant change in the gross amount of an account receivable with change in loss provision in the period:

Applicable Not applicable

### (3) Bad debt provision

Applicable Not applicable

Unit: RMB

Type	Opening balance	Changes for the period				Closing balance
		Established	Recovered or reversed	Transferred or written-off	Other changes	
Bad debt provision established on a grouping basis	22,408,898.28	1,766,362.32		716,175.88		23,459,084.72
Bad debt provision established on an individual basis	4,182,353.15	1,233,882.86				5,416,236.01
Total	26,591,251.43	3,000,245.18		716,175.88		28,875,320.73

Of which significant amount of recovered or transferred-back bad debt provision for the period:

Applicable Not applicable

### (4) Accounts receivable actually written off in the period

Applicable Not applicable

Unit: RMB

Item	Amount written off
Accounts receivable written off	716,175.88

Of which, significant accounts receivable written off:

Applicable Not applicable

A description of accounts receivable written off:

Applicable Not applicable

### (5) Top five entities with respect to accounts receivable and contract assets

Applicable Not applicable

Unit: RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets combined	As % of the closing balance of total accounts receivable and contract assets combined	Closing balance of bad debt provision
Beijing Jingdong Century Trading Co., Ltd.	88,671,420.71			26.95	4,433,571.04
ALPHA. LTD	15,028,636.86			4.57	751,431.84
BELKININTERNATIONAL,INC.	9,528,862.13			2.90	476,443.11
Zhejiang TMALL Technology Co., Ltd.	6,696,946.88			2.04	334,847.34
Shenzhen Oushangte Technology Co., Ltd.	6,405,831.49			1.95	320,291.57
Total	126,331,698.07			38.41	6,316,584.90

Other information:

Applicable Not applicable

## 6. Contract assets

### (1) Contract assets

Applicable Not applicable

### (2) Significant changes in the amount of carrying amount and the reason in the Reporting Period

Applicable Not applicable

### (3) Breakdown by method of establishing bad debt provisions

Applicable Not applicable

Bad debt provision established on an individual basis:

Applicable Not applicable

Notes to bad debt provision established on an individual basis:

Applicable Not applicable

Bad debt provision established on a grouping basis:

Applicable Not applicable

Bad debt provision established using the general model of expected credit loss

Applicable Not applicable

Significant change in the gross amount of a contract asset with change in loss provision in the period:

Applicable Not applicable

### (4) Bad debt provision for contract assets in the period

Applicable Not applicable

Of which significant amount of recovered or transferred-back bad debt provision for the period:

Applicable Not applicable

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

Applicable Not applicable

Of which, significant contract assets written off:

Applicable Not applicable

A description of contract assets written off:

Applicable Not applicable

Other information:

Applicable Not applicable

**7. Receivables financing**

**(1) Breakdown of receivables financing**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance notes	8,118,100.48	5,359,014.96
Total	8,118,100.48	5,359,014.96

**(2) Receivables financing in pledge at the end of the period**

Applicable Not applicable

**(3) Receivables financing endorsed or discounted by the Company at the end of the period and not expired yet on the balance sheet date**

Applicable Not applicable

**(4) Breakdown by method of establishing bad debt provisions**

Applicable Not applicable

Bad debt provision established on an individual basis:

Applicable Not applicable

Notes to bad debt provision established on an individual basis:

Applicable Not applicable

Bad debt provision established on a grouping basis:

Applicable Not applicable

Bad debt provision established using the general model of expected credit loss

Applicable Not applicable

Significant change in the gross amount of an receivable financing with change in loss provision in the period:

Applicable Not applicable

**(5) Bad debt provision**

Applicable Not applicable

**(6) Receivables financing actually written off in the period**

Applicable Not applicable

Of which, significant receivables financing written off

Applicable Not applicable

A description of receivables financing written off:

Applicable Not applicable

**(7) The changes of receivables financing in the period and the changes in fair value**

Applicable Not applicable

**(8) Other information**

Applicable Not applicable

**8. Prepayments****(1) Breakdown of prepayments by aging**

Applicable Not applicable

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	69,397,741.92	97.69	55,113,449.56	98.02
1 to 2 years	1,364,877.95	1.92	927,511.80	1.65
2 to 3 years	205,490.60	0.29	158,328.10	0.28
Over 3 years	73,602.53	0.10	30,644.49	0.05
Total	71,041,713.00	100.00	56,229,933.95	100.00

**(2) Top five entities with respect to prepayments**

Applicable Not applicable

Unit: RMB

Entity	Closing balance	As % of the closing balance of total prepayments
State Grid Zhejiang Electric Power Co., Ltd. Cixi Power Supply Company	11,127,796.08	15.66
Guangxi Jingdong Qingchuan E-commerce Co., Ltd.	9,044,942.84	12.73
Hangzhou Alimama Software Service Co., Ltd.	5,678,588.23	7.99
Beijing Space Matrix Technology Co., Ltd.	4,777,764.53	6.73
PDD Holdings Inc.	3,285,138.84	4.62
Total	33,914,230.52	47.73

Other information:

Applicable Not applicable

**9. Other receivables****Breakdown**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		
Other receivables	14,247,382.42	11,433,179.13
Total	14,247,382.42	11,433,179.13

Other information:

□Applicable √Not applicable

**Interest receivable****(1) Breakdown of interest receivable**

□Applicable √Not applicable

**(2) Significant overdue interest**

□Applicable √Not applicable

**(3) Breakdown by method of establishing bad debt provisions**

□Applicable √Not applicable

Bad debt provision established on an individual basis:

□Applicable √Not applicable

Notes to bad debt provision established on an individual basis:

□Applicable √Not applicable

Bad debt provision established on a grouping basis:

□Applicable √Not applicable

**(4) Bad debt provision established using the general model of expected credit loss**

□Applicable √Not applicable

Significant change in the gross amount of an interest receivable with change in loss provision in the period:

□Applicable √Not applicable

**(5) Bad debt provision**

□Applicable √Not applicable

Of which significant amount of recovered or transferred-back bad debt provision for the period:

□Applicable √Not applicable

**(6) Interest receivable actually written off in the period**

□Applicable √Not applicable

Of which, significant interest receivable written off

□Applicable √Not applicable

A description of interest receivable written off:

Applicable Not applicable

Other information:

Applicable Not applicable

### **Dividends receivable**

#### **(7) Dividends receivable**

Applicable Not applicable

#### **(8) Significant dividends receivable aging over 1 year**

Applicable Not applicable

#### **(9) Breakdown by method of establishing bad debt provisions**

Applicable Not applicable

Bad debt provision established on an individual basis:

Applicable Not applicable

Notes to bad debt provision established on an individual basis:

Applicable Not applicable

Bad debt provision established on a grouping basis:

Applicable Not applicable

#### **(10) Bad debt provision established using the general model of expected credit loss**

Applicable Not applicable

Significant change in the gross amount of an dividend receivable with change in loss provision in the period:

Applicable Not applicable

#### **(11) Bad debt provision**

Applicable Not applicable

Of which significant amount of recovered or transferred-back bad debt provision for the period:

Applicable Not applicable

#### **(12) Dividends receivable actually written off in the period**

Applicable Not applicable

Of which, significant dividends receivable written off

Applicable Not applicable

A description of dividends receivable written off:

Applicable Not applicable

Other information:

Applicable Not applicable

**Other receivables****(13) Breakdown by aging**

√Applicable □Not applicable

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year		
Of which: Sub-items within 1 year		
Within 1 year	10,343,176.91	6,237,495.11
Total within 1 year	10,343,176.91	6,237,495.11
1 to 2 years	2,698,094.66	5,865,665.18
2 to 3 years	4,486,158.35	2,356,920.27
Over 3 years	111,790,320.30	111,890,639.86
Total gross amount	129,317,750.22	126,350,720.42
Less: Bad debt provision	115,070,367.80	114,917,541.29
Total carrying amount	14,247,382.42	11,433,179.13

**(14) Breakdown by nature**

√Applicable □Not applicable

Unit: RMB

Nature	Closing gross amount	Opening gross amount
Call money	110,000,000.00	110,000,000.00
Guaranteed deposit	13,537,117.90	7,915,806.25
Housing loan for employees	2,698,445.63	6,447,164.88
Others	3,082,186.69	1,987,749.29
Total gross amount	129,317,750.22	126,350,720.42
Less: Bad debt provision	115,070,367.80	114,917,541.29
Total carrying amount	14,247,382.42	11,433,179.13

**(15) Bad debt provision**

√Applicable □Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance of January 1, 2024	311,874.75	1,036,566.52	113,569,100.02	114,917,541.29
Balance of January 1, 2024 in the period				
- Transferred to Stage 2	-134,904.73	134,904.73		
- Transferred to Stage 3		-1,394,463.34	1,394,463.34	
- Transferred back to Stage 2				
- Transferred back to Stage 1				
Amount accrued for the period	229,274.67	492,801.55	-680,163.87	41,912.35
Amount transferred-back				

for the period				
Amount charged-off for the period				
Amount written-off for the period				
Other changes	110,914.16			110,914.16
Balance as at December 31, 2024	517,158.85	269,809.46	114,283,399.49	115,070,367.80

Significant change in the gross amount of an other receivable with change in loss provision in the period:

Applicable Not applicable

Basis for a significant increase in a bad debt provision and the credit risk of a financial instrument in the period:

Applicable Not applicable

#### (16) Bad debt provision

Applicable Not applicable

Unit: RMB

Type	Opening balance	Changes for the period				Closing balance
		Established	Reversed or transferred-back	Charged-off/Written-off	Other changes	
Bad debt provision established on an individual basis	110,500,000.00					110,500,000.00
Bad debt provision established on a grouping basis	4,417,541.29	41,912.35			110,914.16	4,570,367.80
Total	114,917,541.29	41,912.35			110,914.16	115,070,367.80

Of which the bad debt provision recovered or transferred-back with significant amount during the period:

Applicable Not applicable

#### (17) Other receivables actually written off in the period

Applicable Not applicable

Of which, significant other receivables written off:

Applicable Not applicable

A description of other receivables written off:

Applicable Not applicable

**(18) Top five entities with respect to other receivables**

Applicable Not applicable

Unit: RMB

Entity	Closing balance	As % of the closing balance of total other receivables	Nature of other receivable	Aging	Closing balance of bad debt provision
Sunac Real Estate Group Co., Ltd.	110,000,000.00	85.06	Call money	Over 3 years	110,000,000.00
Changzhou Pa'erlingke Intelligent Lifting Lighting Equipment Co., Ltd.	1,099,532.00	0.85	Payment for goods	Over 3 years	1,099,532.00
TMALL Digital Flagship Store	913,202.15	0.71	Security deposit	1-3 years	151,349.88
Beijing Jingdong Century Trading Co., Ltd.	800,000.00	0.62	Security deposit	1-3 years	317,500.00
Kinghey Water Paradise Restaurant Management Co., Ltd.	528,191.60	0.41	Temporary receivables	Within 1 year	26,409.58
Total	113,340,925.75	87.65	/	/	111,594,791.46

[Note] The loan was provided by the Company's subsidiary Electric Sales to Sunac Real Estate Group Co., Ltd. inclusive of seven of its subsidiaries in order to expand its sales to Sunac Group in the principal amount of RMB110,000,000.00 for a period of two years, which was guaranteed by Sunac Group.

**(19) Presentation in other receivables due to centralized management of funds**

Applicable Not applicable

Other information:

Applicable Not applicable

**10. Inventories**

**(1) Category of inventories**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
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	Gross amount	Inventory valuation allowances or impairment allowances for contract performance costs	Carrying amount	Gross amount	Inventory valuation allowances or impairment allowances for contract performance costs	Carrying amount
Finished goods	995,330,895.42	23,159,780.29	972,171,115.13	852,787,019.73	19,542,429.66	833,244,590.07
Goods in transit	232,759,929.45		232,759,929.45	269,047,594.97		269,047,594.97
Raw materials	104,391,299.17	4,559,448.93	99,831,850.24	109,031,530.45	3,757,832.62	105,273,697.83
Work-in-progress	188,248,879.24		188,248,879.24	165,210,953.31		165,210,953.31
Commissioned products	62,905,711.09		62,905,711.09	32,755,034.14		32,755,034.14
Low-value consumables	8,944,025.91		8,944,025.91	7,979,087.01		7,979,087.01
Packaging material	8,811,308.26		8,811,308.26	7,567,102.11		7,567,102.11
Total	1,601,392,048.54	27,719,229.22	1,573,672,819.32	1,444,378,321.72	23,300,262.28	1,421,078,059.44

**(2) Data resources recognized as inventories**

Applicable Not applicable

**(3) Inventory valuation allowances and impairment allowances for contract performance costs**

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the period		Decrease in the period		Closing balance
		Established	Others	Reversed or charged off	Others	
Raw materials	3,757,832.62	1,298,510.01		496,893.70		4,559,448.93
Finished goods	19,542,429.66	17,963,599.28	2,510,943.78	16,857,192.43		23,159,780.29
Total	23,300,262.28	19,262,109.29	2,510,943.78	17,354,086.13		27,719,229.22

Reasons for charge-off/write-off of inventory valuation provisions in the period

Applicable Not applicable

Item	The specific basis for determining the net realizable value	Reasons for transferred-backing the reserve for inventory shrinkage	Reasons for charged-off the reserve for inventory shrinkage
Raw materials	Realizable net value determined by deducting estimated selling price of related finished products from estimated cost to completion, estimated selling expenses, and related taxes	Realizable net value of inventory for which impairment reserves were previously recognized increased during the period	Inventory for which impairment reserves were previously recognized was consumed/sold during the period
Finished goods	The net realizable value is determined by estimated selling price deducting the estimated selling expense and the relevant taxes	Realizable net value of inventory for which impairment reserves were previously recognized increased during the period	Inventory for which impairment reserves were previously recognized was consumed/sold during the period

Inventory valuation allowances established on a grouping basis:

Applicable Not applicable

Basis for establishing inventory valuation allowances on a grouping basis:

Applicable Not applicable

**(4) Note on closing balance of inventories containing the capitalized amount of borrowing costs and the accounting standards and basis**

Applicable Not applicable

**(5) Notes of the amount of contract performance costs amortized for the period**

Applicable Not applicable

Other information:

Applicable Not applicable

**11. Assets held for sale**

Applicable Not applicable

**12. Current portion of non-current assets**

Applicable Not applicable

**Current portion of debt investments**

Applicable Not applicable

**Current portion of other debt investments**

Applicable Not applicable

**13. Other current assets**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Contract acquisition costs		
Refund costs receivable		
Wealth management products		50,265,479.45
Input VAT to be credited	62,597,492.77	44,858,276.65
Advance payment of enterprise income tax	62,175,615.90	14,858,628.96
Total	124,773,108.67	109,982,385.06

Other information:

Details of WM products:

Item	Closing balance	Opening balance	Type
Structured deposit of Ningbo Bank		50,000,000.00	Structured bank deposit
Yangguangbi Jigouying of Everbright Bank		10,000.00	Fixed income
Interest on structured bank deposits		255,479.45	

Total		50,265,479.45	
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**14. Debt investments****(1) Debt investments**

Applicable Not applicable

Changes in the impairment allowance for debt investments in the period

Applicable Not applicable

**(2) Significant debt investments at the end of the period**

Applicable Not applicable

**(3) Provision for impairment**

Applicable Not applicable

Significant change in the gross amount of an debt investment with change in loss provision in the period:

Applicable Not applicable

Basis for a significant increase in a provision for impairment and the credit risk of a financial instrument in the period:

Applicable Not applicable

**(4) Debt investments actually written off in the period**

Applicable Not applicable

Of which, significant debt investments written off

Applicable Not applicable

A description of debt investments written off

Applicable Not applicable

Other information:

Applicable Not applicable

**15. Other debt investments****(1) Other debt investments**

Applicable Not applicable

Changes in the impairment allowance for other debt investments in the period

Applicable Not applicable

**(2) Significant other debt investments at the end of the period**

Applicable Not applicable

**(3) Provision for impairment**

Applicable Not applicable

Significant change in the gross amount of an other debt investment with change in loss provision in the period:

Applicable Not applicable

Basis for a significant increase in a provision for impairment and the credit risk of a financial instrument in the period:

Applicable Not applicable

**(4) Other debt investments actually written off in the period**

Applicable Not applicable

Of which, significant other debt investments written off

Applicable Not applicable

A description of other debt investments written off:

Applicable Not applicable

Other information:

Applicable Not applicable

**16. Long-term receivables**

**(1) Long-term receivables**

Applicable Not applicable

**(2) Breakdown by method of establishing bad debt provisions**

Applicable Not applicable

Bad debt provision established on an individual basis:

Applicable Not applicable

Notes to bad debt provision established on an individual basis:

Applicable Not applicable

Bad debt provision established on a grouping basis:

Applicable Not applicable

**(3) Bad debt provision established using the general model of expected credit loss**

Applicable Not applicable

Significant change in the gross amount of an long-term receivable with change in loss provision in the period:

Applicable Not applicable

Basis for a significant increase in a bad debt provision and the credit risk of a financial instrument in the period:

Applicable Not applicable

**(4) Bad debt provision**

Applicable Not applicable

Of which significant amount of recovered or transferred-back bad debt provision for the period:

Applicable Not applicable

**(5) Long-term receivables actually written off in the period**

Applicable Not applicable

Of which, significant long-term receivables written off:

Applicable Not applicable

A description of long-term receivables written off:

Applicable Not applicable

Other information:

Applicable Not applicable

**17. Long-term equity investments****(1) Long-term equity investments**

Applicable Not applicable

**(2) Impairment tests of long-term equity investments**

Applicable Not applicable

**18. Other equity instrument investment****(1) Other equity instrument investment**

Applicable Not applicable

**(2) Derecognition in the period**

Applicable Not applicable

Other information:

Applicable Not applicable

**19. Other non-current financial assets**

Applicable Not applicable

Other information:

Applicable Not applicable

**20. Investment properties**

Not applicable

**21. Fixed assets****Breakdown**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	3,221,831,377.65	1,981,807,551.42
Fixed assets disposed of	2,473,423.02	4,361,393.61
Total	3,224,304,800.67	1,986,168,945.03

Other information:

Applicable Not applicable**Fixed assets****(1) Fixed assets**Applicable Not applicable

Unit: RMB

Item	Buildings and constructions	Machinery equipment	Transportation vehicle	Electronic and other equipment	Decoration of the fixed assets	Total
<b>I Gross amount:</b>						
1. Opening balance	1,790,523,765.77	1,133,193,720.59	33,462,336.58	164,139,390.57	77,289,430.15	3,198,608,643.66
2. Increase in the period	1,143,501,966.28	313,873,317.60	4,182,739.64	29,140,748.02	5,852,827.04	1,496,551,598.58
(1) Purchased	35,711,040.63	59,349,175.22	4,032,297.16	7,783,935.04		106,876,448.05
(2) Transfer from construction in progress	1,107,790,925.65	250,601,500.74		18,511,432.22	5,691,302.77	1,382,595,161.38
(3) Increase from business combination		3,922,641.64	150,442.48	2,845,380.76	161,524.27	7,079,989.15
3. Decrease in the period		57,729,781.95	3,203,080.97	6,333,812.39	9,616,982.80	76,883,658.11
(1) Disposal or retirement		57,729,781.95	3,203,080.97	6,333,812.39	9,616,982.80	76,883,658.11
4. Closing balance	2,934,025,732.05	1,389,337,256.24	34,441,995.25	186,946,326.20	73,525,274.39	4,618,276,584.13
<b>II Accumulated depreciation</b>						
1. Opening balance	374,802,274.08	608,250,312.20	32,792,185.74	135,374,474.75	60,987,677.40	1,212,206,924.17
2. Increase in the period	78,117,632.68	138,655,198.69	3,071,079.18	21,677,314.83	10,597,241.64	252,118,467.02
(1) Established	78,117,632.68	137,353,183.82	2,996,445.49	20,382,506.90	10,497,626.49	249,347,395.38
(2) Increase from business combination		1,302,014.87	74,633.69	1,294,807.93	99,615.15	2,771,071.64
3. Decrease in the period		53,255,238.23	3,144,615.52	6,186,135.42	9,491,823.90	72,077,813.07
(1) Disposal or retirement		53,255,238.23	3,144,615.52	6,186,135.42	9,491,823.90	72,077,813.07
4. Closing balance	452,919,906.76	693,650,272.66	32,718,649.40	150,865,654.16	62,093,095.14	1,392,247,578.12
<b>III Impairment allowances</b>						
1. Opening balance		3,977,374.15		616,793.92		4,594,168.07
2. Increase in the period						
(1) Established						
3. Decrease in the period		395,422.94		1,116.77		396,539.71
(1) Disposal or retirement		395,422.94		1,116.77		396,539.71
4. Closing balance		3,581,951.21		615,677.15		4,197,628.36
<b>4. Closing balance</b>						
1. Closing carrying amount	2,481,105,825.29	692,105,032.37	1,723,345.85	35,464,994.89	11,432,179.25	3,221,831,377.65
2. Opening carrying amount	1,415,721,491.69	520,966,034.24	670,150.84	28,148,121.90	16,301,752.75	1,981,807,551.42

**(2) Fixed assets that are temporarily idle**

Applicable Not applicable

**(3) Fixed assets leased out under operating leases**

Applicable Not applicable

Unit: RMB

Item	Closing carrying amount
Buildings and constructions	3,794,882.07
Subtotal	3,794,882.07

**(4) Fixed assets with pending ownership certificate**

Applicable Not applicable

Unit: RMB

Item	Carrying amount	Reason for not obtaining ownership certificate
The 3# Factory in the Western Base of the Company and ancillary works	195,429,023.29	Delivered and procedures are in process
Precision 3# Factory and the cafeteria	283,693,184.68	Information needs to be changed, and ownership certificate needs to be replaced
R&D centre and headquarters base construction project	495,730,890.65	Information needs to be changed, and ownership certificate needs to be replaced
Total	974,853,098.62	

**(5) Impairment tests of fixed assets**

Applicable Not applicable

Other information:

Applicable Not applicable

**Disposal of fixed assets**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Scrapped machinery equipment yet to be completely disposed	2,473,423.02	4,361,393.61
Total	2,473,423.02	4,361,393.61

**22. Construction in progress****Breakdown**

Applicable Not applicable

Other information:

Applicable Not applicable

**Construction in progress****(1) Details of construction in progress**

Applicable Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment allowances	Carrying amount	Gross amount	Impairment allowances	Carrying amount
Base construction project for annual output of 180 million sets of LED lamps, R&D centre and headquarters base construction project	124,245,609.36		124,245,609.36	383,868,184.15		383,868,184.15
Huizhou Goneo intelligent lighting R&D and manufacturing base project	86,456,688.60		86,456,688.60			
Ningbo Goneo Longshan Community construction project	16,413,677.99		16,413,677.99	171,044,303.30		171,044,303.30
Base construction project for annual output of 410 million sets of wall switches and sockets	16,795,030.61		16,795,030.61	182,584,672.19		182,584,672.19
Information technology promotion project	3,851,851.47		3,851,851.47	3,371,026.55		3,371,026.55
Equipment to be installed	41,310,351.32		41,310,351.32	36,630,850.28		36,630,850.28
Other miscellaneous projects	27,661,414.45		27,661,414.45	29,086,422.09		29,086,422.09
Total	316,734,623.80		316,734,623.80	806,585,458.56		806,585,458.56

**(2) Changes in significant construction in progress during the period**

√Applicable □Not applicable

Unit: RMB'0,000

Project	Budget	Opening balance	Increase in the period	Transferred to fixed assets in the period	Transferred to intangible assets	Other decreases in the period	Closing balance	Cumulative project investment as % of the budget	Project progress (%)	Cumulative capitalized interest	Of which: Capitalized interest in the period	Interest capitalization rate for the period (%)	Funding source
Base construction project for annual output of 180 million sets of LED lamps, R&D centre and headquarters base construction project	145,203.61	38,386.82	24,923.34	50,885.60			12,424.56	98.53	98.00				Raised funds
Huizhou Goneo intelligent lighting R&D and manufacturing base project	20,702.37		8,645.67				8,645.67	41.76	50.00				Own funds
Ningbo Goneo Longshan Community construction project	27,850.00	17,104.43	13,801.53	29,264.60			1,641.37	111.51	95.00				Own funds

Base construction project for annual output of 410 million sets of wall switches and sockets	120,452.86	18,258.47	12,444.73	29,023.70			1,679.50	75.90	80.00				Raised funds
Information technology promotion project	24,035.00	337.10	520.94	132.24	340.62		385.19	89.50	90.00				Raised funds
Subtotal	338,243.84	74,086.82	60,336.21	109,306.14	340.62		24,776.29						

**(3) Impairment allowance for construction in progress**

Applicable Not applicable

**(4) Impairment tests of construction in progress**

Applicable Not applicable

Other information:

Applicable Not applicable

**Engineering materials**

**(5) Engineering materials**

Applicable Not applicable

**23. Right-of-use assets****(1) Productive living assets measured using the cost model**

□Applicable√Not applicable

**(2) Impairment tests of productive living assets measured using the cost model**

□Applicable√Not applicable

**(3) Productive living assets measured using the fair value model**

□Applicable√Not applicable

Other information:

□Applicable√Not applicable

**24. Oil and gas assets****(1) Oil and gas assets**

□Applicable√Not applicable

**(2) Impairment tests of oil and gas assets**

□Applicable√Not applicable

**25. Right-of-use assets****(1) Right-of-use assets**

√Applicable□Not applicable

Unit: RMB

Item	Buildings and constructions	Total
<b>I Gross amount</b>		
1. Opening balance	35,721,987.57	35,721,987.57
2. Increase in the period	37,332,922.08	37,332,922.08
1) Rent	31,492,886.14	31,492,886.14
2) Increase through consolidation	5,840,035.94	5,840,035.94
3. Decrease in the period	13,786,387.07	13,786,387.07
1) Disposed amount	13,786,387.07	13,786,387.07
4. Closing balance	59,268,522.58	59,268,522.58
<b>II Accumulated depreciation</b>		
1. Opening balance	16,919,535.68	16,919,535.68
2. Increase in the period	19,283,664.16	19,283,664.16
1) Accrued amount	15,177,575.94	15,177,575.94
2) Increase through consolidation	4,106,088.22	4,106,088.22
3. Decrease in the period	8,243,912.45	8,243,912.45
(1) Disposed amount	8,243,912.45	8,243,912.45
4. Closing balance	27,959,287.39	27,959,287.39
<b>III Impairment allowances</b>		
1. Opening balance		
2. Increase in the period		

(1) Accrued amount		
3. Decrease in the period		
(1) Disposed amount		
4. Closing balance		
IV Carrying amount		
1. Closing carrying amount	31,309,235.19	31,309,235.19
2. Opening carrying amount	18,802,451.89	18,802,451.89

**(2) Impairment tests of right-of-use assets**

□Applicable√Not applicable

**26. Intangible assets****(1) Intangible assets**

√Applicable□Not applicable

Unit: RMB

Item	Land use rights	Patent rights	Non-patented technologies	Software	Patent and know-how	Total
I Gross amount						
1. Opening balance	384,569,924.07			91,228,043.75	30,283,018.69	506,080,986.51
2. Increase in the period				10,374,931.81		10,374,931.81
(1) Purchased				10,374,931.81		10,374,931.81
(2) Developed internally						
(3) Increase through business combination						
3. Decrease in the period						
(1) Disposal						
4. Closing balance	384,569,924.07			101,602,975.56	30,283,018.69	516,455,918.32
II Accumulated amortization						
1. Opening balance	54,169,399.37			86,810,595.74	30,283,018.69	171,263,013.80
2. Increase in the period	7,632,970.89			4,775,429.62		12,408,400.51

(1) Established	7,632,970.89			4,775,429.62		12,408,400.51
3. Decrease in the period						
(1) Disposal						
4. Closing balance	61,802,370.26			91,586,025.36	30,283,018.69	183,671,414.31
III Impairment allowances						
1. Opening balance						
2. Increase in the period						
(1) Established						
3. Decrease in the period						
(1) Disposal						
4. Closing balance						
IV Carrying amount						
1. Closing carrying amount	322,767,553.81			10,016,950.20		332,784,504.01
2. Opening carrying amount	330,400,524.70			4,417,448.01		334,817,972.71

The proportion of intangible assets developed internally by the Company at the period-end to the closing balance of intangible assets is 0.

**(2) Data resources recognized as intangible assets**

Applicable Not applicable

**(3) Land use right with pending ownership certificate**

Applicable Not applicable

**(4) Impairment tests of intangible assets**

Applicable Not applicable

Other information:

Applicable Not applicable

**27. Goodwill****(1) Gross amounts of goodwill**

√Applicable □Not applicable

Unit: RMB

Investee or item generating goodwill	Opening balance	Increase in the period		Decrease in the period		Closing balance
		Generated due to business combination		Disposal		
Dalitek	45,133,442.04					45,133,442.04
Suzhou Goneo		20,749,741.40				20,749,741.40
Total	45,133,442.04	20,749,741.40				65,883,183.44

**(2) Impairment allowances for goodwill**

√Applicable □Not applicable

Unit: RMB

Investee or item generating goodwill	Opening balance	Increase in the period		Decrease in the period		Closing balance
		Established		Disposal		
Dalitek	45,133,442.04					45,133,442.04
Suzhou Goneo		20,749,741.40				20,749,741.40
Total	45,133,442.04	20,749,741.40				65,883,183.44

**(3) Information on the asset group or combination of asset groups to which goodwill is apportioned**

√Applicable □Not applicable

Name	Composition and basis of the asset group or combination of asset groups to which it belongs	Operating segment to which it belongs and basis	Whether it is consistent with that of the prior years
Dalitek assets group	Dalitek's relevant operating assets and liabilities/The assets group can generate cash flows independently	Shanghai segment/division	Yes
Suzhou Goneo assets group	Suzhou Goneo's relevant operating assets and liabilities/The assets group can generate cash flows independently	Suzhou segment/division	Yes

Changes in the assets group or combination of assets groups

□Applicable √Not applicable

Other information:

□Applicable √Not applicable

**(4) Approaches to calculating recoverable amounts**

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

□Applicable √Not applicable

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

√Applicable □Not applicable

Unit: RMB

Item	Carrying amount	Recoverable amount	Impairment accrued	Forecast period	Key parameters of the forecast period (growth rate, profit rate, etc.)	The basis for determining the parameters during the forecast period	Key parameters of the stable period (growth rate, profit rate, discount rate, etc.)	The basis for determining the key parameters during the stable period
Dalitek assets group	94,744,781.73	26,736,065.41			Determination based on the Company's operating performance in previous years, growth rate, industrial development level, and the management's prediction about the market development			
Suzhou Goneo assets group	32,338,146.78	5,795,188.46	20,749,741.40	The next five years		Consistent with the figures of the final year during the forecast period	Determination according to adjustments based on the weighted average cost of capital (WACC)	
Total	127,082,928.51	32,531,253.87	20,749,741.40	/	/	/	/	/

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

Applicable Not applicable

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

Applicable Not applicable

#### (5) Performance commitments and corresponding goodwill impairment

When goodwill is formed, there is a commitment to the results and the Reporting Period or the period preceding the Reporting Period is within the commitment period

Applicable Not applicable

Unit: RMB

Item	Performance commitment fulfillment status	Impairment amount in the
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							previous period	
	Current period			Previous period			Current period	Previous period
	Committed results	Actual results	Completion rate (%)	Committed results	Actual results	Completion rate (%)		
Dalitek assets group	/	/	/	95,610,240.00	43,910,717.81	45.93	45,133,442.04	/

Other information:

Applicable Not applicable

## 28. Long-term prepaid expense

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the period	Amortization in the period	Other decreases	Closing balance
Special Talent Shareholding Plan	21,863,048.81	24,682,096.32	11,743,917.04		34,801,228.09
Payment for fixtures	902,643.43	805,031.20	578,929.57		1,128,745.06
Total	22,765,692.24	25,487,127.52	12,322,846.61		35,929,973.15

Note: For details of the Special Talent Shareholding Plan, please refer to “6. Other information” under “XV Share-based Payments” of “Part X Financial Statements”.

## 29. Deferred income tax assets/Deferred income tax liabilities

### (1) Deferred income tax assets before offsetting

Applicable Not applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Discount on sale accrued in advance	301,883,645.65	75,470,911.42	357,643,266.34	89,410,816.58
Unrealized profit of internal transactions	279,245,701.97	68,752,510.79	271,313,758.99	67,271,169.94
Restricted share incentive plan	118,047,271.05	20,596,936.53	94,025,510.93	16,173,194.84
Credit impairment loss	19,650,417.53	4,803,932.53	18,191,268.29	4,546,678.09
Asset impairment allowances	19,279,166.50	3,326,999.77	16,718,107.31	2,999,271.21
Special Talent Shareholding Plan	10,921,085.59	1,966,423.06	6,812,580.85	1,135,364.21
Lease liabilities	14,606,971.22	3,426,151.49	13,236,198.11	2,994,334.16
Deductible losses	98,541,352.03	24,635,338.01	3,851,266.00	962,816.50
Deferred income				
Total	862,175,611.54	202,979,203.60	781,791,956.82	185,493,645.53

**(2) Deferred income tax liabilities before offsetting**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Increase in valuation of assets obtained in a business combination not involving entities under common control				
Changes in the fair value of other debt investments				
Changes in the fair value of other equity investments				
Depreciation policy on fixed assets subject to tax variances	479,182,131.12	86,237,454.95	397,854,112.55	68,629,693.19
Gain and loss of hedge instrument included in the other comprehensive income				
Right-of-use assets	31,309,235.19	3,365,507.44	15,382,655.83	3,536,657.20
Total	510,491,366.31	89,602,962.39	413,236,768.38	72,166,350.39

**(3) Deferred income tax assets or liabilities listed by net amount after offsetting**

√Applicable □Not applicable

Unit: RMB

Item	Offset amount of deferred income tax assets and liabilities at the end of the period	Closing balance of deferred income tax assets and liabilities after offsetting	Offset amount of deferred income tax assets and liabilities at the beginning of the period	Opening balance of deferred income tax assets and liabilities after offsetting
Deferred income tax assets	36,434,858.44	166,544,345.16		
Deferred income tax liabilities	36,434,858.44	53,168,103.95		

**(4) Schedule of deferred income tax assets unrecognized**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	159,358,924.07	141,910,593.41
Deductible losses	254,808,078.88	71,781,037.78
Total	414,167,002.95	213,691,631.19

**(5) Deductible losses on which deferred income tax assets were recognized will expire in the following years**

√Applicable □Not applicable

Unit: RMB

Year	Closing balance	Opening balance	Remark
2026	657,848.09	529,029.84	
2027	32,984,371.79	14,227,729.99	
2028	46,512,115.58	14,658,469.02	
2029	118,036,653.59	1,351,395.47	
2030	170,081.88	170,081.88	
2031	2,839,166.82	2,839,166.82	
2032	15,435,145.21	15,435,145.21	
2033	22,570,019.55	22,570,019.55	
2034	15,602,676.37		
Total	254,808,078.88	71,781,037.78	/

Other information:

Applicable Not applicable**30. Other non-current assets**Applicable Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment allowances	Carrying amount	Gross amount	Impairment allowances	Carrying amount
Contract acquisition costs						
Contract performance costs						
Refund costs receivable						
Contract assets						
Prepayment for equipment acquisition	27,229,904.55		27,229,904.55	50,181,765.02		50,181,765.02
Special Talent Shareholding Plan	21,803,056.52		21,803,056.52	9,574,607.00		9,574,607.00
Total	49,032,961.07		49,032,961.07	59,756,372.02		59,756,372.02

**31. Assets with restricted ownership or rights-of-use**Applicable Not applicable

Unit: RMB

Item	Closing balance				Opening balance			
	Gross amount	Carrying amount	Type of restriction	Condition of restriction	Gross amount	Carrying amount	Type of restriction	Condition of restriction

			on					
Monetary assets	65,387,542.63	65,387,542.63	Frozen	Security deposits that cannot be withdrawn on demand	243,689,624.83	243,689,624.83	Frozen	In pledge for short-term borrowings, and security deposits that cannot be withdrawn on demand
Notes receivable								
Inventories								
Of which: Data resources								
Fixed assets								
Intangible assets								
Of which: Data resources								
Total	65,387,542.63	65,387,542.63	/	/	243,689,624.83	243,689,624.83	/	/

### 32. Short-term borrowings

#### (1) Category of short-term borrowings

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Borrowings secured by pledge		200,000,000.00
Borrowings secured by collateral		
Borrowings secured by guarantee		5,000,000.00
Unsecured borrowings	282,651,482.79	382,972,102.34
Interest payable on short-term borrowings	12,271.96	372,073.67
Total	282,663,754.75	588,344,176.01

#### (2) Short-term borrowings overdue but not returned

Applicable Not applicable

of which the significant overdue unpaid short-term borrowings are as follows:

Applicable Not applicable

Other information:

Applicable Not applicable

### 33. Held-for-trading financial liabilities

Applicable Not applicable

Other information:

Applicable Not applicable

**34. Derivative financial liabilities**

Applicable Not applicable

**35. Notes payable****(1) Breakdown of notes payable**

Applicable Not applicable

**36. Accounts payable****(1) Breakdown of accounts payable**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Payment for goods	2,064,677,344.90	1,947,816,314.15
Engineering equipment	272,023,559.39	69,305,849.84
Payment for expense	55,345,950.34	39,535,641.41
Total	2,392,046,854.63	2,056,657,805.40

**(2) Significant accounts payable that are over one year or overdue**

Applicable Not applicable

Other information:

Applicable Not applicable

**37. Advances from customers****(1) Presentation of advances from customers**

Applicable Not applicable

**(2) Significant advances from customers that are over one year or overdue**

Applicable Not applicable

**(3) Amount of significant changes in the carrying amount and the reason in the Reporting Period**

Applicable Not applicable

Other information:

Applicable Not applicable

**38. Contract liabilities****(1) Details of contract liabilities**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Advance receipt of payment for goods	254,249,946.23	528,493,231.61
Total	254,249,946.23	528,493,231.61

**(2) Significant contract liabilities aging over one year**

□Applicable√Not applicable

**(3) Amount of significant changes in the carrying amount and the reason in the Reporting Period**

□Applicable√Not applicable

Other information:

□Applicable√Not applicable

**39. Employee benefits payable****(1) Breakdown of employee benefits payable**

√Applicable□Not applicable

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
I Short-term Benefits	387,205,346.06	2,229,013,524.56	2,246,656,539.76	369,562,330.86
II After-service Benefits-defined Contribution Schemes	17,448,864.57	155,730,226.79	162,585,881.51	10,593,209.85
III Severance Benefits	162,077.00	18,187,622.11	18,203,389.11	146,310.00
IV Other Benefits that are due within 1 year				
Total	404,816,287.63	2,402,931,373.46	2,427,445,810.38	380,301,850.71

**(2) Breakdown of short-term benefits**

√Applicable□Not applicable

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
I Salaries, Bonuses, Allowances and Subsidies	380,428,663.50	2,006,060,784.26	2,025,661,565.72	360,827,882.04
II Staff welfare		58,617,206.16	58,617,206.16	
III Social Insurance Premiums	6,458,859.32	73,517,376.16	72,021,081.93	7,955,153.55
Of which: Medical insurance premiums	5,646,926.42	67,558,054.54	66,524,016.55	6,680,964.41
Work-related injury insurance premiums	811,932.90	5,801,288.65	5,339,032.41	1,274,189.14
Maternity insurance		158,032.97	158,032.97	
IV Housing Allowance	317,823.24	64,812,009.11	64,396,790.35	733,042.00

V Labour Union Expense and Employee Education Budget		26,006,148.87	25,959,895.60	46,253.27
VI Short-term Paid Absence				
VII Short-term Profit Sharing Plan				
Total	387,205,346.06	2,229,013,524.56	2,246,656,539.76	369,562,330.86

**(3) List of defined contribution plan**

√Applicable□Not applicable

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
1. Basic pension insurance	16,850,850.55	149,280,123.67	155,996,700.41	10,134,273.81
2. Unemployment insurance premiums	598,014.02	6,450,103.12	6,589,181.10	458,936.04
3. Supplementary pension payment				
Total	17,448,864.57	155,730,226.79	162,585,881.51	10,593,209.85

Other information:

□Applicable√Not applicable

**40. Taxes and levies payable**

√Applicable□Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Enterprise income tax	270,018,312.65	187,097,927.11
VAT	71,367,580.37	70,436,420.37
Real estate tax	15,915,365.69	13,388,952.58
Disability allowance	9,052,032.94	15,417,409.54
Personal income tax	8,952,811.61	5,465,677.83
Stamp duty	6,055,452.11	6,741,966.75
Land use tax	4,848,982.55	4,853,339.15
Urban construction and maintenance tax	3,685,559.80	3,924,664.19
Educational surcharges	2,134,422.01	2,308,204.30
Local educational fee	1,421,172.15	1,540,340.20
Vehicle and vessel use tax	15,943.41	15,943.41
Total	393,467,635.29	311,190,845.43

**41. Other payables****(1) Breakdown**

√Applicable□Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividends payable		
Other payables		

Discount on sale accrued in advance	301,883,645.65	357,643,266.34
Obligations of restricted stock repurchase within one year	91,341,998.56	79,475,388.22
Security deposits	145,642,464.40	149,562,097.52
Accrued expenses	95,849,863.02	116,657,943.25
Temporary receipts and advances payable	4,528,292.52	1,722,211.31
Total	639,246,264.15	705,060,906.64

Other information:

Applicable Not applicable

## (2) Interest payable

Presentation by category

Applicable Not applicable

Significant overdue unpaid interest

Applicable Not applicable

Other information:

Applicable Not applicable

## (3) Dividends payable

Presentation by category

Applicable Not applicable

## (4) Other payables

Other payables listed by nature of account

Applicable Not applicable

Significant other accounts payable aging over one year or overdue

Applicable Not applicable

Other information:

Applicable Not applicable

## 42. Liabilities directly associated with assets held for sale

Applicable Not applicable

## 43. Current portion of non-current liabilities

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Current portion of long-term borrowings		393,000,000.00
Current portion of bonds payable		
Current portion of long-term payables		
Lease obligation matured within 1 year	13,165,325.36	13,685,200.88
Current portion of long-term		274,138.89

borrowings - interest payable		
Total	13,165,325.36	406,959,339.77

**44. Other current liabilities**

Other current liabilities

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Short-term bond payable		
Refunds payable		
Output VAT to be charged off	33,044,892.49	68,532,796.91
Total	33,044,892.49	68,532,796.91

Increase/decrease of the short-term bonds payable:

Applicable Not applicable

Other information:

Applicable Not applicable**45. Long-term borrowings****(1) Classification of long-term borrowings**Applicable Not applicable

Other information:

Applicable Not applicable**46. Bonds payable****(1) Bonds payable**Applicable Not applicable**(2) Details of bonds payable (excluding the financial instruments divided as financial liabilities such as preference shares, perpetual bonds and other financial instruments)**Applicable Not applicable**(3) Notes to convertible corporate bonds**Applicable Not applicable

Accounting treatment and judgment basis for equity conversion

Applicable Not applicable**(4) Other financial instruments classified as financial liabilities**

Basic information about other outstanding financial instruments such as preference shares and perpetual bonds at the end of the period

Applicable Not applicable

Changes of outstanding financial instruments such as preference shares and perpetual bonds at the end of the period

Applicable Not applicable

A description of the basis for the classification of other financial instruments as financial liabilities

Applicable Not applicable

Other information:

Applicable Not applicable

#### 47. Lease liabilities

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
The amount of the lease payment that has not yet been made	19,856,730.32	4,788,785.53
Less: Unrecognized financing expenses	1,064,804.55	45,558.14
Total	18,791,925.77	4,743,227.39

#### 48. Long-term payables

##### Breakdown

Applicable Not applicable

Other information:

Applicable Not applicable

##### Long-term payables

##### (1) Long-term payables presented by nature

Applicable Not applicable

##### Specific payables

##### (2) Specific payables presented by nature

Applicable Not applicable

#### 49. Long-term employee benefits payable

Applicable Not applicable

#### 50. Provisions

Applicable Not applicable

#### 51. Deferred income

Deferred income

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance	Reason for formation
Government grants	68,417,470.86		4,865,714.29	63,551,756.57	Related to assets
Total	68,417,470.86		4,865,714.29	63,551,756.57	

Other information:

Applicable Not applicable

## 52. Other non-current liabilities

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Contract liabilities		
Obligations of restricted stock repurchase for over one year	95,355,810.02	86,411,741.16
Total	95,355,810.02	86,411,741.16

## 53. Share capital

Applicable Not applicable

Unit: RMB

	Opening balance	Increase/decrease in the period (+/-)					Closing balance
		New issue	Bonus issue from profit	Bonus issue from capital reserves	Others	Subtotal	
Total shares	891,540,875			401,193,373	-575,358	400,618,015	1,292,158,890

Other information:

1) A bonus issue from capital reserves was carried out during the period, increasing the total shares by 401,193,373 shares and the share capital by RMB401,193,373.00.

2) Due to the departure of employees participating in the restricted share incentive plan in the period, the Company repurchased 575,358 shares of restricted shares, reducing the share capital by RMB575,358.00.

## 54. Other equity instruments

### (1) Basic information about other outstanding financial instruments such as preference shares and perpetual bonds at the end of the period

Applicable Not applicable

### (2) Changes of other outstanding financial instruments such as preference shares and perpetual bonds at the end of the period

Applicable Not applicable

Changes of other equity instruments in the period, reasons thereof and basis of related accounting treatment:

Applicable Not applicable

Other information:

Applicable Not applicable

## 55. Capital reserves

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the	Decrease in the	Closing balance
------	-----------------	-----------------	-----------------	-----------------

		period	period	
Capital premium (share premium)	3,483,154,284.55	62,010,252.75	589,489,602.24	2,955,674,935.06
Other capital reserves	277,597,264.57	113,139,806.69	62,010,252.75	328,726,818.51
Total	3,760,751,549.12	175,150,059.44	651,499,854.99	3,284,401,753.57

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

1) Changes in share premium in the period: ① The share premium was reduced by RMB401,193,373.00 due to capitalization of capital reserves in the period; ② During the period, the Company granted restricted shares and received RMB120,093,721.20 from the restricted share incentive recipients, the Company increased the treasury shares by RMB284,999,045.70 based on the repurchase cost in the secondary markets, and deducted the share premium by RMB164,905,324.50 at the difference between the repurchase cost in the secondary markets and the subscription amount received; ③ During the period, the Company implemented the 2024 Special Talent Shareholding Plan, and deducted the share premium by RMB4,980,130.39 at the difference between the contribution money received of RMB35,000,000.00 and the repurchase cost in the secondary markets of RMB39,980,130.39; ④ The Company repurchased restricted shares and deducted the share premium by RMB17,207,022.73 due to the departure of employees participating in the restricted share incentive plan; ⑤ During the period, the Company acquired minority shareholding in Goneo Tool, and deducted the share premium by RMB1,203,751.62 for the portion of the new shareholding ratio in the net assets of Goneo Tool that was lower than the acquisition consideration; ⑥ All restricted shares under the 2021 Restricted Share Incentive Plan were unlocked, the equity incentive expenditure of RMB62,010,252.75, recorded in other capital reserves in the prior period, was reclassified to capital reserves (share premium).

2) Changes in other capital reserves in the period: ① Based on the performance appraisal conditions and service vesting period of the restricted shares, the Company recognized the share-based payment cost, increasing other capital reserves by RMB111,229,260.85; ② The difference between the grant cost and the fair value under the grant of 2024 Special Talent Shareholding Plan increased other capital reserves by RMB1,910,545.84.

## 56. Treasury shares

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Treasury shares	165,893,723.38	445,075,117.28	424,262,218.09	186,706,622.57
Total	165,893,723.38	445,075,117.28	424,262,218.09	186,706,622.57

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

1) Increase of treasury shares in the period: the Company repurchased 3,925,383 shares of its own stocks from the secondary market and recorded them in treasury shares worth RMB324,981,396.08; the

Company used the repurchased stocks for equity incentive, reducing the treasury shares worth RMB284,999,045.70, and accrued the repurchase obligation, increasing the treasury shares worth RMB120,093,721.20.

2) The lock-up of some restricted shares in the period decreased the treasury shares worth RMB70,467,088.57; Due to the departure of employees participating in the restricted share incentive plan in the period, the Company repurchased the restricted shares, reducing the treasury shares worth RMB17,782,380.73; and the dividend for the period includes locked-up restricted share incentives and the cash dividend is revocable, resulting in a decrease in treasury shares worth RMB11,033,572.70.

3) The implementation of 2024 Special Talent Shareholding Plan decreased treasury shares worth RMB39,980,130.39.

**57. Other comprehensive income**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Amount incurred in the period						Closing balance
		Amount before income tax incurred in the period	Less: amount previously recognized in other comprehensive income and currently transferred to profit or loss	Less: amount previously recognized in other comprehensive income and currently transferred to retained earnings	Less: Income tax expense	After-tax amount attributable to the parent company	After-tax amount attributable to non-controlling interests	
I Other comprehensive income that will not be reclassified to profit or loss								
Of which: Changes caused by remeasurements on defined benefit schemes								
Other comprehensive income that will not be reclassified to profit or loss under the equity method								
Changes in the fair value of other equity investments								
Changes in the fair value arising from changes in own credit risk								
II Other comprehensive income that will be	13,570,498.15	8,310,411.85				8,310,411.85		21,880,910.00

reclassified to profit or loss								
Of which: Other comprehensive income that will be reclassified to profit or loss under the equity method								
Changes in the fair value of other debt investments								
Other comprehensive income arising from the reclassification of financial assets								
Credit impairment allowances for other debt investments								
Reserve for cash flow hedges	14,235,257.77	8,388,752.98				8,388,752.98		22,624,010.75
Differences arising from the translation of foreign currency-denominated financial statements	-664,759.62	-78,341.13				-78,341.13		-743,100.75
Total other comprehensive income	13,570,498.15	8,310,411.85				8,310,411.85		21,880,910.00

**58. Specific reserve**

Applicable Not applicable

**59. Surplus reserves**

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserves	562,217,890.93	83,861,554.07		646,079,445.00
Discretionary surplus reserves				
Reserve funds				
Enterprise development funds				
Others				
Total	562,217,890.93	83,861,554.07		646,079,445.00

Notes, including changes and reason of change:

In accordance with the provisions of the *Company Law* and the *Articles of Association*, the Company accrued the statutory surplus reserves based on 10% of the net profit of the parent company, and the cumulative amount reached 50% of the registered capital without any further provision, and the statutory surplus reserves accrued in the period were RMB83,861,554.07.

**60. Retained earnings**

Applicable Not applicable

Unit: RMB

Item	2024	2023
Retained earnings as at the end of the prior year before adjustment	9,383,734,874.02	7,756,665,030.53
Adjustment to opening retained earnings (“+” for increase, “-” for decrease)		-89,745.58
Opening retained earnings after adjustment	9,383,734,874.02	7,756,575,284.95
Add: Net profit attributable to owners of the parent company in the period	4,272,204,565.03	3,870,135,376.47
Less: Appropriation to statutory surplus reserves	83,861,554.07	259,419,892.20
Appropriation to discretionary surplus reserves		
Appropriation to general reserve		
Dividends payable to ordinary shareholders	2,763,776,569.90	1,983,555,895.20
Dividends for ordinary shareholders that are converted to share capital		
Closing retained earnings	10,808,301,315.08	9,383,734,874.02

Specific adjustments to the opening retained earnings:

1. An effect of RMB0.00 was incurred on the opening retained earnings by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.

2. An effect of RMB0.00 was incurred on the opening retained earnings by changes in accounting policies.
3. An effect of RMB0.00 was incurred on the opening retained earnings by correction of significant accounting errors.
4. An effect of RMB0.00 was incurred on the opening retained earnings by changes in combination scope arising from same control.
5. An effect of RMB0.00 was incurred on the opening retained earnings by other adjustments combined.

## (2) Other information

On May 20, 2024, the Company convened the 2023 Annual General Meeting of Shareholders and approved the profit distribution plan for 2023, based on the total share capital registered on the equity registration date for the implementation of the equity distribution, a cash dividend of RMB31.00 (inclusive of tax) was distributed to all shareholders for every 10 shares, totaling RMB2,763,776,569.90 in cash dividends.

**61. Revenue and cost of sales****(1) Operating revenue and cost of sales**

Applicable Not applicable

Unit: RMB

Item	2024		2023	
	Revenue	Costs	Revenue	Costs
Principal operations	16,791,878,289.65	9,526,307,901.26	15,669,231,313.32	8,899,467,288.16
Other operations	38,662,796.48	25,501,200.05	25,524,292.92	14,717,244.11
Total	16,830,541,086.13	9,551,809,101.31	15,694,755,606.24	8,914,184,532.27
Of which: Revenue generated by contracts with customers	16,827,478,031.80	9,551,590,052.89	15,693,833,748.56	8,913,978,591.03

**(2) Breakdown of operating revenue and cost of sales**

Applicable Not applicable

Other information:

Applicable Not applicable

**(3) Notes to performance obligations**

Applicable Not applicable

**(4) Notes to apportion to the remaining performance obligation**

Applicable Not applicable

**(5) Significant contract changes or significant transaction price adjustments**

Applicable Not applicable

**62. Taxes and levies**

√Applicable □Not applicable

Unit: RMB

Item	2024	2023
Urban maintenance and construction tax	45,308,537.73	46,317,630.84
Educational surcharges	26,617,722.27	26,534,961.64
Local education surcharge	17,745,148.20	18,164,178.51
Real estate tax	18,739,997.67	16,243,518.69
Environment protection tax	18,923.14	19,642.28
Land use tax	4,923,850.56	4,911,276.63
Vehicle and vessel use tax	37,842.24	41,465.24
Stamp duty	19,786,055.26	20,563,494.46
Total	133,178,077.07	132,796,168.29

**63. Selling expense**

√Applicable □Not applicable

Unit: RMB

Item	2024	2023
Marketing expense	593,987,443.21	390,294,513.42
Employee remuneration	432,451,737.67	364,755,937.75
Advertising expense	161,385,339.95	192,142,669.81
Travel expense	98,276,438.72	59,289,771.77
Administrative expense	73,883,454.97	53,807,002.61
Lease rental	2,297,837.11	1,179,097.69
Others	7,132,681.30	8,969,167.55
Total	1,369,414,932.93	1,070,438,160.60

**64. Administrative expense**

√Applicable □Not applicable

Unit: RMB

Item	2024	2023
Employee remuneration	381,888,040.85	309,588,670.20
Share-based payments	122,973,177.90	98,308,559.97
Depreciation and amortization	67,049,662.72	64,818,434.02
Office expense	70,472,914.15	58,115,972.47
House and equipment maintenance expense	19,527,000.47	27,812,968.10
Tax	10,812,355.19	26,961,305.32
Consultant service expense	35,106,294.23	19,765,182.88
Lease rental	9,328,891.66	8,361,416.56
Business entertainment expense	6,637,806.75	8,118,461.86
Others	8,249,698.58	4,347,581.13
Total	732,045,842.50	626,198,552.51

**65. R&D expense**

√Applicable □Not applicable

Unit: RMB

Item	2024	2023
R&D of adaptors	344,152,810.63	267,326,234.98
R&D of wall switches and sockets	172,454,432.36	184,030,365.79
R&D of LED	86,804,015.70	82,511,039.76

R&D of digital accessories	42,650,804.84	58,579,343.70
R&D of household appliances	43,354,070.30	35,641,121.17
R&D of circuit breakers	24,503,039.77	19,437,610.52
R&D of smart door locks	13,024,172.14	15,229,440.10
R&D of smart lighting	8,831,095.12	10,672,230.59
R&D of electric power tools	9,735,774.31	
Total	745,510,215.17	673,427,386.61

**66. Finance costs**

√Applicable □Not applicable

Unit: RMB

Item	2024	2023
Interest costs	17,642,919.79	28,282,578.99
Interest income	-135,627,737.79	-136,526,600.97
Exchange profit and loss	-2,396,099.03	-1,681,603.84
Auxiliary expense	2,537,838.44	1,780,809.64
Cash discount	-324,640.84	-365,529.46
Total	-118,167,719.43	-108,510,345.64

**67. Other income**

√Applicable □Not applicable

Unit: RMB

By nature	2024	2023
Government grants related to income	104,071,878.98	189,400,866.48
Over-deduction in the calculation of the taxable income amount for value added tax	72,777,463.01	57,939,648.64
Return of auxiliary expense for individual income tax withheld	1,351,325.69	1,978,429.43
Employment VAT reduction or exemption for veterans and key groups	6,002,100.00	1,637,350.00
Government grants related to assets	4,865,714.29	2,432,857.14
Total	189,068,481.97	253,389,151.69

**68. Return on investment**

√Applicable □Not applicable

Unit: RMB

Item	2024	2023
Return on long-term equity investments measured using the equity method		
Income from the disposal of long-term equity investments		
Income derived during the period of holding held-for-trading financial assets		
Dividend income derived during the period of holding other equity investments		
Interest income derived during the period of holding debt investments		
Interest income derived during the		

period of holding other debt investments		
Income from the disposal of held-for-trading financial assets		
Income from the disposal of other equity investments		
Income from the disposal of debt investments		
Income from the disposal of other debt investments		
Income from debt restructuring		
Return on investments in bank's wealth management products	540,843,952.06	190,904,769.99
Income from the disposal of financial instruments	8,316,155.00	7,786,015.00
Of which: futures investments	8,316,155.00	7,786,015.00
Total	549,160,107.06	198,690,784.99

**69. Net gain on exposure hedges**

Applicable Not applicable

**70. Gain on changes in fair value**

Applicable Not applicable

Unit: RMB

Source of gain on changes in fair value	2024	2023
Held-for-trading financial assets		
Of which: Gain on changes in the fair value of derivative financial instruments		
Held-for-trading financial liabilities		18,200,000.00
Investment property measured at fair value		
Of which: Gain on changes in the fair value of financial liabilities at fair value through profit or loss		
Total		18,200,000.00

**71. Credit impairment loss**

Applicable Not applicable

Unit: RMB

Item	2024	2023
Loss on bad debts of notes receivable		
Bad debt loss of accounts receivable		
Bad debt loss of other receivables		
Impairment loss on investment in debt obligations		
Impairment loss on other investment in debt obligations		
Bad debt loss of long-term receivables		
Impairment loss on financial guarantees		
Contractual asset impairment loss		
Bad debt loss	-3,043,247.87	-61,075,301.86
Total	-3,043,247.87	-61,075,301.86

**72. Asset impairment loss**

√Applicable □Not applicable

Unit: RMB

Item	2024	2023
I Impairment loss on contract assets		
II Inventory valuation loss and impairment loss on contract performance costs	-19,262,109.29	-17,511,432.09
III Impairment Loss on Long-term Equity Investment		
IV Impairment Loss on Investment Property		
V Impairment loss on fixed assets		
VI Depreciation Loss of Engineering Materials		
VII Impairment Losses on Construction in Progress		
VIII Impairment Losses on Productive Living Assets		
IX Impairment Losses of Oil & Gas Assets		
X Impairment Losses on Intangible Assets		
XI Impairment losses on Goodwill	-20,749,741.40	-45,133,442.04
XII Others		
Total	-40,011,850.69	-62,644,874.13

**73. Gains on disposal of assets**

√Applicable □Not applicable

Unit: RMB

Item	2024	2023
Gains on disposal of fixed assets	1,952,804.48	-5,484,474.02
Gains on disposal of right-of-use assets	-421,395.45	
Total	1,531,409.03	-5,484,474.02

**74. Non-operating income**

Details of non-operating income:

√Applicable □Not applicable

Unit: RMB

Item	2024	2023	Amount recognized in exceptional gains and losses
Total gains on the disposal of non-current assets			
Of which: Gains on the disposal of fixed assets			
Gains on the disposal of intangible assets			
Gains on the swap of			

non-monetary assets			
Donations received			
Government grants			
Damages for infringement and contract breaching	2,962,011.37	1,949,809.06	2,962,011.37
Default revenue of suppliers	1,173,812.36	563,915.11	1,173,812.36
Default revenue of dealers	445,164.67	13,132.00	445,164.67
Payment not required to be made			
Others	232,831.15	247,026.80	232,831.15
Total	4,813,819.55	2,773,882.97	4,813,819.55

Other information:

Applicable Not applicable

### 75. Non-operating expenses

Applicable Not applicable

Unit: RMB

Item	2024	2023	Amount recognized in exceptional gains and losses
Total loss on the disposal of non-current assets	909,942.78	130,259.28	909,942.78
Of which: Loss on the disposal of fixed assets			
Loss on the disposal of intangible assets			
Loss on the swap of non-monetary assets			
Donations made	35,222,619.76	193,224,919.52	35,222,619.76
Overdue payment	843,367.46		843,367.46
Amercement outlay	513,365.64		513,365.64
Compensation expense	232,269.50	225,015.70	232,269.50
Others	91,869.79	155,174.38	91,869.79
Total	37,813,434.93	193,735,368.88	37,813,434.93

### 76. Income tax expense

#### (1) Income tax expense

Applicable Not applicable

Unit: RMB

Item	2024	2023
Current income tax expense	811,352,201.94	696,800,556.63
Deferred income tax expense	-72,192.44	-24,792,095.68
Total	811,280,009.50	672,008,460.95

**(2) Reconciliation between accounting profit and income tax expense**

√Applicable□Not applicable

Unit: RMB

Item	2024
Gross profit	5,080,455,920.70
Income tax expense based on the statutory/applicable tax rates	762,068,388.11
Effects of different tax rates of subsidiaries	103,640,386.05
Effects of adjustments to income tax of the prior period	16,771,288.05
Effects of non-deductible costs, expenses and losses	963,011.72
Effects of the utilization of deductible losses on which deferred income tax assets were unrecognized in the prior period	-1,865,917.60
Effects of deductible temporary differences or losses on which deferred income tax assets are unrecognized in the period	28,451,172.42
Effect of over-deduction in the calculation of the taxable amount in relation to R&D costs	-98,748,319.25
Income tax expense	811,280,009.50

Other information:

□Applicable√Not applicable

**77. Other comprehensive income**

√Applicable□Not applicable

For details of other comprehensive income, net of tax, please refer to “57. Other comprehensive income” under “VII Notes to the Consolidated Financial Statements” of “Part X Financial Statements”.

**78. Cash flow statement items****(1) Cash flows from operating activities**

Cash generated from other operating activities:

√Applicable□Not applicable

Unit: RMB

Item	2024	2023
Income from government subsidy	104,052,558.50	206,430,866.48
Deposit received	218,928,487.13	223,283,524.93
Interest income	24,766,000.23	45,509,126.14
Return of housing loan for employees	1,241,052.00	3,591,449.23
Others	6,157,345.24	5,655,825.32
Total	355,145,443.10	484,470,792.10

Cash used in other operating activities:

√Applicable□Not applicable

Unit: RMB

Item	2024	2023
Out-of-pocket expense	1,034,430,955.52	842,934,130.51
Deposit payment	150,894,432.92	159,339,465.18
Donation expenditure	35,222,619.76	191,475,200.00
Housing loan for employees		1,130,000.00

Others	15,406,438.12	7,868,577.93
Total	1,235,954,446.32	1,202,747,373.62

**(2) Cash flows from investing activities**

Cash generated from important investing activities:

Applicable Not applicable

Cash used in important investing activities:

Applicable Not applicable

Cash generated from other investing activities:

Applicable Not applicable

Unit: RMB

Item	2024	2023
Redemption of investments such as bank wealth management	18,794,953,564.26	8,999,638,611.27
Return of margin	127,981,411.81	76,930,219.61
Total	18,922,934,976.07	9,076,568,830.88

Cash used in other investing activities:

Applicable Not applicable

Unit: RMB

Item	2024	2023
Investment expenditure such as bank wealth management	19,065,267,947.34	11,958,753,025.00
Payment for futures margin	143,545,304.87	93,800,000.00
Total	19,208,813,252.21	12,052,553,025.00

**(3) Cash flows from financing activities**

Cash generated from other financing activities:

Applicable Not applicable

Unit: RMB

Item	2024	2023
Return of term deposits and interests in pledge	200,662,465.75	
Total	200,662,465.75	

Cash used in other financing activities:

Applicable Not applicable

Unit: RMB

Item	2024	2023
Repurchase from secondary markets	324,981,396.08	
Repurchase of share incentives	17,782,380.73	10,689,707.63
Repayment of lease liabilities	16,980,003.20	12,347,289.52
Acquisition of minority interests	3,800,000.00	
Term deposits in pledge		200,000,000.00
Total	363,543,780.01	223,036,997.15

Changes in liabilities incurred in financing activities:

Applicable Not applicable**(4) Description of cash flows presented on a net basis**Applicable Not applicable

**(5) Significant activities and financial impact that do not involve current cash receipts and disbursements but affect the Company's financial position or may affect the Company's cash flows in the future**

Applicable Not applicable

**79. Supplementary information to the cash flow statement**

**(1) Supplementary information to the cash flow statement**

Applicable Not applicable

Unit: RMB

Supplementary information	2024	2023
<b>1. Reconciliation of net profit to net cash generated from/used in operating activities:</b>		
Net profit	4,269,175,911.20	3,864,326,491.41
Add: Asset impairment allowances	40,011,850.69	62,644,874.13
Credit impairment loss	3,043,247.87	61,075,301.86
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive living assets	249,347,395.38	241,517,224.94
Amortization of right-of-use assets	15,177,575.94	13,680,373.05
Amortization of intangible assets	12,408,400.51	19,490,904.94
Amortization of long-term prepaid expense	578,929.57	8,201,353.62
Loss on the disposal of fixed assets, intangible assets and other long-term assets ("-" for gain)	-1,531,409.03	5,484,474.02
Loss on the retirement of fixed assets ("-" for gain)	909,942.78	130,259.28
Loss on changes in fair value ("-" for gain)		-18,200,000.00
Finance costs ("-" for income)	-95,614,916.80	-64,416,499.68
Loss on investment ("-" for income)	-549,160,107.06	-198,690,784.99
Decrease in deferred income tax assets ("-" for increase)	18,949,300.37	-40,590,894.26
Increase in deferred income tax liabilities ("-" for decrease)	-18,998,246.44	14,344,358.02
Decrease in inventories ("-" for increase)	-215,653,479.25	-153,504,804.57
Decrease in operating receivables ("-" for increase)	-86,777,929.59	-25,388,458.25
Increase in operating payables ("-" for decrease)	-34,492,747.77	946,014,423.86
Others	122,973,177.90	91,163,501.17
Net cash generated from/used in operating activities	3,730,346,896.27	4,827,282,098.55
<b>2. Significant investing and financing activities that involve no cash proceeds or payments:</b>		
Conversion of debt to capital		
Current portion of convertible corporate bonds		
Fixed assets under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	836,314,404.91	1,332,186,205.30
Less: Opening balance of cash	1,332,186,205.30	1,925,343,174.98

Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-495,871,800.39	-593,156,969.68

**(2) Net cash paid for acquisition of subsidiaries in the period**

Applicable Not applicable

**(3) Net cash received from disposal of the subsidiaries in the period**

Applicable Not applicable

**(4) Breakdown of cash and cash equivalents**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
I Cash	836,314,404.91	1,332,186,205.30
Of which: Cash on hand	23,396.58	14,467.69
Bank deposits that can be readily drawn on demand	786,872,165.34	1,275,537,060.14
Other monetary assets that can be readily drawn on demand	49,418,842.99	56,634,677.47
Deposits in the central bank that can be used for payment		
Deposits in banks and other financial institutions		
Borrowings from banks and other financial institutions		
II Cash equivalents		
Of which: Bond investments that will be due within three months		
III Cash and cash equivalents, end of the period	836,314,404.91	1,332,186,205.30
Of which: Restricted cash and cash equivalents of the parent company and subsidiaries within the Group		

**(5) Items that were restricted in use but still presented as cash and cash equivalents**

Applicable Not applicable

Unit: RMB

Item	2024	Reason
Bank deposits	168,332,891.49	Restricted use of raised funds but can be withdrawn at any time
Total	168,332,891.49	/

**(6) Monetary assets that were not recorded in cash and cash equivalents**

Applicable Not applicable

Unit: RMB

Item	2024	2023	Reason
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Term deposits	3,962,247,972.34	3,272,753,025.00	With obtaining interest income as the primary purpose and holding until maturity
Interest receivable on term deposits	156,430,433.08	95,085,570.53	Not in the Company's account
Futures margins	56,245,485.50	40,681,592.44	Not withdrawable on demand
Security deposits for letters of guarantee	9,142,057.13	3,008,032.39	Not withdrawable on demand
Total	4,184,065,948.05	3,411,528,220.36	/

Other information:

Applicable Not applicable

Changes in liabilities incurred in financing activities:

Item	Opening balance	Increase in the period		Decrease in the period		Closing balance
		Change in cash	Change in non-cash items	Change in cash	Change in non-cash items	
Short-term borrowings	588,344,176.01	384,244,915.37	2,259,111.11	691,824,646.03	359,801.71	282,663,754.75
Long-term borrowings (inclusive of the current portion of long-term borrowings)	393,274,138.89			393,000,000.00	274,138.89	
Lease liabilities (inclusive of the current portion of lease liabilities)	18,428,428.27		33,954,164.41	16,980,003.20	3,445,338.35	31,957,251.13
Subtotal	1,000,046,743.17	384,244,915.37	36,213,275.52	1,101,804,649.23	4,079,278.95	314,621,005.88

## 80. Notes to items of the statements of changes in owners' equity

Notes to the name of "Other" of closing balance at the end of the previous year adjusted and the amount adjusted:

Applicable Not applicable

## 81. Monetary items denominated in foreign currencies

### (1) Monetary items denominated in foreign currencies

Applicable Not applicable

Unit: RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Monetary assets	-	-	16,168,727.57
Of which: USD	1,612,525.28	7.1884	11,591,476.72
VDN	11,140,267,476.00	0.0003	3,342,080.24
INR	1,758,024,162.74	0.000453	796,384.95
EUR	56,888.11	7.5257	428,122.85
CAD	2,104.52	5.0498	10,627.41
GBP	3.90	9.0765	35.40
Accounts receivable	-	-	30,066,435.93

Of which: USD	3,985,021.37	7.1884	28,645,927.62
EUR	83,328.24	7.5257	627,103.34
HKD	2,768,110,571.00	0.00029	793,404.97
Other receivables	-	-	278,192.47
Of which: EUR	36,965.66	7.5257	278,192.47

**(2) Overseas business entities (for substantial overseas business entities, the following information shall be disclosed: principal place of business, functional currency and basis for the choice, change of functional currency and reasons)**

Applicable Not applicable

Goneo HK was established and conducts business activities in Hong Kong with HKD as its functional currency; Goneo Germany was established and conducts business activities in Germany with EUR as its functional currency; Goneo Indonesia was established and conducts business activities in Indonesia with IDR as its functional currency; and Goneo Vietnam was established and conducts business activities in Vietnam with VDN as its functional currency.

## 82. Leases

### (1) As the lessee

Applicable Not applicable

Item	2024	2023
Expenses on short-term leases	16,830,068.13	13,089,692.67
Total	16,830,068.13	13,089,692.67

Variable lease payments not included in lease liabilities

Applicable Not applicable

Simplified expenses on short-term leases or leases of low-value assets

Applicable Not applicable

Sale and leaseback transactions and judgment basis

Applicable Not applicable

Total cash outflows related to leases were RMB33,810,071.33.

Item	2024	2023
Interest expense of lease liabilities	856,608.10	862,856.86
Total cash outflows related to leases	33,810,071.33	24,738,079.01

### (2) As the lessor

Operating leases as the lessor:

Applicable Not applicable

Unit: RMB

Item	Lease income	Of which: Income related to variable lease payments and not included in lease receipts
Lease income	3,063,054.33	
Total	3,063,054.33	

Operating leases as the lessor:

Applicable Not applicable

Reconciliation of undiscounted lease receipts to net investment in leases:

Applicable Not applicable

Undiscounted lease receipts for the next five years:

Applicable Not applicable

**(3) Recognition of gains and losses on sales under finance leases as a producer or distributor**

Applicable Not applicable

Other information:

### 83. Data resources

Applicable Not applicable

### 84. Other information

Applicable Not applicable

## VIII R&D Expenditures

### 1. Presented by nature of expenditure

Applicable Not applicable

Unit: RMB

Item	2024	2023
Employee remuneration	465,156,814.44	406,595,244.35
Direct expenditures	196,711,152.61	197,805,013.87
Depreciation and amortization	15,486,108.16	13,096,686.15
Others	68,156,139.96	55,930,442.24
Total	745,510,215.17	673,427,386.61
Of which: expensed R&D expenditures	745,510,215.17	673,427,386.61
Capitalized R&D expenditures		

### 2. R&D projects eligible for capitalization

Applicable Not applicable

Significant capitalized R&D projects

Applicable Not applicable

Provision for impairment of development costs

Applicable Not applicable

### 3. Significant outsourced R&D projects

Applicable Not applicable

## IX Changes to the Scope of the Consolidated Financial Statements

### 1. Business combinations not involving entities under common control

Applicable Not applicable

**(1) Business combinations not involving entities under common control in the period**

√Applicable□Not applicable

Unit: RMB

Name of acquiree	Time of gaining equity	Cost of gaining the equity	Proportion of equity (%)	Way to gain equity	Purchase date	Recognition basis of purchase date	Income of acquiree from the purchase date to the end of the period	Net profit of acquiree from the purchase date to the end of the period	Cash flows of the acquiree from the purchase date to the end of the period		
									Net cash generated from/used in operating activities	Net cash generated from/used in investing activities	Net cash generated from/used in financing activities
Suzhou Goneo	September 1, 2024	32,000,000.00	80.00	Acquisition	September 1, 2024	Gain control	72,771,669.88	-4,878,382.51	6,895,041.51	2,438,710.11	-644,945.20

## Other information:

On July 31, 2024, the Company entered into an equity transfer agreement with the original shareholders of Suzhou Goneo to acquire 80% equity interest in Suzhou Goneo at RMB1 per capital contribution. Suzhou Goneo completed the registration of industrial and commercial changes on August 23, 2024, and the Company paid all the equity transfer payment on August 28, 2024, so it was included in the scope of the consolidated financial statements from September 1, 2024.

**(2) Combination cost and goodwill**

√Applicable□Not applicable

Unit: RMB

Item	Suzhou Goneo
Combination cost	32,000,000.00
-Cash	32,000,000.00
-Fair value of non-cash assets	
-Fair value of debt issued or assumed	
-Fair value of equity securities issued	
-Fair value of contingent consideration	
-Fair value of equity interests on the purchase date held before the purchase date	
--Other	
Total combination costs	32,000,000.00
Less: share in the fair value of identifiable net assets acquired	11,250,258.60
The amount of goodwill/combination cost less than the share in the fair value of identifiable net assets acquired	20,749,741.40

Method of determining the fair value of the combination cost:

□Applicable√Not applicable

Fulfillment of performance commitments:

□Applicable√Not applicable

The main formation reason for the large goodwill:

Applicable Not applicable

**(3) Identifiable assets and liabilities of acquirees on purchase date**

Applicable Not applicable

Unit: RMB

Item	Suzhou Goneo	
	Fair value on purchase date	Carrying amount on purchase date
Assets:		
Monetary assets	691,371.77	691,371.77
Held-for-trading financial assets	4,958,000.00	4,958,000.00
Advances from customers	112,310.94	112,310.94
Other receivables	303,969.09	303,969.09
Inventories	63,058,719.37	63,058,719.37
Other current assets	4,707,856.53	4,707,856.53
Fixed assets	4,308,917.51	4,308,917.51
Construction in progress	742,566.38	742,566.38
Right-of-use assets	1,733,947.72	1,733,947.72
Long-term prepaid expense	805,031.20	805,031.20
Other non-current assets	1,034,300.00	1,034,300.00
Liabilities:		
Accounts payable	64,662,131.26	64,662,131.26
Employee benefits payable	2,427,528.04	2,427,528.04
Taxes and levies payable	9,780.53	9,780.53
Other payables	2,460.71	2,460.71
Current portion of non-current liabilities	1,269,020.35	1,269,020.35
Deferred income tax liabilities	23,246.37	23,246.37
Net assets	14,062,823.25	14,062,823.25
Less: Non-controlling interests		
Net assets acquired	14,062,823.25	14,062,823.25

**(4) Gains or losses arising from the remeasurement at fair value of equity interests held before the dates of acquisition**

Whether there is a transaction that through multiple transaction step by step to realize business combination and gaining the control during the Reporting Period

Applicable Not applicable

**(5) Inability to reasonably determine the acquisition consideration or the fair value of acquirees' identifiable assets and liabilities at acquisition dates or the period-ends of the combinations**

Applicable Not applicable

**(6) Other information**

Applicable Not applicable

**2. Business combinations involving entities under common control**

Applicable Not applicable

**3. Counter-purchases**

Applicable Not applicable

**4. Disposal of subsidiaries**

Indicate whether there was any transaction or matter in the period where the Company ceased to control a subsidiary

Applicable Not applicable

Other information:

Applicable Not applicable

Indicate whether Company ceased to control a subsidiary in multiple disposals of its investment in the subsidiary

Applicable Not applicable

Other information:

Applicable Not applicable

**5. Changes to the scope of the consolidated financial statements due to other reasons**

Changes to the scope of the consolidated financial statements due to other reasons (incorporation, liquidation, etc.):

Applicable Not applicable

Company name	How the interest in the subsidiary was obtained	Time when the interest was obtained	The Company's capital contribution	As % of the subsidiary's total capital
Goneo Vietnam	Incorporated	January 2024	USD750,000	100.00%

Goneo Vietnam was incorporated by Goneo HK, the Company's subsidiary, in Vietnam in January 9, 2024 with a registered capital of USD750,000 and a 100% shareholding by Goneo HK. As at December 31, 2024, Goneo HK's paid-up capital contribution was USD750,000. Therefore, since the date of Goneo Vietnam's establishment, Goneo Germany has been included in the scope of the consolidated financial statements.

**6. Other information**

Applicable Not applicable

**X Interests in Other Entities****1. Interests in subsidiaries****(1) Subsidiaries**

√Applicable □Not applicable

Unit: RMB'0,000

Subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	The Company's interest		How the subsidiary was obtained
					Direct	Indirect	
Ningbo Goneo	Ningbo, Zhejiang	10,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Combination under common control
Goneo Photoelectricity	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Goneo Digital	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Banmen Electrical Appliances	Ningbo, Zhejiang	1,034.70	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Goneo Precision Manufacturing	Ningbo, Zhejiang	10,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Electric Sales	Ningbo, Zhejiang	10,000	Ningbo, Zhejiang	Commercial	100.00		Combination under common control
Cixi Goneo	Ningbo, Zhejiang	3,066	Ningbo, Zhejiang	Commercial	100.00		Combination under common control
Shanghai Goneo	Shanghai	3,800	Shanghai	Commercial	100.00		Combination under common control
Goneo Management	Ningbo, Zhejiang	10,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Goneo International Trade	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Hong Kong Goneo	Hong Kong		Hong Kong	Commercial	100.00		Combination under common control
Xingluo Trading	Ningbo, Zhejiang	500	Ningbo, Zhejiang	Commercial	100.00		Combination under common control
Goneo Low Voltage Electric Electrical	Ningbo, Zhejiang	2,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Household Electrical Appliances	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Hainan Dacheng	Sanya, Hainan	1,000	Sanya, Hainan	Commercial services	100.00		Incorporated
Intelligent Technology	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Manufacturing industry	100.00		Incorporated
Dalitek	Shanghai	1,500	Shanghai	Commercial	70.00		Combination not under

							common control
Information technology	Shanghai	10,000	Shanghai	Commercial	100.00		Incorporated
Goneo Tools	Ningbo, Zhejiang	3,840	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Goneo New Energy	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Murora Intelligent	Guangdong	10,000	Guangdong	Manufacturing industry	100.00		Incorporated
Shenzhen Intelligent	Shenzhen	1,000	Shenzhen	Manufacturing industry	100.00		Incorporated
Goneo Marketing	Ningbo, Zhejiang	1,000	Ningbo, Zhejiang	Commercial	100.00		Incorporated
Suzhou Goneo	Suzhou, Jiangsu	4,000	Suzhou, Jiangsu	Manufacturing industry	80.00		Combination not under common control

**(2) Substantial non-wholly-owned subsidiaries**

Applicable Not applicable

**(3) Significant restrictions on leveraging the assets and liquidating the liabilities of the Company**

Applicable Not applicable

**(4) Financial support or other support provided to structural entities incorporated into the scope of consolidated financial statements**

Applicable Not applicable

Other information:

Applicable Not applicable

**2. The transaction of the Company with its owner's equity share changing but the Company still controls the subsidiary**

Applicable Not applicable

**3. Interests in joint ventures or associates**

Applicable Not applicable

**4. Significant common operation**

Applicable Not applicable

**5. Equity in the structured entity excluded in the scope of consolidated financial statements**

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

Applicable Not applicable

**6. Other information**

Applicable Not applicable

**XI Government Grants****1. Government grants recognized at the receivable amount at the end of the period**

Applicable Not applicable

Reasons for not receiving the expected government grant at the expected time

Applicable Not applicable

**2. Liabilities associated with government grants**

Applicable Not applicable

Unit: RMB

Financial statement line item	Opening balance	Increase in the government grant in the period	Amount recorded in non-operating income in the period	Transferred to other income in the period	Amount of assets offset in the period	Other changes in the period	Closing balance	Related to assets/income
Deferred income	68,417,470.86			4,865,714.29			63,551,756.57	Related to income
Total	68,417,470.86			4,865,714.29			63,551,756.57	/

**3. Government grants recorded in profit or loss**

Applicable Not applicable

Unit: RMB

Type	2024	2023
Related to income	108,937,593.27	191,833,723.62
Total	108,937,593.27	191,833,723.62

**XII Risks Related to Financial Instruments****1. Risks on financial instruments**

Applicable Not applicable

The Company is engaged in risk management to achieve balance between risks and returns, minimizing the negative effects of risks on its operation performance and maximizing the interests of its shareholders and other equity investors. Based on that risk management goal, the fundamental strategy of its risk management is to identify and analyse various risks facing the Company, establish an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope.

The Company faces various risks related to financial instruments in its routine activities, mainly including credit risk, liquidity risk market risk. The management has reviewed and approved the policies of managing those risks, which are summarized as follows.

**i. Credit risk**

Credit risk means the risk of financial losses incurred to the other party when one party of a financial instrument is unable to fulfil its obligations.

**1. Practices of credit risk management****(1) Methods for evaluating credit risk**

On each balance sheet date, the Company shall evaluate whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. After determining whether the credit risk has increased significantly since the initial recognition, the Company shall consider obtaining reasonable and reliable information without paying unnecessary extra costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. On the basis of the single financial instrument or combination of financial instruments with similar credit risk characteristics, the Company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative and qualitative criteria prevails, the Company shall believe the credit risk of financial instruments has increased significantly:

1) The quantitative criteria are mainly that the probability of default in the remaining period at the balance sheet date increases by more than a certain percentage from the time of initial recognition;

2) The qualitative criteria are mainly material adverse changes in the debtor's operating or financial status, changes in the existing or expected technical, market, economic or legal environment that will have a material adverse impact on the debtor's ability to repay the Company.

(2) Definition of default and asset with credit impairment

When a financial instrument meets one or more of the following conditions, the Company shall define the financial asset as having defaulted, and its criteria are consistent with the definition of having incurred credit impairment:

1) The debtor has major financial difficulties;

2) The debtor violates the binding clauses of the contract against the debtor;

3) The debtor is likely to go bankrupt or undergo other financial restructuring;

4) The creditor, out of economic or contractual considerations related to the debtor's financial difficulties, gives concessions to the debtor which would not have been made in any other circumstances.

## 2. Measurement of expected credit losses

The key parameters for measuring expected credit loss included default probability, loss given default and exposure at default. The Company considered quantitative analysis and forward-looking information of historical statistical data (such as counter-party rating, guarantee method, repayment method, etc.) to establish a model of probability of default, default loss ratio and default risk exposure.

3. For details of the reconciliation statements of opening balance and closing balance of financial instrument loss provision, please refer to "4. Notes receivable", "5. Accounts receivable", "7. Receivables financing" and "9. Other receivables" under "VII Notes to the Consolidated Financial Statements" of "Part X Financial Statements".

## 4. Credit risk exposure and credit risk concentrations

The Company's credit risk mainly comes from monetary assets and accounts receivable. To control the aforementioned relevant risks, the Company has adopted the following measures.

(1) Monetary assets

The Company places the bank deposit and its monetary assets with financial institutions of high credit ratings. Thus, its credit risk is low.

(2) Accounts receivable

The Company termly/continuously conducted credit assessments for customers who trade on credit lines. Based on the credit assessment result, the Company chooses to trade with recognized customers with good credit and monitor the balance of the accounts receivable from them to ensure that the Company will not face any significant bad debt risk.

Due to the Company merely trades with the authorized third party with good credit, the guarantee is not required. Credit risk concentration is managed in accordance with the customers. As at December 31, 2024, there were certain credit concentration risks in the Company, and 38.41% of the accounts receivable of the Company (40.28% on December 31, 2023) came from the top 5 customers by balance. The Company hasn't held any guarantee or other credit enhancement for the balance of accounts receivable.

The maximum credit risk exposure the Company undertook shall be the carrying amount of each financial asset on balance sheet.

ii. Liquidity risk

Liquidity risk refers to the risk of fund shortage occurring when the Company fulfills the settlement obligation in the mode of cash delivery or other financial assets. Liquidity risk may originate from the failure to sell financial assets at fair value as soon as possible; or from the other party's failure to pay off its contractual debts; or from the earlier maturity of debts; or from the failure to generate the expected cash flow.

To control the risk, the Company comprehensively used a variety of financing methods such as bank clearing and bank borrowing, and adopted the appropriate combination of long-term and short-term financing methods to optimize the financing structure and maintain a balance between financing sustainability and flexibility. The Company has obtained the line of credit from a number of commercial banks to satisfy its operation fund needs and capital expenditure.

Financial liabilities classified by remaining maturity:

Item	As at the end of the period				
	Carrying amount	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	282,663,754.75	282,813,035.31	282,813,035.31		
Accounts payable	2,392,046,854.63	2,392,046,854.63	2,392,046,854.63		
Other payables	639,246,264.15	639,246,264.15	639,246,264.15		
Current portion of non-current liabilities	13,165,325.36	14,044,620.11	14,044,620.11		
Lease liabilities	18,791,925.77	19,856,730.32		12,783,922.87	7,072,807.45
Subtotal	3,345,914,124.66	3,348,007,504.52	3,328,150,774.20	12,783,922.87	7,072,807.45

(Continued)

Item	Carrying amount	As at the end of the prior period			
		Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	981,618,314.90	992,128,718.24	992,128,718.24		
Accounts payable	2,056,657,805.40	2,056,657,805.40	2,056,657,805.40		
Other payables	705,060,906.64	705,060,906.64	705,060,906.64		
Current portion of non-current liabilities	13,685,200.88	14,116,740.15	14,116,740.15		
Lease liabilities	4,743,227.39	4,788,785.53		4,788,785.53	
Subtotal	3,761,765,455.21	3,772,752,955.96	3,767,964,170.43	4,788,785.53	

### iii. Market risk

Market risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market prices. Market risk mainly includes interest rate risk and foreign exchange risk.

#### 1. Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments arising from changes in market interest rates. Interest-bearing financial instruments with fixed interest rates may bring the fair value interest rate risk to the Company, while those with floating interest rate may bring the cash flow interest rate risk to the Company. The Company will determine the proportion between the financial instruments with fixed interest rate and those with floating interest rate in combination with market environment, and maintain an appropriate portfolio of financial instruments through regular review and monitoring. The interest rate risk of cash flows facing the Company is mainly related to the bank loans calculated by floating interest rate of the Company.

As at December 31, 2024, the Company had no borrowings with floating income, and the interest rate change would not have a significant influence on the Company's gross profit and shareholders' equity.

#### 2. Foreign exchange risk

Foreign exchange risk refers to the risk that may lead to the changes of fair value of financial instruments or future cash flows due to fluctuation in exchange rate. The Company operates in mainland China, and the main activities are recorded by RMB. Thus, the foreign exchange market risk undertaken is insignificant for the Company.

For details of the Company's foreign currency monetary assets and liabilities at the end of the period, please refer to "81. Monetary items denominated in foreign currencies" under "VII Notes to the Consolidated Financial Statements" of "Part X Financial Statements".

## 2. Hedges

### (1) The Company conducts hedging operations for risk management

Applicable Not applicable

Other information:

Applicable Not applicable

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

The Company's specific hedging methods are described below:

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

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

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

As of December 31, 2024, the amount of futures margin occupied by the Company reported under other monetary funds was RMB56,246,586.50. The commodity futures contracts purchased by the Company were reported under derivative financial assets, with a fair value of RMB10,010,725.00 at the end of the period. The Company recognized pre-tax gains from fair value changes of cash flow hedging instruments included in other comprehensive income of RMB22,624,010.75, which is expected to gradually transfer to the Company's profit and loss statement during subsequent raw material procurement periods.

In 2024, due to hedging, the Company recognized operating costs of RMB34,561,017.02 in the profit and loss statement, and ineffective hedging of silver, aluminum, and tin accounted for RMB8,316,155.00 in investment income.

### (2) The Company conducts qualifying hedging operations and applies hedge accounting

Applicable Not applicable

Other information:

Applicable Not applicable

**(3) The Company conducts hedging operations for risk management, expects to achieve its risk management objectives, but does not apply hedge accounting.**

Applicable Not applicable

Other information:

Applicable Not applicable

### 3. Transfer of financial assets

#### (1) Classification of transfer methods

Applicable Not applicable

#### (2) Financial assets derecognized due to transfer

Applicable Not applicable

#### (3) Transferred financial assets that continue to be involved

Applicable Not applicable

Other information:

Applicable Not applicable

## XIII Disclosure of Fair Value

### 1. Closing fair value of assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Closing fair value			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>I Continuous fair value measurement</b>				
i. Held-for-trading financial assets			9,215,000,000.00	9,215,000,000.00
1. Financial assets at fair value through profit or loss			9,215,000,000.00	9,215,000,000.00
(1) Debt investments				
(2) Equity investments				
(3) Derivative financial assets				
(4) Bank's wealth management and other products			9,215,000,000.00	9,215,000,000.00
2. Designated financial assets at fair value through profit or loss				
2. Receivables financing			8,118,100.48	8,118,100.48
3. Derivative	10,010,725.00			10,010,725.00

financial assets				
(1) Debt investments				
(2) Equity investments				
ii. Other debt investments				
iii. Other equity investments				
iv. Investment property				
1. Land use rights for rental				
2. Buildings for rental				
3. Land use rights held for the purpose of sale for appreciation				
v. Living assets				
1. Consumptive living assets				
2. Productive living assets				
<b>Total assets continuously measured at fair value</b>	10,010,725.00		9,223,118,100.48	9,233,128,825.48
vi. Held-for-trading financial liabilities				
1. Financial liabilities at fair value through profit or loss				
Of which: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Designated financial liabilities at fair value through profit or loss				
<b>Total liabilities continuously measured at fair value</b>				
<b>II Non-continuous fair value measurement</b>				
i. Assets held for sale				
<b>Total assets not continuously measured at fair value</b>				
<b>Total liabilities not continuously</b>				

<b>measured at fair value</b>				
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**2. Basis for determining the market prices of continuous and non-continuous Level 1 fair value measurement items**

Applicable Not applicable

The Company's Level 1 fair value measurement items were derivative financial assets (futures contracts), of which the fair value was determined based on the open quotations in the futures market.

**3. Continuous and non-continuous Level 2 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters**

Applicable Not applicable

**4. Continuous and non-continuous Level 3 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters**

Applicable Not applicable

As the bank's wealth management products, trust products, etc. held by the Company had lower expected rates of return and smaller changes in fair value, their fair value was determined at their initially recognized costs.

The receivables financing held by the Company were bankers' acceptance receivable, which have low credit risk and short remaining maturities, and the Company determined the fair value of them based on their face amount.

**5. Continuous and non-continuous Level 3 fair value measurement items, information on the adjustment between the opening and closing carrying amounts, and sensitivity analysis of unobservable parameters**

Applicable Not applicable

**6. If a continuous fair value measurement item was converted between levels for the period, the reasons for such conversion and the policies for determining the conversion point**

Applicable Not applicable

**7. Valuation technique changes incurred in the period and the reasons for such changes**

Applicable Not applicable

**8. Fair value of financial assets and financial liabilities not measured at fair value**

Applicable Not applicable

The Company's financial assets and financial liabilities not measured at fair value consist primarily of: monetary assets, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, lease liabilities, etc. The difference between their carrying amount and fair value is small.

**9. Other information**

Applicable Not applicable

**XIV Related Parties and Related-party Transactions****1. The Company's parent company**

Applicable Not applicable

Unit: RMB'0,000

Name of the Company's parent company	Place of registration	Nature of business	Registered capital	The parent company's shareholding percentage in the Company	The parent company's voting right percentage in the Company
Liangji Industrial	Ningbo, Zhejiang	Investment	500,000,000	53.81	53.81

Notes to the Company's parent company:

Ruan Liping and Ruan Xueping are the joint actual controllers of the Company, and the two jointly hold 100% of Liangji Industrial, 53.81% of the equity of the Company through Liangji Industrial, directly hold 30.25% of the equity of the Company, and indirectly holds 0.68% of the voting rights of the Company through Ningbo Ninghui Investment Management Partnership (Limited Partnership).

The ultimate controllers of the Company are Ruan Liping and Ruan Xueping.

**2. Subsidiaries of the Company**

Details of the subsidiaries of the Company are in the notes

Applicable Not applicable

The Company's subsidiaries are detailed in "1. Interests in subsidiaries" under "X Interests in Other Entities" of "Part X Financial Statements".

**3. Joint ventures and associated enterprises of the Company**

Details of joint ventures and associated enterprises of the Company are in the notes

Applicable Not applicable

The following are the circumstances of other joint ventures or associated enterprises that have a balance with the Company for the period or that have formed balances from related-party transactions with the Company for the previous period

Applicable Not applicable

Other information:

Applicable Not applicable

**4. Other related party**

Applicable Not applicable

Name of other related party	Relationship with the Company
Shenghui Electronics	A company controlled by Liangji Industrial
Goneo Property	A company controlled by Liangji Industrial
Liangniu Hardware	A company controlled by the actual controller, Ruan Liping's wife's brother Pan Minfeng and his wife Xu Yirong
Hangniu Hardware	A company controlled by the actual controller, Ruan Liping's wife's brother Pan Minfeng and his wife Xu

	Yirong
Feiniu Hardware	The actual controller Ruan Liping's wife's brother Pan Minfeng and his wife Xu Yirong's son Pan Qianliang holds 55% of the shares, and Xu Yirong holds 45% of the shares
Ruan Shuhong	Daughter of the actual controller Ruan Liping
Niuweiwang Trading	A company controlled by Yu Shoufu, father of the former Director Cai Yingfeng's daughter's spouse
Jiangcheng Industrial	A company controlled by Zhu Funing, son-in-law of the actual controller Ruan Liping
Kunshan Xuchuang	A company controlled by Sun Xiaoping, spouse of the actual controller Ruan Xueping
Kunshan Yudong	A company controlled by Sun Xiaoping, spouse of the actual controller Ruan Xueping
Kunshan Gaoshu	A company controlled by Sun Xiaoping, spouse of the actual controller Ruan Xueping
Cixi Libo	An entity controlled by Cai Libo, sister of the former Director Cai Yingfeng
Jianke Trading	A company controlled by the Ying Jianguo, brother-in-law of the former Director Cai Yingfeng
Guoxin Trading	A company controlled by Ying Jianguo, brother-in-law of the former Director Cai Yingfeng
Yaoyang Trading	Zhang Meina, sister of the former Senior Executive Zhang Lina, holds 100% of the shares
Huantian Trading	Xu Yanhao, son of Zhang Meina, sister of the former Senior Executive Zhang Lina, holds 32% of the shares
Qiudi Trading	A company controlled by the siblings of the spouse of the former Senior Executive Li Guoqiang
Chenhao Electronics	A company controlled by Xia Zhonggui, brother of the former Supervisor Li Yu's spouse, and his spouse Zeng Minhui

## 5. Related-party transactions

### (1) Related-party transactions involving purchase and sale of goods, as well as receipt and rendering of services

Purchases of goods/receipt of services:

Applicable Not applicable

Sale of goods/rendering of services:

Applicable Not applicable

Unit: RMB

Related party	Contents of transaction	2024	2023
Hangniu Hardware	Adapters, wall switches, LEDs, digital accessories	38,569,652.16	40,461,383.23
Liangniu Hardware	Adapters, wall switches, LEDs, digital accessories	10,556,167.61	14,005,203.73
Feiniu Hardware	Adapters, digital accessories	912,739.76	1,479,757.39
Subtotal of Hangniu Hardware		50,038,559.53	55,946,344.35
Guoxin Trading	Adapters, LEDs, digital accessories	14,823,138.29	12,578,951.10

Jianke Trading	Adapters, LEDs, digital accessories		917.43
Subtotal of Guoxin Trading		14,823,138.29	12,579,868.53
Niuweiwang Trading	Adapters, LEDs	20,578,115.36	24,592,948.77
Cixi Libo	Adapters, LEDs, digital accessories	15,831,135.97	14,240,501.18
Huantian Trading	Adapters, LEDs, digital accessories	16,278,974.70	13,575,262.69
Qiudi Trading	Adapters, LEDs, digital accessories	4,959,702.53	8,060,800.82
Chenhao Electronics	Digital accessories, adapters	1,037,789.38	1,420,756.10
Kunshan Gaoshu	Adapters, wall switches, LEDs, digital accessories	197,868.18	167,924.26
Kunshan Xuchuang	Adapters, wall switches, LEDs, digital accessories	47,956.72	
Kunshan Yudong	Adapters, wall switches, LEDs, digital accessories	47,685.76	
Minshen Property	Adapters, wall switches, LEDs, digital accessories		79,392.18
Jiangcheng Industrial	Adapters, wall switches, LEDs, digital accessories	2,655.29	14,380.89
Goneo Property	Luminaries	34,809.73	9,611.57
Total		123,878,391.44	130,687,791.34

Notes to related-party transactions involving purchase and sale of goods, as well as receipt and rendering of services:

Applicable Not applicable

### (2) Management entrustment and contracting between the Company and related parties

The Company as the trustee of management/contractor:

Applicable Not applicable

Notes to related-party transactions with the Company as the trustee of management/contractor:

Applicable Not applicable

The Company as the trustor of management/contractee:

Applicable Not applicable

Notes to related-party transactions with the Company as the trustor of management/contractee:

Applicable Not applicable

### (3) Leases between the Company and related parties

The Company as the lessor:

Applicable Not applicable

The Company as the lessee:

Applicable Not applicable

Unit: RMB

Lessor	Type of the leased asset	Rental expense of simplified short-term leases and low-value asset leases (if applicable)		Variable lease payments that are not covered in the measurement of the lease liabilities (if applicable)		Rent payable		Interest expense on lease liabilities borne		Added right-of-use assets	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Ruan Shuhong	Buildings and constructions					768,985.00	959,138.91	45,366.96	46,722.44		
Shenghui Electronics	Buildings and constructions	233,539.21									

Notes to leases between the Company and related parties:

Applicable Not applicable**(4) Guarantees between the Company and related parties**

The Company as the guarantor:

Applicable Not applicable

The Company as the guaranteed party:

Applicable Not applicable

Notes to guarantees between the Company and related parties:

Applicable Not applicable**(5) Loans between the Company and related parties**Applicable Not applicable**(6) Asset transfers and debt restructuring involving related parties**Applicable Not applicable**(7) Remuneration of key management**Applicable Not applicable

Unit: RMB'0,000

Item	2024	2023
Remuneration of key management	2,011.60	3,397.19

**(8) Other related-party transactions**Applicable Not applicable

**6. Amounts due from and to related parties****(1) Amounts due from related parties**

□Applicable√Not applicable

**(2) Amounts due to related parties**

√Applicable□Not applicable

Unit: RMB

Item	Related party	Closing gross amount	Opening gross amount
Contract liabilities	Hangniu Hardware	126,727.47	891,269.85
	Liangniu Hardware	134,875.43	375,514.78
	Feiniu Hardware	3,833.39	3,004.00
	Subtotal of Hangniu Hardware	265,436.29	1,269,788.63
	Guoxin Trading	137,106.26	1,024,406.47
	Huantian Trading	846,127.34	628,223.79
	Cixi Libo	207,369.20	220,379.32
	Qiudi Trading	146.14	193,819.28
	Niuweiwang Trading	58,978.97	191,186.78
	Goneo Property	213,858.95	42,521.60
	Chenhao Electronics	7,147.27	5,232.07
	Yaoyang Trading		3,461.19
Subtotal		1,736,170.42	3,579,019.13
Other payables	Liangniu Hardware	70,000.00	70,000.00
	Hangniu Hardware	70,000.00	70,000.00
	Feiniu Hardware	20,000.00	20,000.00
	Subtotal of Hangniu Hardware	160,000.00	160,000.00
	Yaoyang Trading		30,000.00
	Chenhao Electronics	30,000.00	30,000.00
	Cixi Libo	30,000.00	30,000.00
	Qiudi Trading	23,000.00	23,000.00
	Huantian Trading	20,000.00	20,000.00
	Guoxin Trading	20,000.00	20,000.00
	Niuweiwang Trading	20,000.00	20,000.00
Subtotal		303,000.00	333,000.00

**(3) Other items**

□Applicable√Not applicable

**7. Commitments involving related parties**

□Applicable√Not applicable

**8. Other information**

□Applicable√Not applicable

**XV Share-based Payments****1. Equity instruments**

√Applicable□Not applicable

Quantity unit: share

Currency unit: RMB

Type of awardee	Granted in the period		Exercised in the period		Unlocked in the period		Lapsing in the period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management	3,439,110	120,093,721.20			2,327,362	70,467,088.57	575,358	17,782,380.73
Total	3,439,110	120,093,721.20			2,327,362	70,467,088.57	575,358	17,782,380.73

Issued and outstanding share options or other equity instruments at the period-end:

Applicable Not applicable

## 2. Equity-settled share-based payments

Applicable Not applicable

Unit: RMB

Method of determining the fair value of equity instruments at the date of grant	
Important parameters for the fair value of equity instruments at the date of grant	The fair value of restricted shares is the closing price at the date of grant
Basis for determining the number of exercisable equity instruments	Number of persons expected to exercise multiplied by the number of grants per person
Reasons for significant differences between current and prior period estimates	No
Cumulative amount of equity-settled share-based payments recorded in capital reserves	341,548,887.62

Other information:

### (1) 2021 Restricted Share Incentive Plan

According to the resolutions of the 5th Meeting of the 2nd Board of Directors and the 2020 Annual General Meeting of Shareholders of the Company, the Company granted 668,400 restricted shares to 523 employees who met the conditions for the grant at a price of RMB88.15 per share on June 4, 2021.

The main performance appraisal requirements for restricted shares: For the first release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2021 should be not less than 110% of the average of the previous three fiscal years (i.e. 2018 - 2020); for the second release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2022 should be not less than 110% of the average of the previous three fiscal years (i.e. 2019 - 2021); for the third release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2023 should be not less than 110% of the average of the previous three fiscal years (i.e. 2020 - 2022).

In 2024, the Company's 2021 Restricted Share Incentive Plan recognized equity incentive expenses of RMB2,587,233.07.

### (2) 2022 Restricted Share Incentive Plan

According to the resolutions of the 10th and 12th Meeting of the 2nd Board of Directors and the 2021 Annual General Meeting of Shareholders of the Company, the Company implemented the Restricted Share Incentive Plan with shares of the Company's common stock repurchased from the secondary market. The Company granted 1,501,800 restricted shares to 646 employees who met the conditions for the grant at a price of RMB63.06 per share on May 20, 2022.

The main performance appraisal requirements for restricted shares in 2022: For the first release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2022 should be not less than 110% of the average of the previous three fiscal years (i.e. 2019 - 2021); for the second release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2023 should be not less than 110% of the average of the previous three fiscal years (i.e. 2020 - 2022); for the third release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2024 should be not less than 110% of the average of the previous three fiscal years (i.e. 2021 - 2023).

In 2024, the Company's 2022 Restricted Share Incentive Plan recognized equity incentive expenses of RMB12,968,411.74.

### (3) 2023 Restricted Share Incentive Plan

According to the resolutions of the 18th Meeting of the 2nd Board of Directors and the 2022 Annual General Meeting of Shareholders of the Company, the Company granted 2,189,848 restricted shares to 750 employees who met the conditions for the grant at a price of RMB48.95 per share on June 9, 2023.

The main performance appraisal requirements for restricted shares in 2023: For the first release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2023 should be not less than 110% of the average of the previous three fiscal years (i.e. 2020 - 2022); for the second release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2024 should be not less than 110% of the average of the previous three fiscal years (i.e. 2021 - 2023); for the third release period, the performance appraisal target was the operating revenue or net profit attributable to the shareholders of the listed company in 2025 shall be not less than 110% of the average of the previous three fiscal years (i.e. 2022 - 2024).

In 2024, the Company's 2023 Restricted Share Incentive Plan recognized equity incentive expenses of RMB37,040,046.84.

### (4) Restricted Share Incentive Plan in 2024

According to the resolutions of the 3rd Meeting of the 3rd Board of Directors and the 2023 Annual General Meeting of Shareholders of the Company, the following proposals were reviewed and approved: *Proposal on 2024 Restricted Share Incentive Plan (Draft) and Its Abstract*, *Proposal on the Adjustment of the List of Incentive Recipients, Number of Grants and Grant Price of 2024 Restricted Share Incentive Plan*, and *Proposal on the Grant of Restricted Shares to the Incentive Recipients*. The Company determined June 6, 2024 as the equity grant date, and actually granted an aggregate of 3,439,110 restricted shares to 865 incentive recipients.

The main performance appraisal requirements for restricted shares in 2024: For the first release period, the operating revenue or net profit in 2024 should be not less than the average of the previous three fiscal years (i.e. 2021-2023) and not less than the 110% of the average of the previous two fiscal

years (i.e. 2022-2023); for the second release period, the operating revenue or net profit in 2025 shall be not less than the average of the previous three fiscal years (i.e. 2022-2024) and not less than the 110% of the average of the previous two fiscal years (i.e. 2023-2024); for the third release period, the operating revenue or net profit in 2026 shall be not less than the average of the previous three fiscal years (i.e. 2023-2025) and not less than the 110% of the average of the previous two fiscal years (i.e. 2024-2025)

In 2024, the Company's 2024 Restricted Share Incentive Plan recognized equity incentive expenses of RMB58,633,569.20.

### 3. Cash-settled share-based payments

Applicable Not applicable

### 4. Share-based payments in the period

Applicable Not applicable

Unit: RMB

Type of awardee	Equity-settled share-based payments	Cash-settled share-based payments
Management	111,229,260.85	
Total	111,229,260.85	

### 5. Modification and termination of share-based payments

Applicable Not applicable

### 6. Others

Applicable Not applicable

#### 1. 2020 Special Talent Shareholding Plan

On April 23, 2020, the Company held the 11th Meeting of the 1st Board of Directors, where the Special Talent Shareholding Plan (hereinafter referred to as the "shareholding plan") was deliberated and adopted, which granted shares of the Shareholding Plan to eligible employees of the Company. The number of people involved included supervisors, specially introduced talents and talents with special contribution. The source of funds for the shareholding plan is the special fund of the shareholding plan accrued by the Company, and the total amount is RMB50 million. The total number of shares in the shareholding plan is 50 million, with an amount of RMB1 per share.

As of December 31, 2024, the Company had granted 40,425,393 shares under the shareholding plan, with 9,574,607 ungranted shares. The Company presents the granted share of the plan as the long-term prepaid expense, confirmed the amortization of expense by the evaluation period, and presents the portion not granted as the other non-current assets. In 2024, the Company's amortization by service period was included in the administrative expense of RMB8,658,655.00.

#### 2. 2024 Special Talent Shareholding Plan

The 2nd Meeting of the 3rd Board of Directors convened by the Company on April 25, 2024 reviewed and approved the *Proposal on the Company's 2024 Special Talent Shareholding Plan (Draft) and Its Abstract* and *Proposal on Management Measures of the Company's 2024 Special Talent*

*Shareholding Plan.* The participants are the directors (independent directors are not eligible unless otherwise specified), supervisors, senior management, special introduced talents and special contributing talents of the Company (including its subsidiaries) who have significant roles in and influences on the Company's overall performance and medium-and long-term development, with the source of funds being a portion of the employees' individual lawful remuneration, i.e. RMB35 million of the employees' long-term incentive reward fund drawn by the Company in accordance with the *Remuneration Management System of Goneo Group Co., Ltd.*

The performance appraisal requirement for 2024 Special Talent Shareholding Plan was: the operating revenue or net profit for the appraisal year shall not be less than the average of the previous three fiscal years and not less than 110% of the average of the previous two fiscal years, and the shares shall be unlocked in four phases, namely 12, 24, 36 and 48 months from the date of transferring the subject shares granted by the Company for the first time into the name of this shareholding plan, with the shares being 25% of the granted shares.

As of December 31, 2024, the Company had granted shares amounting to RMB22,771,550.48 under the Special Talent Shareholding Plan in 2024, with ungranted shares amounting to RMB12,228,449.52. The Company presents the granted share of the plan as the long-term prepaid expense, confirmed the amortization of expense by the evaluation period, and presents the portion not granted as the other non-current assets. In 2024, the Company's amortization by service period was included in the administrative expense of RMB3,085,262.04.

## XVI Commitments and Contingencies

### 1. Significant commitments

Applicable Not applicable

Significant ongoing commitments on the balance sheet date, as well as the nature and amounts involved:

As of December 31, 2024, the Company's investment projects with funds raised through public offering are as follows:

Project	Raised funds investment amount (RMB'0,000)	Cumulatively used amount of raised funds (RMB'0,000)
Construction project for a base with annual output of 180 million sets of LED lamps, and R&D centre and headquarters	115,203.61	113,507.78
Channel end construction and brand promotion project	84,745.75	88,478.83
Base construction project for annual output of 410 million sets of wall switches and sockets	75,452.86	57,265.96
Construction project for automation upgrading of annual output of 400 million sets of adaptors	58,883.63	47,851.03
Information technology promotion project	16,035.00	14,351.25

Permanently replenishing working capital		14,792.51
Total	350,320.85	336,247.36

## 2. Contingencies

### (1) Significant ongoing contingencies on the balance sheet date

Applicable Not applicable

### (2) The Company shall make it clear if it has no significant contingencies that are required to be disclosed.

Applicable Not applicable

## 3. Other information

Applicable Not applicable

## XVII Events after the Balance Sheet Date

### 1. Significant non-adjustment matters

Applicable Not applicable

### 2. Profit distribution

Applicable Not applicable

Unit: RMB

Profit or dividends to be distributed	3,101,181,160.80
Approved and declared profit or dividends to be distributed	

The 9th Meeting of the 3rd Board of Directors convened by the Company on April 23, 2025 approved the 2024 Final Dividend Plan and Bonus Issue Plan. Based on the total share capital (exclusive of the shares in the Company's repurchased share account) at the record date of the dividend payout, the Company intends to pay a cash dividend of RMB2.40 (tax inclusive) per share to shareholders, with a bonus issue of 0.40 additional share for every share held by shareholders from capital reserves.

### 3. Return of sales

Applicable Not applicable

### 4. Other events after the balance sheet date

Applicable Not applicable

#### 1. 2025 Restricted Share Incentive Plan

According to the 2025 Restricted Share Incentive Plan approved at the 9th Meeting of the 3rd Board of Directors on April 23, 2025, the Company intends to grant a total of 3,096,900 restricted shares to 671 awardees at a certain price. The plan is subject to final approval by a general meeting of shareholders.

The restricted shares granted under the incentive plan will be subject to performance appraisal in three unlocking years/periods, with the achievement of the performance requirements as the condition

for the unlocking of the restricted shares for the awardees. For the first unlocking period, the operating revenue or net profit in 2025 shall be no less than the average of the previous three fiscal years (i.e. 2022-2024) and no less than 110% of the average of the previous two fiscal years (i.e. 2023-2024); for the second unlocking period, the operating revenue or net profit in 2026 shall be no less than the average of the previous three fiscal years (i.e. 2023-2025) and no less than 110% of the average of the previous two fiscal years (i.e. 2024-2025); and for the third unlocking period, the operating revenue or net profit in 2027 shall be no less than the average of the previous three fiscal years (i.e. 2024-2026) and no less than 110% of the average of the previous two fiscal years (i.e. 2025-2026).

## 2. 2025 Special Talent Shareholding Plan

According to the 2025 Special Talent Shareholding Plan passed at the 9th Meeting of the 3rd Board of Directors held by the Company on April 23, 2025, the Company plans to offer equity incentives to the talent playing a crucial role in the Company's overall operating performance and its medium- and long-term development, including directors (independent directors are not eligible unless otherwise specified), supervisors, senior management, special introduced talents and special contributing talents. The size of the fund of this shareholding plan shall not exceed RMB53 million, of which RMB26.5 million shall be sourced from employees, the other RMB26.5 million comes from part of the employees' individual legal remuneration, i.e. the employees' long-term incentive reward fund drawn by the Company in accordance with the *Remuneration Management System of Goneo Group Co., Ltd.*

The underlying shares obtained in each batch of this shareholding plan (including first granting and reserved granting) are granted in three phases. The proportion of underlying shares granted in each phase is 40%, 30%, and 30%, respectively. The underlying shares of a first granting shall be granted respectively after 12 months, 24 months, or 36 months from the date when the Company releases them to this shareholding plan for the first time. The Board of Directors has authorized the Management Committee to set unlocking arrangements and assessment targets for the reserved grant equity shares, which shall not be earlier than the unlocking schedule for the initial grant shares and shall not be lower than the unlocking performance requirements for the initial grant shares. The actual releasing proportion and number of the underlying shares in each year shall be determined based on the Company's operating performance and relevant individual performance assessment.

If the Company's operating performance targets concerning this shareholding plan are achieved, the management committee will sell the batch of corresponding underlying shares according to market conditions and the proceeds will be distributed to holders based on their holding proportions after deducting relevant taxes (including personal income tax) in accordance with the law, or transfer the corresponding underlying shares to a holder's personal securities account in a non-trading manner. Unallocated underlying shares and relevant dividends (if any) belong to the Company.

To meet the performance assessment target for releasing each batch of underlying shares concerning the shareholding plan, the operating revenue or net profit in the current year shall not be lower than the average of the previous three fiscal years and also not be less than 110% of the average of the previous two fiscal years.

### 3. The Company's share repurchase plan

The Company held the 9th Meeting of the 3rd Board of Directors on April 23, 2025, where it intended to repurchase its shares through a call auction transaction with its own funds, and the repurchase price shall not exceed RMB109 per share (inclusive); the total amount of repurchase shall not be less than RMB250,000,000 (inclusive) and shall not exceed RMB400,000,000 (inclusive), and the repurchase period shall be within 12 months from the date when the Company's Board of Directors deliberates and adopts the repurchase scheme.

The shares repurchased by the Company will be used for equity incentives and employee stock ownership plan at an appropriate time in the future, and will be granted within three years after the date of the announcement of the implementation of the share repurchase and the announcement of the change of shares. If it is not granted, the Company will perform the procedures for deducting the registered capital in accordance with the law, and the shares not transferred will be retired.

## XVIII Other Significant Events

### 1. Correction of prior accounting errors

#### (1) Retrospective restatement method

Applicable Not applicable

#### (2) Prospective application method

Applicable Not applicable

### 2. Significant debt restructuring

Applicable Not applicable

### 3. Swap of assets

#### (1) Swap of non-monetary assets

Applicable Not applicable

#### (2) Swap of other assets

Applicable Not applicable

### 4. Annuity plans

Applicable Not applicable

### 5. Discontinued operations

Applicable Not applicable

### 6. Segment information

#### (1) Basis for the determination of the reporting segment and accounting policies

Applicable Not applicable

The Company determines the reporting segments on the basis of the regional divisions, the revenue from

principal operations and the cost of principal operations are divided based on the final sales places, and the assets and liabilities are divided based on the locations of the operating entities.

## (2) Financial information of reporting segments

Applicable Not applicable

Unit: RMB

Item	Domestic	Overseas operations of domestic companies	Overseas operations of overseas companies	Offset among segments	Total
Revenue from principal operations	16,552,406,241.76	232,193,052.11	7,278,995.78		16,791,878,289.65
Cost of principal operations	9,326,318,407.84	193,384,668.15	6,604,825.27		9,526,307,901.26

Item	Domestic	Overseas	Offset among segments	Total
Total assets	20,442,137,504.55	51,896,986.13		20,494,034,490.68
Total liabilities	4,591,916,915.33	27,137,204.59		4,619,054,119.92

If there was no reportable segment, or the total amount of assets and liabilities of each reportable segment could not be reported, relevant reasons shall be clearly stated

Applicable Not applicable

Other information

Applicable Not applicable

## 7. Other significant transactions and matters that may affect decision-making of investors

Applicable Not applicable

## 8. Other information

Applicable Not applicable

## XIX Notes to Key Items of the Financial Statements of the Parent Company

### 1. Accounts receivable

#### (1) Breakdown by aging

Applicable Not applicable

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year		
Of which: Sub-items within 1 year		
Within 1 year	226,923,667.28	294,467,965.34
Subtotal within 1 year	226,923,667.28	294,467,965.34
1 to 2 years	102,800.00	
2 to 3 years		

Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total gross amount	227,026,467.28	294,467,965.34
Less: Bad debt provision	11,356,463.36	14,723,398.27
Total	215,670,003.92	279,744,567.07

**(2) Breakdown by method of establishing bad debt provisions**

√Applicable □Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Gross amount		Bad debt provision		Carrying amount	Gross amount		Bad debt provision		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision established on an individual basis										
Of which:										
Bad debt provision established on a grouping basis	227,026,467.28	100.00	11,356,463.36	5.00	215,670,003.92	294,467,965.34	100.00	14,723,398.27	5.00	279,744,567.07
Of which:										
Total	227,026,467.28	100.00	11,356,463.36	5.00	215,670,003.92	294,467,965.34	100.00	14,723,398.27	5.00	279,744,567.07

Bad debt provision established on an individual basis:

□Applicable √Not applicable

Bad debt provision established on a grouping basis:

□Applicable √Not applicable

Bad debt provision established using the general model of expected credit loss

□Applicable √Not applicable

Significant change in the gross amount of an account receivable with change in loss provision in the period:

□Applicable √Not applicable

**(3) Bad debt provision**

√Applicable □Not applicable

Unit: RMB

Type	Opening balance	Changes for the period				Closing balance
		Established	Recovered or reversed	Transferred or written-off	Other changes	
Bad debt provision established on a grouping basis	14,723,398.27	-3,366,934.91		3,000.00		11,356,463.36
Total	14,723,398.27	-3,366,934.91		3,000.00		11,356,463.36

Of which significant amount of recovered or transferred-back bad debt provision for the period:

Applicable Not applicable

#### (4) Accounts receivable written off in the period

Applicable Not applicable

Significant accounts receivable written off:

Applicable Not applicable

Notes to the accounts receivable written off:

Applicable Not applicable

#### (5) Top five entities with respect to accounts receivable and contract assets

Applicable Not applicable

Unit: RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets combined	As % of the closing balance of total accounts receivable and contract assets combined	Closing balance of bad debt provision
Electric Sales	170,497,258.51		170,497,258.51	75.10	8,524,862.93
Goneo Marketing	35,768,486.82		35,768,486.82	15.76	1,788,424.34
PetroChina Company Limited Anhui Sales Branch	2,603,880.00		2,603,880.00	1.15	130,194.00
Shanxi Zhongyun Zhigang Data Technology Co., Ltd.	2,540,184.22		2,540,184.22	1.12	127,009.21

Chongqing Seres New Electric Vehicle Sales Co., Ltd.	2,449,373.32		2,449,373.32	1.08	122,468.67
Total	213,859,182.87		213,859,182.87	94.20	10,692,959.14

Other information:

Applicable Not applicable

## 2. Other receivables

### Breakdown

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable	1,290,000,000.00	1,100,000,000.00
Other receivables	966,550,080.31	833,070,108.44
Total	2,256,550,080.31	1,933,070,108.44

Other information:

Applicable Not applicable

### Interest receivable

#### (1) Breakdown of interest receivable

Applicable Not applicable

#### (2) Significant overdue interest

Applicable Not applicable

#### (3) Breakdown by method of establishing bad debt provisions

Applicable Not applicable

Bad debt provision established on an individual basis:

Applicable Not applicable

Notes to bad debt provision established on an individual basis:

Applicable Not applicable

Bad debt provision established on a grouping basis:

Applicable Not applicable

#### (4) Bad debt provision established using the general model of expected credit loss

Applicable Not applicable

Significant change in the gross amount of an interest receivable with change in loss provision in the period:

Applicable Not applicable

**(5) Bad debt provision**

Applicable Not applicable

Of which significant amount of recovered or transferred-back bad debt provision for the period:

Applicable Not applicable

**(6) Interest receivable actually written off in the period**

Applicable Not applicable

Of which, significant interest receivable written off

Applicable Not applicable

A description of interest receivable written off:

Applicable Not applicable

Other information:

Applicable Not applicable

**Dividends receivable****(7) Dividends receivable**

Applicable Not applicable

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Ningbo Goneo	600,000,000.00	1,100,000,000.00
Goneo Precision	200,000,000.00	
Electric Sales	400,000,000.00	
Goneo Marketing	90,000,000.00	
Total	1,290,000,000.00	1,100,000,000.00

**(8) Significant dividends receivable that are over one year**

Applicable Not applicable

**(9) Breakdown by method of bad debt provision establishment**

Applicable Not applicable

Bad debt provision established on an individual basis:

Applicable Not applicable

Notes to bad debt provision established on an individual basis:

Applicable Not applicable

Bad debt provision established on a grouping basis:

Applicable Not applicable

**(10) Bad debt provision established using the general model of expected credit loss**

Applicable Not applicable

Significant change in the gross amount of dividends receivable with change in loss provision in the period:

Applicable Not applicable

**(11) Bad debt provision**

Applicable Not applicable

Of which significant amount of recovered or transferred-back bad debt provision for the period:

Applicable Not applicable

**(12) Dividends receivable written off in the period**

Applicable Not applicable

Of which, significant dividends receivable written off

Applicable Not applicable

A description of dividends receivable written off:

Applicable Not applicable

Other information:

Applicable Not applicable

**Other receivables****(13) Breakdown by aging**

Applicable Not applicable

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year		
Of which: Sub-items within 1 year		
Within 1 year	479,271,896.01	731,770,734.60
Subtotal within 1 year	479,271,896.01	731,770,734.60
1 to 2 years	565,015,664.20	152,898,549.49
2 to 3 years	5,455,362.65	558,432.05
Over 3 years	316,181.77	729,436.58
3 to 4 years		
4 to 5 years		
Over 5 years		
Total gross amount	1,050,059,104.63	885,957,152.72
Less: Bad debt provision	83,509,024.32	52,887,044.28
Total carrying amount	966,550,080.31	833,070,108.44

**(14) Breakdown by nature**

Applicable Not applicable

Unit: RMB

Nature	Closing gross amount	Opening gross amount
Intercourse funds	1,043,764,816.67	881,424,411.48
Guaranteed deposit	4,901,386.06	1,694,367.06
Housing loan for employees	962,877.27	2,053,072.80
Others	430,024.63	785,301.38
Total gross amount	1,050,059,104.63	885,957,152.72
Less: Bad debt provision	83,509,024.32	52,887,044.28
Total carrying amount	966,550,080.31	833,070,108.44

**(15) Bad debt provision**

Applicable Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance of January 1, 2024	36,588,536.72	15,289,854.95	1,008,652.61	52,887,044.28
Balance of January 1, 2024 in the period				
- Transferred to Stage 2	-28,250,783.21	28,250,783.21		
- Transferred to Stage 3		-2,182,145.06	2,182,145.06	
- Transferred back to Stage 2				
- Transferred back to Stage 1				
Amount accrued for the period	15,625,841.29	15,143,073.32	-146,934.57	30,621,980.04
Amount transferred-back for the period				
Amount charged-off for the period				
Amount written-off for the period				
Other changes				
Balance as at December 31, 2024	23,963,594.80	56,501,566.42	3,043,863.10	83,509,024.32

Significant change in the gross amount of an other receivable with change in loss provision in the period:

Applicable Not applicable

Basis for a significant increase in a bad debt provision and the credit risk of a financial instrument in the period:

Applicable Not applicable

#### (16) Bad debt provision

Applicable Not applicable

Unit: RMB

Type	Opening balance	Changes for the period				Closing balance
		Established	Reverse d or transferr ed-back	Charged-off/Wri tten-off	Other changes	

Bad debt provision established on a grouping basis	52,887,044.28	30,621,980.04				83,509,024.32
Total	52,887,044.28	30,621,980.04				83,509,024.32

Of which the bad debt provision recovered or transferred-back with significant amount during the period:

Applicable Not applicable

**(17) Other receivables actually written off in the period**

Applicable Not applicable

Of which, significant other receivables written off:

Applicable Not applicable

A description of other receivables written off:

Applicable Not applicable

**(18) Top five entities with respect to other receivables**

Applicable Not applicable

Unit: RMB

Entity	Closing balance	As % of the closing balance of total other receivables	Nature of other receivable	Aging	Closing balance of bad debt provision
Ningbo Goneo	251,395,428.55	23.94	Transaction amount	Within 1 year	12,569,771.43
	307,049,080.03	29.24		1-2 years	30,704,908.00
	4,055,405.69	0.39		2-3 years	2,027,702.85
Electric Sales	55,006,721.97	5.24	Transaction amount	Within 1 year	2,750,336.10
	255,432,408.44	24.33		1-2 years	25,543,240.84
Goneo Photoelectricity	76,651,371.64	7.30	Transaction amount	Within 1 year	3,832,568.58
	57,205.37	0.01		1-2 years	5,720.54
Information Technology	63,608,045.73	6.06	Transaction amount	Within 1 year	3,180,402.29
	6,420.72	0.00	Transaction amount	1-2 years	642.07
Cixi Goneo	23,140,783.33	2.20	Transaction amount	Within 1 year	1,157,039.17
Total	1,036,402,871.47	98.71	/	/	81,772,331.87

**(19) Centrally managed funds presented in other receivables**

Applicable Not applicable

Other information:

Applicable Not applicable

**3. Long-term equity investments**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment provision	Carrying amount	Gross amount	Impairment provision	Carrying amount
Investments in subsidiaries	965,809,082.52	83,486,472.54	882,322,609.98	805,126,253.60	62,736,731.14	742,389,522.46
Investments in joint ventures and associates						
Total	965,809,082.52	83,486,472.54	882,322,609.98	805,126,253.60	62,736,731.14	742,389,522.46

**(1) Investments in subsidiaries**

√Applicable □Not applicable

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of impairment allowance	Increase/decrease in the period			Closing balance (carrying amount)	Closing balance of impairment allowance
			Increase in investment	Decrease in investment	Impairment allowance		
Ningbo Goneo	172,095,472.80		18,816,787.83			190,912,260.63	
Goneo Photoelectricity	28,701,790.62		7,540,280.19			36,242,070.81	
Goneo Digital	27,726,796.98		5,102,991.45			32,829,788.43	
Banmen Electrical Appliances	12,124,146.51		675,952.99			12,800,099.50	
Goneo Precision Manufacturing	107,661,143.37		2,753,302.87			110,414,446.24	
Cixi Goneo	43,577,404.97		85,894.42			43,663,299.40	
Shanghai Goneo	42,721,962.38		686,657.82			43,408,620.20	
Goneo Management	30,223,975.87		103,919.63			30,327,895.50	
Goneo International Trade	3,285,342.50		275,677.35			3,561,019.85	
Electric Sales	28,729,156.21		6,677,177.91			35,406,334.12	
Xingluo Trading	9,910,274.20					9,910,274.20	
Goneo Low Voltage	3,995,945.34		1,430,680.52			5,426,625.86	
Household Electrical Appliances	9,957,106.19		5,852,364.22			15,809,470.41	
Hainan	10,000,000.00		1,601,972.80			11,601,972.80	

Dacheng							
Intelligent Technology	4,585,652.01		2,480,726.25			7,066,378.26	
Dalitek	28,263,268.86	62,736,731.14				28,263,268.86	62,736,731.14
Information technology	114,612,695.05		15,044,264.18			129,656,959.23	
Goneo New Energy	10,526,482.71		1,808,466.14			12,334,948.85	
Shenzhen Intelligent	4,499,290.23		4,577,458.42			9,076,748.64	
Murora Intelligent	16,444,957.64		34,395,692.34			50,840,649.98	
Goneo HK	23,749,318.78		8,409,403.55			32,158,722.33	
Goneo Tools	6,200,000.00		3,800,000.00			10,000,000.00	
Goneo Marketing	2,797,339.24		6,534,064.10			9,331,403.34	
Suzhou Goneo			32,029,093.94	20,749,741.40		11,279,352.54	20,749,741.40
Total	742,389,522.46	62,736,731.14	160,682,828.92	20,749,741.40		882,322,609.98	83,486,472.54

**(2) Investments in joint ventures and associates**

Applicable Not applicable

**(3) Impairment tests of long-term equity investments**

Applicable Not applicable

**4. Operating revenue and cost of sales****(1) Details of operating revenue and cost of sales**

Applicable Not applicable

Unit: RMB

Item	2024		2023	
	Revenue	Costs	Revenue	Costs
Principal operations	6,023,760,014.05	4,279,745,400.01	6,013,474,226.02	4,189,846,946.77
Other operations	127,001,111.19	113,721,027.95	32,739,253.21	17,370,305.83
Total	6,150,761,125.24	4,393,466,427.96	6,046,213,479.23	4,207,217,252.60
Of which: Revenue generated by contracts with customers	6,121,533,442.31	4,381,468,101.80	6,024,523,530.53	4,195,601,773.35

**(2) Breakdown of operating revenue and cost of sales**

Applicable Not applicable

Other information:

Applicable Not applicable

**(3) Notes to contract performance obligations**

Applicable Not applicable

**(4) Notes to allocation to residual contract performance obligations**

Applicable Not applicable

**(5) Significant contract change or significant adjustment to the transaction price**

Applicable Not applicable

Other information:

None

**5. Return on investment**

Applicable Not applicable

Unit: RMB

Item	2024	2023
Return on long-term equity investments measured using the cost method	1,500,000,000.00	1,500,000,000.00
Return on long-term equity investments measured using the equity method		
Income from the disposal of long-term equity investments		
Income derived during the period of holding held-for-trading financial assets		
Dividend income derived during the period of holding other equity investments		
Interest income derived during the period of holding debt investments		
Interest income derived during the period of holding other debt investments		
Income from the disposal of held-for-trading financial assets		
Income from the disposal of other equity investments		
Income from the disposal of debt investments		
Income from the disposal of other debt investments		
Income from debt restructuring		
Return on investments in bank's wealth management products, etc.	283,805,563.40	57,162,295.01
Interest income derived from loan at call	10,374.02	
Total	1,783,815,937.42	1,557,162,295.01

**6. Other information**

Applicable Not applicable

**XX Supplementary Information****1. Schedule of exceptional gains and losses in the period**

Applicable Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets	621,466.25	

(inclusive of impairment allowance write-offs)		
Government grants recognized in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	108,937,593.27	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	8,316,155.00	
Capital occupation charges on a non-financial enterprise that are recognize in profit or loss	51,647.67	
Gain or loss on assets entrusted to other entities for investment or management	540,843,952.06	
Gain or loss on loan entrustments		
Asset losses due to acts of God such as natural disasters		
Reversed portions of impairment allowances for receivables which are tested individually for impairment		
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments		
Current profit or loss on subsidiaries obtained in business combinations involving entities under common control from the period-begin to combination dates, net		
Gain or loss on non-monetary asset swaps		
Gain or loss on debt restructuring		
One-off costs incurred by the Company as a result of discontinued operations, such as expenses for employee arrangements		
One-time effect on profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payments recognized due to cancellation and modification of equity incentive plans		
Gain or loss on changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payments		
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using the fair value method		
Income from transactions with distinctly unfair prices		
Gain or loss on contingencies that are unrelated to the Company's normal business operations		
Income from charges on entrusted management		
Non-operating income and expense other than the	-32,089,672.59	

above		
Other gains and losses that meet the definition of exceptional gain/loss		
Subtotal	626,681,141.66	
Less: Income tax effects	96,001,318.69	
Non-controlling interests effects (net of tax)	282,417.80	
Total	530,397,405.17	

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

Applicable Not applicable

Other information:

Applicable Not applicable

## 2. Return on equity (ROE) and earnings per share (EPS)

Applicable Not applicable

Profit in the Reporting Period	Weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	28.64	3.31	3.31
Net profit attributable to ordinary shareholders of the Company before exceptional gains and losses	25.09	2.90	2.90

## 3. Accounting data differences under domestic and overseas accounting standards

Applicable Not applicable

## 4. Other information

Applicable Not applicable

Chairman of the Board: Ruan Liping

Date when this Report was authorized for issue: April 23, 2025

Revised information:

Applicable Not applicable