

# 2024 Annual Report



让世界更清洁 让未来更美好

April 2025

Infore Environment Technology Group Co., Ltd.

# **2024 Annual Report**

## **Part I Important Notice, Table of Contents and Definitions**

**The Board of Directors, the Board of Supervisors as well as the directors, supervisors and senior officers of Infore Environment Technology Group Co., Ltd. warrant that the information in this report includes no misrepresentations, misleading statements or material omissions, and jointly and severally accept liability for the truthfulness, accuracy and completeness of information in this report.**

**Ma Gang, the Company's legal representative, Wang Qingbo, the Company's principal officer in charge of accounting, and Wu Shanshan, the principal officer of the Company's accounting division (head of accounting) warrant that the financial statements in the Annual Report are true, accurate and complete.**

**All directors of the Company attended the Board meeting to review this report.**

**Any forward-looking statements such as future plans mentioned in this report shall not be considered as promises to investors. Investors are advised to pay attention to possible investment risks.**

**The Board has approved a proposal on dividend plan as follows: Based on the total share capital (minus shares in the Company's repurchase account) on the date of record for the 2024 final dividend plan, a cash dividend of RMB 1.89 (tax inclusive) per 10 shares will be distributed to the shareholders, with no conversion of the capital reserve to share capital.**

## Contents

<b>Part I Important Notice, Table of Contents and Definitions .....</b>	<b>2</b>
<b>Part II Company Profile and Principal Financial Indicators.....</b>	<b>6</b>
<b>Part III Management Discussion and Analysis .....</b>	<b>12</b>
<b>Part IV Corporate Governance.....</b>	<b>48</b>
<b>Part V Environmental and Social Responsibility .....</b>	<b>69</b>
<b>Part VI Significant Events .....</b>	<b>84</b>
<b>Part VII Share Changes and Shareholder Information .....</b>	<b>97</b>
<b>Part VIII Information on Preference Shares .....</b>	<b>106</b>
<b>Part IX Information on Bonds .....</b>	<b>107</b>
<b>Part X Financial Report.....</b>	<b>111</b>

## **Documents Available for Reference**

(I) Financial statements with signatures and seals of the legal representative of the Company, principal officer in charge of accounting and principal officer of the accounting division.

(II) Original audit report with the seal of the accounting firm, and signed and stamped by certified public accountants (CPAs).

(III) Originals of all corporate documents and announcements publicly disclosed on the website designated by the CSRC during the reporting period.

The originals and legally effective photocopies of the aforesaid documents are available at the Company and the stock exchange for inspection by investors.

## Definitions

Term	means	Definition
Company, the Company, Infore Enviro	means	Infore Environment Technology Group Co., Ltd.
CSRC	means	China Securities Regulatory Commission
SZSE	means	Shenzhen Stock Exchange
General Meeting of Shareholders	means	General Meeting of Shareholders of Infore Environment Technology Group Co., Ltd.
Board of Directors, the Board	means	Board of Directors of Infore Environment Technology Group Co., Ltd.
Board of Supervisors	means	Board of Supervisors of Infore Environment Technology Group Co., Ltd.
<i>Company Law</i>	means	<i>Company Law of the People's Republic of China</i>
<i>Securities Law</i>	means	<i>Securities Law of the People's Republic of China</i>
<i>Articles of Association</i>	means	Articles of Association of Infore Environment Technology Group Co., Ltd.

## Part II Company Profile and Principal Financial Indicators

### I. Company Information

Stock name	Infore Enviro	Stock code	000967
Stock listed on	Shenzhen Stock Exchange		
Chinese name of the Company	盈峰环境科技集团股份有限公司		
Chinese abbreviation of the Company	盈峰环境科技集团		
Foreign name of the Company (if any)	Infore Environment Technology Group Co., Ltd.		
Legal representative of the Company	Ma Gang		
Registered address	1818 Renmin West Road, Dongguan Sub-district, Shangyu District, Shaoxing City, Zhejiang Province, China		
Postal code of registered address	312300		
Historical change in registered address of the Company	On February 29, 2016, the Company changed its registered address to 1818 Renmin West Road, Dongguan Sub-district, Shangyu District, Shaoxing City, Zhejiang Province, China, from Shangpu Town, Shangyu City, Zhejiang Province.		
Office address	23/F, Infore Center, 7-8 Yixing Road, Xincheng Area, Beijiao Town, Shunde District, Foshan City, Guangdong Province		
Postal code of office address	528300		
Official website	www.inforeenviro.com		
E-mail	inforeenviro@infore.com		

### II. Contact Details

	Board Secretary	Securities Representative
Name	Huang Junjie	Wang Fei
Address	23/F, Infore Center, 7-8 Yixing Road, Xincheng Area, Beijiao Town, Shunde District, Foshan City, Guangdong Province	23/F, Infore Center, 7-8 Yixing Road, Xincheng Area, Beijiao Town, Shunde District, Foshan City, Guangdong Province
Telephone	0757-26335291	0757-26335291
Fax	0757-26330783	0757-26330783
E-mail	wangyf@infore.com	wangyf@infore.com

### III. Information Disclosure and Access

Stock exchange website on which the report is published	Shenzhen Stock Exchange: <a href="http://www.szse.cn/">http://www.szse.cn/</a>
Publications and websites on which the report is published	<i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> , <i>Shanghai Securities Journal</i> , and Cninfo ( <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> )
Place where the report is lodged	Securities Department, 23/F, Infore Center, 7-8 Yixing Road,

Xincheng Area, Beijiao Town, Shunde District, Foshan City
---

#### IV. Changes to Registered Information

Unified Social Credit Code	913300006096799222
Changes to the Company's principal activities since its listing (if any)	<p>Since it went public in 2000, the Company has changed its business scope five times. Scope of business as at November 18, 1993: the research, development and production of ventilators, air-cooling and water-cooling equipment, air conditioners, refrigerators, quick-freezing equipment, molds and power generators. Export (refer to the documents of approval from the Ministry of Foreign Trade and Economic Cooperation for details). On July 2, 2002, the scope of business expanded to include "metal and plastic-steel composite pipes and profiles". On November 14, 2003, the scope of business expanded to include "environmental engineering". On February 29, 2016, a strategic transformation led to an expansion of the Company's scope of business to: R&amp;D, maintenance, and operation services of environmental monitoring instruments, development, consulting, and services of environmental management technologies, operation services of environmental management facilities; design and construction of environmental engineering, environmental protection engineering, municipal engineering, and water conservancy and other water-related projects, technological development and services for water pollution control, water treatment, and ecological restoration; R&amp;D, sales, and relevant technical consulting services of communication products, network products, mechatronic products, automatic control products, intelligent building and community products, as well as software products; design, development, investment, operation management, and technical consulting services of relevant supporting facilities for the disposal and recycle of municipal waste and solid waste; sales of ventilators and air-cooled, water-cooled, and air conditioning equipment; operation of import and export business; industrial investment, investment management, asset management, and investment consultation. On May 18, 2016, "investment, the operation of import and export business, industrial investment, investment management and asset management" were removed from the Company's scope of business. On June 28, 2019, the Company's scope of business was updated to: R&amp;D, manufacturing, sales, technical consultation, maintenance and operation services of sanitation equipment, special operation robots, new energy vehicles (NEV), environmental monitoring equipment, special equipment for environmental protection, car charging equipment and parts; equipment leasing; design, operations management, technological development and technical services of supporting facilities relating to disposal and recycling of municipal garbage and solid waste; design, construction, operations management, technological development, technical services of environmental engineering, municipal engineering, garden engineering, electric power engineering, water conservancy engineering, water pollution treatment engineering, air pollution treatment engineering, and soil remediation engineering; operational cleaning, collection, transportation and treatment services of urban household garbage (operating with license); development,</p>

	technical consultation and technical services of environmental protection, IoT and Internet technologies; software development and sales; sales of ventilators, air cooling, water cooling and air conditioning equipment; import and export business and investment consultation.
Changes to the Company's controlling shareholders since its incorporation (if any)	<p>1. In 2000, the Company went public, and its largest shareholder was Zhejiang Fan &amp; Air-cooled Equipment Co., Ltd.</p> <p>2. On February 23, 2006, the former controlling shareholder of the Company, Zhejiang Shangfeng Industry Group Co., Ltd., and the Company's shareholder, Midea Group Co., Ltd., transferred their respective stocks of 9,575,027 shares and 24,897,984 shares to Guangdong Infore Group Co., Ltd. Guangdong Infore Group Co., Ltd. became the Company's largest shareholder.</p> <p>3. On August 5, 2008, the Company's controlling shareholder, Guangdong Infore Group Co., Ltd. changed its name to "Guangdong Infore Holding Investment Group Co., Ltd."</p> <p>4. On September 30, 2010, Guangdong Infore Holding Investment Group Co., Ltd. changed its name to "Infore Holding Investment Group Co., Ltd." The latter became the Company's controlling shareholder.</p> <p>5. On January 4, 2019, the private placement of new shares for the purchase of new assets was made, and the Company issued 1,017,997,382 shares to Ningbo Infore Asset Management Co., Ltd. to acquire its 51% equity interest in Zoomlion Environmental. Ningbo Infore Asset Management Co., Ltd. became the Company's largest shareholder. As at the end of the reporting period, the Company's controlling shareholder was Ningbo Infore Asset Management Co., Ltd.</p>

## V. Other Relevant Information

The accounting firm engaged by the Company

Name of accounting firm	Pan-China Certified Public Accountants LLP (Special General Partnership)
Office address of accounting firm	27/F, Run'ao Business Center (T2), Qianjiang Century CBD, Xiaoshan District, Hangzhou City, Zhejiang Province
Authorized signatories	Lin Wang, and Cao Cuijuan

Authorized signatories

☒ Applicable ☐ Not Applicable

Sponsor	Sponsor's office address	Representative	Supervisory period
Huaxing Securities Co., Ltd.	Huaxing Securities, 2301, Raffles City The Bund East Tower, No. 1089 Dongdaming Road, Hongkou District, Shanghai	Li Zeming, and Yue Yalan	2024

The financial advisor engaged by the Company to exercise constant supervision over the Company during the reporting period

☐ Applicable ☒ Not Applicable

## VI. Major Accounting Data and Financial Indicators

Whether the Company needs to retroactively adjust or restate previous years' accounting data

☒ Yes ☐ No



## Reasons for retrospective adjustments or restatements

## Change in Accounting Policies

	2024	2023		YoY change	2022	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Operating revenue (RMB)	13,117,894,323.95	12,631,050,967.34	12,631,050,967.34	3.85%	12,255,992,938.42	12,255,992,938.42
Net profit attributable to the listed company's shareholders (RMB)	513,514,275.54	498,383,730.00	498,383,730.00	3.04%	418,794,179.13	418,794,179.13
Net profit attributable to the listed company's shareholders after non-recurring gains and losses (RMB)	502,176,740.07	444,753,430.22	444,753,430.22	12.91%	324,753,411.18	324,753,411.18
Net cash flows from operating activities (RMB)	1,162,049,481.48	1,385,556,509.49	1,385,556,509.49	-16.13%	1,662,482,287.71	1,662,482,287.71
Basic earnings per share (RMB/share)	0.16	0.16	0.16	0.00%	0.13	0.13
Diluted earnings per share (RMB/share)	0.16	0.16	0.16	0.00%	0.13	0.13
Weighted average return on equity	2.94%	2.88%	2.88%	0.06%	2.41%	2.41%
	December 31, 2024	December 31, 2023		YoY change	December 31, 2022	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Total assets (RMB)	29,636,330,337.87	29,048,201,560.36	29,048,201,560.36	2.02%	29,271,291,859.98	29,271,291,859.98
Net assets attributable to the listed company's shareholders (RMB)	17,519,445,625.13	17,437,509,156.73	17,437,509,156.73	0.47%	17,288,602,018.09	17,288,602,018.09

## Reasons for changes in accounting policies and corrections of accounting errors

The Company has implemented the provisions of "Accounting Treatment of Assurance-type Warranty That Does Not Belong to a Single Performance Obligation" in *Interpretation No. 18 of the Accounting Standards for Business Enterprises* promulgated by the Ministry of Finance since January 1, 2024, and has made retroactive adjustments to the information of the comparable period.

The lower of net profit before and after non-recurring gains and losses is negative for the most recent three fiscal years, and the latest auditor's report shows there is uncertainty as to the Company's ability to continue as a going concern

☐ Yes ☒ No

The lower of the net profit before and after non-recurring gains and losses is negative

☐ Yes ☒ No

## VII. Accounting Data Differences Arising from Domestic/Overseas Accounting Standards

### 1. Differences in net profit and net assets under Chinese Accounting Standards and International Accounting Standards

☐ Applicable ☒ Not Applicable

No such differences during the reporting period.

## 2. Differences in net profit and net assets under Chinese Accounting Standards and Overseas Accounting Standards

☐ Applicable ☒ Not Applicable

No such differences during the reporting period.

## VIII. Quarterly Principal Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	2,998,009,860.25	3,234,972,347.21	3,044,603,403.77	3,840,308,712.72
Net profit attributable to the listed company's shareholders	172,498,196.39	208,354,383.66	222,793,829.28	-90,132,133.79
Net profit attributable to the listed company's shareholders after non-recurring gains and losses	186,412,749.23	195,743,875.79	221,966,068.88	-101,945,953.83
Net cash flows from operating activities	-332,971,774.46	149,994,339.14	86,595,449.86	1,258,431,466.94

Whether the financial indicators above or their sums differ materially from those in the Company's disclosed quarterly and interim reports

☐ Yes ☒ No

## IX. Non-recurring Gains and Losses Items and Amounts

☒ Applicable ☐ Not Applicable

Unit: RMB

Items	Amount in 2024	Amount in 2023	Amount in 2022	Note
Gain or loss for the disposal of non-current assets (inclusive of provisions to write off impaired assets)	-47,196,844.86	-4,146,549.53	-2,289,681.16	——
Government subsidies recognized as gain or loss during the reporting period (exclusive of government subsidies given in the Company's ordinary course of business based on the established criteria and having a continuous impact on the Company's gain or loss as per the government policies or regulations)	55,557,305.65	52,966,550.75	80,268,041.82	——
Gain or loss arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises as well as from the disposal of financial assets and financial liabilities (exclusive of effective hedges that arise in relation to the Company's ordinary business operations)	17,102,059.94			——
Capital collected from non-financial enterprises that was recognized as gain or loss during the reporting period	6,113,509.25	52,623.28	1,280,730.46	——
Gain or loss on entrusting other parties with investment or asset management	24,183,474.63	12,111,406.99	19,091,108.25	Income from wealth management products: RMB

				24,183,474.63.
Reversal of provisions for impaired receivables that have been individually tested for impairment	10,424,873.13	484,240.00		—
Gain/loss on debt restructuring	-2,318,575.60	-3,130,560.92	-5,380,200.00	—
Operating revenue and expenses other than the above items	-31,994,184.64	9,532,774.64	2,164,235.04	—
Other gains and losses that fall into the definition of non-recurring gains and losses			19,785,940.63	—
Tax rebates, reductions and exemptions granted ultra vires or without official documents of approval			1,004,379.44	—
Less: Income tax	12,036,883.47	11,730,712.09	22,153,064.81	—
Minority interest affected (after tax)	8,497,198.56	2,509,473.34	-269,278.28	—
Total	11,337,535.47	53,630,299.78	94,040,767.95	--

Details on other gains and losses that fall into the definition of non-recurring gain/loss:

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

Explanation of classification of non-recurring gains and losses listed in the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public — Non-recurring Gains and Losses* as recurring gains and losses

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## Part III Management Discussion and Analysis

### I. Industry Performance During Reporting Period

#### 1. Industry overview

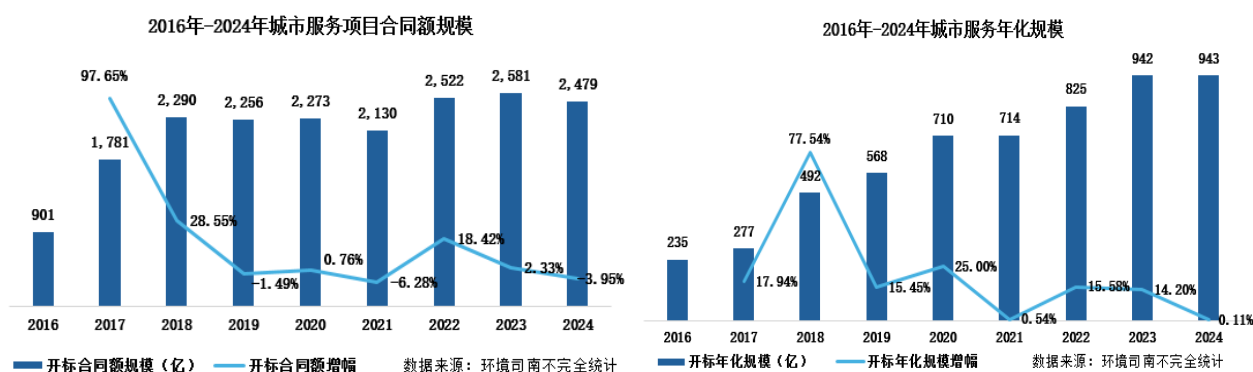
Infore Enviro (Stock code: 000967) is a technology-based enterprise in the field of urban cleaning services in China. The Company's main business is urban cleaning services. Relying on "intelligent equipment, Smart Sanitation Cloud Platform, and smart services", it creates a new urban service model that combines ecology and technology, and builds a full-chain service system of "front-end intelligent operation, middle-end intelligent dispatching, and back-end lean management" in the industry, empowering the intelligent and refined operation of urban cleaning services all day long, in all aspects, and throughout the whole process.

Urban cleaning services are an important part of the modern environmental management and operation system, covering multiple fields such as road cleaning and maintenance, snow and ice removal, waste collection and transportation, waste sorting, municipal infrastructure maintenance, urban landscaping, water area cleaning and marine sanitation. The Company adopts diversified business models, commonly including "government procurement", "franchising", and "equity cooperation". By providing a full-cycle solution including planning, investment, construction and operation, it comprehensively maintains a clean, sanitary, and beautiful urban environment and creates a healthy and comfortable living and working space for residents, effectively supporting the improvement and sustainable development of the human settlement environment.

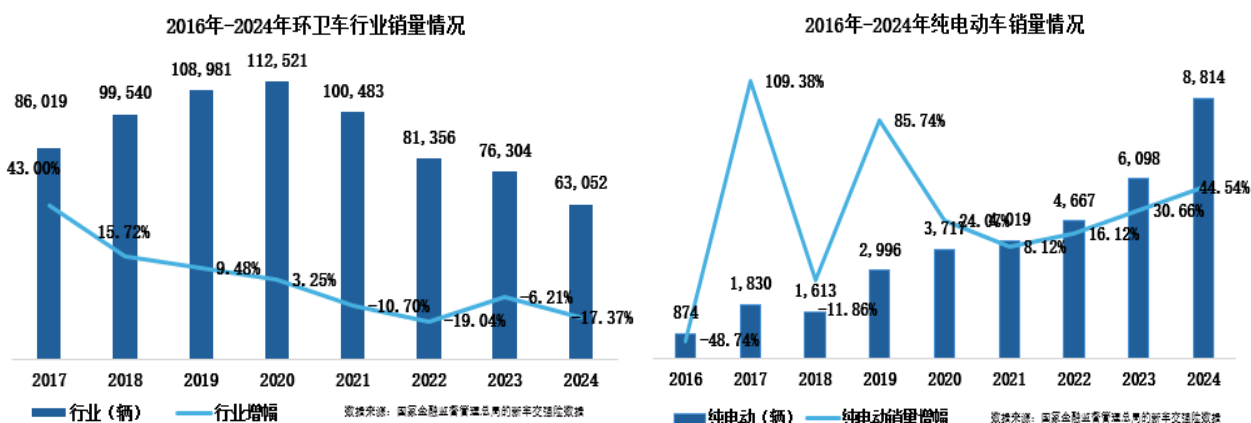
#### 2. Industry development

2024 marked a crucial year for fully implementing the guiding principles of the 20th CPC National Congress and for carrying out the "14th Five-Year Plan". The urban service market has maintained robust growth thanks to the sanitation marketization reform and the "urban steward" model. Although the environmental protection equipment market has maintained a relatively high total demand in the long term driven by policies, affected by the approval of special treasury bond projects and the disbursement of funds concentrated in the fourth quarter, equipment procurement will be postponed to 2025. Coupled with factors such as the weakening of local fiscal payment capabilities and the reduction of customers' budgets, the industry continues the downward trend of the previous year. It is worth noting that new energy-powered environmental protection equipment has achieved a rapid growth of 45% against the trend, becoming a prominent highlight in the market.

The growth in both the annual value and the total value of urban service contracts in China over the past nine years:



The total sales of environmental protection equipment and sales of pure electric new energy-powered environmental protection equipment in the past nine years:



Urban service is an essential item of government spending, as it is closely related to people's livelihoods. The sector's long-term growth has little to do with short-term fluctuations in the macro economy, and it is tied to long-term economic trends, policy directives, environmental requirements, and people's living standards, without notable seasonal and regional features.

Looking ahead to 2025, policy drivers and industry cycles are expected to align closely. The urban services market is likely to maintain steady growth, supported by the ongoing deepening of the sanitation marketization reform and the "urban steward" model. In addition, the environmental protection equipment market is poised for growth, supported by multiple drivers. From the perspective of policy support, the report on the work of the government for 2025 proposed to raise the deficit ratio to 4%, issue over RMB 300 billion of ultra-long-term special treasury bonds and RMB 500 billion of local government special bonds. In addition, the RMB 12 trillion "debt resolution" plan in 2024 is expected to improve local financial resources, providing financial guarantees for the procurement of environmental protection equipment. From the perspective of the industry cycle, the expansion of the large-scale equipment renewal policy, coupled with the delayed implementation of the funded projects issued in 2024 and the natural renewal demand of environmental protection equipment, will boost the industry back onto the growth track. It is worth noting that as the penetration rate of new energy-powered environmental protection equipment breaks through the critical point of 10% where demand explodes, with the support of policies such as the expansion of the pilot program for full electrification of public service vehicles, the demand for new energy equipment will enter a period of rapid growth.

### 3. Development trends

#### (1) Urban services: Deepening of the intelligent transformation

The urban service scenarios continue to expand. Relying on technologies such as the Internet of Things, big data, and AI, it realizes the upgrade from single sanitation management to comprehensive urban operation, promoting a systematic innovation in the service mode and management efficiency. With the acceleration of the urbanization process, the traditional sanitation management mode has been difficult to meet the transformation demand from the "sanitation integration" to the "urban steward" model, and the intelligent urban service system has emerged as the times require. Based on the Internet of Things and mobile Internet, this system conducts full-process and dynamic monitoring of all sanitation management elements such as personnel, vehicles, objects, and tasks. By optimizing the management mode, it improves the operation quality, reduces the operation cost, and builds a digital management evaluation system. Its service architecture adopts a cloud-based deployment model, deeply integrating with the smart city management network, and using the cloud service platform as the carrier to deliver service capabilities to both the management and operation ends. With technological iteration and the extension of application scenarios, the smart urban services will become a key support for promoting the green, low-carbon and sustainable development of cities.

The environmental protection equipment sector is rapidly shifting towards greener and more efficient solutions, with new energy technologies like electrification and hydrogen energy gaining significant traction. These innovations are being further enhanced by innovative technologies such as intelligent sensing and autonomous operations. Against the backdrop of China's "dual carbon" strategy, which is deeply embedded in the broader vision of ecological civilization, policies promoting new urbanization and the pilot program for full electrification of public service vehicles are working in tandem to accelerate the transition to new energy solutions in environmental protection equipment. By 2024, the sector's penetration of new energy technologies has reached 14.9%, and the lifecycle cost advantages driven by economies of scale are further accelerating the substitution process. The synergy between policy guidance and market forces is driving this transformation.

Infore Enviro has 315 subsidiaries, establishing 3 major industrial bases in Changsha, Foshan and Shaoxing across the country, and 2 overseas factories in Thailand and Italy. Equipped with 22 R&D platforms and 361 service outlets, it forms a comprehensive support system. The Company focuses on urban service business, with "intelligent equipment, Smart Sanitation Cloud Platform, and smart services" as the core drivers. Relying on the most complete equipment matrix in the industry as the foundation and taking the digital platform as the hub, it forms intelligent solutions covering all scenarios of urban environmental cleaning. The services range from road cleaning and maintenance, snow and ice removal, waste collection and transportation, waste sorting, municipal infrastructure maintenance, urban landscaping, water area cleaning to marine sanitation. The Company also offers customers one-stop services including planning, design, investment, construction, and operation of environmental sanitation projects.

In 2024, the Company ranked No.1 for the increase in the annual contract amount of the Company's urban service projects under operation and ranked No.3 for total contract amount of urban service projects under operation in the same industry. The Company ranked No.1 in terms of sales of environmental protection equipment in 2024 for the 24th consecutive year in China.

## (II) Principal products

### 1. Intelligent equipment

The Company has the most comprehensive suite of environmental protection equipment of over 500 models within the industry, providing customers with a wide range of solutions including various traditional cleaning equipment, new energy cleaning equipment, and cleaning robots. The Company's products cover cleaning and maintenance equipment, waste collection and transportation equipment, waste compression station equipment, kitchen food waste recycling equipment, municipal and landscaping equipment, municipal emergency equipment, photovoltaic cleaning equipment, aerial work equipment, integrated solutions for photovoltaics, energy storage and charging, as well as intelligent small unmanned cleaning robots and other intelligent environmental protection equipment.

Market performance: In 2024, the Company's sales volume of environmental protection equipment reached 12,173 units, and the market share reached 19.3%. Both the sales volume and the market share of the environmental protection equipment ranked first in the market of the same industry. The Company's sales amount of environmental protection equipment has been ranked first in the domestic industry for 24 consecutive years.



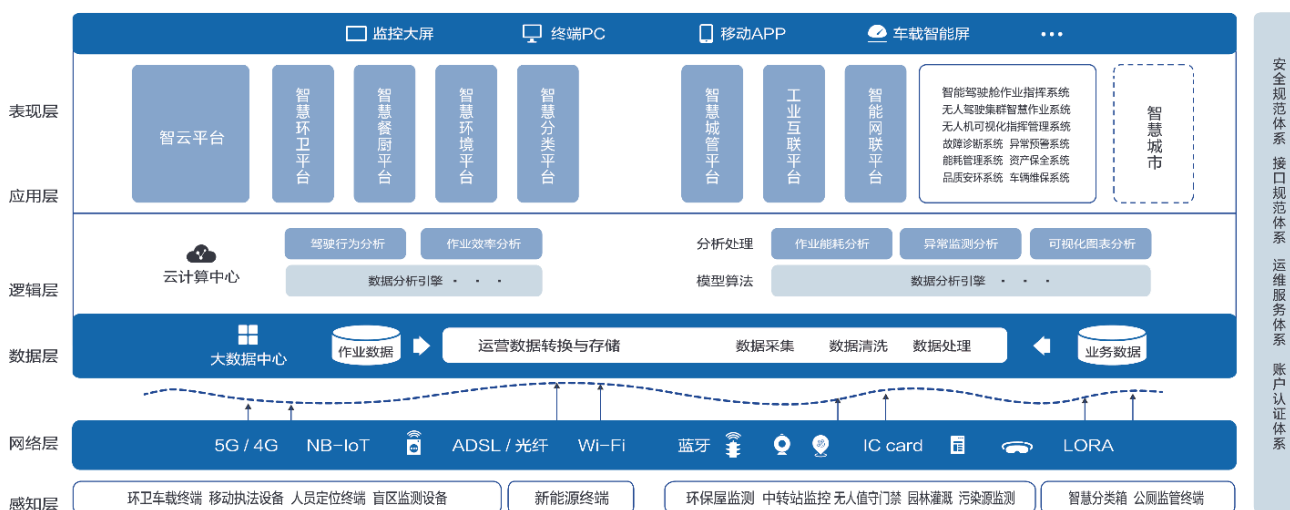


## 2. Smart Sanitation Cloud Platform

The Smart Sanitation Cloud Platform developed by the Company is a pioneering platform in China's sanitation industry that encompasses the full industrial chain, with an investment of nearly RMB 250 million. Based on multi-modal large model technology, it builds a dual intelligent engine of "equipment networking + operation management", forming a technical foundation that covers vertical industry data, intelligent algorithms, and AI-driven large models. By deploying the independently developed T-BOX remote control terminal, a "terminal, pipeline and cloud" collaborative system covering autonomous cleaning equipment and traditional operation vehicles is established. It enables real-time interconnection of the four-dimensional elements of personnel, vehicles, objects, and tasks in urban services, achieving standardized, digital, and intelligent sanitation operation management.

Market performance: The Company's Smart Sanitation Cloud Platform integrates more than 40 software copyrights and patents related to smart cities. The number of daily active users exceeds 70,000. It has connected 168,000 Internet of Things devices (sanitation vehicles/sensors/intelligent terminals), and the online rate of the devices is 90%. The big data middle platform processes more than 260 million pieces of data per day, successfully establishing the largest database of sanitation operation conditions in China.

智慧环卫云平台总体架构



## 3. Smart services

The Company implements the "digitalization and intelligence-driven" strategy, deeply integrating Internet of Things, big data, and artificial intelligence technologies, and builds an innovative smart city service operation system featuring "mechanized production + smart operation + standardized service". Through the three core carriers of intelligent equipment, the Smart Sanitation Cloud Platform, and the Environmental Sanitation APP, it realizes the closed-loop management of the whole process of sanitation operation, such as intelligent dispatching, real-time monitoring, and emergency response. The system integrates intelligent algorithms and multi-source data, establishes a "standardized" service model, promotes the digital collaboration of personnel, vehicles, objects, and tasks, empowers the refined management of urban services, and achieves intelligent and safe operation with fewer people and low energy consumption.

Market performance: The Company began its foray into the field of urban intelligent cleaning services in 2021 with a forward-looking perspective. From 2021 to 2023, the Company recorded a contract amount of RMB 8.435 billion, RMB 9.251 billion, and RMB 7.652 billion respectively and an annual service contract amount of RMB 1.228 billion, RMB 1.819 billion, and RMB 1.553 billion, respectively for urban services. In 2024, the Company's operating revenue from intelligent services increased by 14.41% YoY to RMB 6.441 billion. The contract amount was RMB 4.447 billion, and the annual service contract amount was RMB 1.486 billion.





Other business of the Company primarily includes ventilator equipment manufacturing, environmental monitoring, and solid waste treatment.

The Company's ventilation machinery manufacturing covers ventilators, mufflers, dampers, refrigerators, magnetic levitation fans, blowers and nuclear-grade dampers for nuclear power, subways, tunnels, rail transportation, industrial and civil construction and other areas. Its fans are mainly sold via a combination of direct sales and retailers.

The Company's environmental monitoring business mainly covers the monitoring of smoke, air quality, haze, water quality, water conservation, soil and dust and the provision of an integrated one-stop service for environmental protection, water conservation, water supply and smart cities. Product sales are the main business operations, supplemented by the provision of services for operation and maintenance.

The Company's solid waste disposal business primarily encompasses the incineration of domestic waste to generate energy, the landfilling of domestic waste, sewage treatment, the recycling of food waste, low-carbon recycling and utilization of renewable resources, and the utilization of solid waste in industrial parks. With waste-to-energy projects as the core, the industrial parks of solid waste recycling are equipped with treatment facilities for domestic waste disposal, hazardous waste disposal, sludge treatment, food waste treatment, construction wastewater treatment, ecological restoration of landfills, leachate treatment and fly ash disposal. All of these are organically coordinated to solve solid waste problems in a package. Their operating model is a public-private partnership (PPP).

### (III) Principal technical achievements

#### 1. Upgrading of cleaning robots

The Company's independently developed 5G intelligent cleaning robot has the capabilities of human-machine collaborative operation and autonomous driving. Through the high-precision automated cleaning system, it can achieve real-time positioning, autonomous navigation, and intelligent obstacle avoidance in complex scenarios. Relying on the digital management system of the Smart Sanitation Cloud Platform, an all-weather intelligent monitoring and precise operation and maintenance service system has been built. Since the first-generation product was launched in 2017, continuous technological breakthroughs have been achieved. In 2019, it was identified by the Ministry of Industry and Information Technology (MIIT) as a leading enterprise with key tasks in AI industry innovation, making it a top player in the innovation of intelligent cleaning robots; in 2021, it was rated as the excellent enterprise for its second-generation model in the special evaluation of "Intelligent Sanitation Operation Robots".

In 2024, the Company's upgraded third-generation product reached the Level 4 autonomous driving. After testing and verification, it has the ability of large-scale commercial use. Currently, it has carried out regular operations in limited scenarios and is planned to be fully launched on the market in 2025. This equipment supports the time-sequence management of preset tasks, conducts off-peak operations through the intelligent dispatching system, and integrates the functions of automatic replenishment (water filling/charging)

and garbage removal, realizing unmanned operation of the whole process. The remote management platform can monitor the equipment status in real time, implement remote control and environmental modeling. While reducing management costs and alleviating the problem of labor shortage, it effectively improves the working environment of sanitation workers, shortens the exposure time under harsh working conditions, and provides a replicable solution for the intelligent transformation of the industry.

In addition, the Company's photovoltaic cleaning robot was promoted through long-term trials in 8 photovoltaic power stations such as Changsha in Hunan, Binzhou in Shandong, and Wuhai in Inner Mongolia in 2024. The longest trouble-free operation time has exceeded 12 months, and it has been widely recognized by customers. It is expected to achieve large-scale market application in 2025.

## **2. Innovation of new energy products and technologies**

In December 2024, the Company's 9,000th new energy-powered environmental protection equipment rolled off the production line. Since successfully developing the first domestic new energy road sweeper in 2007, the Company has leveraged its 18 years of experience in the new energy market and 39 years of expertise in environmental protection equipment technology. Its new energy products now cover more than 40 categories such as sweeping, cleaning, garbage collection and transportation, and municipal services, with nearly 200 vehicle models. It has formed the most complete combination of new energy-powered sanitation vehicles in terms of categories and models in China, and has accumulated 187 industry-first achievements and 1,155 patented technologies, ranking first in the industry and continuously leading the industry in technological innovation.

The Company sold 2,691 pure-electric powered sanitation vehicles in 2024, with a market share of 30.5%, ranking No.1 in the industry for three consecutive years, according to the motor vehicle accident liability insurance data (hereinafter referred to as the "insurance data") released by the National Financial Regulatory Administration. In the first quarter of 2025, the sales volume increased significantly by 117% year-on-year, and the market share rose to 35%, firmly ranking first in the industry.

The core competitive advantage comes from the independently developed INFORE intelligent management system, which has achieved energy consumption optimization in multiple key areas such as the EIC system design, vehicle control, upper installation control system, and drive system. The energy consumption of the whole vehicle has been reduced by about 20%, and the system efficiency has been increased by about 21%, improving product performance and operational benefits. Based on the innovative battery safety system, vehicle control architecture, and energy recovery technology, the products have differentiated advantages such as long endurance time, good operation effect, and low operation noise. The average market share has been stably maintained at over 30% in the past three years, setting a technical benchmark for the industrial development of new energy-powered environmental protection equipment.

## **3. Comprehensive empowerment and upgrade of the Smart Sanitation Cloud Platform**

In 2024, the Company completed a strategic upgrade of its Smart Sanitation Cloud Platform, creating a comprehensive matrix that includes the "Smart Sanitation Cloud Platform", "IOT Platform", and "Autonomous Remote Cloud Platform", enhancing the digital integration of intelligent equipment connectivity and smart urban service operations, while also reconstructing its intelligent central architecture through AI-driven large models, edge cloud computing, and big data technologies. Three core technical modules have been developed: The smart IoT system which supports 50 types of device protocols; the AI decision-making central system, which constructs 12 intelligent algorithm models; and the data middleware platform, which processes more than 260 million pieces of data per day, and has built the largest sanitation operation database in China. Currently, the platform has over 70,000 active daily users and connects 168,000 IoT devices, including environmental protection vehicles, sensors, and smart terminals. The device online rate remains stable at 90%, while equipment utilization efficiency has increased by 16%. Additionally, overall costs have decreased by 8%, and management response times have been reduced to the minute level.

In the future, the Company will continue to innovate in technical fields such as intelligent networking, Smart Sanitation Cloud Platform, and algorithm models, forming a digital foundation covering the entire chain of urban services. Based on massive industry data assets, it will actively promote the application of AIGC technology to develop professional models in vertical fields such as intelligent cleaning robots and autonomous equipment, and create a "cloud brain" system with self-evolving capabilities in the

sanitation industry.

### III. Analysis of Core Competitiveness

#### 1. R&D leadership - a leader in technological innovation and a formulator of industry standards

**Scientific research foundation:** The Company's environmental protection equipment R&D has its roots in a national-level scientific research institute, providing a profound scientific research foundation. It has always been focused on independent innovation and industrial upgrading. From the development of the first domestic road sweeper in 1988 to nearly a hundred groundbreaking products, including the industry's first pure electric and brushless models, it has established a legacy of innovation. For 24 consecutive years, the Company has ranked first in domestic environmental protection equipment sales, holding the most cutting-edge core technologies and offering the most comprehensive product line in the industry.

**Standardization influence:** The Company has led or contributed to the development of more than 80% of national, industry, local, and group standards, having released a total of 83 standards, including 10 national and 23 industry ones. In 2024, the Company further strengthened its leadership in standardization by leading or participating in the formulation of 3 international standards, 10 national and industry standards, and 9 local and group standards. The *Energy Efficiency Grades rating and Testing Methods for Electric Road Sweeper and Electric Road Washing Sweeper* (T/CAAMTB 110-2022) compiled by the Company was recognized as a typical promotional case for 2024 by the Ministry of Industry and Information Technology.

**Core technology library:** The Company has developed 160 core technologies in key fields, including 33 major disruptive technologies, 43 cutting-edge leading technologies, and 84 key common technologies in the industry. Twenty-two of these technologies have passed national-level appraisals, recognized for their strong innovation, high technical complexity, and independent intellectual property rights. Overall, the Company's technology has reached an internationally advanced level, with some technologies achieving international leadership. In 2024, the Company applied for 264 patents, obtained 269 patent authorizations, while also passing the IPMS intellectual property management system certification, further consolidating its intellectual property protection system. By the end of 2024, the Company held a total of 1,316 valid patents, including 621 invention patents, continuously ranking first in the industry.

**R&D team:** The Company has established an interdisciplinary R&D team of more than 1,000 R&D personnel, including technical experts and high-end R&D talents in fields such as mechanical design and manufacturing, intelligent sensing and control, computer software and algorithms, electrical control, and hydraulic transmission. It supports a comprehensive R&D system covering demand insight, technical pre-research, product development, and scenario verification. Additionally, the Company has built an innovation mechanism driven by both technical R&D and market demand.

#### 2. High intelligent manufacturing efficiency - large-scale delivery and rapid response empowered by lean production

The Company has established three clusters of intelligent manufacturing bases in Central China, South China, and East China, creating a digital and intelligent manufacturing ecosystem covering a total area of about 1,333,333.33 square meters. It has implemented digital and intelligent systems for production, quality control, and supply chain management, and introduced world-leading KUKA industrial robots, giving it the largest production capacity in the environmental protection equipment sector. Leveraging its supply chain integration capabilities, the Company can rapidly respond to market demands and maintain a leading position in the industry in terms of production and manufacturing capabilities.

In 2024, the Company successfully delivered 301 hydrogen energy equipment units to Baoding, Hebei, marking the largest single order in the history of the hydrogen energy environmental protection equipment sector and setting a new delivery record for the industry. It has continuously maintained an undisputed leadership position in government bidding and procurement, with its winning bid amount consistently ranking first, further underscoring its competitive edge in the high-end intelligent manufacturing sector.

#### 3. Quality control assurance - a quality and safe network created via full-process quality control

The Company has established the industry's only verification center for the entire lifecycle of environmental protection equipment

that has passed the CNAS certification (No.: L20716), forming a dual-core system driven by R&D verification and production quality control. The comprehensive 20,000-square-meter experimental base includes a 15,000-square-meter full-working-condition simulation test field (featuring eight major functional test areas and 30 environmental simulation units) and a 5,000-square-meter precision experimental platform (housing six professional laboratories, and seven major performance test systems), and is equipped with three major testing systems such as HIL hardware-in-the-loop testing, LMS vibration spectrum analysis, and DEWETRON power flow monitoring, providing a robust digital verification capability across all product scenarios.

The Company's CNAS-certified experimental base not only supports product testing and verification in the R&D stage but also plays an integral role in full-process quality control for mass-produced products. A team of nearly a hundred professional quality engineers and technicians, supported by advanced modern testing equipment and cutting-edge detection technologies, has established a quality control system covering all aspects such as raw material incoming inspection, production process monitoring, and finished product outgoing inspection. This ensures that the product quality is strictly controllable at all stages and effectively meets and exceeds customer expectations.

By implementing this refined quality control model throughout the entire lifecycle—from R&D and material supply to production and manufacturing—the Company guarantees long-term product quality stability, builds an excellent market reputation for long product service life and stable and efficient operation, and becomes a core competitive advantage for winning customer trust.

#### **4. Service empowerment - digital and intelligent technology driving the full lifecycle service loop**

After-sales service has become a critical touch point for deepening connections between enterprises and customers, making it a key factor in market competition. The Company has consistently embraced the philosophy that "service is the best marketing". Through high-quality services, it has built a strong market reputation and earned the trust and praise of a large customer base. With a focus on "lifetime service", the Company is committed to providing customers with a seamless service experience throughout the entire product lifecycle.

The Company's "Speedy Service" brand has innovatively developed a "direct repair +" equipment service ecosystem. Leveraging digital and intelligent technologies, it has realized the intelligent upgrade of the full lifecycle service of equipment, setting new industry standards for service excellence. Currently, the Company has established a unified digital platform for equipment services, which includes 361 directly-operated service outlets, 739 service engineers, and 400 five-star service stations, and has formulated the "1314" standardized service system: quickly responding to customer needs within 15 minutes; service personnel departing within 30 minutes and arriving at material service areas within 2 hours; addressing general faults within 1 day and material faults within 3 days; offering free maintenance services four times each quarter.

In 2024, the Company actively implemented the concept of preventive services, thoroughly implemented the principle that "prevention is more important than maintenance" by carrying out more than 1,500 professional customer training activities in total. Through systematic training, the Company comprehensively enhances the professional skills and maintenance knowledge of customers' equipment managers and operators, effectively reducing equipment failure risks, significantly improving product efficiency, and creating substantial value returns for customers.

#### **5. Organizational development - dual-drive of corporate culture and elite management team**

Corporate culture is the cornerstone of a company's creativity and unity as well as an important part of a company's key competitive advantages. With the corporate mission of "Cleaner World, Better Future", the Company always sticks to the corporate philosophy of "simple and professional with quick execution" and the core values of "our clients are vital to us; our employees are our partners in our endeavors; we aim to be achievement-oriented - competence beats mediocrity; and technology innovation is the basis for our development." We adopt the development strategy with leading technology at the center, being order-driven as the means, and motivating talent as the basis, and are committed to becoming a respected and trusted leader in providing intelligent equipment and services with cleaning robots at its core. Over the years, the Company has deeply integrated cultural concepts into its business objectives and daily management. Through benchmarking operations and refined management, it has promoted the coordinated development of

various business segments, branches, and subsidiaries, achieving high-quality growth.

In terms of the development of the management team, the Company has gathered a group of practical, efficient, and experienced professionals. The Company's management team endorses the corporate culture and shares the same management philosophy. Each member of the team complements the others' strengths and has clearly defined responsibilities, thereby demonstrating strong cohesion and execution. With its keen insight into industry trends and forward-looking vision, the team accurately grasps market opportunities to provide support for its development. At the same time, the Company continues to strengthen its stock incentive and employee stock ownership programs. It has also established a three-tier management framework consisting of cornerstone partnerships, senior partnerships and general partnerships, deeply aligns the interests of core employees with the development of the enterprise, creates a "business community" that shares interests and risks, and injects sustained momentum into its stable and long-term development.

## IV. Analysis of Principal Business

### (I) Overview

In 2024, facing the current macroeconomic environment and industry competitive landscape, the Company firmly implemented its development strategy, systematically promoted the implementation of the business plan around its core "5115" strategy, and continuously enhanced its core competitiveness by strengthening the foundation of internal management. In terms of the talent strategy, the Company strengthened its key teams and optimized the structure of the talent echelon to stimulate organizational efficiency; in the field of technological innovation, it increased investment in technology research and development based on its R&D advantages of environmental protection equipment, and used innovation to drive the transformation and upgrading of the smart urban services.

In 2024, the Company generated RMB 13.118 billion in operating revenue and RMB 514 million in net profit attributable to the listed company's shareholders, demonstrating its stable profitability. As at the end of the reporting period, the Company reported RMB 29.636 billion in total assets and RMB 17.519 billion in net assets attributable to the listed company's shareholders, with the asset structure continuously optimized. During the reporting period, the Company's core business experienced strong growth. The urban services segment saw significant expansion, while the environmental protection equipment sector maintained its industry-leading position, laying a solid foundation for high-quality development.

#### 1. Ranked No.2 for the increase in annual amount of urban service contracts in 2024

According to Huanjing Sinan, Infore Enviro continued to make efforts in the field of urban services in 2024. It signed 76 urban service projects across 20 Chinese provinces and its new contracts have an annual amount of RMB 1.486 billion, ranking No.2 in the industry. The operating revenue from urban services throughout the year increased by 14.41% YoY to RMB 6.441 billion, and the total contract amount increased by RMB 4.447 billion, demonstrating strong market expansion capabilities. As at the end of the reporting period, the Company was running 262 urban service projects. The total contract amount of the projects under operation amounted to RMB 61.285 billion, with an annual contract amount of RMB 7.172 billion. Additionally, the total amount of executory contracts stood at RMB 39.383 billion. The substantial project reserves have created a strong foundation for the Company's sustainable development, positioning it as an industry leader in terms of operational stability.

#### 2. Ranked No.1 in terms of sales of environmental protection equipment in 2024

In 2024, the sales of the Company's environmental protection equipment achieved steady growth. The operating revenue was RMB 5.187 billion, a year-on-year increase of 2.01%, ranking No.1 in the industry in China for the 24th consecutive year. According to the motor vehicle accident liability insurance data, in 2024, the Company's sales volume of environmental protection equipment reached 12,173 units, and the market share reached 19.3%. Both the sales volume and the market share of the environmental protection equipment ranked first in the market of the same industry.

#### 3. Ranked No.1 in terms of sales of new energy-powered environmental protection equipment in 2024

In 2024, the Company achieved exceptional performance in new energy-powered environmental protection equipment. According to the motor vehicle accident liability insurance data, the Company sold 2,691 pure electric environmental protection vehicles in 2024, with a market share of 30.5%. This marks the third consecutive year the Company has ranked No. 1 in the industry, solidifying its leadership in the development of the new energy-powered environmental protection equipment market.

#### **4. Building the foundation with the strategy of flagship products and expanding globally**

Emergency drainage equipment - a qualitative leap in the new market

In 2024, the Company achieved a strategic breakthrough in the emergency drainage equipment market. Leveraging years of technical expertise and addressing key equipment challenges, the Company has optimized the overall vehicle performance, significantly enhancing the operational efficiency and safety standards of its drainage equipment. This has garnered strong recognition in the market. In 2024, the Company secured new orders for emergency drainage equipment totaling RMB 710 million, marking a remarkable year-on-year increase of 3,450% compared to 2023.

Aerial work equipment - initial success of the new business layout

In 2024, the Company made significant strides in its globalization strategy for aerial work equipment. By establishing a professional company for aerial work equipment and a core technical team of 30 specialists, the Company has successfully overcome key technical challenges, such as developing permanent magnet synchronous drive, ensuring the stability of lightweight sinking boom trucks, and implementing multiple safety protection measures. Additionally, the innovative design of "one machine with multiple functions" has been realized. In 2024, the Company successfully mass-produced three self-developed vehicle models: 4-ton/23-meter, 8-ton/22-meter aerial work vehicles and 12-ton multifunctional tree trimming vehicles, filling the gap in special equipment for street tree trimming in the segmented market. Many products are under research and development, further expanding the product portfolio. The Company's globalization strategy for aerial work equipment has now entered the phase of achievement transformation, demonstrating strong development momentum.

Globalization strategy - remarkable achievements in overseas market expansion

The Company actively expands its presence in overseas markets through export trade and the strategic establishment of overseas factories, accelerating its globalization process. In 2024, the Company's newly acquired overseas orders amounted to RMB 92.6 million, marking a 135% year-on-year increase and showcasing its strong market expansion capabilities. As the first company in China's environmental protection equipment industry to establish overseas production facilities, the Company continues to deepen its global industrial footprint. In 2024, it made significant strides with the establishment of new production bases in Thailand and Italy, marking a key milestone in the localized manufacturing of environmental protection equipment and positioning the Company for greater market share in Southeast Asia and Europe. Leveraging its core strengths in R&D, intelligent manufacturing, quality control, and brand development, the Company will continue to strengthen international partnerships and optimize its global market strategy. By integrating resources and reinforcing local operations, it aims to provide superior intelligent cleaning equipment and solutions to global customers, creating new growth opportunities for its intelligent equipment business and advancing its strategic development on the international stage.

#### **5. Focusing on principal business to improve quality and efficiency for high-quality development**

Focusing on the "Smart Sanitation" strategy and prioritizing high-quality development, the Company explored multiple methods for improving its asset operation capabilities. These efforts focus on reducing existing assets while controlling the growth of new ones. The Company actively declined high-risk orders, strengthened risk-accountability mechanisms, improved sales revenue recovery, and accelerated operational turnover efficiency. During the reporting period, the Company gradually adjusted its non-core business through asset divestitures and other means, and revitalized existing resources and inefficient assets, effectively improving its asset operation ability and operation quality. In 2024, the Company recorded RMB 13.118 billion in operating revenue, representing a YoY increase of 2.01% and 14.41% in gross profit margin from its two principal business segments: intelligent equipment and smart services. By optimizing its business structure and enhancing operational efficiency, the Company has successfully met its goals of improving quality

and efficiency, laying a solid foundation for sustainable, high-quality development.

## 6. High cash dividends for shareholders

The Company has always adhered to the concept of "sharing development achievements with shareholders", continuously implemented a positive and stable profit distribution policy, and effectively repaid investors' trust with high cash dividends. According to the 2024 profit distribution plan (proposed) approved at the tenth meeting of the Tenth Board of Directors, a cash dividend of RMB 1.89 (tax inclusive) per 10 shares will be distributed to the shareholders, based on the total share capital (minus shares in the Company's repurchase account) on the date of record for the plan. A total cash dividend of around RMB 599 million (tax inclusive) is expected to be distributed, accounting for 116.56% of the net profit attributable to the listed company's shareholders in 2024. As the proposed plan is awaiting the approval of the General Meeting of Shareholders, the actual dividend amount will be disclosed in the relevant announcements.

In the past three years (2022-2024), the Company is expected to pay a total of RMB 1.437 billion in cash dividends (including the amount related to share repurchase cancellations), accounting for 83.25%, 79.43%, and 134.89% of the net profit attributable to the listed company's shareholders, respectively. The stable high-proportion dividend mechanism fully reflects the Company's business philosophy of attaching importance to shareholder returns and fulfilling its dividend commitment.

## 7. Active fulfillment of social responsibility as part of its corporate responsibility

In 2024, while advancing high-quality development, the Company fulfilled its social responsibility as it got involved in poverty alleviation and disaster relief efforts, demonstrating its commitment through tangible actions.

In terms of poverty alleviation, the Company aligned itself with the national rural revitalization strategy and played a proactive role in social welfare initiatives. It carried out targeted poverty alleviation programs in Luanchuan County, providing assistance to those in need. The Company also made ongoing donations to various relief and charitable organizations, including disability assistance funds and other welfare foundations. These donations supported projects focused on poverty alleviation, education, healthcare, elder care, disaster relief, innovative poverty reduction efforts, and public welfare initiatives. By addressing the needs of vulnerable groups, the Company contributed significantly to the development of a more harmonious society.

In emergency disaster relief, in response to extreme weather events such as typhoons and heavy rainfall causing floods, the Company acted swiftly. It formed an emergency support team to rush to disaster-stricken areas like Huarong County, Pingjiang County in Yueyang City, and Yisuhe in Xiangtan City, leading rescue and relief operations. By establishing an emergency rescue mechanism in partnership with local customers and partners, arranging 24-hour duty coverage, deploying professional engineers to ensure the smooth operation of work vehicles, and distributing supplies to affected areas, the Company played a vital role in restoring production and normalcy. By fulfilling its corporate social responsibilities with professional capabilities and humanitarian efforts, the Company earned widespread recognition and praise from all sectors of society.

## (II) Revenue and cost

### (1) Breakdown of operating revenue

Unit: RMB

	2024		2023		YoY change
	Amount	As a percentage of operating revenue	Amount	As a percentage of operating revenue	
Total revenue	13,117,894,323.95	100%	12,631,050,967.34	100%	3.85%
Sector					

Smart urban service	11,628,665,569.06	88.65%	10,715,122,532.51	84.83%	8.53%
Others	1,489,228,754.89	11.35%	1,915,928,434.83	15.17%	-22.27%
Product					
Intelligent equipment	5,187,389,892.02	39.55%	5,085,372,879.14	40.26%	2.01%
Smart service	6,441,275,677.04	49.10%	5,629,749,653.37	44.57%	14.41%
Others	1,489,228,754.89	11.35%	1,915,928,434.83	15.17%	-22.27%
Region					
Domestic	13,048,298,182.52	99.47%	12,584,153,957.04	99.63%	3.69%
Overseas	69,596,141.43	0.53%	46,897,010.30	0.37%	48.40%
Wholesale					
Direct sales	11,498,614,774.38	87.66%	11,172,859,318.43	88.46%	2.92%
Retail	1,619,279,549.57	12.34%	1,458,191,648.91	11.54%	11.05%

## (2) Sectors, products, regions or sales models accounting for over 10% of operating revenue or profit

☒ Applicable ☐ Not Applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	YoY change in Operating revenue	YoY change in operating cost	YoY change in gross profit margin
Sector						
Smart urban service	11,628,665,569.06	9,125,395,459.15	21.53%	8.53%	9.02%	-0.35%
Others	1,489,228,754.89	1,136,160,336.20	23.71%	-22.27%	-17.93%	-4.03%
Product						
Intelligent equipment	5,187,389,892.02	3,845,315,392.65	25.87%	2.01%	4.50%	-1.77%
Smart service	6,441,275,677.04	5,280,080,066.50	18.03%	14.41%	12.56%	1.35%
Others	1,489,228,754.89	1,136,160,336.20	23.71%	-22.27%	-17.93%	-4.03%
Region						
Domestic	13,048,298,182.52	10,209,225,469.82	21.76%	3.69%	5.02%	-0.99%
Overseas	69,596,141.43	52,330,325.53	24.81%	48.40%	56.96%	-4.10%
Wholesale						
Direct sales	11,498,614,774.38	9,022,522,784.52	21.53%	2.92%	4.22%	-0.98%
Retail	1,619,279,549.57	1,239,033,010.83	23.48%	11.05%	12.86%	-1.23%

The Company's principal business data for the year was adjusted to take into account revised statistical standards that were updated

☐ Applicable ☒ Not Applicable



**(3) Whether revenue from goods sales higher than revenue from rendering services**

☒ Yes ☐ No

SectorSector	Item	Unit	2024	2023	YoY change
Intelligent equipment	Sales	Unit	14,368	14,903	-3.59%
	Production	Unit	15,020	15,216	-1.29%
	Inventory	Unit	2,599	1,947	33.49%

Explanation of data with YoY differences that exceed 30%

☒ Applicable ☐ Not Applicable

The inventory of intelligent equipment increased by 33.49% compared with the end of the previous year, mainly due to the Company's advance stocking in response to market demand.

**(4) Fulfillment of material sales/procurement contracts signed during the reporting period**

☐ Applicable ☒ Not Applicable

**(5) Breakdown of operating costs**

Sector

Unit: RMB

Sector	Item	2024		2023		YoY change
		Amount	As a percentage of operating cost	Amount	As a percentage of operating cost	
Smart urban service	Raw materials	3,759,750,746.26	41.20%	3,578,986,019.54	42.77%	5.05%
Smart urban service	Labor expense	2,101,248,801.34	23.03%	1,762,380,063.07	21.05%	19.23%
Smart urban service	Depreciation	537,201,546.63	5.89%	504,195,683.78	6.02%	6.55%
Smart urban service	Utilities	390,164,837.68	4.27%	403,490,139.16	4.82%	-3.30%
Smart urban service	Other manufacturing overhead	2,337,029,527.24	25.61%	2,121,455,841.26	25.34%	10.16%
Others	Raw materials	604,478,948.73	53.20%	596,485,884.08	43.09%	1.34%
Others	Labor expense	92,458,148.77	8.14%	125,343,062.94	9.05%	-26.24%
Others	Depreciation	136,092,771.46	11.98%	163,979,538.70	11.85%	-17.01%
Others	Utilities	11,499,634.55	1.01%	24,003,170.66	1.73%	-52.09%
Others	Other manufacturing overhead	291,630,832.69	25.67%	474,630,883.23	34.28%	-38.56%

Note

The utilities and other manufacturing overhead of other business in this period decreased compared with the previous year, primarily because the Company disposed of Foshan Shunhe Environmental Protection Co., Ltd. on February 1, 2024, and the decrease in the corresponding business led to the decrease in the corresponding supporting facilities and cost expenses.

**(6) Changes in the scope of consolidated financial statements for the reporting period**

☒ Yes ☐ No

For details of the changes in the scope of the consolidated financial statements during the reporting period, please refer to Note 9 "Changes in the Scope of Consolidation" in Part X Financial Report.

**(7) Material changes in the business, products or services during the reporting period**

☐ Applicable ☒ Not Applicable

**(8) Major customers and suppliers**

Major customers of the Company

Total sales to top five customers (RMB)	941,856,465.54
Total sales to top five customers as a percentage of annual total sales	7.18%
Total sales to related parties among top five customers as a percentage of annual total sales	0.00%

Top five customers

No.	Customer	Sales revenue (RMB)	As a percentage of annual total sales
1	Customer A	288,840,394.52	2.20%
2	Customer B	174,235,844.59	1.33%
3	Customer C	164,269,105.01	1.25%
4	Customer D	162,399,768.66	1.24%
5	Customer E	152,111,352.76	1.16%
Total	--	941,856,465.54	7.18%

Other information about major customers

☐ Applicable ☒ Not Applicable

Major suppliers of the Company

Total purchases from top five suppliers (RMB)	1,660,501,602.65
Total purchases from top five suppliers as a percentage of annual total purchases	24.29%
Total purchases from related parties among top five suppliers as a percentage of annual total purchases	0.00%

Top five suppliers

No.	Supplier	Purchase during the reporting period (RMB)	As a percentage of total purchases
-----	----------	--	------------------------------------

1	Supplier A	919,390,035.40	13.45%
2	Supplier B	262,862,016.81	3.84%
3	Supplier C	169,438,053.10	2.48%
4	Supplier D	161,774,523.89	2.37%
5	Supplier E	147,036,973.45	2.15%
Total	--	1,660,501,602.65	24.29%

Other information about major suppliers

☐ Applicable ☒ Not Applicable

### (III) Expenses

Unit: RMB

	2024	2023	YoY change	Reason for material change
Selling expenses	713,507,964.56	784,866,753.52	-9.09%	——
Administrative expenses	773,511,609.91	726,159,237.45	6.52%	——
Financial expenses	81,006,352.00	75,321,084.87	7.55%	——
R&D expenses	317,117,284.00	344,030,239.33	-7.82%	——

### (IV) R&D investments

☒ Applicable ☐ Not Applicable

Name of major R&D projects	Objectives	Progress	Proposed goals	Expected impact on future development of the Company
3-ton pure electric sweeper	To develop a small pure electric sweeper	Launched on the market	To develop a small pure electric sweeper to increase market orders	This helps the Company improve its key competitive advantages
High-pressure pure electric cleaning machine	To develop a small pure electric cleaning machine	Launched on the market	To develop a small high-pressure pure electric cleaning machine to increase market orders	This helps the Company improve its key competitive advantages
Pure electric rotary sweeper	To develop a small pure electric economical sweeper	Launched on the market	To develop a small pure electric economical sweeper to increase market orders	This helps the Company improve its key competitive advantages
Second-generation 9-ton side-loading self-handling garbage truck	To improve the performance of the original product and solve the existing problems of the current product	Launched on the market	To develop a side-loading self-handling garbage truck with a pushing head compression function	This helps the Company improve its key competitive advantages
20-cubic-meter integrated docking station	To solve the problem of the low loading capacity of the existing product	Launched on the market	To increase the garbage loading capacity of the original product	This helps the Company improve its key competitive advantages
2-ton miniature pure electric sweeper	To improve the performance of the original product and	Launched on the market	To improve the mobility of the product, achieve	This helps the Company improve

	increase the mobility and flexibility of the product		flexible and efficient operation with low noise, and meet the operation requirements of various scenarios	its key competitive advantages
4-ton fire-fighting sprinkler	To expand the product spectrum to meet various market product demands	Launched on the market	To develop a 4-ton, four-wheel drive, high-flow, high-lift, multi-purpose fire-fighting sprinkler	This helps the Company improve its key competitive advantages
Horizontal direct pressure compressor LYS40A	To improve the performance of the original product, increase the loading capacity, and enhance the product competitiveness	Launched on the market	To develop an economical and efficient garbage transfer equipment, match it with a new type of lightweight garbage bin, and further increase the loading capacity	This helps the Company improve its key competitive advantages
Vertical direct pressure garbage compressor LYV30A	To optimize the performance of the original product, and improve product efficiency and environmental protection performance	Launched on the market	To improve the performance of the existing product	This helps the Company improve its key competitive advantages
High-level split compressor LYG10A	To expand the product spectrum to make the product flexibly adaptable to various usage scenarios in cities and towns	Launched on the market	To create a small garbage station transfer equipment that integrates high adaptability, high environmental protection, and high efficiency	This helps the Company improve its key competitive advantages

## Information about R&amp;D personnel

	2024	2023	Change
Number of R&D personnel	1,001	1,212	-17.41%
R&D personnel as a percentage of total staff	5.20%	5.99%	-0.79%
Education background of R&D personnel			
Bachelor's degree	642	802	-19.95%
Master's degree	307	358	-14.25%
Doctoral degree	10	11	-9.09%
Others	42	41	2.44%
Age composition of R&D personnel			
< 30 years	351	471	-25.48%
30~40 years	479	560	-14.46%
> 40 years	171	181	-5.52%

## Information about R&amp;D investments

	2024	2023	Change
R&D investments (RMB)	317,117,284.00	352,849,905.78	-10.13%
R&D investments as a percentage of operating	2.42%	2.79%	-0.37%

revenue			
Capitalized R&D investments (RMB)	0.00	8,819,666.45	-100.00%
Capitalized R&D investments as a percentage of total R&D investments	0.00%	2.50%	-2.50%

Reasons and impacts of material change in R&D personnel composition

☐ Applicable ☒ Not Applicable

Reasons for significant YoY change in total R&D investments as a percentage of operating revenue

☐ Applicable ☒ Not Applicable

Reasons and rationale for significant change in capitalization rate of R&D investment

☒ Applicable ☐ Not Applicable

The capitalization rate of R&D investment decreased by 2.5% YoY, mainly due to the fact that the investment in R&D projects in the development stage during the reporting period was all expensed.

## (V) Cash flow

Unit: RMB

Item	2024	2023	YoY change
Subtotal of cash inflows from operating activities	13,872,479,947.75	14,265,101,402.26	-2.75%
Subtotal of cash outflows from operating activities	12,710,430,466.27	12,879,544,892.77	-1.31%
Net cash flows from operating activities	1,162,049,481.48	1,385,556,509.49	-16.13%
Subtotal of cash inflows from investing activities	9,316,433,927.59	1,691,155,211.72	450.89%
Subtotal of cash outflows from investing activities	9,116,372,798.06	2,766,885,333.81	229.48%
Net cash flows from investing activities	200,061,129.53	-1,075,730,122.09	118.60%
Subtotal of cash inflows from financing activities	1,397,723,020.38	1,486,267,737.80	-5.96%
Subtotal of cash outflows from financing activities	1,986,232,528.89	2,462,201,245.03	-19.33%
Net cash flows from financing activities	-588,509,508.51	-975,933,507.23	39.70%
Net increase in cash and cash equivalents	774,071,976.67	-664,519,991.45	216.49%

Explanation of main impact factor of material change of the data YoY

☒ Applicable ☐ Not Applicable

1) The cash inflows from investing activities increased by 450.89% YoY, and the cash outflows from investing activities increased by 229.48% YoY, mainly due to the YoY increase in the purchase and redemption of wealth management products during the reporting period. The net cash flows from investing activities increased by 118.60% YoY, mainly due to the recovery of the

principal and interest of the loans formed by the disposal of subsidiaries and the recovery of performance compensation payments during the reporting period;

2) The net cash flows from financing activities increased by 39.70% year-on-year, mainly due to the year-on-year decrease in cash paid for debt repayment.

Explanation of reasons for the material difference between net cash flows from operating activities during the reporting period and net profit for the year

☐ Applicable ☒ Not Applicable

## V. Analysis of Non-Core Business

☒ Applicable ☐ Not Applicable

Unit: RMB

	Amount	As a percentage of total profit	Reasons for generation	Recurrent or non-recurrent
Investment income	-30,889,428.46	-4.76%	——	RMB 21,424,762.72 is the returns on long-term equity investments calculated using the equity method, which is recurrent; the other portion is non-recurrent.
Gain or loss on changes in fair value	0.00	0.00%	——	No
Impairment of assets	-31,710,185.75	-4.89%	——	No
Non-operating revenue	21,214,649.95	3.27%	——	No
Non-operating expenses	79,294,913.15	12.23%	——	No

## VI. Assets and Liabilities

### 1. Material changes of asset items

Unit: RMB

	December 31, 2024		January 1, 2024		Change	Reason for material change
	Amount	As a percentage of total assets	Amount	As a percentage of total assets		
Cash and cash equivalents	5,117,995,117.22	17.27%	4,411,376,583.78	15.19%	2.08%	——
Accounts receivable	6,224,430,217.77	21.00%	5,867,669,476.86	20.20%	0.80%	——
Contract assets	94,117,942.03	0.32%	74,803,489.48	0.26%	0.06%	——
Inventories	1,041,115,491.00	3.51%	971,229,637.15	3.34%	0.17%	——
Investment	1,053,133.20	0.00%	1,138,868.60	0.00%	0.00%	——

properties						
Long-term equity investment	682,287,056.09	2.30%	681,629,084.69	2.35%	-0.05%	—
Fixed assets	2,259,900,141.60	7.63%	2,338,316,124.14	8.05%	-0.42%	—
Construction in progress	460,662,679.72	1.55%	288,057,018.89	0.99%	0.56%	—
Right-of-use assets	16,456,043.60	0.06%	25,125,671.95	0.09%	-0.03%	—
Short-term borrowings	113,697,615.88	0.38%	126,939,855.26	0.44%	-0.06%	—
Contract liabilities	239,860,672.03	0.81%	306,777,173.57	1.06%	-0.25%	—
Long-term borrowings	1,987,236,842.43	6.71%	1,884,356,851.73	6.49%	0.22%	—
Lease liabilities	7,830,870.16	0.03%	16,170,790.76	0.06%	-0.03%	—
Intangible assets	5,660,386,100.81	19.10%	5,984,348,824.39	20.60%	-1.50%	

Offshore assets account for high proportion

☐ Applicable ☒ Not Applicable

## 2. Assets and liabilities measured at fair value

☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Opening balance	Gain or loss on changes in fair value during the period	Cumulative changes in fair value included in equity	Accrual of impairment during the period	Purchase amount during the period	Sales amount during the period	Other changes	Closing balance
Financial assets								
4. Investments in other equity instruments	15,352,971.01	-14,070,000.00	-18,700,000.00					1,282,971.01
Subtotal of financial assets	15,352,971.01	-14,070,000.00	-18,700,000.00					1,282,971.01
Total	15,352,971.01	-14,070,000.00	-18,700,000.00					1,282,971.01
Financial liabilities	0.00							0.00

Whether any material changes occurred to the measurement attributes of the Company's material assets during the reporting period

☐ Yes ☒ No

**3. Restricted asset rights as at the end of the reporting period**

Item	Closing balance	Carrying amounts at the end of the period	Type of restriction	Reason for restriction
Cash and cash equivalents	427,777,886.01	427,777,886.01	Guarantee, freeze, etc.	Deposits, escrow accounts, frozen due to litigation preservation
Accounts receivable	440,028,528.05	417,447,902.95	Pledged	Pledged
Notes receivable – bank acceptance	1,734,101.45	1,290,912.03	Endorsement or discount	Endorsed or discounted but undue
Long-term accounts receivable and non-current assets due within one year	1,047,731.00	959,813.58	Factoring financing and pledge with recourse	Factoring financing and pledge with recourse
Intangible assets	69,926,700.00	66,896,543.00	Mortgaged	Mortgaged
100% equity interest in Biyang Fenghe New Energy Power Co., Ltd.	106,118,119.06	106,118,119.06	Pledged	Mortgaged [Note]
100% equity interest in Poyang Greenlander Renewable Energy Co., Ltd.	73,614,538.73	73,614,538.73	Pledged	Mortgaged [Note]
75% equity interest in Lianjiang Company	120,095,125.17	120,095,125.17	Pledged	Mortgaged [Note]
Total	1,240,342,729.47	1,214,200,840.53		

[Note]: The pledged amount refers to the Company's proportionate share in net assets of each entity.

**VII. Investments****1. Overview**

☒ Applicable ☐ Not Applicable

Investment amount for the reporting period (RMB)	Investment amount for the prior period (RMB)	Change
0.00	7,056,438.75	-100.00%

**2. Material equity investments made during the reporting period**

☐ Applicable ☒ Not Applicable

**3. Material non-equity investments ongoing during the reporting period**

☐ Applicable ☒ Not Applicable

**4. Financial investments****(1) Securities investments**

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.



**(2) Derivatives investments**

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

**5. Use of proceeds from fundraising activities**

☒ Applicable ☐ Not Applicable

**(1) Overall use of proceeds**

☒ Applicable ☐ Not Applicable

Unit: RMB 10,000

Year	Fundraising type	Listing date of securities	Total amount of proceeds	Net amount of proceeds (1)	Total amount of proceeds used during the period	Accumulative amount of proceeds used (2)	As a percentage of proceeds used at the end of the reporting period (3) = (2) / (1)	Total amount of proceeds with change of use during the reporting period	Accumulative amount of proceeds with change of use	Share of accumulative proceeds with change of use	Total amount of unused proceeds	Purpose and tracking of unused proceeds	Proceeds left idle for over 2 years
2020	Public offering of convertible corporate bonds	November 4, 2020	147,618.96	145,733.62	3,268.55	42,104.97	28.89%	0	0	0.00%	104,497.54	RMB 900 million will temporarily replenish working capital, and the remaining amount will be used to implement recent investment projects.	104,497.54
Total	--	--	147,618.96	145,733.62	3,268.55	42,104.97	28.89%	0	0	0.00%	104,497.54	--	104,497.54

**Explanation of the overall use of proceeds**

According to the *Approval of the Public Offering of Convertible Corporate Bonds by Infore Environment Technology Group Co., Ltd.* (Z.J.X.K. [2020] No. 2219) issued by the CSRC, the lead underwriter of the Company, Huaxing Securities Co., Ltd. (formerly known as Huajing Securities, hereinafter "Huaxing Securities") issued 14,761,896 convertible corporate bonds ("CBs") to the public with the offering price of RMB 100 and a par value of RMB 100 for each CB, raising a total of RMB 1,476,189,600. Specifically, priority allotment of 9,405,386 CBs were issued to original shareholders of the Company, accounting for 63.71% of the total amount of this public offering; 5,304,730 CBs were issued to public investors through online channels, accounting for 35.94% of the total amount of this public offering; 51,780 CBs were to be underwritten by the lead underwriter, accounting for 0.35% of the total amount of this public offering. Proceeds in this offering had been remitted to the Company's raised fund supervision account by the lead underwriter Huaxing Securities on November 10, 2020, and the amount actually received after deducting RMB 15,238,100 of

underwriting and sponsorship fees (tax exclusive) was RMB 1,460,951,500. After deducting RMB 3,615,300 (tax exclusive) of external fees that were directly related to CB such as online offering expenses, printing fee for the prospectus, fees of the reporting accountant, counsel fee, credit rating fee, information disclosure expenses, and issuance commission fee, the net amount of proceeds from this offering was RMB 1,457,336,200. The availability of the above-mentioned proceeds has been verified by Pan-China Certified Public Accountants LLP in its *Capital Verification Report* (T.J.Y. [2020] No.490).

As at December 31, 2024, the accumulated use of fundraising proceeds was RMB 421,049,700, and the total amount of fundraising proceeds not yet used was RMB 1,044,975,400.

## (2) Projects with committed investment of proceeds

☒ Applicable ☐ Not Applicable

Unit: RMB 10,000

Name of the financing project	Listing date of securities	Committed investment projects and investment of excessive proceeds	Project nature	Whether projects have been changed (including partial change)	Total amount of proceeds	Adjusted total investment amount (1)	Investment amount during the reporting period	Accumulative investment amount as at the end of the reporting period (2)	Investment progress as at the end of the reporting period (3)=(2)/(1)	Date when the projects are ready for their intended use	Benefits realized during the reporting period	Cumulative benefits realized as at the end of the reporting period	Whether the estimated return is realized	Whether there are material changes in the project feasibility
Committed investment projects														
Infore Convertible Bonds	November 4, 2020	The project of the comprehensive smart sanitation allocation center	Operation management	No	129,638.49	129,638.49	3,268.55	26,009.84	20.06%	December 31, 2026	8,162.47	21,181.51	Not applicable	No
Infore Convertible Bonds	November 4, 2020	Replenishment of operating capital	Replenishment of working capital	No	16,095.13	16,095.13	0	16,095.13	100.00%	Not applicable	No benefit generated separately	No benefit generated separately	Not applicable	No
Subtotal of committed investment projects				--	145,733.62	145,733.62	3,268.55	42,104.97	--	--	8,162.47	21,181.51	--	--
Investment of excessive proceeds														
Not applicable														
Total				--	145,733.62	145,733.62	3,268.55	42,104.97	--	--	8,162.47	21,181.51	--	--
Project-by-project details and reasons for failure to realize planned progress and expected return (including the reasons for choosing "N/A" for "Whether the expected return is realized")					On April 26, 2024, the <i>Proposal on the Delay of Part of the Projects of Proceeds from the Public Issuance of A-share Convertible Corporate Bonds</i> was deliberated and approved at the sixth meeting of the Tenth Board of Directors and the sixth meeting of the Tenth Board of Supervisors. The Company agreed to adjust the investment progress by changing the date for the intended use of the above projects to December 31, 2026. The adjustment was made because the investment progress of the project of the comprehensive smart sanitation allocation center was mainly based on the current business size of the Company's sanitation service projects. The project's investment progress fell short of expectations due to the impact of the overall decline in demand for sanitation equipment and the designation of or restrictions on sanitation equipment suppliers for some projects on the number of orders. Therefore, the Company adjusted the project's investment progress to ensure the quality and full use of proceeds.									

Explanations of the material changes in the project feasibility	None
Amount, purpose, and progress of excessive proceeds	Not applicable
Location changes in the implementation of investment projects of the proceeds	Not applicable
Adjustments to the implementation method of investment projects of the proceeds	Not applicable
Early investment and placement of the investment projects of the proceeds	Not applicable
Temporary replenishment of working capital with idle proceeds	<p>Applicable</p> <p><i>The Proposal on Using Part of the Idle Fundraising Proceeds to Replenish Working Capital</i> was deliberated and approved at the fourth meeting of the Tenth Board of Directors and the fourth meeting of the Tenth Board of Supervisors held on October 28, 2023, allowing the Company to use idle fundraising proceeds of no more than RMB 1 billion for temporary replenishment of working capital, which shall be used for the production and operation related to its principal business with a tenor of no more than 12 months as at the date when the Proposal was deliberated and approved by the Board of Directors. The Company has returned all the RMB 1 billion of fundraising proceeds used to temporarily replenish working capital to the relevant special account for raised funds on October 25, 2024, and the usage period did not exceed 12 months.</p> <p><i>The Proposal on Using Part of the Idle Fundraising Proceeds to Replenish Working Capital</i> was deliberated and approved at the fourth meeting of the Tenth Board of Directors and the fourth meeting of the Tenth Board of Supervisors held on October 28, 2024, allowing the Company to use idle fundraising proceeds of no more than RMB 900 million for temporary replenishment of working capital, which shall be used for the production and operation related to its principal business with a tenor of no more than 12 months as at the date when the Proposal was deliberated and approved by the Board of Directors. As at December 31, 2024, the balance of the idle fundraising proceeds used by the Company for temporary replenishment of working capital was RMB 900 million.</p>
The amount of and reasons for the balance of the proceeds from the project implementation	Not applicable
Purpose and tracking of the unused proceeds	<p><i>The Proposal on Using Part of the Idle Fundraising Proceeds to Replenish Working Capital</i> was deliberated and approved at the fourth meeting of the Tenth Board of Directors and the fourth meeting of the Tenth Board of Supervisors held on October 28, 2024, allowing the Company to use idle fundraising proceeds of no more than RMB 900 million for temporary replenishment of working capital, which shall be used for the production and operation related to its principal business with a tenor of no more than 12 months as at the date when the Proposal was deliberated and approved by the Board of Directors. As at December 31, 2024, the balance of the idle fundraising proceeds used by the Company for temporary replenishment of working capital was RMB 900 million. The other unused proceeds of RMB 144,975,400 were kept in the designated proceeds account in the form of demand deposits to be used for the construction of the corresponding investment projects.</p>
Problems in the use of proceeds and disclosure, or other cases	<p>The Company has the behavior of commingling the proceeds account with its own funds. Guangdong Infore Urban Service Intelligent Technology Co., Ltd., a subsidiary of the Company, as the entity for project implementation, its general account used for fundraising proceeds also receives other funds in addition to fundraising proceeds, and fails to fully meet the management requirement of only receiving fundraising proceeds. In response to this situation, the Company, its subsidiary Guangdong Infore Urban Service Intelligent Technology Co., Ltd., Industrial and Commercial Bank of China Limited Foshan Beijiao Sub-branch, and Huaxing Securities Co., Ltd. have signed the supplementary <i>Four-party Supervision Agreement on Fundraising Proceeds</i> to ensure the special account storage and special use of proceeds.</p>

### (3) Changed projects of proceeds

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## VIII. Sales of Material Assets and Equity Investments Material Assets

### 1. Sale of material assets

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

### 2. Sales of material equity investments

☐ Applicable ☒ Not Applicable

## IX. Analysis of Major Subsidiaries and Joint Stock Companies

☒ Applicable ☐ Not Applicable

Major subsidiaries and joint stock companies with an over 10% influence on the Company's net profit

Unit: RMB

Company name	Type of company	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Changsha Zoomlion Environment Industry Co., Ltd.	Subsidiary	Smart urban service	2,351,529,800	19,078,974,772.25	8,349,401,480.35	11,546,153,549.77	832,495,746.18	672,805,295.67

Acquisition and disposal of subsidiaries during the reporting period

☒ Applicable ☐ Not Applicable

Company name	Acquisition and disposal of subsidiaries during the reporting period	Effects on the overall operations and performance
Maoming Yingsheng Urban Environment Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Guangzhou Yingsheng Environment Co., Ltd.	Incorporation	Positive effects on the Company's business
Shandong Yingsheng Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Pingdingshan Zhongying Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Pingdingshan Yinglian Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Huizhou Tongying Environment Industry Co., Ltd.	Incorporation	Positive effects on the Company's business
Luanzhou Zhongying Environmental Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Chunhua Yinghe Urban Environment Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Foshan Shunde Yinggui Urban Environment Service Co., Ltd.	Incorporation	Positive effects on the Company's business

Hefei Yingsheng Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Zhongyang Tongying Environmental Sanitation Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Nantong Gaoying Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Shenzhen Longhua Yinglian Environment Co., Ltd.	Incorporation	Positive effects on the Company's business
Hanshou Tongying Environmental Sanitation Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Zhongshan Yingluo Environment Technology Co., Ltd.	Incorporation	Positive effects on the Company's business
Suzhou Lianying Environment Technology Co., Ltd.	Incorporation	Positive effects on the Company's business
Changfeng Tongying Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Xinning Zhongying Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Guangdong Infore Low-carbon Recycling Technology Co., Ltd.	Incorporation	Positive effects on the Company's business
Shenyang Yinghe Urban Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Zhaoqing Yingjie Environmental Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Jiaying Yingjia Urban Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Tongdao Yinglian Jiujie Environment Industry Co., Ltd.	Incorporation	Positive effects on the Company's business
Xiangtan Yingsheng Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Taihu Yinghe Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Chongqing Jiangbei Yingsheng Environmental Sanitation Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Huizhou Yinghe Environment Industry Co., Ltd.	Incorporation	Positive effects on the Company's business
Guangze Yingze Environment Development Co., Ltd.	Incorporation	Positive effects on the Company's business
Yongzhou Lingling Yingsheng Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Datong Yingsheng Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Tangshan Zhongying Environmental Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Foshan Shunde Yinghe Urban Environment Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Xining Yinglian Urban Environment Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Maoming Binhai New Area Yingbin Urban Environment Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Suzhou Wujiang Yingzhiyuan Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Infore Environment Holdings Co., Ltd.	Incorporation	Positive effects on the Company's business

Meishan Yinglian Urban Environmental Sanitation Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Foshan Shunde Yinglun Renewable Resources Co., Ltd.	Incorporation	Positive effects on the Company's business
Dongguan Yinglian Urban Environment Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Yangjiang Yingfei Environment Technology Co., Ltd.	Incorporation	Positive effects on the Company's business
Linqing Yingchuang Environment Technology Co., Ltd.	Incorporation	Positive effects on the Company's business
Dongguan Hefuying Environment Industry Co., Ltd.	Incorporation	Positive effects on the Company's business
Zouping Yinglian Urban Environmental Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Xiapu Yingjia Environmental Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Infore Environment Intelligent Environmental Sanitation Equipment (Thailand) Co., Ltd.	Incorporation	Positive effects on the Company's business
Taizhou Yinglian Environmental Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Zhanjiang Xiashan Yingde Renewable Resources Co., Ltd.	Incorporation	Positive effects on the Company's business
Qianxinan Tongying Environmental Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Anshan Lianying Urban Environmental Sanitation Management Co., Ltd.	Incorporation	Positive effects on the Company's business
Shangsi Guiying Environmental Technology Co., Ltd.	Incorporation	Positive effects on the Company's business
Foshan Chancheng Yingsheng Renewable Resources Co., Ltd.	Incorporation	Positive effects on the Company's business
Fujian Pucheng Yingrun Environmental Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Luoding Yingxin Urban Environmental Service Co., Ltd.	Incorporation	Positive effects on the Company's business
Shenzhen Longgang Yinglian Environmental Service Co., Ltd.	De-registration	Asset optimization; No material impact on the Company's production, operation and performance
Shenzhen Yinglian Landscaping Engineering Co., Ltd.	De-registration	Asset optimization; No material impact on the Company's production, operation and performance
Shengzhou Yinglian Environmental Sanitation Management Co., Ltd.	De-registration	Asset optimization; No material impact on the Company's production, operation and performance
Ji'an Zhongfeng Environmental Technology Co., Ltd.	Transfer	Asset optimization; No material impact on the Company's production, operation and performance
Chongqing Zhongying Environmental Sanitation Service Co., Ltd.	Transfer	Asset optimization; No material impact on the Company's production, operation and performance
Shengzhou Zhonglian Environmental Engineering Co., Ltd.	Transfer	Asset optimization; No material impact on the Company's production, operation and performance
Heze Yingsheng Environmental Sanitation Service Co., Ltd.	Transfer	Asset optimization; No material impact on the Company's production, operation and performance
Wuhan Tongying Environmental Sanitation Management Co., Ltd.	Transfer	Asset optimization; No material impact on the Company's production, operation and performance
Zhoushan Yinghe Environmental Sanitation Service Co., Ltd.	Transfer	Asset optimization; No material impact on the Company's production, operation and performance
Foshan Shunhe Environmental Protection Co., Ltd.	Transfer	Asset optimization; No material impact on the Company's production, operation and performance

## X. Structural Entities Controlled by the Company

☐ Applicable ☒ Not Applicable

## XI. Future Prospects of the Company

### (I) Market opportunities

#### 1. The 2024 national policies are favorable for the development of the sanitation industry

On January 11, the Central Committee of the Communist Party of China and the State Council issued the Opinions on Comprehensively Advancing the Beautiful China Initiative, promoting the experience of Zhejiang Province's "Ten Million Project", adapting it to local conditions, and calling for a coordinated effort to advance rural ecological revitalization and improve rural living environments. It emphasizes improving waste classification management and aims to achieve full coverage of waste sorting in residential communities in cities at the prefecture level and above.

On February 3, the Central Committee of the Communist Party of China and the State Council issued the *Opinions on Drawing on and Applying the Experience from the Green Rural Revival Program in Zhejiang Province to Effectively Promote All-around Rural Revitalization*, requiring improvements and upgrading in rural living environments, the enhancing of the rural domestic waste sorting, collection, transportation and disposal system, which directly benefits equipment used for waste collection, transportation, and transfer.

On March 7, the State Council issued the *Notice on Printing and Distributing the Action Plan for Promoting Large-Scale Equipment Renewal and Trade-in of Consumer Goods*, requiring the acceleration of equipment renewals in the fields of construction and municipal infrastructure. In addition, centering on advancing new urbanization, combined with the promotion of urban renewal and the renovation of old residential areas, it is required to categorize updates and renovations in areas such as residential elevators, water, heat and gas supply, sewage treatment, sanitation, urban lifeline projects, and security. From an operational standpoint, due to the delayed implementation of policies, many equipment renewal projects in 2024 are expected to be fully implemented in 2025.

On April 1, the General Office of the Ministry of Housing and Urban-Rural Development issued the *Notice on Effective Urban Drainage and Waterlogging Prevention in 2024*, focusing on promoting the construction of drainage pipe networks, pumping stations, storage and regulation facilities, drainage channels and key protection facilities, and accelerating the development of an urban drainage and waterlogging prevention engineering system featuring "source reduction, pipe-network discharge, a combination of storage and discharge, and emergency response to over-standard situations". It is necessary to make good use of the national debt funds to speed up the project construction progress and give full play to the benefits as soon as possible.

On April 8, the National Development and Reform Commission issued the *Notice on Printing and Distributing the Measures for the Management of Central Budget Investment on Special Projects in Pollution Control*, which will focus on supporting the construction of urban and rural environmental infrastructure, the clean production transformation of key industries, the environmental governance of key areas, the water-pollution control and water-saving, etc. The construction of urban environmental infrastructure includes projects such as the sorting of urban domestic waste, the establishment of collection, transportation and transfer systems, the construction and upgrading of domestic waste incineration treatment facilities, the resource utilization of kitchen waste, and the construction of centralized hazardous waste disposal facilities.

On May 7, in accordance with the *Provisions on Central Ecological and Environmental Protection Inspections*, with the approval of the Central Committee of the Communist Party of China and the State Council, the third-round and second-batch of central ecological and environmental protection inspections were fully launched. Seven central ecological and environmental protection inspection teams (hereinafter referred to as the inspection teams) were established to conduct approximately one-month inspections in seven provinces (municipalities), namely Shanghai, Zhejiang, Jiangxi, Hubei, Hunan, Chongqing, and Yunnan, and conduct overall river basin and provincial-level inspections.

On July 24, the National Development and Reform Commission and the Ministry of Finance issued the *Notice on Several Measures to Strengthen Support for Large-Scale Equipment Renewals and Trade-in of Consumer Goods*, making overall arrangements for approximately RMB 300 billion of ultra-long-term special treasury bond funds to strengthen support for large-scale equipment renewals and trade-in of consumer goods.

On August 5, the People's Bank of China, the National Financial Regulatory Administration, and the Ministry of Agriculture and Rural Affairs issued the *Notice on Carrying out the Special Action for Drawing on and Applying the Experience from the "Ten Million Project" to Strengthen Financial Support for the All-Round Rural Revitalization*, emphasizing the need to increase financial support for improvements in rural living environments and ecological conservation. It also encourages active engagement with actions for improvements in rural living environments and a timely response to credit demands. Key areas of focus include the treatment of rural toilet waste, domestic sewage and garbage, and improvements in village appearance. Loan products should be developed specifically for improvements in rural living environments.

On October 30, the Ministry of Finance issued the *Notice on the Advance Allocation of the 2025 Energy Conservation and Emission Reduction Subsidy Budget*, specifying that 20 cities including Tangshan, Shanghai, and Zhengzhou will receive the incentive funds for the demonstration and application of fuel cell vehicles in 2025. Among them, there are 5 cities with incentive funds exceeding RMB 100 million, and the total amount of all cities is approximately RMB 1.62 billion.

On October 31, the Ministry of Finance issued the *Notice on the Advance Allocation of the 2025 Air Pollution Prevention and Control Fund Budget*, specifying that RMB 20.4 billion of the 2025 air pollution prevention and control funds will be allocated to support relevant work in pollution reduction and carbon reduction.

On November 8, the Standing Committee of the National People's Congress reviewed and approved an increase in the local government debt ceilings by RMB 6 trillion, to be distributed over three years, with RMB 2 trillion each year from 2024 to 2026, to support local governments in replacing existing hidden debts. In addition to the previous RMB 4 trillion for debt resolution planned for 2024-2028 (RMB 800 billion per year), and the RMB 2 trillion of hidden debt for shantytown renovation due by 2029 and beyond, the total amount for debt resolution will reach RMB 12 trillion. The introduction of these policies will, to a large extent, alleviate the financial pressure on local governments and increase local purchasing power.

On December 5, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the *Opinions on Advancing New Urban Infrastructure and Building Resilient Cities*, promoting the coordinated development of smart city infrastructure and intelligent connected vehicles. It encourages the further development of "5G + Internet of Vehicles", steadily advancing the application of driver assistance and autonomous driving technologies, and accelerating the installation of intelligent perception systems on urban road infrastructure to enhance vehicle-road collaboration. The policy also aims to expand the application of intelligent connected vehicles in multiple scenarios to meet the growing demand for smart transportation.

## 2. The demand for urban services and environmental protection equipment will keep increasing

The source of urban services revenue is the government budget with the nature of rigid expenditure and is less affected by macroeconomic regulation factors. The business is characterized by continuity and stability. Environmental protection equipment is a rigid demand within the environmental sanitation industry, and with favorable industry policies and proactive fiscal measures, market demand is expected to return to a growth trajectory.

### (1) Clear direction of urbanization and significant increase in service demand

As urbanization continues, the construction of urban roads will directly increase the area for road cleaning, urban housing, compound construction, and urban greening, hence increasing the demand for environmental protection equipment and urban cleaning services. Furthermore, sanitation is one of the prerequisites for each province, city, and district to construct urban upgrades such as "national civilized cities", "national hygienic cities", "national model cities of environmental protection", and "national ecological garden cities". From 2017 to 2023, the area of road cleaning in China's cities and counties increased from 10.896 billion square meters to 14.514 billion square meters, an overall increase of nearly 33.2%; the domestic waste removed and transported in cities and counties



rose from 282 million tons to 322 million tons, an overall growth of 14.2%, according to the statistics from the National Bureau of Statistics and the Ministry of Housing and Urban-Rural Development. Driven by urbanization, the release of urban service demand is constantly facilitated in order to maintain the cleanliness and sanitation of urban roads, residential compounds, and municipal gardens, as well as the normal transfer and treatment of domestic waste.

(2) The "Beautiful Countryside" kick-started, and the rural sanitation market is gradually gaining momentum

The Opinions on Drawing on and Applying the Experience from the Green Rural Revival Program in Zhejiang Province to Effectively Promote All-around Rural Revitalization (2024 No. 1 Document of the Central Committee of the Communist Party of China) outlines efforts to improve rural living environments in a step-by-step, iterative approach. After 20 years of continuous efforts, thousands of beautiful rural villages have been created. The document emphasizes the need to “deeply implement actions for improvements in rural living environment”, “advance rural infrastructure to strengthen areas of weakness”, and “strengthen rural ecological protection”. The rural sanitation market will enter a new stage for further rapid market expansion. This will create vast opportunities for urban services and the entire sanitation industry.

(3) Implementation of the policies of the new energy vehicle industry and increasing demand for new energy-powered environmental protection equipment

In 2024, the number of cities with demand for new energy sanitation vehicles reached 175, an increase of 41 cities compared with 2023. The number of cities with a market demand of 10 vehicles or more was 80, an expansion of 13 cities compared with 2023. Since 2012, China has made a guiding policy to accelerate the cultivation of the new energy vehicle industry, and has successively released important documents for its promotion. In 2024, the penetration rate of new energy-powered environmental protection equipment exceeded 14%. After a period of development, new energy-powered sanitation vehicles are poised for significant growth. It is expected that the penetration rate of new energy-powered environmental protection equipment will quickly reach about 50%.

(4) The increasing mechanization of urban construction will drive the continuous growth in the environmental protection equipment market

According to the *2023 Urban and Rural Construction Statistical Yearbook*, at the end of 2023, the mechanical cleaning space of roads in cities across the country reached 11.27 billion square meters, with a mechanization rate of 81.8%; the mechanical cleaning space of roads in counties across the country reached 3.25 billion square meters, with a mechanization rate of 79.6%. This indicates that there is still room for development in terms of the mechanization level of sanitation industry in China. In the future, as labor costs continue to rise, the mechanized sanitation operations will become the main development direction of the domestic sanitation market, and it will cover road cleaning, guardrail cleaning, waste collection & transportation, and other segments.

(5) The aggravation of aging population will make the expansion of the environmental protection equipment market an inevitable trend

The frequent adjustments made by China in terms of minimum wages in different cities have largely influenced the operating costs of urban service enterprises. The defects including high operating costs and low working efficiency in the traditional manual urban service model have increased the business pressure on sanitation operation enterprises. In addition, by the end of 2024, the elderly population in China had reached 310 million, accounting for 22% of the total population, according to the data of the National Bureau of Statistics. The aging trend will increase the pressure of labor shortage in the urban service field. Meanwhile, with the diversification of job options, the number of young and middle-aged laborers who are willing to engage in sanitation work is also decreasing. Therefore, improving the mechanization rate of the sanitation industry and expanding the use of environmental protection equipment is not only a realistic need in the face of the labor market shortage, but also the requirement for the development of urban sanitation level.

(6) Implementation of large-scale equipment renewal policy, driving release of the demand for environmental protection equipment

In 2024, the funds for large-scale equipment renewal projects were mainly allocated in the fourth quarter. A small number of projects in the year began to be implemented, and most of the projects are expected to see physical workloads in the first half of 2025. At the same time, in January 2025, the National Development and Reform Commission clearly stated that the funds for large-scale equipment renewal in 2025 will significantly increase compared to 2024. With the growth in policy funding and the implementation of projects approved in 2024, the sanitation industry is expected to see substantial growth in 2025.

#### (7) New industry transformation fueled by technological upgrade and innovation

With the rapid development of autonomous driving and artificial intelligence technologies, the traditional sanitation cleaning sector is facing an unprecedented wave of technological innovation, and autonomous sweepers are gradually becoming a new force in urban cleaning. Small-sized smart devices and smart services will be the new bonanza, introducing new variables and increments for the sector. Smart, less humanized, or even unmanned sanitation will be a general trend. On the policy front, both national and local governments are actively supporting the renewal and purchase of unmanned environmental protection equipment and industry development, accelerating the implementation and application of pilot projects.. For instance, Shenzhen and Guangzhou have already launched benchmark pilot projects for unmanned cleaning vehicles. In the future, with the deepening of technological integration, the acceleration of the green transformation, and the improvement of standards, the unmanned sanitation industry is expected to usher in a new era of more efficient, intelligent, and sustainable development.

#### (II) Business plan for 2025

In 2024, the Company closely revolved around its established strategy and annual business plan, focusing on its core business areas. By consolidating the development foundation through measures such as divesting non-core assets and strengthening internal management, it fully promoted the intelligent urban service business. The Company's business targets set at the beginning of the year were RMB 100 billion in the cumulative contract amount of smart urban services and over RMB 10 billion in annual revenue. The actual cumulative contract amount of smart urban services reached RMB 61.285 billion, while annual revenue posted RMB 6.441 billion. The revenue target achievement rate was 64.41%, and the total contract amount target achievement rate was 61.29%. The failure to meet the expectations was mainly affected by the industry trend. The number of orders with long cycles of more than 5 years in the market has significantly decreased, resulting in a decline in the total amount of orders obtained by the Company.

In 2025, the Company will accurately grasp the market trends, diversify its operations and actively attract short- and medium-cycle projects to optimize its order structure. The smart services will focus on "urban, mechanized, and intelligent" development, further strengthening the core market presence. Leveraging the digital upgrade of the cost management system of the Smart Sanitation Cloud Platform, the Company aims to enhance service efficiency and improve management capabilities. In the intelligent equipment segment, the strategy will emphasize "new energy leadership, international expansion, and growth through flagship products". The Company plans to allocate more resources to overseas markets, bolster core technology research and development, and accelerate the establishment of global competitive advantages.

At the business level, in overseas markets, the Company will improve its marketing network through significant resource investment and enhance product competitiveness with localized service capabilities. In the aerial work sector, it will continuously optimize the product line and expand diverse application scenarios to achieve deep market penetration. The small equipment business will focus on scenario-based solutions and promote the iteration and upgrading of the product system. The new energy business will add integrated solutions for photovoltaics, energy storage and charging, innovate business models and marketing strategies, and promote the rapid large-scale development of strategic business.

#### (III) Plan for use of funds

2025 is a crucial year for the Company's strategic development. To meet the capital needs of rapid business expansion, the Company will establish a scientific and dynamic capital supply and demand management system. On the one hand, it will strengthen the overall planning, allocation, and efficient utilization of its own capital. By improving the full-process management mechanism of accounts receivable, it will shorten collection cycles and improve the capital turnover efficiency. On the other hand, it will continuously

optimize its capital structure, reasonably control financial leverage, and enhance the flexibility and risk resistance of capital use while ensuring liquidity safety.

In terms of fundraising, the Company will adopt a diversified financing strategy. By issuing direct financing instruments such as short-term financing bonds and medium-term notes, combined with the accumulation of cash flows from operating activities, and optimizing the structure of bank loans and other multi-channel combinations, it will establish a stable capital supply system. At the same time, a dynamic funds monitoring mechanism will be established to adjust the scale and duration of financing in a flexible manner according to business development rhythms, ensuring that fund supply precisely matches the needs of business expansion and providing a solid financial guarantee for achieving the Company's strategic goals.

(IV) Main risk factors that may adversely affect the achievement of the Company's future development strategies and business objectives

#### 1. Policy-related risks

Against the backdrop of the ongoing strengthening of national environmental protection policies, the environmental protection industry, a typical sector driven by policy, has ushered in development opportunities. However, policy changes may have a direct impact on the Company's operations. Changes in macroeconomic and environmental regulatory policies, adjustments to tax incentives, and upgrades of environmental protection standards may all lead to fluctuations in market demand, increases in operating costs, or adjustments to the business layout, thereby affecting the Company's operating performance.

Countermeasures: The Company has established a dynamic policy tracking mechanism and formed a professional research team to interpret national macroeconomic policies and industry regulations. By regularly analyzing policy trends and predicting potential impacts, it provides a scientific basis for decision-making for the management. At the same time, the insights gained from policy research are integrated into strategic planning and business development, strengthening the Company's ability to adapt to policy changes and manage risks effectively.

#### 2. Operation management risks

As the Company expands its business scale, broadens its markets and develops more subsidiaries, its assets, personnel and organizations are also undergoing rapid expansion, causing its management to become more complex. Although the Company has formed a complete internal control system and continuously improved it, the difficulties of coordinated management are still increasing due to factors such as industry characteristics, regional differences, and cultural backgrounds of its branches.

Countermeasures: The Company adopts the strategy of "empowering the enterprise with talent + upgrading management". It expands the core management team by introducing high-end talent and carrying out special training to enhance the team's overall capabilities. Moreover, it strengthens the development of its management system and risk control mechanisms, optimizes the standardization of business processes, improves coordination across regions and departments, and fosters the integration of corporate culture to enhance organizational cohesion and risk prevention and control capabilities.

#### 3. Heightened market competition risks

The sanitation industry in China is an emerging comprehensive industry that is still in the early stages of marketization and has a relatively low level of concentration. However, with its rapid growth, the involvement of upstream and downstream enterprises, and the continuous participation of new enterprises in different sectors, market competition will continue to intensify. The Company will likely face the risk of losing market share in the future.

Countermeasures: The Company adheres to the strategy of "technological innovation + competitive differentiation", continuously increases R&D investment, focuses on key technologies such as intelligent equipment and digital management, and consolidates its leading technological advantages. At the same time, by optimizing the product service system, creating differentiated solutions, strengthening brand value and customer service capabilities, it improves market competitiveness and ensures a stable industry position.

## XII. Visits Paid to the Company for Purposes of Research, Communication, and Interview during the Reporting Period

☒ Applicable ☐ Not Applicable

Time	Venue	Method	Visitor type	Visitor	Main content of discussion and materials provided	Reference of the study's basic information
May 14, 2024	"Interactive Platform for Investor Relations" on Panorama Network	Online communication on Internet platform	Others	Investors	To understand the business development situation of the Company in various fields and its future business strategy	For details, please refer to the Record Sheet of Investor Relations Activities disclosed by the Company on May 14, 2024 on Cninfo (www.cninfo.com.cn)

## XIII. Formulation and Implementation of the Market Value Management System and Valuation Improvement Plan

Whether the Company formulated a market value management system.

☒ Yes ☐ No

Whether the Company disclosed a valuation improvement plan.

☒ Yes ☐ No

### (I) Improving operation efficiency and practicing high quality development

In 2025, the Company will firmly focus on its strategic direction in "digitalization, flagship products, and globalization". It will concentrate on the strategic pillars of "product excellence, efficiency-driven growth, and intelligent operations". With targeted efforts in two key areas—intelligent equipment and smart services—the Company aims to enhance organizational efficiency, optimize its business structure and improve operational efficiency through technological innovation, industry upgrades, and the strengthening of its talent pool.

#### 1. Intelligent equipment

New energy-powered equipment: Leveraging 18 years of experience in the new energy market and 39 years of technical expertise in sanitation equipment, the Company will seize the opportunities brought by equipment renewal policies and industry transformation. By making efforts in three aspects: product R&D, marketing, and service system, it will lead the market with a comprehensive product line for all scenarios in new energy-powered sanitation equipment, continuing to strengthen its market-leading position. In terms of international expansion, the Company will implement a "strategic positioning, product differentiation, and service excellence" approach to increase investment in overseas markets and further improve the global marketing network. With exceptional product capability at the core, the Company will strengthen its local service capabilities and build a globally competitive operational system. For aerial work equipment, the Company will continue to optimize its product line structure and seize the market with differentiated offerings. For small equipment and intelligent robots, the Company will focus on scenario-based solutions, driving product system upgrades and quality improvements. By deeply integrating AI algorithm technology, the Company will keep iterating on its cleaning-robot product line to achieve end-to-end automation across the entire workflow.

#### 2. Smart services

As the "Smart Steward of Cities in the New Era", the Company will continue to enhance operational efficiency and increase the rate of mechanized production. It will comprehensively upgrade the Smart Sanitation Cloud Platform, combine it with equipment networking technologies to build an AI application middle platform for urban services, achieving standardized and integrated management of urban services through digital and intelligent methods. Leveraging "intelligent sorting equipment + overall production line solutions + digital intelligence management systems", the Company will actively explore the business of self-operated green renewable resource sorting centers, and realize the "mechanization, reduced human presence, and informatization" of garbage recycling. While steadily advancing the task of "improving payment collection and controlling risks", it will keenly grasp the opportunity of industry recovery, striving to achieve breakthroughs in high-quality orders and deeply expanding core strategic markets.

## **(II) Maintaining steady operations while actively seeking M&A opportunities**

Focusing on its core business, the Company actively looks for suitable targets for mergers & acquisitions and restructuring, seizes market opportunities, comprehensively uses tools such as shares and cash, and conducts mergers & acquisitions and restructuring in a timely manner. Over the years, the Company has completed multiple mergers & acquisitions and restructuring projects, which have strengthened the core competitiveness of its core business, leveraged industrial synergies, and expanded its business scope, obtained key technologies and markets, significantly enhancing its asset scale, profitability, and overall valuation.

The Company will closely align its strategic development plan with actual needs, continuously monitoring industry changes and the competitive landscape. It aims to promote mergers & acquisitions, and restructuring initiatives driven by market synergies. The Company will actively seek opportunities for mergers and acquisitions both domestically and internationally, focusing on high-quality targets. By expanding into overseas markets, strengthening its global competitive edge, and enhancing the core competitiveness of its primary business, the Company will leverage industrial synergies to bolster its sustainable operations. These efforts will support the overall growth of the Company and accelerate its global business expansion.

## **(III) Stimulating business vitality and promoting sustained and steady development**

On April 10, 2025, the *Proposal on the Company's Share Repurchase Plan and the Commitment Letter for Securing a Special Repurchase Loan* was deliberated and approved by the Company at the ninth extraordinary meeting of the Tenth Board of Directors. The Company intended to actively carry out the share repurchase plan by using its own funds and the funds of the special repurchase loan. All repurchased shares will be allocated for the implementation of the Company's equity incentive or employee share ownership plan.

The Company is committed to establishing and improving a benefit-sharing mechanism for its management team and key employees, strengthening employee cohesion and overall competitiveness, supporting its long-term, continuous and healthy development, while fostering a strong sense of responsibility among employees. Over the years, the Company has implemented three phases of stock option incentive plans and two phases of employee stock ownership plans, which have helped enhance the sense of responsibility and mission of its management team and key employees, engaging them in the Company's objectives. By aligning the interests of shareholders, the Company, and the core team, these efforts have been critical in achieving development goals and ensuring sustainable growth.

In line with the Company's business development stage and long-term strategic plan, the Company will continue to focus on integrating performance growth with the sharing of benefits for the management team and key employees. As the Company steadily improves its performance and works toward its development strategy and business objectives, employees will also share in the benefits arising from its growth.

## **(IV) Sharing business achievements and actively implementing cash dividends**

While continuously promoting its own development, the Company has firmly established the awareness of rewarding investors and attaches great importance to providing reasonable returns to investors. It has distributed cash dividends to all shareholders for 12

consecutive years, and has completed the implementation of three phases of share repurchase plans, demonstrating its commitment to actively rewarding investors and protecting their interests, thereby boosting investors' confidence in the Company.

In 2024, the Company implemented the cash dividend for the year 2024, given that both the distributable profit realized by the Company and the cumulative distributable profit of the Company were positive. In the past three years (2022-2024), the Company is expected to pay a total of about RMB 1.437 billion in cash dividends (including the amount related to share repurchase cancellations), accounting for 83.25%, 79.43%, and 134.89% of the net profit attributable to the listed company's shareholders, respectively. The Company will strictly implement the profit distribution policy, comprehensively considering factors such as the characteristics of the industry it is in, the development stage, its own business model, profitability, debt repayment ability, etc. The stable high-proportion dividend mechanism fully reflects the Company's business philosophy of attaching importance to shareholder returns and fulfilling its dividend commitment.

## **(V) Improving the quality of information disclosure and strengthening investor communication**

The Company has always attached great importance to investor relations. In 2024, the Company received an A (excellent) rating in the information disclosure evaluation of the Shenzhen Stock Exchange for the 2023-2024, and also won the "Golden Information Disclosure" award hosted by China Securities Journal to commend listed companies that have performed outstandingly in information disclosure, communication methods, public relations management, and investor relations management. To better convey the diversified internal value to investors and enhance the corporate image and brand value, the Company has released social responsibility reports for three consecutive years. Moreover, by virtue of its good ESG management practices and continuous innovation capabilities, the Company has won the "Top 100 ESG Awards for Chinese Listed Companies" and the "ESG Pioneer Practitioner Case for Listed Companies", demonstrating its rich practices and achievements in sustainable development and social responsibility.

The Company will continue to strictly abide by the information disclosure principles of "truthfulness, accuracy, completeness, timeliness, fairness, legality, and compliance" to ensure that all disclosed information is true and reliable, enabling investors to gain a clear and accurate understanding of its operating conditions and future development prospects. It will make more initiative, professional, and deeper communication with investors, improve the timeliness and transparency of information dissemination, actively and efficiently convey its long-term investment value, promote positive communication between both sides, and build a harmonious and mutually beneficial relationship in the capital markets. The Company will actively organize activities such as annual performance briefings and investor surveys to strengthen two-way communication with investors. It will also enhance its internal value and promote its healthy and sustainable development to contribute to the positive and healthy development of the capital market.

## **(VI) Consolidating the governance structure and promoting standardized operation**

The Company has continuously improved its internal corporate governance structure, perfected its internal management system, clearly defined the responsibilities and authorities of the general meeting of shareholders, the board of directors, and the board of supervisors to urge them to fulfill their respective responsibilities, jointly promoting its sustainable and healthy development. In 2024, in accordance with relevant laws, regulations, departmental rules, and regulatory documents such as the *Administrative Measures for Independent Directors of Listed Companies*, the *Rules for the Share Repurchase of Listed Companies*, and the *Guidelines for the Articles of Association of Listed Companies*, and in combination with the actual situation, the Company revised some provisions of the *Articles of Association*, the *Rules of Procedure for the Board of Directors*, the *Rules of Procedure for the General Meeting of Shareholders*, and the *Working System of Independent Directors*.

The Company will continue to improve and perfect its corporate governance structure and internal control systems, and enhance the level of corporate governance to effectively protect the legitimate rights and interests of all shareholders, and lay a solid foundation for its development. The Company's management will also further enhance its operational and management capabilities and

continuously improve its core competitiveness, profitability, and overall risk management capabilities to achieve its long-term and sustainable development and deliver value to its investors.

#### **XIV. Implementation of the Action Plan for Quality and Return Improvements**

Whether the Company disclosed the Action Plan for Quality and Return Improvements.

☐ Yes ☒ No

## Part IV Corporate Governance

### 1. Basic situation of Corporate Governance

1. The Company continuously perfects its corporate governance structure in strict accordance with the requirements of the *Company Law*, the *Securities Law* and the relevant laws and regulations of the CSRC. The Board of Directors has four special committees, namely, Strategy Committee, Audit Committee, Nomination Committee, and Remuneration & Appraisal Committee, dedicated to providing advice and recommendations to ensure the Board of Directors' deliberation and decision-making are professional and efficient.

2. The Company convenes the Annual General Meeting of Shareholders in strict accordance with the relevant provisions of the *Articles of Association* and the *Rules of Procedure for the General Meeting of Shareholders*. The Board of Directors, which is the decision-making body of the Company, conscientiously implements the resolutions of General Meetings of Shareholders. The Board of Supervisors exercises its supervisory authorities and powers in strict accordance with the regulations, and it supervises the financial affairs of the Company as well as duty performance and actions of directors and senior officers, thus safeguarding the legitimate rights and interests of the Company and all shareholders. The Management of the Company strictly implements the resolutions of General Meetings of Shareholders and Meetings of the Board of Directors and executes decisions. All functional departments and subsidiaries of the Company are responsible for day-to-day operations.

3. During the reporting period, in order to regulate its insider information management, ensure confidentiality of insider information and effective registration and management of insiders who have access to insider information, effectively prevent securities violations of laws and regulations such as insider trading, maintain the fairness of information disclosure, and protect the legitimate rights and interests of the general investors, the Company promptly, truthfully and fully recorded all the persons with access to the insider information before disclosure at stages such as discussion and planning, demonstration and consultation, establishment and in phases such as reporting, transmission, preparation, examination, resolution, and disclosure, as well relevant information archives regarding the content, time, place, basis and method, etc. for the insiders to know the insider information, and file with the relevant regulatory authorities to strictly prevent the occurrence of insider trading, pursuant to the laws and regulations such as the *Securities Law*, the *Measures for the Administration of Information Disclosure by Listed Companies*, as well as the relevant provisions of the *Articles of Association*, *Information Disclosure Management Policy*, and *Policy on Internal Reporting of Material Information* of the Company.

4. The Company discloses information in strict accordance with the provisions of the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Shares on SZSE*, and other relevant laws, regulations and normative documents, as well as the *Information Disclosure Management Policy*, to ensure that it makes true, accurate, complete, timely and fair information disclosure to increase the openness and transparency of its operations. The Company has received no disciplinary actions such as criticism and reprimand from the stock exchange for issues relating to information disclosure. During the reporting period, there were no governance irregularities such as the provision of undisclosed information to the controlling shareholder and the de facto controller.

5. During the reporting period, there was no change in the stock price arising from leakage of inside information of the Company. As part of its next steps, the Company will constantly improve its corporate governance structure, further standardize corporate operations, and raise the level of corporate governance pursuant to relevant laws and regulations as well as the requirements of the SZSE.

As to the actual status of corporate governance whether there is any material departure from laws, administrative regulations and the rules issued by the CSRC on listed company governance

☐ Yes ☒ No



As to the actual status of governance of the Company, there is no material non-compliance with laws, administrative regulations, and the rules issued by the CSRC on the governance of listed companies

## II. Independence of the Company from the Controlling Shareholder and De Facto Controller and on Ensuring Company's Assets, Personnel, Finance, Structure and Businesses and Other Aspects

The Company is completely independent of the controlling shareholder in terms of businesses, personnel, assets, organization and finance, etc., and has fully independent businesses and operation capacity. Details are as follows:

(1) Business independence: The Company's businesses are independent of the controlling shareholder, and the controlling shareholder and its affiliates are not engaged in any businesses in competition with the Company.

(2) Personnel separation: The personnel of the Company are independent of the controlling shareholder, and the President, CFO, Board Secretary and other senior officers of the Company do not hold positions other than directors in the controlling shareholder, the financial officers of the Company do not have a part-time job in affiliated companies. The Company has put in place independent policies on labor, personnel and remuneration management and established an independent labor and personnel management department. Thus, its labor, personnel and remuneration management are completely independent.

(3) Integrity of assets: The Company owns independent and complete assets and has independent production, supply and sales systems, and there is no horizontal competition between the Company and its controlling shareholder in the manufacturing and operation of the same products.

(4) Organizational independence: The Company is organizationally complete, and there is no superior-subordinate relationship between its controlling shareholder and functional departments thereof and the Company and functional departments thereof. The Company's Board of Directors, Board of Supervisors and other internal institutions operate fully independently.

(5) Financial separation: The Company's finance is entirely independent, with an independent financial department. It has also established an independent accounting system and financial accounting management policy dedicated to independent accounting, independent opening of bank accounts and independent tax payment.

## III. Horizontal Competition

☐ Applicable ☒ Not Applicable

## IV. Annual and Extraordinary General Meetings of Shareholders Convened During the Reporting Period

### 1. General meetings of shareholders convened during the reporting period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Meeting resolution
Annual General Meeting of Shareholders in 2023	Annual General Meeting of Shareholders	61.81%	May 20, 2024	May 21, 2024	The Announcement on the Resolutions of the 2023 Annual General Meeting of Shareholders (Announcement No.: 2024-037) was published on the <i>Securities Daily</i> , the <i>Securities Times</i> , the <i>China Securities Journal</i> , and Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ), which are the media designated by the Company for information disclosure.

## 2. Extraordinary general meeting of shareholders convened at the request of preference shareholders with resumed voting rights

☐ Applicable ☒ Not Applicable

## V. Information of Directors, Supervisors and Senior Officers

### 1. Basic information

Name	Gender	Age	Position	Incumbent/Former	Start of tenure	End of tenure	Beginning number of shares held	Number of shares increased during the period	Number of shares decreased during the period	Other changes	Ending number of shares held	Reasons for share increase/decrease
Ma Gang	Male	46	Chairman of the Board and President	Incumbent	December 4, 2014	January 11, 2026	1,654,600	0	0	0	1,654,600	None
Zhu Youyi	Male	46	Director	Incumbent	May 20, 2024	January 11, 2026	46,975	0	0	0	46,975	None
Kuang Guangxiong	Male	46	Director	Incumbent	January 30, 2019	January 11, 2026	0	0	0	0	0	None
Shen Ke	Male	54	Director	Incumbent	January 30, 2019	January 11, 2026	0	0	0	0	0	None
Zhang Yu	Male	47	Independent director	Incumbent	December 26, 2019	January 11, 2026	0	0	0	0	0	None
Li Ruidong	Male	48	Independent director	Incumbent	December 26, 2019	January 11, 2026	0	0	0	0	0	None
Li Yingzhao	Male	63	Independent director	Incumbent	January 12, 2023	January 11, 2026	0	0	0	0	0	None
Lai Zhiyao	Male	44	Chairman of the Board of Supervisors	Incumbent	May 20, 2024	January 11, 2026	0	0	0	0	0	None
Liu Kan	Male	41	Supervisor	Incumbent	December 26, 2019	January 11, 2026	0	0	0	0	0	None
Lin Meiling	Female	40	Employee Supervisor	Incumbent	November 14, 2016	January 11, 2026	0	0	0	0	0	None
Wang Qingbo	Male	49	Vice President & CFO	Incumbent	April 29, 2022	January 11, 2026	800	0	0	0	800	None
Huang Junjie	Male	36	Board Secretary	Incumbent	August 26, 2024	January 11, 2026	0	0	0	0	0	None
Su Bin	Male	47	Director	Former	September 6, 2021	April 26, 2024	0	0	0	0	0	None
Jiao	Male	44	Chairman of	Former	November	April	308,692	0	0	0	308,692	None

Wanjiang			the Board of Supervisors		14, 2016	26, 2024						
Jin Taotao	Male	42	Vice President and Board Secretary	Former	December 26, 2019	August 26, 2024	0	0	0	0	0	None
Total	--	--	--	--	--	--	2,011,067	0	0	0	2,011,067	--

Whether any director or supervisor left office or any senior officer was dismissed during their tenure during the reporting period

☒ Yes ☐ No

1. On April 26, 2024, Mr. Su Bin applied to resign from his positions as a director of the Tenth Board of Directors and a member of the strategic committee of the Company due to personal reasons. After resigning, Mr. Su Bin will no longer hold any positions in the Company.

2. On April 26, 2024, Mr. Jiao Wanjiang applied to resign from his positions as a supervisor and the chairman of the board of supervisors of the 10th board of supervisors of the Company due to job changes. After resigning, he will hold other positions in the Company.

3. On August 26, 2024, Mr. Jin Taotao applied to resign from his positions as a vice president and the secretary of the board of directors of the Company due to job changes. After resigning, he will hold other positions in the Company.

Changes of the Company's directors, supervisors and senior officers

☒ Applicable ☐ Not Applicable

Name	Position held	Type	Date	Reason
Zhu Youyi	Non-independent Director	Elected	May 20, 2024	Job transfer
Lai Zhiyao	Chairman of the Board of Supervisors	Elected	May 20, 2024	Job transfer
Huang Junjie	Board Secretary	Appointed	August 26, 2024	Job transfer
Su Bin	Non-independent Director	Resigned	April 26, 2024	Personal reasons
Jiao Wanjiang	Chairman of the Board of Supervisors	Resigned	April 26, 2024	Job transfer
Jin Taotao	Board Secretary	Dismissed	August 26, 2024	Job transfer

## 2. Position and biographical information

Professional backgrounds, major work experience and current posts in the Company of the incumbent directors, supervisors and senior officers:

1. Mr. Ma Gang, born in 1979, holding a master's degree, is Chairman of the Tenth Board of Directors of Infore Enviro. Starting in December 2014, he has been serving as President of Infore Enviro. He joined Midea Group in June 2001, and held successively the positions of R&D Engineer, branch salesman and Regional Director at Midea Rice Cooker Division, General Manager at Midea Small Domestic Appliance Sales Company in China, President of China Marketing Headquarters of Midea Daily Home Electric Appliance Group, Vice President and Domestic Sales General Manager at Midea Small Domestic Appliance Division, Vice President of Midea Small Domestic Appliance Division and General Manager at Midea Water Material Product Company, and Deputy Director at Midea Domestic Market Department.

2. Mr. Zhu Youyi, born in 1979, holding a Master's degree, is Director of the Tenth Board of Directors of Infore Enviro. Starting in August 2023, he has been Vice President of Infore Group Co., Ltd. From July 2020 to August 2023, he served as a senior director of human resources at Alibaba Group. From July 2001 to July 2020, he held various director positions in market operations and strategic investment at Midea Group.

3. Mr. Kuang Guangxiong, born in 1979, holding a master's degree, is a PRC Certified Public Accountant and International Accountant, in addition to Director of the Tenth Board of Directors of Infore Enviro. He has been Vice President of Infore Group from October 2018 till now. From July 2002 to October 2018, he held successively the positions of Financial Manager at Midea Daily Home

Electric Appliance Group, Financial Manager at Midea subsidiary in the US, Financial Director at Midea Kitchen Appliances Division, Financial Director at Midea Commercial Air Conditioner Division, and Financial Director at Midea-KUKA Joint Venture in China.

4. Mr. Shen Ke, born in 1971, holding a master's degree, is Director of the Tenth Board of Directors of Infore Enviro. He has been Vice President of Zoomlion Heavy Industry Science and Technology Co., Ltd. from September 2020 till now. From July 2003 to September 2020, he held the positions of Head of the Investment Development Department, Board Secretary, and Investment Director at Zoomlion Heavy Industry Science and Technology Co., Ltd.

5. Mr. Zhang Yu, born in 1978, holding a doctorate degree, is Independent Director of the Tenth Board of Directors of Infore Enviro. He has served as Associate Professor and Professor at China Europe International Business School since 2015 till now, and held the position of Assistant Professor at University of California, Irvine from 2008 to 2015.

6. Mr. Li Ruidong, born in 1977, holding a bachelor's degree, is Independent Director of the Tenth Board of Directors of Infore Enviro. He has been President and Editor-in-chief at the China Environment Magazine since November 2013 till now. He served as Assistant to General Manager of Environmental Protection Magazine Co., Ltd. from February 2012 to November 2013, and Director of the Office of the Environmental Protection Magazine from March 2008 to January 2012.

7. Mr. Li Yingzhao, born in 1962, holding a doctoral degree, serves as Independent Director of the Tenth Board of Directors of Infore Enviro. He was formerly Professor of Accounting at School of Business Administration, South China University of Technology, and retired in 2023. He also currently serves as Independent Director at Guangdong TLOONG Technology Group Co., Ltd., and External Supervisor of Nanhai Rural Commercial Bank Co., Ltd. He served as Independent Director at such listed companies as Guangzhou Friendship Group Co., Ltd. and Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd. He has participated in the SZSE training and received the Independent Director Qualification.

8. Mr. Lai Zhiyao, born in 1981, holding a bachelor's degree, is Chairman of the Tenth Board of Supervisors of Infore Enviro. He currently serves as the Deputy Director of the Marketing Management Department of Shunde Equipment Company. From April 2006 to February 2021, he served successively as the General Manager of a branch of Guangdong Midea Household Appliances Manufacturing Co., Ltd. From August 2004 to December 2005, he served as an engineer at China Railway Information Technology Co., Ltd. From October 2000 to September 2002, he served as a teacher at Wudang Town Middle School in Longnan County, Jiangxi Province.

9. Mr. Liu Kan, born in 1984, holding a bachelor's degree, is Supervisor of the Tenth Board of Supervisors of Infore Enviro. He is currently Vice President of the Urban Service Business Division and General Manager of the Operation Management Department. He held the positions of General Manager at Infore Network Technology Co., Ltd. from 2017 to November 2019, Director of the Operation Management Department of Universtar Science & Technology (Shenzhen) Co., Ltd. from 2016 to 2017, and Rice Cooker Product Planning Manager at Midea Small Domestic Appliance Shenzhen Branch and Midea Small Domestic Appliance Division from 2006 to 2015.

10. Ms. Lin Meiling, born in 1985, holding a bachelor's degree, is Supervisor of the Tenth Board of Supervisors of Infore Enviro. She is currently the Director of Human Resources of the Company. Starting in 2010, she has been responsible for the administration and HR affairs of the Company.

11. Mr. Wang Qingbo, born in 1976, holding a bachelor's degree, is Vice President and CFO of Infore Enviro. He previously served as Vice President and Vice President of Finance at Guangdong NVC Lighting Technology Co., Ltd., Vice President of Finance at Guangdong Xinbang Logistics Co., Ltd., CFO at Midea Annto Logistics Division, Deputy CFO at Midea Small Domestic Appliance Division, Financial Manager at Midea Industrial Design Company, and Financial Supervisor at Midea Fan Factory.

12. Mr. Huang Junjie, born in 1989, holding a master's degree, is currently Board Secretary, Assistant President, and Director of the Securities and Strategic Development department of Infore Enviro. He served as Senior Investment Director. He served as Senior Investment Manager of Cedar Holdings Group Co., Ltd., Investment Manager of Tianjin Golden Wutong Investment Management

Partnership (Limited Partnership), International Management Trainee and M&A Analyst of the New York Branch of Standard Chartered Bank.

Positions held in shareholder entities

☒ Applicable ☐ Not Applicable

Name of the personnel holding position	Shareholder entity	Position held at the shareholder entity	Start of tenure	End of tenure	Whether receiving remuneration or allowances from the shareholder entity
Ma Gang	Infore Group Co., Ltd.	Director	March 6, 2018	April 24, 2024	No
Zhu Youyi	Infore Group Co., Ltd.	Vice President	August 28, 2023	-	Yes
Kuang Guangxiong	Infore Group Co., Ltd.	Director and Co-President	May 30, 2019	-	Yes
Shen Ke	Zoomlion Heavy Industry Science and Technology Co., Ltd.	Vice President	June 29, 2015	-	Yes

Positions held in other entities

☒ Applicable ☐ Not Applicable

Name of the personnel holding position	Name of other entity	Position held in other entity	Start of tenure	End of tenure	Whether receiving remuneration or allowances from other entities
Zhu Youyi	Guangdong Infore Finance Connect Small Loan Co., Ltd.	Chairman	May 15, 2024	-	No
Zhu Youyi	KUKA Home Co., Ltd.	Director	February 2, 2024	-	No
Zhu Youyi	Beijing Bination Pictures Co., Ltd.	Director	May 16, 2024	-	No
Kuang Guangxiong	Guangdong Infore Finance Connect Small Loan Co., Ltd.	Director	July 6, 2020	-	No
Kuang Guangxiong	KUKA Home Co., Ltd.	Chairman	September 20, 2024	-	No
Kuang Guangxiong	E - Fund Management Co., Ltd.	Director	January 1, 2025	-	No
Kuang Guangxiong	Guangdong Infore Material Technology Co., Ltd.	Chairman	October 9, 2023	-	No
Kuang Guangxiong	Foshan Infore Trade Co., Ltd.	Executive Director, Manager	June 21, 2024	-	No
Kuang Guangxiong	Ningbo Infore Ruihe Investment Management Co., Ltd.	Executive Director, Manager	May 11, 2024	-	No
Kuang Guangxiong	Yinghe (Shenzhen) Robotics and Automation Technology Co., Ltd.	Chairman	August 5, 2020	-	No
Kuang Guangxiong	Ningbo Infore Baihe Cultural Industry Investment Co., Ltd.	Executive Director, Manager	June 6, 2024	-	No
Kuang Guangxiong	Ningbo Infore Asset Management Co., Ltd.	Executive Director, Manager	June 6, 2024	-	No
Shen Ke	Hunan Zoomlion Emergency Device Co., Ltd.	Director	August 17, 2017	-	No
Shen Ke	Zoomlion Capital Co., Ltd.	Director	October 22, 2015	-	No

Shen Ke	Zoomlion Finance Co., Ltd.	Director	May 28, 2015	-	No
Shen Ke	Hunan Teli Hydraulic Co., Ltd.	Supervisor	March 11, 2020	-	No
Shen Ke	Zoomlion Puroong Leasing Co., Ltd.	Director	April 12, 2016	-	No
Shen Ke	Bichamp Cutting Technology (Hunan) Co., Ltd.	Director	July 5, 2014	-	No
Shen Ke	Changsha Zoomlion Zhitong Trenchless Technology Co., Ltd.	Director	April 13, 2009	-	No
Shen Ke	Zoomlion Heavy Machinery Zhejiang Co., Ltd.	Chairman	November 8, 2023	-	No
Shen Ke	Zoomlion Agriculture Co., Ltd.	Director	October 31, 2023	-	No
Shen Ke	Zoomlion Intelligent Agriculture Co., Ltd.	Director	November 5, 2020	-	No
Shen Ke	Beijing Junlai Capital Management Company Limited	Director	June 22, 2018	-	No
Shen Ke	Chongqing Zoomlion Shenghong Machinery Manufacturing Co., Ltd.	Executive Director	January 5, 2024	-	No
Shen Ke	Hunan Zhongchen Rolled Steel Manufacturing Engineering Co., Ltd.	Director	May 20, 2020	-	No
Shen Ke	Hunan Xiangjiang Private Equity Fund Management Co., Ltd.	Director	April 28, 2021	-	No
Shen Ke	Zoomlion Business Factoring (China) Co., Ltd.	Director	October 11, 2023	-	No
Zhang Yu	China Europe International Business School	Professor	July 1, 2015	-	Yes
Zhang Yu	Guangzhou MINO Equipment Co., Ltd.	Independent director	July 28, 2020	-	Yes
Zhang Yu	Aidite (Qinhuangdao) Technology Co., Ltd.	Director	November 30, 2019	-	Yes
Li Ruidong	China Environment Magazine	President and Editor-in-chief	November 1, 2013	-	Yes
Li Yingzhao	Jiangxi Green Recycling Co., Ltd.	Director	November 19, 2020	-	Yes
Li Yingzhao	China Broadnet Guangzhou Network Co., Ltd.	Independent director	April 27, 2021	-	Yes
Li Yingzhao	Guangdong TLOONG Technology Group Co., Ltd.	Independent director	July 21, 2022	-	Yes
Wang Qingbo	Guangdong Shunkong Environmental Investment Co., Ltd.	Supervisor	February 23, 2023	-	No

Punishments imposed in the past three years by the securities regulator on the incumbent directors, supervisors and senior officers as well as those who left office during the reporting period

☐ Applicable ☒ Not Applicable

### 3. Remuneration of directors, supervisors and senior officers

Decision-making procedure, determination basis and actual payments of remuneration for directors, supervisors and senior officers

The remunerations of the directors, supervisors and senior officers of the Company for 2024 are strictly in compliance with the *Proposal on the Remuneration Plan for Directors, Supervisors and Senior Officers in 2024* deliberated and adopted by the Company, the *Rules of Procedure for the Board of Directors* formulated by the Company, the *Rules of Procedure for the Board of Supervisors* and the *Articles of Association*, as well as the relevant provisions of the *Company Law*. The remuneration of the Company's directors, supervisors and senior officers shall be determined on the basis of reasonable remuneration in the market and the Company's

performance appraisal results. The actual remuneration of the independent directors of the Company is paid on an annual basis. The actual remuneration of senior officers is partly on a monthly basis, and the part linked to the Company's performance is paid at year-end.

Remuneration of directors, supervisors and senior officers of the Company during the reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Incumbent /Former	Total pre-tax remuneration from the Company	Receiving remuneration from the Company's related parties or not
Ma Gang	Male	46	Chairman of the Board and President	Incumbent	302.46	No
Zhu Youyi	Male	46	Director	Incumbent	0	Yes
Kuang Guangxiong	Male	46	Director	Incumbent	0	Yes
Shen Ke	Male	54	Director	Incumbent	0	Yes
Zhang Yu	Male	47	Independent director	Incumbent	10	No
Li Ruidong	Male	48	Independent director	Incumbent	10	No
Li Yingzhao	Male	63	Independent director	Incumbent	10	No
Lai Zhiyao	Male	44	Chairman of the Board of Supervisors	Incumbent	43.25	No
Liu Kan	Male	41	Supervisor	Incumbent	156.22	No
Lin Meiling	Female	40	Employee Supervisor	Incumbent	22.27	No
Wang Qingbo	Male	49	Vice President & CFO	Incumbent	119.98	No
Huang Junjie	Male	36	Board Secretary	Incumbent	32.39	No
Su Bin	Male	47	Director	Former	0	Yes
Jiao Wanjiang	Male	44	Chairman of the Board of Supervisors	Former	37.96	No
Jin Taotao	Male	42	Vice President and Board Secretary	Former	32.59	No
Total	--	--	--	--	777.12	--

Other information

☐ Applicable ☒ Not Applicable

## VI. Performance of Duties by Directors during the Reporting Period

### 1. Information on the Board of Directors during the reporting period

Meeting	Date of the meeting	Disclosure date	Meeting resolution
The fifth extraordinary meeting of the Tenth Board of Directors	January 8, 2024	January 9, 2024	The <i>Announcement on the Resolutions of the Fifth Extraordinary Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-002) was published on the <i>Securities Daily</i> , the <i>Securities Times</i> , the <i>China Securities</i>

			<i>Journal</i> , and Cninfo (www.cninfo.com.cn), which are the media designated by the Company for information disclosure.
The sixth meeting of the Tenth Board of Directors	April 26, 2024	April 29, 2024	The <i>Announcement on the Resolutions of the Sixth Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-012) was published on the <i>Securities Daily</i> , the <i>Securities Times</i> , the <i>China Securities Journal</i> , and Cninfo (www.cninfo.com.cn), which are the media designated by the Company for information disclosure.
The Seventh Meeting of the Tenth Board of Directors	August 26, 2024	August 28, 2024	The <i>Announcement on the Resolutions of the Seventh Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-047) was published on the <i>Securities Daily</i> , the <i>Securities Times</i> , the <i>China Securities Journal</i> , and Cninfo (www.cninfo.com.cn), which are the media designated by the Company for information disclosure.
The Eighth Meeting of the Tenth Board of Directors	October 28, 2024	October 29, 2024	The <i>Announcement on the Resolutions of the Eighth Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-055) was published on the <i>Securities Daily</i> , the <i>Securities Times</i> , the <i>China Securities Journal</i> , and Cninfo (www.cninfo.com.cn), which are the media designated by the Company for information disclosure.

## 2. Attendance of directors at Board meetings and general meetings of shareholders

Attendance of directors at Board meetings and general meetings of shareholders							
Director's name	Number of Board meetings held	Number of Board meetings attended on site	Number of Board meetings attended by way of telecoms	Number of Board meetings attended through proxy	Number of Board meetings absent with apologies	Having failed to attend two consecutive Board meetings in person or not	Number of general meetings of shareholders attended
Ma Gang	4	4	0	0	0	No	1
Zhu Youyi	2	1	1	0	0	No	0
Kuang Guangxiong	4	3	1	0	0	No	1
Shen Ke	4	1	3	0	0	No	1
Zhang Yu	4	2	2	0	0	No	1
Li Ruidong	4	2	2	0	0	No	1
Li Yingzhao	4	0	4	0	0	No	1
Su Bin	2	1	1	0	0	No	1

Explanation of failure to attend two consecutive Board meetings

☐ Applicable ☒ Not Applicable

## 3. Objections raised to relevant matters of the Company

Whether any directors raised an objection to any relevant matter of the Company

☐ Yes ☒ No

Directors did not raise any objection to the relevant matters of the Company during the reporting period.

## 4. Other information about the performance of duties by directors

Whether any recommendations from directors were adopted by the Company



☒ Yes ☐ No

Explanation of adoption/rejection of directors' recommendations for the Company

During the reporting period, the directors of the Company acted in a diligent and responsible manner, and actively attended Board meetings and general meetings of shareholders in strict compliance with provisions and requirements in the *Articles of Association*, the *Rules of Procedure for the Board of Directors* as well as relevant laws and regulations. Based on the actual situation of the Company, the directors proposed relevant opinions on the Company's material governance and operation decisions, reached a consensus through adequate communication and discussion, firmly supervised and promoted the execution of resolutions of the Board of Directors, ensured the decision-making was scientific, timely and highly efficient and protected the legitimate rights and interests of the Company and all shareholders.

## VII. Information on Special Committees of the Board during the Reporting Period

Name of the committee	Members	Number of meetings held	Date of the meeting	Meeting contents	Important opinions and suggestions proposed	Other information on performance of duties	Specific information on matters that objections were raised (if any)
Audit Committee	Li Yingzhao, Kuang Guangxiong, Li Ruidong and Zhang Yu	5	February 22, 2024	1. Pre-approval of the Financial Statements in 2023 Annual Report; 2. Internal Control Self-Assessment Report; 3. 2024 Internal Audit Work Plan Report; 4. Ex-ante Communication of 2023 Annual Report.	Approved the relevant proposals of this meeting.	--	Not applicable
Audit Committee	Li Yingzhao, Kuang Guangxiong, Li Ruidong and Zhang Yu	5	April 25, 2024	1. 2023 Annual Report and Its Summary; 2. 2023 Annual Final Financial Accounting Report; 3. 2024 First Quarter Report; 4. Proposal on Changes to Accounting Policy of the Company and Its Subsidiaries; 5. Proposal on the Reappointment of Accounting Firms; 6. Report on the Performance of Supervisory Duties of the Audit Committee over the Accounting Firm; 7. Proposal on Formulating the System for Selecting Accounting Firms.	Approved the relevant proposals of this meeting.	--	Not applicable

Audit Committee	Li Yingzhao, Kuang Guangxiong, Li Ruidong	5	August 23, 2024	1. 2024 Interim Report and Its Summary; 2. 2024 Interim Financial Report; 3. Summary of Internal Audit for the First Half of 2024.	Approved the relevant proposals of this meeting.	--	Not applicable
Audit Committee	Li Yingzhao, Kuang Guangxiong, Li Ruidong	5	October 25, 2024	Third Quarter Report for 2023	Approved the relevant proposals of this meeting.	--	Not applicable
Audit Committee	Li Yingzhao, Kuang Guangxiong, Li Ruidong and Zhang Yu	5	December 18, 2024	Communication on Pre-approval of 2024 Annual Report	Approved the relevant proposals of this meeting.	--	Not applicable
Remuneration & Appraisal Committee	Li Ruidong, Kuang Guangxiong and Zhang Yu	2	January 5, 2024	1. Reviewing the Performance of the Company's Directors and Senior Officers in Fulfilling Their Duties in 2023 and Conducting Annual Performance Assessment Based on Assessment Criteria and Remuneration Policies and Plans; 2.Implementation of the Remuneration Plan for Directors, Supervisors, and Senior Officers in 2023; 3. the Proposal on the Cancellation of Expired, Unexercised Stock Options for the Third Exercise Period of the Third Stock Option Incentive Scheme	Approved the relevant proposals of this meeting.	--	Not applicable
Remuneration & Appraisal Committee	Li Ruidong, Kuang Guangxiong and Zhang Yu	2	April 24, 2024	Proposal on the Remuneration Plan for Directors, Supervisors and Senior Officers in 2024	Approved the relevant proposals of this meeting.	--	Not applicable
Nomination Committee	Zhang Yu, Ma Gang and Li Yingzhao	2	April 24, 2024	Proposal on the Supplemental Election of Non-independent Directors of the Company	Approved the relevant proposals of this meeting.	--	Not applicable
Nomination Committee	Zhang Yu, Ma Gang and Li Yingzhao	2	August 23, 2024	Proposal on Appointing the Board Secretary of the Company	Approved the relevant proposals of this meeting.	--	Not applicable

Strategy Committee	Ma Gang, Zhu Youyi and Shen Ke	1	October 25, 2024	<i>Proposal on the Temporary Replenishment of Working Capital with Part of the Idle Raised Funds</i>	Approved the relevant proposals of this meeting.	--	Not applicable
--------------------	--------------------------------	---	------------------	--	--	----	----------------

## VIII. Work of the Board of Supervisors

Whether the Board of Supervisors identified any risk in the Company in its supervision during the reporting period

☐ Yes ☒ No

The Board of Supervisors has no objection to supervisory matters during the reporting period.

## IX. Information on Employees of the Company

### 1. Number, specialty and educational backgrounds of employees

Number of in-service employees of the parent company at the end of the reporting period	231
Number of in-service employees of the major subsidiaries at the end of the reporting period	18,997
Total number of in-service employees at the end of the reporting period	19,228
Total number of paid employees during the reporting period	19,228
Number of retirees to whom the parent company or its major subsidiaries need to pay retirement pensions	0
Specialty	
Specialty category	Number of people in the specialty
Production personnel	15,389
Sales personnel	1,002
Technical personnel	1,339
Finance personnel	169
Administrative personnel	1,329
Total	19,228
Educational level	
Types of educational level	Number of people
Doctoral degree	10
Master's degree	451
Bachelor's degree	2,436
College	1,919
Below college	14,412
Total	19,228

## 2. Remuneration policy

The remuneration of employees is paid on time according to the remuneration policy of the Company. The fixed remuneration of employees is determined by the Company according to the position value and individual performance, and the floating salary of employees is determined according to the Company's and individual performance assessment results. The Company swings the weight of salary payment towards strategic professionals to ensure that the income level of core talent is competitive in the market. The employee remuneration policy is subject to dynamic adjustments based on regional conditions, talent supply, staff turnover, the extent of changes in the industry environment and the corporate payment capacity.

## 3. Training plan

The Company adopts a talent strategy of high quality, high incentives, high performance, and high cultural identity. To support employees through targeted and efficient training, Infore Enviro has put in place a 3-tier training system that covers the company level, division level, and department level. The Company has activated the Employee Skills Enhancement Center, continuously improving the competence and capabilities of employees while actively promoting corporate culture. By continuously strengthening the trainer team, and improving online learning platforms and other key resources, while maintaining standardized training management processes, the Company is committed to creating a collaborative and efficient organizational climate that empowers employees and promotes individual growth.

Its learning and development programs comprehensively cover three key areas: new skills, expertise, and leadership. Leadership development is facilitated through a string of well-designed programs such as Ascent Program, Exploration Program, Climbing Program and Seminar Program. These initiatives aim to guide employees in continuously scaling new heights in their professional growth and development. Expertise programs, focusing on job-specific skills, are carried out in diverse forms such as specialized training camps, marketing and R&D lectures in order to help employees meet job requirements and adapt to market changes. To better support new employees in swiftly integrating into the Company and achieving a career transformation within 90 days, both from campus and social recruiting, a wide range of training programs are carried out, such as the Young Talent Training Camp, Graduate Training Program, and programs specific to new employees from social recruiting.

Moreover, a fair and competitive career development system for employees has been established to ensure that each individual has opportunities for continuous growth and promotion. The Company regularly conducts comprehensive assessments to promote employees, as part of its tangible actions to support career advances. In 2024, successful promotions for over four hundred professional employees are not only a recognition of their hard work and talent, but also the outcomes of the talent development strategy.

## 4. Labor outsourcing

☒ Applicable ☐ Not Applicable

Total hours of labor outsourced	65,008,979.83
Total payment for labor outsourcing (RMB)	789,046,415.30

## X. The Company's Profit Distribution and Converting Capital Reserve into Share Capital

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy during the reporting period

☒ Applicable ☐ Not Applicable

According to the *Articles of Association*, while satisfying the conditions of cash dividend and ensuring the Company's normal operation and long-term development, the Company shall, in principle, pay cash dividends on an annual basis. The Board of Directors

may propose interim cash dividends depending on the Company's profit status, cash flow status, development stage and capital requirements. The Company shall maintain the continuity and stability of the profit distribution policy. When the conditions for cash dividends are met, the cumulative profit distributed in cash in the recent three years shall not be less than 30% of the average annual distributable profit realized in the recent three years.

During the reporting period, the Company distributed profit in strict accordance with the provisions of the *Articles of Association* and fully protected the legitimate rights and interests of small and medium investors. Independent directors have voiced their opinions on the proposal on the annual profit distribution of the Company.

Special remarks on the cash dividend policy	
Whether it complies with the Company's Articles of Association or resolutions of the general meetings of shareholders:	Yes
Whether dividend distribution standards and ratio are explicit and clear:	Yes
Whether the decision-making procedure and mechanism are complete:	Yes
Whether independent directors diligently performed their duties and played their due role:	Yes
In the event that the Company does not distribute cash dividends, it shall disclose the specific reasons and the next steps to elevate the level of return for investors:	Not applicable
Whether minority shareholders have the opportunity to fully express their opinions and demand and whether their legal rights and interests are adequately protected:	Yes
In case of adjusting or changing the cash dividend policy, whether the conditions and procedures involved are in compliance with applicable regulations and transparent:	Yes

The Company made profits during the reporting period and the parent company's profits distributable to shareholders were positive, but no proposal for cash dividend distribution was put forward

☐ Applicable ☒ Not Applicable

Profit distribution and converting capital surplus into share capital for the reporting period

☒ Applicable ☐ Not Applicable

Bonus shares per 10 shares (share)	0
Dividend per 10 shares (RMB) (tax inclusive)	1.89
Total shares as the basis for the proposal for profit distribution (share)	3,166,941,792.00
Cash dividends (RMB) (tax inclusive)	598,551,998.69
Cash dividends in other forms (such as share repurchase) (RMB)	94,132,795.17
Total cash dividends (inclusive of those in other forms) (RMB)	692,684,793.86
Distributable profit (RMB)	787,457,794.12
Total cash dividends (inclusive of those in other forms) as a percentage of total distributed profit	87.96%
Information on this cash dividend	
Others	

## Details about the proposal for profit distribution and converting capital reserve into share capital

The profit distribution plan for 2024 is as follows: Based on the total share capital (minus company shares in the Company's repurchase account) on the date of record for the 2024 profit distribution plan, a cash dividend of RMB 1.89 (tax inclusive) per 10 shares will be distributed to the shareholders, with no bonus issue from either profit or capital reserves.

At the end of 2023, the Company reported RMB 786,431,614.32 in profits available for distribution and RMB 390,563,922.07 in retained earnings after cash dividends. In 2024, the Company realized a net profit of RMB 440,993,191.17 and a surplus reserve of RMB 44,099,319.12. As a result, profits available for distribution at the end of 2024 reached RMB 787,457,794.12. When the profit distribution plan for 2024 is implemented, if the total share capital (minus shares in the Company's repurchase account) on the date of record for the plan remains unchanged, which is 3,166,941,792, a cash dividend of RMB 1.89 (tax inclusive) will be distributed for every 10 shares, totaling RMB 598,551,998.69. As a result, retained earnings after cash dividends will be RMB 188,905,795.43. If the total share capital changes due to reasons such as the conversion of convertible bonds, share repurchases, stock incentive exercise, and the listing of new shares from refinancing before the plan is implemented, the Company will maintain the policy of distributing RMB 0.189 (tax inclusive) per share and adjust the total cash dividends accordingly.

## XI. Company's Implementation of Stock Option Incentive Scheme and Employee Stock Ownership Plan or Other Employee Incentive Measures

☒ Applicable ☐ Not Applicable

### 1. Stock incentive

Overview of the Third Stock Option Incentive Scheme:

On January 8, 2024, *the Proposal on the Cancellation of Expired, Unexercised Stock Options for the Third Exercise Period of the Third Stock Option Incentive Scheme* was deliberated and approved at the fifth extraordinary meeting of the Tenth Board of Directors. According to the provisions of *the Third Stock Option Incentive Scheme (Revised Draft)*, the Board of Directors agreed to cancel the 21,964,000 expired stock options of 209 recipients unexercised during the third exercise period. After the cancellation, the Third Stock Option Incentive Scheme will be fully implemented.

For details, please refer to announcements published on January 9, 2024 on the media for information disclosure designated by the Company and Cninfo (<http://www.cninfo.com.cn>).

Equity incentives granted to directors and senior officers of the Company

☐ Applicable ☒ Not Applicable

Appraisal mechanism and incentives for senior officers

The Company has established a sound performance assessment and incentive system. The Board of Directors has the Remuneration & Appraisal Committee as the administrative agency for the appointment and remuneration appraisal of the senior officers of the Company, which shall be responsible for formulating remuneration standards and schemes for senior officers, reviewing their performance of duties and formulating scientific and reasonable remuneration schemes and submitting to the Board for review and discussion. The current senior officers of the Company shall be subject to comprehensive performance appraisal based on their positions, the current remuneration policy of the Company, the Company's actual operating performance, individual performance, performance of duties and achievement of responsibilities and goals, and the result of such appraisal shall serve as the basis to determine their remunerations. The Company pays the remuneration of senior officers based on the schedule. During the reporting period, the senior officers of the Company conscientiously performed their duties in strict accordance with the *Company Law*, the *Articles of Association* and the relevant laws and regulations, actively implemented relevant resolutions of the General Meetings of Shareholders and Board meetings, and completed tasks of the year in a quite good way.

## 2. Implementation of the employee stock ownership plan

☒ Applicable ☐ Not Applicable

Information on all effective employee stock ownership plans during the reporting period

Scope of employees	Number of employees	Total number of shares held	Changes	As a percentage of the total share capital of the listed company	Source of funds to implement the plan
Directors (excluding independent directors), supervisors, senior officers, and backbone personnel (technology, marketing, production, etc.) of the Company	134	64,789,616	As at December 31, 2024, the Company cumulatively held 64,789,616 shares for its Second Employee Stock Ownership Plan, accounting for 2.05% of its total share capital.	2.05%	Employees' legitimate remuneration, self-raised funds, and other funds obtained by means permitted by laws and regulations.

Shareholding of directors, supervisors and senior officers in the employee stock ownership plan during the reporting period

Name	Position	Number of shares held at the beginning of the reporting period (shares)	Number of shares held at the end of the reporting period (shares)	As a percentage of the total share capital of the listed company
Ma Gang	Chairman & President	17,246,996	17,246,996	0.54%
Wang Qingbo	Vice President & CFO	4,159,493	4,159,493	0.13%
Huang Junjie	Board Secretary	51,832	51,832	0.00%
Lai Zhiyao	Chairman of the Board of Supervisors	207,327	207,327	0.01%
Liu Kan	Supervisor	155,495	155,495	0.00%

Changes in the asset management institution during the reporting period

☐ Applicable ☒ Not Applicable

Changes in equity arising from disposal of shares by holders during the reporting period

☐ Applicable ☒ Not Applicable

Exercise of shareholders' rights during the reporting period

NA.

Other relevant circumstances and explanations of the employee stock ownership plan during the reporting period

☐ Applicable ☒ Not Applicable

Change of the members of the employee stock ownership plan management committee

☐ Applicable ☒ Not Applicable

The financial impact of the employee stock ownership plan on the listed company during the reporting period and relevant accounting treatment

☐ Applicable ☒ Not Applicable

Termination of the employee stock ownership plan during the reporting period

☐ Applicable ☒ Not Applicable

Other statements:

NA.

### 3. Other employee incentive measures

☐ Applicable ☒ Not Applicable

## XII. Establishment and Implementation of the Internal Control Policy during the Reporting Period

### 1. Establishment and implementation of internal control

#### I. Internal control development

Infore Enviro has established and improved rules and regulations regarding corporate governance and internal control in accordance with the requirements of the *Company Law*, the *Securities Law*, the *Basic Standard for Enterprise Internal Control*, the *Rules Governing the Listing of Shares on SZSE* and other statutory documents. The operations of the General Meeting of Shareholders, the Board of Directors and the Board of Supervisors in Infore Enviro are in compliance with the provisions of the relevant laws, regulations, *the Articles of Association*, *the Rules of Procedure for the General Meeting of Shareholders*, *the Rules of Procedure for the Board of Directors*, and *the Rules of Procedure for the Board of Supervisors*. Corresponding internal management policy with respect to such material issues as financial accounting, fundraising, external investment, external guarantee, related party transactions and information disclosure has been established in Infore Enviro to ensure the legality and compliance of day-to-day operations and decision-making procedures for material matters.

#### II. Internal control implementation

##### (I) Execution of information disclosure management policies

Upon verification, the Company effectively complied with the *Information Disclosure Management Policy* in 2024, with good performance in information disclosure, and was not subject to punishments by the securities regulatory authorities for violation of rules on information disclosure.

##### (II) Implementation of financial internal control policies

Upon verification, with respect to finance and accounting, the Company has established the relevant internal management policy in accordance with the requirements of the *Accounting Standards for Enterprises*, the *Company Law* and other relevant laws and regulations, which can ensure the accuracy and reliability of the financial and accounting information and the security and effectiveness of the financial and accounting systems.

##### (III) Implementation of other internal control policies

Upon verification, Infore Enviro complied with the provisions of the *Articles of Association* and the relevant rules and regulations, performed necessary decision-making procedures, and implemented the internal control policy quite well.

### 2. Details of material internal control deficiencies identified during the reporting period

☐ Yes ☒ No



### XIII. Management and Control of the Company over the Subsidiaries during the Report Period

Company name	Integration plan	Integration progress	Problems in the integration	Resolution measures taken	Resolution progress	Follow-up resolution plan
Not applicable						

### XIV. Assessment Report or Audit Report on Internal Control

#### 1. Internal control assessment report

Date of full disclosure of the internal control assessment report		April 25, 2025
Index to full disclosure of the internal control assessment report		For details, please refer to the <i>Internal Control Assessment Report</i> disclosed on Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ).
The total assets of the organization included in the assessment as a percentage of the total assets in the Company's consolidated financial statements		100.00%
The revenue of the organization included in the assessment as a percentage of the revenue in the Company's consolidated financial statements		100.00%
Deficiency identification criteria		
Category	Related to financial reporting	Unrelated to financial reporting
Qualitative criteria	<p>Material deficiencies:</p> <p>1. Fraud committed by directors, supervisors and senior officers in relation to financial reporting;</p> <p>2. Material misstatement in financial statements of the current period identified by CPAs, which was not identified in the course of the functioning of internal controls;</p> <p>3. Ineffective supervision over internal control by the Audit Committee and the internal audit agency of the Company;</p> <p>4. Lack of post qualification or obvious incompetence of principal financial personnel; and</p> <p>5. Ineffective compliance supervision and violations of regulations that could materially affect the reliability of financial statements.</p> <p>Significant deficiencies:</p> <p>1. No anti-fraud procedures and controls have been established;</p> <p>2. Internal control over the selection and application of accounting policy in line with the generally accepted accounting standards has not been implemented; and</p> <p>3. There are one or more deficiencies in the controls over the year-end financial reporting process, and it cannot reasonably ensure that the financial statements are prepared to achieve the objectives of authenticity and</p>	<p>Material deficiencies:</p> <p>If the likelihood of the deficiency is high, it could materially impair work efficiency or effectiveness, materially increase uncertainty in outcomes, or result in a material deviation from expected targets.</p> <p>Significant deficiencies:</p> <p>If the likelihood of the deficiency is medium, it could significantly diminish work efficiency or effectiveness, significantly increase uncertainty in outcomes, or result in a significant deviation from expected targets;</p> <p>General Deficiencies:</p> <p>If the likelihood of the deficiency is low, it could diminish work efficiency or effectiveness, increase uncertainty in outcomes, or result in a deviation from expected targets.</p>

	completeness. General Deficiencies: Internal control deficiencies that do not constitute material deficiencies or significant deficiencies.	
Quantitative criteria	<p>Material deficiencies:</p> <p>1. The potentially misstated amount in the profit statement is greater than or equal to 1% of the operating revenue in the consolidated financial statements of the Company for the most recent fiscal year or 5% of the total pre-tax profit;</p> <p>2. The potentially misstated amount in the balance sheet is greater than or equal to 1% of the total assets in the consolidated financial statements of the Company for the most recent fiscal year.</p> <p>Significant deficiencies:</p> <p>1. The potentially misstated amount in the profit statement is greater than or equal to 0.5% of the Company's operating revenue or 3% of the total pre-tax profit in the consolidated financial statements for the most recent fiscal year but less than 1% of the Company's operating revenue or 5% of the total pre-tax profit in the consolidated financial statements for the most recent fiscal year.</p> <p>2. The potentially misstated amount in the balance sheet is greater than or equal to 0.5% of the total assets in the consolidated financial statements of the Company for the most recent fiscal year but less than 1% of the total assets in the consolidated financial statements for the most recent fiscal year.</p> <p>General Deficiencies:</p> <p>1. The potentially misstated amount in the profit statement is less than 0.5% of the Company's operating revenue or 3% of the total pre-tax profit in the consolidated financial statements for the most recent fiscal year;</p> <p>2. The potentially misstated amount in the balance sheet is less than 0.5% of the consolidated total assets of the Company for the most recent fiscal year.</p>	<p>Material deficiencies:</p> <p>Direct property loss amount is greater than or equal to 1% of the Company's total assets (latest audited).</p> <p>Significant deficiencies:</p> <p>Direct property loss amount is greater than or equal to 0.5% of the Company's total assets (latest audited) but less than 1% of the Company's total assets (latest audited).</p> <p>General Deficiencies:</p> <p>Direct property loss amount is less than 0.5% of the Company's total assets (latest audited).</p>
Number of material deficiencies related to financial reporting		0
Number of material deficiencies unrelated to financial reporting		0
Number of significant deficiencies related to financial reporting		0
Number of significant deficiencies unrelated to financial reporting		0

## 2. Audit report on internal control

☒ Applicable ☐ Not Applicable

The Opinion paragraph in the audit report on internal control	
Infore Enviro maintained, in all material respects, effective internal control related to financial reporting as at December 31, 2024, in accordance with the <i>Basic Standard for Enterprise Internal Control</i> and other applicable rules.	
Disclosure status of the audit report on internal control	Disclosure
Disclosure date of the full audit report on internal control	April 25, 2025
Index to the full audit report on internal control	For details, please refer to the <i>Internal Control Audit Report</i> disclosed on Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Opinion type of the audit report on internal control	Standard unqualified opinion
Whether there are any significant deficiencies in non-financial statements	No

Whether the accounting firm has issued the audit report with a modified opinion on the Company's internal control

☐ Yes ☒ No

Whether the auditor's report on the Company's internal control is consistent with the self-assessment report issued by the Company's Board of Directors

☒ Yes ☐ No

## XV. Rectification of Self-Detected Problems through the Special Campaign to Improve Governance of Listed Companies

According to the system of the CSRC for filling and reporting the special self-examination list for the governance of listed companies, the Company conducted self-examination work during the special campaign based on facts and in strict accordance with the *Company Law*, the *Securities Law*, *Guidelines No. 1 of SZSE for Self-regulation of Listed Companies—Standardized Operation of Companies Listed on the Main Board* and other relevant laws and regulations as well as its internal rules and regulations, carefully sorted out the issues and filled in the forms. Through this self-examination, the Company believes that its corporate governance complies with the requirements of the *Company Law*, the *Securities Law*, *Guidelines No. 1 of SZSE for Self-regulation of Listed Companies—Standardized Operation of Companies Listed on the Main Board* and other laws and regulations, and that its corporate governance structure is sound and functions in a standardized way, without material issues or errors. The Company shall continue to strengthen management in the following areas:

### 1. Further improving the internal control policy of the Company

The Company shall systematically sort out and improve its corporate governance and internal control in accordance with the latest laws and regulations and combined with the requirements of the regulatory authorities and its self-examination result, further perfect its internal control policy and implement the corresponding examination and approval procedure on the revised and improved relevant policies.

### 2. Further facilitating special committees of the Board to play their roles

During the reporting period, the Company maintained special committees in strict accordance with the relevant laws and regulations, and the special committees conducted on-site inspections and supervised and guided the Company's operations management and the execution of resolutions of the Board of Directors. In the future, the Company shall continue to create conditions for members of the special committees to know well the business of the Company, facilitate themselves to play their roles and provide advice and suggestions on the Company's development planning, operations management, risk control, selection and engagement of senior officers and back-up personnel, performance appraisal of senior officers, internal control and internal audit, etc., to further improve the scientific decision-making capacity and risk prevention capacity of the Company.

### 3. Further improving the quality of information disclosure

The Company shall optimize its policy system in strict accordance with the *Administrative System of Information Disclosure* and in combination with its own situation. In day-to-day information disclosure management, the Company shall conduct information disclosure in a concise and easy-to-understand manner on the premise that the Company, its shareholders and other information disclosure obligors shall ensure the authenticity, accuracy, completeness, timeliness and fairness of information disclosure. The relevant personnel of information disclosure shall treat the information disclosure in a diligent manner, prevent errors and ensure the quality of information disclosure and elevate the level of information disclosure. During the reporting period, the Company and its relevant personnel disclosed information in strict accordance with the requirements of laws and regulations.

#### 4. Further ramping up staff training in laws and regulations

By optimizing internal training programs and increasing training, the Company helped its staff better understand laws, regulations, and normative documents such as the *Securities Law*, the *Rules Governing the Listing of Shares on SZSE*, and the *Guidelines No. 1 of SZSE for Self-regulation of Listed Companies—Standardized Operation of Companies Listed on the Main Board*. Such training also helped the Company strictly comply with relevant regulations, manage its operations in a prudent manner, and prevent violations.

## Part V Environmental and Social Responsibility

### I. Material Environmental Issues

Whether the listed company and its subsidiaries are major pollutant emitters designated by national environmental authorities

☒ Yes ☐ No

Environmental policies and industry standards

The Company strictly abides by the laws, regulations, and emission standards, such as the *Environmental Protection Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, and *Law of the People's Republic of China on the Prevention and Control of Air Pollution*. It consistently improves its pollutant and emission management policies and optimizes pollutant treatment facilities and technologies to minimize the discharge of pollutants.

Environmental administrative licensing

The Company has been running all its key pollutant-discharging projects according to laws and regulations for many years. During the construction period, environmental impact assessment was carried out for these projects under relevant laws and regulations such as *the Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment*, and environmental impact assessment documents were approved by environmental authorities. Besides, the Company obtained approval from environmental authorities before pilot production, organized environmental acceptance inspection for the completed projects during pilot production, and simultaneously designed, constructed and put into use the supporting environmental facilities and the main works.

Industry discharge standards and discharge of pollutants in production and operating activities

Name of entity or subsidiary	Types of main pollutants and characteristic pollutants	Names of main pollutants and characteristic pollutants	Way of discharge	Number of discharge outlets	Layout of discharge outlets	Discharge concentration/intensity	Pollutant discharge standards implemented	Total discharge volume	Total approved discharge volume	Excessive discharge
Changsha Zoomlion Environment Industry Co., Ltd.	Waste gas	Benzene	Organized emission through a 20 m chimney	2	Eastern exhaust outlet of waste gas from paint drying for whole-	0.0245 mg/m <sup>3</sup>	<i>Emission Standard of Volatile Organic Compounds and Ni for Surface Coating (Automobile Manufacturing and</i>	0.09784 t	/	None

					machine coating / Western exhaust outlet of waste gas from paint drying for whole-machine coating		<i>Repair Industry)</i> (DB43 1356-2017)			
	Waste gas	Toluene	Organized emission through a 20 m chimney	2	Eastern exhaust outlet of waste gas from paint drying for whole-machine coating / Western exhaust outlet of waste gas from paint drying for whole-machine coating	0.06 mg/m <sup>3</sup>	<i>Emission Standard of Volatile Organic Compounds and Ni for Surface Coating (Automobile Manufacturing and Repair Industry)</i> (DB43 1356-2017)	0.23449 t	/	None
	Waste gas	Xylene	Organized emission through a 20 m chimney	2	Eastern exhaust outlet of waste gas from paint drying for whole-machine coating / Western exhaust outlet of waste gas from paint	1.9325 mg/m <sup>3</sup>	<i>Emission Standard of Volatile Organic Compounds and Ni for Surface Coating (Automobile Manufacturing and Repair Industry)</i> (DB43 1356-2017)	4.67448 t	/	None

					drying for whole-machine coating					
	Waste gas	Non-methane hydrocarbons	Organized emission through a 20 m chimney	2	Eastern exhaust outlet of waste gas from paint drying for whole-machine coating / Western exhaust outlet of waste gas from paint drying for whole-machine coating	4.6985 mg/m <sup>3</sup>	<i>Emission Standard of Volatile Organic Compounds and Ni for Surface Coating (Automobile Manufacturing and Repair Industry) (DB43 1356-2017)</i>	12.15716 t	430.5 t/a	None
Shouxian Greenlander New Energy Co., Ltd.	Waste gas	Smoke	Organized emission through an 80 m chimney	1	West side of the main plant	3.1 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	2.083 t	12 t/a	None
	Waste gas	SO <sub>2</sub>	Organized emission through an 80 m chimney	1	West side of the main plant	39.9 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	40.697 t	70.8 t/a	None
	Waste gas	NO <sub>x</sub>	Organized emission through an 80 m chimney	1	West side of the main plant	139.2 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	135.646t	144 t/a	None
	Waste gas	HCl	Organized emission through an 80	1	West side of the main plant	20.3 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid</i>	14.244 t	/	None

			m chimney				<i>Waste Incineration GB18485-2014</i>			
	Waste gas	CO	Organized emission through an 80 m chimney	1	West side of the main plant	13.7 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	13.478 t	/	None
	Waste gas	Pb	Organized emission through an 80 m chimney	1	West side of the main plant	0.0063 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Cd	Organized emission through an 80 m chimney	1	West side of the main plant	0.00004 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Hg	Organized emission through an 80 m chimney	1	West side of the main plant	0.000148 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Dioxins	Organized emission through an 80 m chimney	1	West side of the main plant	0.0026 ngTEQ/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
Lianjiang Greenlander New Energy Co., Ltd. (1#)	Waste gas	Smoke	Organized emission through an 80 m chimney	1	East side of the main plant	1.17 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	0.233 t	/	None
	Waste gas	SO <sub>2</sub>	Organized emission through an 80 m chimney	1	East side of the main plant	11.7 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	17.87 t	46.8 t/a	None
	Waste gas	NO <sub>x</sub>	Organized	1	East side of	171.88 mg/Nm <sup>3</sup>	<i>Standard for</i>	70.01 t	104 t/a	None



			emission through an 80 m chimney		the main plant		<i>Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>			
	Waste gas	HCl	Organized emission through an 80 m chimney	1	East side of the main plant	43.33 mg/Nm³	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	14.446 t	/	None
	Waste gas	CO	Organized emission through an 80 m chimney	1	East side of the main plant	10.49 mg/Nm³	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	10.028 t	/	None
	Waste gas	Pb	Organized emission through an 80 m chimney	1	East side of the main plant	2.56×10 <sup>-4</sup> mg/Nm³	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Cd	Organized emission through an 80 m chimney	1	East side of the main plant	8×10 <sup>-6</sup> mg/Nm³	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Hg	Organized emission through an 80 m chimney	1	East side of the main plant	3×10 <sup>-6</sup> mg/Nm³	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Dioxins	Organized emission through an 80 m chimney	1	East side of the main plant	0.030 ng TEQ/Nm³	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
Lianjiang Greenlander New Energy Co., Ltd. (2#)	Waste gas	Smoke	Organized emission through an 80 m chimney	1	East side of the main plant	1.74 mg/Nm³	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration</i>	0.983 t	9.12 t/a	None

							GB18485-2014			
	Waste gas	SO <sub>2</sub>	Organized emission through an 80 m chimney	1	East side of the main plant	7.29 mg/Nm <sup>3</sup>	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	10.418 t	45.6 t/a	None
	Waste gas	NO <sub>x</sub>	Organized emission through an 80 m chimney	1	East side of the main plant	195.64 mg/Nm <sup>3</sup>	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	121.689 t	182.4 t/a	None
	Waste gas	HCl	Organized emission through an 80 m chimney	1	East side of the main plant	9.32 mg/Nm <sup>3</sup>	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	6.81 t	/	None
	Waste gas	CO	Organized emission through an 80 m chimney	1	East side of the main plant	10.19 mg/Nm <sup>3</sup>	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	6.713 t	/	None
	Waste gas	Pb	Organized emission through an 80 m chimney	1	East side of the main plant	2.86×10 <sup>-4</sup> mg/Nm <sup>3</sup>	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	/	/	None
	Waste gas	Cd	Organized emission through an 80 m chimney	1	East side of the main plant	8×10 <sup>-6</sup> mg/Nm <sup>3</sup>	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	/	/	None
	Waste gas	Hg	Organized emission through an 80 m chimney	1	East side of the main plant	3×10 <sup>-6</sup> mg/Nm <sup>3</sup>	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	/	/	None
	Waste gas	Dioxins	Organized emission	1	East side of the main plant	0.02 ng TEQ/Nm <sup>3</sup>	Standard for Pollution Control on	/	/	None

			through an 80 m chimney				<i>the Municipal Solid Waste Incineration GB18485-2014</i>			
Xiantao Greenlander Environmental Power Generation Co., Ltd. (1# furnace)	Waste gas	Smoke	Organized emission through an 80 m chimney	1	West side of the main plant	1.1 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	0.765 t	/	None
	Waste gas	SO <sub>2</sub>	Organized emission through an 80 m chimney	1	West side of the main plant	42.3 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	29.25 t	58 t/a	None
	Waste gas	NO <sub>x</sub>	Organized emission through an 80 m chimney	1	West side of the main plant	208.4 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	143.62 t	148.85 t/a	None
	Waste gas	HCl	Organized emission through an 80 m chimney	1	West side of the main plant	13.9 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	9.42 t	/	None
	Waste gas	CO	Organized emission through an 80 m chimney	1	West side of the main plant	10.3 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	6.95 t	/	None
	Waste gas	Pb	Organized emission through an 80 m chimney	1	West side of the main plant	0.0253 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Cd	Organized emission through an 80 m chimney	1	West side of the main plant	0.000078 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None

	Waste gas	Hg	Organized emission through an 80 m chimney	1	West side of the main plant	0.0136 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Dioxins	Organized emission through an 80 m chimney	1	West side of the main plant	0.044 ngTEQ/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
Xiantao Greenlander Environmental Power Generation Co., Ltd. (2# furnace)	Waste gas	Smoke	Organized emission through an 80 m chimney	1	West side of the main plant	0.5 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	0.159 t	/	None
	Waste gas	SO <sub>2</sub>	Organized emission through an 80 m chimney	1	West side of the main plant	22.1 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	10.63t	58 t/a	None
	Waste gas	NO <sub>x</sub>	Organized emission through an 80 m chimney	1	West side of the main plant	182.2 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	88.19 t	148.85 t/a	None
	Waste gas	HCl	Organized emission through an 80 m chimney	1	West side of the main plant	22.9 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	11 t	/	None
	Waste gas	CO	Organized emission through an 80 m chimney	1	West side of the main plant	4.02 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	1.261 t	/	None
	Waste gas	Pb	Organized emission through an 80	1	West side of the main plant	0.0175 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid</i>	/	/	None

Poyang Greenlander Renewable Energy Co., Ltd.			m chimney				<i>Waste Incineration GB18485-2014</i>			
	Waste gas	Cd	Organized emission through an 80 m chimney	1	West side of the main plant	0.0000501 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Hg	Organized emission through an 80 m chimney	1	West side of the main plant	0.0096 mg/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Dioxins	Organized emission through an 80 m chimney	1	West side of the main plant	0.0063 ngTEQ/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Smoke	Organized emission through an 80 m chimney	1	North side of the main plant	1.176 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	0.609 t	12 t/a	None
	Waste gas	SO <sub>2</sub>	Organized emission through an 80 m chimney	1	North side of the main plant	34.629 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	29.107 t	80 t/a	None
	Waste gas	NO <sub>x</sub>	Organized emission through an 80 m chimney	1	North side of the main plant	183.378 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	154.466 t	250 t/a	None
	Waste gas	HCl	Organized emission through an 80 m chimney	1	North side of the main plant	34.112 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	29.044 t	/	None
	Waste gas	CO	Organized	1	North side of	8.849 mg/Nm <sup>3</sup>	<i>Standard for</i>	1.453t	/	None

			emission through an 80 m chimney		the main plant		<i>Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>			
	Waste gas	Pb	Organized emission through an 80 m chimney	1	North side of the main plant	0.0157 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Cd	Organized emission through an 80 m chimney	1	North side of the main plant	0.000359 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Hg	Organized emission through an 80 m chimney	1	North side of the main plant	0.000118 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
	Waste gas	Dioxins	Organized emission through an 80 m chimney	1	North side of the main plant	0.027 ng/m <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	/	/	None
Biyang Fenghe New Energy Power Co., Ltd.	Waste gas	Smoke	Organized emission through an 80 m chimney	1	South side of the main plant	0.7 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	0.520 t	10.95 t/a	None
	Waste gas	SO <sub>2</sub>	Organized emission through an 80 m chimney	1	South side of the main plant	37.207 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014</i>	25.688 t	31.68 t/a	None
	Waste gas	NO <sub>x</sub>	Organized emission through an 80 m chimney	1	South side of the main plant	186.85 mg/Nm <sup>3</sup>	<i>Standard for Pollution Control on the Municipal Solid Waste Incineration</i>	125.318 t	159.72 t/a	None

							GB18485-2014			
	Waste gas	HCl	Organized emission through an 80 m chimney	1	South side of the main plant	30.49 mg/Nm³	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	20.570t	/	None
	Waste gas	CO	Organized emission through an 80 m chimney	1	South side of the main plant	5.569 mg/Nm³	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	5.741 t	/	None
	Waste gas	Pb	Organized emission through an 80 m chimney	1	South side of the main plant	0.005925 mg/Nm³	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	/	/	None
	Waste gas	Cd	Organized emission through an 80 m chimney	1	South side of the main plant	0.000047 mg/Nm³	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	/	/	None
	Waste gas	Hg	Organized emission through an 80 m chimney	1	South side of the main plant	0 mg/Nm³	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	/	/	None
	Waste gas	Dioxins	Organized emission through an 80 m chimney	1	South side of the main plant	0.0086 ng/m³	Standard for Pollution Control on the Municipal Solid Waste Incineration GB18485-2014	/	/	None
Xiantao Yinghe Environmental Protection Co., Ltd.	Waste gas	Ammonia	Organized emission through a 15 m chimney	1	Southwest side of the plant area	1.5 mg/Nm³	Odor Pollutant Emission Standard GB14554-1993	0.25404 t	/	None
	Waste gas	Hydrogen sulfide	Organized emission through a 15 m	1	Southwest side of the plant area	1.5 mg/Nm³	Odor Pollutant Emission Standard GB14554-1993	0.001644t	/	None

		chimney							
Waste gas	Ammonia	Organized emission through a 15 m chimney	1	Southeast side of the plant area	1.49 mg/Nm³	<i>Odor Pollutant Emission Standard</i> GB14554-1993	0.6044 t	/	None
Waste gas	Hydrogen sulfide	Organized emission through a 15 m chimney	1	Southeast side of the plant area	0.048 mg/Nm³	<i>Odor Pollutant Emission Standard</i> GB14554-1993	0.006125 t	/	None
Waste gas	Smoke	Organized emission through an 18 m chimney	1	Southwest side of the plant area	11 mg/Nm³	<i>Emission Standard of Air Pollutants for Boilers</i> GB13271-2014	0.04156 t	0.241t	None
Waste gas	SO <sub>2</sub>	Organized emission through an 18 m chimney	1	Southwest side of the plant area	7 mg/Nm³	<i>Emission Standard of Air Pollutants for Boilers</i> GB13271-2014	0.005613 t	0.467 t	None
Waste gas	NO <sub>x</sub>	Organized emission through an 18 m chimney	1	Southwest side of the plant area	108 mg/Nm³	<i>Emission Standard of Air Pollutants for Boilers</i> GB13271-2014	0.536 t	1.809 t	None
Wastewater	COD	Intermittent discharge	1	Southeast side of the plant area	64 mg/L	<i>Integrated Wastewater Discharge Standard</i> GB8978-1996	1.2657 t	4.2627 t	None
Wastewater	Ammonia nitrogen	Intermittent discharge	1	Southeast side of the plant area	0.656 mg/L	<i>Integrated Wastewater Discharge Standard</i> GB8978-1996	0.02612 t	0.427 t	None

#### Pollutant treatment

The Company strictly abides by the national environmental protection system in its operations. Its pollution prevention facilities of the projects are designed, constructed and put into use simultaneously with the main projects, and it has obtained the pollution discharge permit in accordance with the law. At the same time, the Company has established various levels of safety and environmental management committees and been equipped with full-time management personnel to coordinate its safety and environmental activities. In recent years, the Company and its subsidiaries have been strengthening and improving the environmental protection systems and internal supervision and management work. All environmental protection facilities can operate



normally and efficiently, and an adequate amount of environmental protection consumables has been added, effectively controlling pollutant emissions, and no instances of exceeding discharge standards have occurred.

Environmental self-monitoring plan

The Company's all key entities under environmental supervision developed the 2024 Environmental Self-Monitoring Plan according to the requirements of the project pollution discharge permit and filed it with the local environmental protection department. In 2024, qualified third-party environmental testing institutions were entrusted with all projects to test various pollutants according to the annual self-monitoring plan, and no instances of exceeding the pollutant emission standards have occurred.

Contingency plan for environmental emergencies

The Company engaged a professional third-party agency to develop a contingency plan for environmental emergencies for each of its key pollutant-discharging projects, and such plans have been approved and filed for record. In 2024, the Company carried out regular training and drills among its employees in different projects according to the requirements and contents of the contingency plans to enable them to timely and accurately deal with environmental pollution emergencies. In 2024, no major environmental risk accidents occurred in all projects.

Investment in environmental governance and protection and payment of environmental taxes

The Company's commitment to green development and environmental protection underpins its sustained efforts in clean production, energy conservation, consumption reduction, emission reduction, and efficiency improvement. By incorporating its environmental philosophy into day-to-day management, the Company strives to become a resource-conserving and environmentally friendly business. In 2024, it invested approximately RMB 44.4445 million in environmental protection and paid approximately RMB 52,400 in environmental taxes under the relevant laws and regulations.

Measures adopted during the reporting period to reduce carbon emissions and their effects

☒ Applicable ☐ Not Applicable

The Company covered photovoltaic panels on the roof of the plant building and the parking lot for employees' vehicles, with a total area of approximately 300,000 square meters. In 2024, solar energy was used for photovoltaic power generation of 6,483,801 kWh, achieving a reduction of 3,785.89 tons of carbon dioxide emissions.

The Company's domestic waste incineration power generation project disposed of a cumulative 1.39 million tons of domestic waste in 2024. The total power generation in 2024 was approximately 490 million kWh, and the total power fed into the grid was approximately 430 million kWh. In 2024, replacing coal-fired power achieved a reduction of approximately 281,000 tons of carbon dioxide emissions.

Administrative penalties for environmental issues during the reporting period

Name of entity or subsidiary	Reason	Violation	Penalty	Impact on the production and operation of the listed company	Rectification measures
------------------------------	--------	-----------	---------	--	------------------------

Wenshui Yingsheng Environmental Sanitation Service Co., Ltd.	Non-compliant operation	Violation of Item 1 of Article 31 of the <i>Provisions on the Management of Urban Domestic Waste Classification in Shanxi Province</i>	A fine of RMB 30,000	It had no material impact on the production and operation of the listed company	1. Conducted training sessions for employees on relevant legal provisions; 2. Formulated and refined relevant rules and policies; 3. Implemented routine inspections to ensure that projects were operated in compliance with rules.
Changsha Zhiying Environmental Sanitation Management Co., Ltd.	Non-compliant operation	Violation of Article 64 of the <i>Regulations on the Administration of Traffic Safety in Inland Waters</i>	Confiscation of facilities	It had no material impact on the production and operation of the listed company	1. Conducted training sessions for employees on relevant legal provisions; 2. Formulated and refined relevant rules and policies; 3. Implemented routine inspections to ensure that projects were operated in compliance with rules.
Dingnan Zoomlion Environmental Industry Co., Ltd.	Non-compliant operation	Violation of Item 1, Paragraph 1, Article 64 of the <i>Regulations on the Management of Domestic Waste in Jiangxi Province</i>	A fine of RMB 3,500	It had no material impact on the production and operation of the listed company	1. Conducted training sessions for employees on relevant legal provisions; 2. Formulated and refined relevant rules and policies; 3. Implemented routine inspections to ensure that projects were operated in compliance with rules.
Lu'an Zhongfeng Urban Environmental Service Co., Ltd.	Non-compliant operation	Violation of Paragraph 1, Article 60 of the Fire Control Law of the People's Republic of China	A fine of RMB 14,000	It had no material impact on the production and operation of the listed company	1. Conducted training sessions for employees on relevant legal provisions; 2. Formulated and refined relevant rules and policies; 3. Implemented routine inspections to ensure that projects were operated in compliance with rules.

Other environmental information that should be disclosed

The Company disclosed the environmental information of each of its key pollutant discharging projects on the government's environmental information disclosure platform on a regular basis according to the requirements of local environmental authorities.

Other environmental related information

NA.

## **II. Corporate Social Responsibility**

For details, please refer to the *2024 Sustainability Report* disclosed at Cninfo ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

## **III. Performance in Consolidating Achievements in Poverty Alleviation and Promoting Rural Revitalization**

During the reporting period, the Company donated approximately RMB 3.0423 million in money and materials to support poverty alleviation and rural revitalization efforts.

## Part VI Significant Events

### I. Performance of Undertakings

#### 1. Undertakings of the Company's de facto controller, shareholders, related parties, and acquirer, as well as the Company and other commitment makers fulfilled during the reporting period or ongoing at the period-end

☒ Applicable ☐ Not Applicable

Undertaking	Party	Type	Content	Date	Term of undertakings	Fulfillment of undertakings
Undertaking made at the time of asset restructuring	De facto controllers He Jianfeng, Ningbo Infore, and Infore Group	Undertaking to avoid horizontal competition, regulate and reduce related party transactions, and maintain independence of the listed company	Undertaking to avoid horizontal competition, regulate and reduce related party transactions, and maintain independence of the listed company	August 15, 2018	Indefinitely	It is being properly fulfilled without breach.
Undertaking made at the time of asset restructuring	Ningbo Infore, Hongchuang Investment, Zoomlion, Ningbo Yingtai, Ningbo Zhongfeng, and Ningbo Liantai	Undertaking to avoid horizontal competition, regulate and reduce related party transactions	Undertaking to avoid horizontal competition, regulate and reduce related party transactions	August 15, 2018	Indefinitely	It is being properly fulfilled without breach.
Undertaking made at the time of asset restructuring	De facto controller He Jianfeng	Undertaking not to relinquish control over the listed company	I have no plan to relinquish control over the listed company in the next 60 months from the date of completion of this transaction.	January 3, 2019	60 months	It has been fully fulfilled without breach.
Undertaking made at the time of asset restructuring	Greenlander Investment Holding Co., Ltd. and Zheng Weixian	Undertaking related to performance	The accumulative total net profit recorded by Lianjiang Greenlander New Energy Co., Ltd, Xiantao Greenlander Environmental Power	October 14, 2015	48 months	It has not been normally fulfilled. The audited net profit (net profit is the lower before or after deducting non-recurring gains and losses) for the period from 2016 to 2019 is RMB 2,156,500,

			Generation Co., Ltd., Funan Greenlander Environmental Energy Co., Ltd. and Shouxian Greenlander New Energy Co., Ltd. from 2016 to 2019 shall not be less than RMB 120 million (net profit is subject to the lower after deducting non-recurring gains and losses).			RMB -24,424,500, RMB -19,192,800, and RMB -625,700, respectively; and the accumulated net profit is RMB -42,086,600 which is RMB 162,086,600 less than the performance commitment, indicating a failure to achieve the commitment in respect of the net profit for 2016-2019.
Undertaking made at the time of asset restructuring	Greenlander Investment Holding Co., Ltd. and Zheng Weixian	Project undertakings	1. From 2016 to 2019, the newly signed waste incineration power generation BOT agreements (subject to the signing of franchise agreement) signed by Greenlander Environmental shall specify a total daily disposal capacity of not less than 6,500 tons (a single project shall have a daily disposal capacity of not less than 500 tons, of which at least one shall be more than 2,000 tons). 2. Jiujiang Company shall start construction and obtain approval before December 31, 2020. If it fails to start construction or the construction is recovered by the government, it shall compensate	October 14, 2015	48 months	It has not been normally fulfilled. The newly signed projects by Greenlander Environmental from 2016 to 2019 totaled 1,400 tons, 5,100 tons less than the project undertaking. The project in Jiujiang has not commenced construction.

			the listed company at a consideration of no less than RMB 5 million.			
Whether the undertakings were fulfilled on time	No					
If the undertaking is not fulfilled on time, the specific reasons for non-fulfillment and the next steps plan shall be elaborated	On July 18, 2022, the High People's Court of Guangdong Province ruled that Greenland Investment Holding Co., Ltd. and Zheng Weixian shall pay the Company RMB 113,460,600 for non-fulfillment of performance commitment. As at the date of this report, the Company received RMB 106,222,600 in proceeds from enforcement of the ruling, or RMB 99,229,300 excluding enforcement fees appraisal fees, service fees, applicable taxes, and costs. For details, please refer to the <i>Announcement on the Litigation Progress of the Compensation Commitment Not Fulfilled by the Committing Party</i> disclosed by the Company at Cninfo on August 28, 2024.					

**2. Where any earnings forecast was made for any of the Company's assets or projects and the reporting period is still within the forecast period, the Company shall explain whether the performance of the asset or project reaches the earnings forecast and why**

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## **III. Illegal Provision of Guarantees for External Parties**

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## **IV. Explanations Given by the Board of Directors Regarding the "Modified Audit Opinion" for the Latest Period**

☐ Applicable ☒ Not Applicable

## **V. Explanation of the Board of Directors, the Board of Supervisors, and Independent Directors (If Any) Regarding the "Modified Audit Opinion" for the Reporting Period**

☐ Applicable ☒ Not Applicable

## **VI. Reason for Changes in Accounting Policies, Accounting Estimates or Corrections of Material Accounting Errors as Compared to the Financial Statements for the Prior Year**

☒ Applicable ☐ Not Applicable

For details of the changes in accounting policies, please refer to the explanation in Note 5.43 in Part X Financial Report.

## VII. Reason for Changes in Scope of the Consolidated Financial Statements as Compared to the Financial Statements for the Prior Year

☒ Applicable ☐ Not Applicable

For details of the changes in the scope of the consolidated financial statements during the reporting period, please refer to Note 9 "Changes in the Scope of Consolidation" in Part X Financial Report.

## VIII. Engagement and Disengagement of Accounting Firm

Current accounting firm

Name of the domestic accounting firm	Pan-China Certified Public Accountants LLP (Special General Partnership)
The Company's payment to the domestic accounting firm (in RMB 10,000)	315
Consecutive years of the domestic audit service provided by the accounting firm	23
Names of the domestic certified public accountants from the accounting firm	Lin Wang, and Cao Cuijuan
Consecutive years of audit service provided by domestic certified public accountants from the accounting firm	1 year and 1 year, respectively

Whether the accounting firm was changed during the current period

☐ Yes ☒ No

Engagement of any accounting firm for internal control audit, financial advisor, or sponsor

☒ Applicable ☐ Not Applicable

During the year, Pan-China Certified Public Accountants LLP (Special General Partnership) was appointed as the Company's internal control auditor, and Huaxing Securities Co., Ltd. was appointed as the Company's sponsor.

## IX. Possibility of Delisting after the Disclosure of This Report

☐ Applicable ☒ Not Applicable

## X. Bankruptcy and Reorganization

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## XI. Material Litigation and Arbitration

☐ Applicable ☒ Not Applicable

During the reporting period, other lawsuits that did not meet the disclosure criteria for material litigation primarily included purchase and sales contract disputes, with a total amount of approximately RMB 430 million, which are not expected to incur any provision of large amount.

## XII. Punishments and Rectifications

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## XIII. Credit Standing of the Company as well as Its Controlling Shareholder and De Facto Controller

☒ Applicable ☐ Not Applicable

During the reporting period, the Company as well as its controlling shareholder and de facto controller had good credit standing, with no such cases as non-fulfillment of effective court judgments or outstanding debts of large amounts due and unpaid.

## XIV. Material Related Party Transactions

### 1. Related party transactions in relation to day-to-day operations

☒ Applicable ☐ Not Applicable

Related party	Related party relationship	Type of related party transaction	Contents of related party transaction	Pricing principle of related party transaction	Transaction price	Transaction amount (in RMB 10,000)	As a percentage of transactions of the same type	Approved transaction limit (in RMB 10,000)	Over approved limit	Method of settlement	Available market price for transactions of the same type	Disclosure date	Index to disclosure
Zoomlion Heavy Industry	Shareholder holding more than 5% of the Company's shares	Goods or financial services	Goods or financial services	Market price	--	6,228.97		9,800	No	As per contractual terms	--	April 29, 2024	http://www.cninfo.com.cn
Total				--	--	6,228.97	--	9,800	--	--	--	--	--
Details of any large-amount sales return					None								
Give the actual fulfillment situation during the reporting period (if any) where an estimate by type had been made for the total amounts of routine related party transactions to occur during the period					Before the Company's routine related party transactions in 2024, subsidiaries comprehensively assessed and estimated their related party transactions. However, due to changes in the market and customer demand, there were differences between the Company's related party transactions and the actual situation. This was regular business activity and had minimal impact on day-to-day operations and performance.								
Reason for any significant difference between the transaction price and the market reference price (if applicable)					Not applicable								

### 2. Related party transactions regarding purchase or sales of assets or equity interests

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.



**3. Related party transactions regarding joint investments in external parties**

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

**4. Current associated rights of credit and liabilities**

☒ Applicable ☐ Not Applicable

Whether there are current associated rights of credit and liabilities for non-operating purpose

☒ Yes ☐ No

Current associated rights of credit receivable

Related party	Related party relationship	Causes	Whether there is a non-operating fund occupation	Opening balance (in RMB 10,000)	Amount newly added in the current period (in RMB 10,000)	Amount recovered in the current period (in RMB 10,000)	Interest rate	Interest in the current period (in RMB 10,000)	Ending balance (in RMB 10,000)
Foshan Shunhe Environmental Protection Co., Ltd.	Former subsidiary	Passively formed by transferring the equity of the subsidiary	Yes	0	38,907.25	39,137.74	3.45%	230.49	0
Impact of related party creditor's rights on the Company's operating results and financial situation		It has no significant impact.							

Current associated rights of liabilities payable

☐ Applicable ☒ Not applicable

**5. Transactions with finance companies with related party relationships**

☒ Applicable ☐ Not Applicable

Deposit business

Related parties	Related party relationship	Maximum daily deposit limit (in RMB 10,000)	Range of deposit rate	Opening balance (in RMB 10,000)	Amount of the current period		Ending balance (in RMB 10,000)
					Total deposited amount (in RMB 10,000)	Total withdrawn amount (in RMB 10,000)	
Zoomlion Finance Co., Ltd.	Related company of a shareholder holding more than 5% of the Company's shares	0	No interest accrued	31			31

Loan business

☐ Applicable ☒ Not Applicable

Credit or other financial business

☐ Applicable ☒ Not Applicable

## 6. Transactions between the finance company controlled by the Company and related parties

☐ Applicable ☒ Not Applicable

There is no deposit, loan, credit, or other financial business between the finance company controlled by the Company and related parties.

## 7. Other material related party transactions

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## XV. Material Contracts and Execution Thereof

### 1. Trusts, subcontracts, and leases

#### (1) Trusts

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

#### (2) Subcontracts

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

#### (3) Leases

☒ Applicable ☐ Not Applicable

Description of leases

In accordance with the *Property Lease Contract* signed between the Company and the related party Foshan Shunde Yinghai Investment Co., Ltd., the Company leased the 23rd floor of Yingfeng Business Building at 8 Yixing Road, Junlan Community, Beijiao Town, Shunde District, Foshan City, as the business premises with a gross floor area of 1,578.68 sqm. The rent payable for 2024 was RMB 1,336,600, and the actual payment was RMB 1,336,600. As at December 31, 2024, the above amounts have been settled.

Items that brought profits or losses to the Company accounting for more than 10% of the gross profit of the Company during the reporting period

☐ Applicable ☒ Not Applicable

No leasing items brought profits or losses to the Company accounting for more than 10% of the gross profit of the Company during the reporting period.

## 2. Material guarantees

☒ Applicable ☐ Not Applicable

Unit: RMB 10,000

Guarantees provided by the Company and its subsidiaries for external parties (excluding those for subsidiaries)										
Guaranteed party	Disclosure date of the guarantee limit announcement	Guarantee limit	Actual occurrence date	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Completed or not	Guarantee for a related party or not
Buyer's credit business	April 29, 2024	2,073.78	August 31, 2021	2,073.78	Joint and several liability guarantee	N/A	--	4 years	No	No
Buyer's credit business	April 29, 2024	1,342.32	July 4, 2024	1,342.32	Joint and several liability guarantee	N/A	--	3 years	No	No
Buyer's credit business	April 29, 2024	716.53	September 18, 2022	716.53	Joint and several liability guarantee	N/A	--	1 year	No	No
Buyer's credit business	April 29, 2024	967.84	June 30, 2021	967.84	Joint and several liability guarantee	N/A	--	3 years	No	No
Buyer's credit business	April 29, 2024	5,397.23	September 11, 2024	5,397.23	Joint and several liability guarantee	N/A	--	2 years	No	No
Buyer's credit business	April 29, 2024	38,904.07				--	--	--		
Total approved limit for external guarantee during the reporting period (A1)			50,000	Total actual amount of external guarantee during the reporting period (A2)				10,497.69		
Total approved limit for external guarantee at the end of the reporting period (A3)			50,000	Total actual balance of external guarantee at the end of the reporting period (A4)				10,497.69		
Guarantees provided by the Company to subsidiaries										
Guaranteed party	Disclosure date of the guarantee limit announcement	Guarantee limit	Actual occurrence date	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Completed or not	Guarantee for a related party or not
Zhejiang Shangfeng Special	April 29, 2024	28,600	February 3, 2023	11,894.27	Joint and several liability	None	Yes	3 years	No	Yes

Blower Industrial Co., Ltd.					guarantee					
Zhejiang Shangfeng Special Blower Industrial Co., Ltd.	April 29, 2024	22,350	May 22, 2024	9,489.6	Joint and several liability guarantee	None	Yes	1 year	No	Yes
Zhejiang Shangfeng Special Blower Industrial Co., Ltd.	April 29, 2024	30,000	October 31, 2023	21,750	Joint and several liability guarantee	None	Yes	1 year	No	Yes
Zhejiang Shangfeng Special Blower Industrial Co., Ltd.	April 29, 2024	15,000	July 15, 2024	5,432	Joint and several liability guarantee	None	Yes	1 year	No	Yes
Zhejiang Shangfeng Special Blower Industrial Co., Ltd.	April 29, 2024	10,000	February 28, 2024	1,976	Joint and several liability guarantee	None	Yes	5 years	No	Yes
Zhejiang Shangfeng Special Blower Industrial Co., Ltd.	April 29, 2024	20,000	August 21, 2024	8,760	Joint and several liability guarantee	None	Yes	1 year	No	Yes
Guangdong Infore Technology Co., Ltd.	April 29, 2024	876	August 16, 2023	876.08	Joint and several liability guarantee	None	Yes	1 year	No	Yes
Guangdong Infore Technology Co., Ltd.	April 29, 2024	2,000	April 9, 2024	462.95	Joint and several liability guarantee	None	Yes	3 years	No	Yes
Guangdong Infore Smart Sanitation Technology Co., Ltd.	April 29, 2024	5,000	May 21, 2024	2,000	Joint and several liability guarantee	None	Yes	2 years	No	Yes
Infore Zoomlion Urban Environmental Service Co., Ltd.	April 29, 2024	3,000	December 10, 2023	462	Joint and several liability guarantee	None	Yes	1 year	No	Yes
Shouxian Greenlander New Energy	April 30, 2022	9,221	November 10, 2022	6,639.39	Joint and several liability	None	Yes	15 years	No	Yes

Co., Ltd.					guarantee					
Xiantao Greenlander Environmental Power Generation Co., Ltd.	April 30, 2022	27,870	June 27, 2022	23,470	Joint and several liability guarantee	None	Yes	13 years	No	Yes
Poyang Greenlander Renewable Energy Co., Ltd.	August 25, 2022	25,000	April 24, 2023	22,500	Joint and several liability guarantee	None	Yes	10 years	No	Yes
Maoming Infore Environment Water Treatment Technology Co., Ltd.	December 26, 2017	15,000	March 20, 2018	8,442.05	Joint and several liability guarantee	None	Yes	15 years	No	Yes
Lianjiang Greenlander New Energy Co., Ltd.	April 30, 2022	27,563	May 25, 2022	15,707.12	Joint and several liability guarantee	None	Yes	15 years	No	Yes
Lu'an Zhongfeng Urban Environmental Service Co., Ltd.	April 23, 2021	8,000	June 8, 2021	7,100	Joint and several liability guarantee	None	Yes	13 years	No	Yes
Changde Zelian Environmental Service Co., Ltd.	April 23, 2021	12,000	July 1, 2021	11,100	Joint and several liability guarantee	None	Yes	15 years	No	Yes
Xiantao Yinghe Environmental Protection Co., Ltd.	August 21, 2020	30,100	January 20, 2021	10,000	Joint and several liability guarantee	None	Yes	15 years	No	Yes
Biyang Fenghe New Energy Power Co., Ltd.	April 25, 2023	22,000	May 23, 2023	20,278	Joint and several liability guarantee	None	Yes	14 years	No	Yes
Xiangtan Yinglian Environmental Industry Co., Ltd.	April 30, 2022	15,000	July 5, 2022	3,730	Joint and several liability guarantee	None	Yes	10 years	No	Yes
Huai'an Yinghe Environment Technology Co., Ltd.	August 25, 2022	15,000	December 26, 2022	5,409	Joint and several liability guarantee	None	Yes	15 years	No	Yes
Yongshun	April 29,	3,000	June 28,	983	Joint and	None	Yes	15 years	No	Yes

Zhongfeng Jingtou Environmental Technology Co., Ltd.	2024		2024		several liability guarantee					
Hubei Fenghe New Materials Co., Ltd.	April 29, 2024	15,000	September 27, 2024	1,800	Joint and several liability guarantee	None	Yes	8 years	No	Yes
Zhejiang Shangfeng Special Blower Industrial Co., Ltd.	April 29, 2024	44,050				--	--	--		
Zhejiang Yolsh Electric Drive Technology Co., Ltd.	April 29, 2024	28,000				--	--	--		
Guangdong Infore Technology Co., Ltd.	April 29, 2024	2,124				--	--	--		
Changsha Zhongbiao Environmental Industry Co., Ltd.	April 29, 2024	5,000				--	--	--		
Liling Zhaoyang Environmental Protection Co., Ltd.	April 29, 2024	50,000				--	--	--		
Hubei Fenghe New Materials Co., Ltd.	April 29, 2024	5,000				--	--	--		
Other holding subsidiaries	April 29, 2024	10,000				--	--	--		
Total approved guarantee limit for subsidiaries during the reporting period (B1)		299,000		Total actual guarantee amount for subsidiaries during the reporting period (B2)		65,884.92				
Total approved guarantee limit for subsidiaries at the end of the reporting period (B3)		516,054		Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)		200,259.98				
Guarantees between subsidiaries										
Guaranteed party	Disclosure date of the	Guarantee limit	Actual occurrence	Actual guarantee	Guarantee type	Collateral (if any)	Counter guarantee	Term of guarantee	Completed or not	Guarantee for a

	guarantee limit announceme nt		e date	e amount			e (if any)	e		related party or not
Total approved guarantee limit for subsidiaries during the reporting period (C1)		0		Total actual guarantee amount for subsidiaries during the reporting period (C2)						0
Total approved guarantee limit for subsidiaries at the end of the reporting period (C3)		0		Total actual guarantee balance for subsidiaries at the end of the reporting period (C4)						0
Total guarantee amount (total of the three kinds above)										
Total approved guarantee limit during the reporting period (A1+B1+C1)		349,000		Total actual guarantee amount during the reporting period (A2+B2+C2)						76,382.61
Total approved guarantee limit at the end of the reporting period (A3+B3+C3)		566,054		Total actual guarantee balance at the end of the reporting period (A4+B4+C4)						210,757.67
Total actual guarantees (A4+B4+C4) as a percentage of the Company's net assets										12.03%
Of which:										
Amount of guarantees provided for shareholders, the de facto controller and their related parties (D)										0
Balance of debt guarantees provided directly or indirectly for the guaranteed party with a liability-to-asset ratio over 70% (E)										158,774.97
Amount of the total guarantee exceeding 50% of net assets (F)										0
Total of the three types of guarantees above (D+E+F)										158,774.97
Description of any cases during the reporting period where unexpired guarantee contracts led to guarantee liability or had indications that the Company may assume joint and several liabilities for compensation (if applicable)				None						
Explanation of any violation of the prescribed procedures in providing guarantees to external parties (if applicable)				None						

Description of composite guarantees

☐ Applicable ☒ Not Applicable

### 3. Entrusted cash management

#### (1) Entrusted wealth management

☒ Applicable ☐ Not Applicable

Overview of entrusted wealth management during the reporting period

Unit: RMB 10,000

Type	Funding source	Entrusted amount	Undue amount	Unrecovered	Accrued
------	----------------	------------------	--------------	-------------	---------

				overdue amount	impairment amount for unrecovered overdue wealth
Bank's wealth management product	Own funds	211,000	0	0	0
Total		211,000	0	0	0

High-risk entrusted wealth management with a material single amount or low security and low liquidity

☐ Applicable ☒ Not Applicable

Entrusted wealth management with expected irrecoverable principal or other circumstances that may lead to impairment

☐ Applicable ☒ Not Applicable

## (2) Entrusted loans

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## 4. Other material contracts

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## XVI. Other Material Events

☐ Applicable ☒ Not Applicable

No such cases during the reporting period.

## XVII. Material Events of Subsidiaries

☒ Applicable ☐ Not Applicable

Pursuant to the *Proposal on Transfer of Subsidiaries' Equity* deliberated and approved by the fifth extraordinary meeting of the Tenth Board of Directors dated January 8, 2024, it was agreed to transfer 100% of equity of Foshan Shunhe Environmental Protection Co., Ltd. to Guangdong Shunkong Development Co., Ltd. at the consideration of RMB 259.6322 million. The industrial and commercial registration change was completed on February 1, 2024.



## Part VII Share Changes and Shareholder Information

### I. Share Changes

#### 1. Share changes

Unit: Share

	Material Events of Subsidiaries		Material Events of Subsidiaries					After change	
	Quantity	Ratio	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Others	Sub-total	Quantity	Ratio
I. Restricted Shares	1,472,469	0.05%	0	0	0	35,231	35,231	1,507,700	0.05%
1. Shares held by the State	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	1,472,469	0.05%	0	0	0	35,231	35,231	1,507,700	0.05%
Including: Shares held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic individuals	1,472,469	0.05%	0	0	0	35,231	35,231	1,507,700	0.05%
4. Shares held by overseas investors	0	0.00%	0	0	0	0	0	0	0.00%
Including: Shares held by overseas corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by overseas individuals	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted Shares	3,178,034,201	99.95%	504	0	0	12,600,613	12,600,109	3,165,434,092	99.95%
1. RMB-denominated common shares	3,178,034,201	99.95%	504	0	0	12,600,613	12,600,109	3,165,434,092	99.95%
2. Domestically listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total Number of Shares	3,179,506,670	100.00%	504	0	0	12,565,382	12,564,878	3,166,941,792	100.00%

Reasons for share changes

☒ Applicable ☐ Not Applicable

1. Due to the re-election of directors, 35,231 locked-up shares of senior officers were added, resulting in an increase of 35,231 restricted shares and a commensurate decrease of 35,231 unrestricted shares.

2. As of June 26, 2024, the Company had canceled all 12,565,382 unused shares, which were held in the repurchase special securities account in accordance with relevant laws and regulations, resulting in a commensurate decrease of 12,565,382 unrestricted shares.

3. As at December 31, 2024, 17,448 shares in total were converted from the Infore Convertible Bonds issued by the Company. In particular, 504 shares were converted in 2024, resulting in a commensurate increase of the Company's unrestricted shares by 504.

#### Approval of changes in share capital

☒ Applicable ☐ Not Applicable

1. On April 26, 2024, and May 20, 2024, the sixth meeting of the Tenth Board of Directors, the sixth meeting of the Tenth Board of Supervisors and the 2023 Annual General Meeting of Shareholders were held to review and approve the relevant proposals for the re-election of non-independent directors and non-employee supervisors for the respective sessions.

2. With the approval granted by the CSRC under Document Z.J.X.K. [2020] No. 2219, the Company publicly issued 14,761,896 convertible corporate bonds on November 4, 2020, with a par value of RMB 100 and a total amount of RMB 1,476,189,600. Per approval of SZSE, the Company's convertible corporate bonds of RMB 1,476,189,600 have been listed for trading on SZSE, starting on December 2, 2020. The Infore Convertible Bonds in this offering are convertible into the Company's shares from May 10, 2021;

3. Pursuant to the *Proposal on Canceling Repurchased Shares and Reducing the Registered Capital* deliberated and approved by the sixth meeting of the Tenth Board of Directors and the 2023 Annual General Meeting of Shareholders on April 26, 2024, and May 20, 2024, it was agreed to cancel all 12,565,382 unused shares, which were held in the repurchase special securities account, and correspondingly reduce the Company's registered capital.

#### Transfer of shares

☒ Applicable ☐ Not Applicable

1. During the reporting period, China Securities Depository and Clearing (Shenzhen) Corporation Limited handled the share registration procedures for 504 shares converted from convertible corporate bonds.

2. During the reporting period, China Securities Depository and Clearing (Shenzhen) Corporation Limited handled the share cancellation procedures for unused 12,565,382 shares, which were held in the repurchase special securities account.

Effects of share changes on basic earnings per share, diluted earnings per share, net asset value per share attributable to the Company's common shareholders and other financial indicators of the prior year and the prior accounting period, respectively

☐ Applicable ☒ Not Applicable

Other information that the Company deems disclosable or disclosable as required by the securities regulatory authorities

☐ Applicable ☒ Not Applicable

## 2. Changes in restricted shares

☒ Applicable ☐ Not Applicable

Unit: Share

Name of shareholder	Number of shares held at the beginning of the period	Increase of restricted shares during the period	Decrease of restricted shares during the period	Number of shares held at the end of the period	Reasons for trading restriction	Date of lifting trading restriction
Others	1,472,469	35,231	0	1,507,700	Locked-up shares of senior officers	Unlocked at 25% of the total number of

						shares held each year
Total	1,472,469	35,231	0	1,507,700	--	--

## II. Issuance and Listing of Securities

### 1. Issuance of securities (exclusive of preference shares) during the reporting period

☐ Applicable ☒ Not Applicable

### 2. Changes in total number of shares, shareholder structure and asset and liability structures

☒ Applicable ☐ Not Applicable

1. 35,231 locked-up shares of senior officers were added, resulting in an increase of 35,231 restricted shares and a commensurate decrease of 35,231 unrestricted shares.

2. With the approval granted by the CSRC under Document Z.J.X.K. [2020] No. 2219, the Company publicly issued 14,761,896 convertible corporate bonds on November 4, 2020, with a par value of RMB 100 and a total amount of RMB 1,476,189,600. Per approval of SZSE, the Company's convertible corporate bonds of RMB 1,476,189,600 have been listed for trading on SZSE, starting on December 2, 2020. The Infore Convertible Bonds in this offering are convertible into the Company's shares from May 10, 2021. On January 3, 2025, the Company disclosed *the Announcement on Results of Conversion of Convertible Bonds and Changes in Share Capital in the Fourth Quarter of 2024*. As at December 31, 2024, 17,448 shares in total were converted from the Infore Convertible Bonds issued by the Company. In particular, 504 shares were converted in 2024, resulting in a commensurate increase of the Company's unrestricted shares by 504;

3. As of December 31, 2024, the Company had canceled all 12,565,382 unused shares, which were held in the repurchase special securities account in accordance with relevant laws and regulations, resulting in a commensurate decrease of 12,565,382 unrestricted shares.

In summary, the total number of shares of the Company changed from 3,179,506,670 shares at the beginning of the period to 3,166,941,792 shares. Among them, the number of restricted shares changed from 1,472,469 shares to 1,507,700 shares, and the number of unrestricted shares changed from 3,178,034,201 shares to 3,165,434,092 shares.

### 3. Existing internal employee shares

☐ Applicable ☒ Not Applicable

## III. Controlling Shareholders and De Facto Controller

### 1. Number of shareholders and their shareholdings

Unit: Share

Number of shareholders of common shares at the end of the reporting period	30,305	Number of shareholders at the end of the month prior to the disclosure date of this	46,826	Number of preference shareholders with resumed voting power at the end of the reporting	0	Number of preference shareholders with resumed voting power at the end of the previous month prior to the disclosure date of this report (if any) (see Note	0
--	--------	---	--------	---	---	---	---

		report		period (if any) (see Note 8)		8)		
Shareholders holding over 5% of total shares or the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholders	Shareholding ratio	Shareholding s at the end of the reporting period	Increase/decr ease during the reporting period	Number of restricted shares held	Number of unrestricted shares held	Shares pledged, tagged or frozen	
							Share status	Quantity
Ningbo Infore Asset Management Co., Ltd.	Domestic non-state-owned legal persons	32.14%	1,017,997,382	0	0	1,017,997,382	Pledged	407,198,953
Zoomlion Heavy Industry Science and Technology Co., Ltd.	Domestic non-state-owned legal persons	12.61%	399,214,659	0	0	399,214,659	Not applicable	0
Infore Group Co., Ltd.	Domestic non-state-owned legal persons	11.36%	359,609,756	0	0	359,609,756	Pledged	164,461,047
Hongchuang (Shenzhen) Investment Center (Limited Partnership)	Domestic non-state-owned legal persons	9.80%	310,423,813	0	0	310,423,813	Not applicable	0
Infore Environment Technology Group Co., Ltd. — The Second Employee Stock Ownership Plan	Others	2.05%	64,789,616	0	0	64,789,616	Not applicable	0
He Jianfeng	Domestic natural persons	2.01%	63,514,690	0	0	63,514,690	Not applicable	0
Zara Green Hong Kong Limited	Overseas legal person	1.73%	54,778,335	0	0	54,778,335	Not applicable	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.31%	41,407,476	14,216,625	0	41,407,476	Not applicable	0
Chen Liyuan	Domestic natural persons	0.98%	31,018,000	0	0	31,018,000	Not applicable	0
Guangdong Hengzejian Industrial Investment Co., Ltd.	State-owned corporation	0.89%	28,059,147	0	0	28,059,147	Not applicable	0

Strategic investor/general corporation becoming a top 10 shareholder in a rights issue (if any) (see Note 3)	Not applicable.		
Related party or acting-in-concert relationship among the aforementioned shareholders	Ningbo Infore Asset Management Co., Ltd. and Infore Group Co., Ltd. share the same de facto controller He Jianfeng, and they are persons acting in concert mutually. Apart from that, the Company is not aware of any related party or acting-in-concert relationship (as defined in <i>the Measures for the Administration of the Takeover of Listed Companies</i> ) among other shareholders aforementioned.		
Shareholders above entrusting/entrusted with or waiving voting rights	Not applicable.		
Top 10 shareholders with repurchase account (if any) (see Note 10)	NA.		
Shareholding of the top 10 unrestricted shareholders (excluding shares lent through securities financing transactions and locked-up shares of senior officers)			
Name of shareholder	Number of unrestricted shares at the end of the reporting period	Type of share	
		Type of share	Quantity
Ningbo Infore Asset Management Co., Ltd.	1,017,997,382	RMB-dominated common shares	1,017,997,382
Zoomlion Heavy Industry Science and Technology Co., Ltd.	399,214,659	RMB-dominated common shares	399,214,659
Infore Group Co., Ltd.	359,609,756	RMB-dominated common shares	359,609,756
Hongchuang (Shenzhen) Investment Center (Limited Partnership)	310,423,813	RMB-dominated common shares	310,423,813
Infore Environment Technology Group Co., Ltd.—The Second Employee Stock Ownership Plan	64,789,616	RMB-dominated common shares	64,789,616
He Jianfeng	63,514,690	RMB-dominated common shares	63,514,690
Zara Green Hong Kong Limited	54,778,335	RMB-dominated common shares	54,778,335
Hong Kong Securities Clearing Company Ltd.	41,407,476	RMB-dominated common shares	41,407,476
Chen Liyuan	31,018,000	RMB-dominated common shares	31,018,000
Guangdong Hengzejian Industrial Investment Co., Ltd.	28,059,147	RMB-dominated common shares	28,059,147
Related party or acting-in-concert relationship among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	Ningbo Infore Asset Management Co., Ltd. and Infore Group Co., Ltd. share the same de facto controller He Jianfeng, and they are persons acting in concert mutually. Apart from that, the Company is not aware of any related party or acting-in-concert relationship (as defined in <i>the Measures for the Administration of the Takeover of Listed Companies</i> ) among other shareholders aforementioned.		
Top 10 common shareholders involved in securities margin trading (if any) (see Note 4)	Infore Environment Technology Group Co., Ltd. - Second Employee Stock Ownership Plan holds 64,789,616 shares in the Company through credit accounts.		

Shareholders holding over 5% of total shares, the top 10 shareholders and the top 10 unrestricted shareholders involved in securities lending through securities financing transactions

☐ Applicable ☒ Not Applicable

Changes in the top 10 shareholders and the top 10 unrestricted shareholders caused by the lending/return of shares through securities financing transactions compared with the previous period

☐ Applicable ☒ Not Applicable

Whether any top 10 common shareholders or top 10 unrestricted common shareholders of the Company conducted any agreed repurchase transactions during the reporting period

☐ Yes ☒ No

No such cases during the reporting period.

## 2. Controlling shareholder

Nature of controlling shareholder: Natural person

Type of controlling shareholder: Corporation

Name of controlling shareholder	Legal Representative/Person-in-charge	Date of incorporation	Organization code	Principal business activities
Ningbo Infore Asset Management Co., Ltd.	Kuang Guangxiong	May 2, 2017	91330206MA290L5J3L	Asset management, industrial investment, investment management.
Other domestically and overseas listed companies as controlling shareholders and equity participants during the reporting period			Not applicable.	

Changes in controlling shareholders during the reporting period

☐ Applicable ☒ Not Applicable

During the reporting period, there was no change in controlling shareholders of the Company.

## 3. De facto controller and persons acting in concert

Nature of de facto controller: Domestic natural person

Type of de facto controller: Natural person

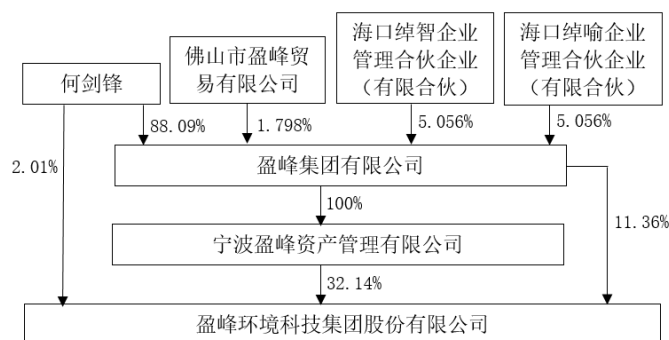
Name of de facto controller	Relationship with de facto controller	Nationality	Residency in other country/region or not
He Jianfeng	Himself	China	Yes
Main occupation and position	Chairman of the Board and President of Infore Group Co., Ltd.		
Controlling interests in other domestically and overseas listed companies in the past 10 years	Beijing Bination Pictures Co., Ltd. (Stock code: 300291) and Jason Furniture (Hangzhou) Co., Ltd. (Stock code: 603816).		

Change in de facto controller during the reporting period

☐ Applicable ☒ Not Applicable

During the reporting period, there was no change in the de facto controller of the Company.

Ownership and control relationship between the de facto controller and the Company



The de facto controller controls the Company via trust or other asset management arrangement

☐ Applicable ☒ Not Applicable

#### 4. The pledged shares in the Company's controlling shareholder or largest shareholder and its persons acting in concert account for 80% of their total shareholdings

☐ Applicable ☒ Not Applicable

#### 5. Other corporate shareholders with a shareholding of more than 10%

☒ Applicable ☐ Not Applicable

Name of corporate shareholder	Legal representative/Person-in-charge	Date of incorporation	Registered capital	Principal business or management activities
Zoomlion Heavy Industry Science and Technology Co., Ltd.	Zhan Chunxin	August 31, 1999	RMB 8,677,992,236	Development, production, and sales of engineering machinery, agricultural machinery, sanitation machinery, crane trucks and exclusive chassis, fire engines and exclusive chassis, aerial work machines, emergency and rescue equipment, mining machinery, machinery in coal mines, material transportation facilities, other machinery, metal and non-metal materials, and new high-tech products of optical-electro-mechanical integration and provision of leasing and after-sale technical services; Sales of building and decorative materials, vehicles for engineering and metal materials, chemical materials, and chemical products (excluding hazardous chemicals and monitoring products); Sales of lubricant oil, lubricating grease and hydraulic oil (excluding hazardous chemicals); Retail of refined oil products (operated by licensed subsidiaries only); Operation of commodity and technology import and export businesses; Investment in real estate with self-owned assets (without permit to carry out national financially regulated and financial credit businesses)

				such as absorbing deposits, fund-raising and collection, entrusted loans, and issuing notes and lending). Sales of used vehicles; Disassembly and recovery of disused machinery equipment. (Business activities subject to approval under laws shall not be carried out unless approval from competent authorities has been obtained.)
Infore Group Co., Ltd.	He Jianfeng	April 19, 2002	RMB 4,450,000,000	Investment in various industries, investment management, investment consultation, and asset management; Enterprise management and enterprise consulting; Computer information services and software services; Film production and planning (based on validated licenses); Advertising planning and production; Appraisal and consultancy services of artwork (excluding ivory and ivory products) and collectibles; Planning of culture and art exhibitions; Sales of maternal and baby products and clothing; Supply and marketing of domestic business and goods except for the above items; Business information consulting services; Import and export of commodities or technologies (excluding the import and export of commodities and technologies that are prohibited by the state or involve administrative review and approval); R&D, manufacturing, sales and leasing of sanitation equipment, robots, new energy vehicles, and environmental monitoring equipment; Cleaning, collection, recycling, transportation, and treatment services of urban domestic waste; Undertaking environmental engineering and water pollution control projects; R&D, manufacturing and sales of ventilators, and air-cooling, water-cooling and air conditioning equipment; R&D, manufacturing, and sales of new materials, equipment, and products. (Production and manufacturing projects are operated by subsidiaries) (Business activities subject to approval under laws shall not be carried out unless approval from competent authorities has been obtained.)

#### 6. Limitations on shareholding reduction by the Company's controlling shareholder, de facto controller, reorganizer and other commitment makers

☐ Applicable ☒ Not Applicable

#### IV. Repurchase of Shares during the Reporting Period

Progress of share repurchase



☐ Applicable ☒ Not Applicable

Progress of reducing the repurchased shares by way of centralized bidding

☐ Applicable ☒ Not Applicable

## Part VIII Information on Preference Shares

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no preference shares.

## Part IX Information on Bonds

☒ Applicable ☐ Not Applicable

### I. Enterprise Bond

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no enterprise bonds.

### II. Corporate Bond

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no corporate bonds.

### III. Debt Financing Instruments of Non-financial Enterprises

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no debt financing instruments of non-financial enterprises.

### IV. Convertible Corporate Bonds

☒ Applicable ☐ Not Applicable

#### 1. Previous adjustments to conversion price

With the approval granted by the CSRC under Document Z.J.X.K. [2020] No. 2219, the Company publicly issued 14,761,896 convertible corporate bonds on November 4, 2020, with a par value of RMB 100 and a total amount of RMB 1,476,189,600. The initial conversion price of this tranche of convertible bonds is RMB 8.31 per share. In case of distribution of bonus shares, increase of share capital through conversion, issuance of new shares (excluding the increased share capital due to the conversion of convertible corporate bonds issued this time), allotment of shares and distribution of cash dividends, the conversion price will be adjusted accordingly pursuant to relevant laws and regulations.

On July 8, 2021, the Company's equity distribution for 2020 was completed. In accordance with the issuance terms of the *Prospectus for Public Offering of Convertible Corporate Bonds by Infore Environment Technology Group Co., Ltd.* and the relevant regulations of the CSRC on the issuance of convertible bonds, the conversion price of Infore Convertible Bonds was adjusted from the original RMB 8.31 per share to RMB 8.19 per share since July 8, 2021. The adjusted conversion price took effect on July 8, 2021.

On July 20, 2022, the Company's equity distribution for 2021 was completed. In accordance with the relevant requirements of the *Prospectus for Public Offering of Convertible Corporate Bonds by Infore Environment Technology Group Co., Ltd.*, the conversion price of Infore Convertible Bonds was adjusted from the original RMB 8.19 per share to RMB 8.09 per share, effective on July 20, 2022. The adjusted conversion price took effect on July 20, 2022.

On July 18, 2023, the Company's equity distribution for 2022 was completed. In accordance with the relevant requirements of the *Prospectus for Public Offering of Convertible Corporate Bonds by Infore Environment Technology Group Co., Ltd.*, the conversion price of Infore Convertible Bonds was adjusted from the original RMB 8.09 per share to RMB 7.98 per share, effective on July 18, 2023. The adjusted conversion price took effect on July 18, 2023.

On July 16, 2024, the Company's equity distribution for 2023 was completed. In accordance with the relevant requirements of the *Prospectus for Public Offering of Convertible Corporate Bonds by Infore Environment Technology Group Co., Ltd.*, the conversion price of Infore Convertible Bonds was adjusted from the original RMB 7.98 per share to RMB 7.86 per share, effective on July 16, 2024. The adjusted conversion price took effect on July 16, 2024.

## 2. Information on cumulative conversion of bonds into shares

☒ Applicable ☐ Not Applicable

Abbreviated name of convertible bond	Start and end date of conversion	Total issued number (sheet)	Total issued amount (RMB)	Accumulated conversion amount (RMB)	Accumulated conversion number (share)	The number of shares converted as a percentage of the total issued shares in the Company before start of conversion	Amount unconverted (RMB)	Unconverted amount as a percentage of the total issued amount
Infore Convertible Bonds	May 10, 2021	14,761,896	1,476,189,600.00	142,900.00	17,448	0.00%	1,476,046,700.00	99.99%

## 3. Information on the top 10 convertible bond holders

No.	Name of convertible bond holder	Nature of convertible bond holder	Number of convertible bonds held at the end of the reporting period (sheet)	Amount of convertible bonds held at the end of the reporting period (RMB)	As a percentage of convertible bonds held at the end of the reporting period
1	China Merchants Bank Co., Ltd. - Bosera CSI Convertible and Exchangeable Bonds Trading Open-end Index Securities Investment Fund	Others	637,756	63,775,600.00	4.32%
2	China Construction Bank Corporation - Zheshang Fengli Enhanced Bond Securities Investment Fund	Others	502,119	50,211,900.00	3.40%
3	CITIC Securities - Sany Heavy Industry Co., Ltd. - CITIC Securities Sany Premium Customized No. 1 Single Asset Management Plan	Others	459,310	45,931,000.00	3.11%
4	PICC Asset Flexible Juxin Hybrid Pension Product - China Minsheng Banking Corp., Ltd.	Others	400,052	40,005,200.00	2.71%
5	Basic Pension Insurance Fund 107 Portfolio	Others	389,467	38,946,700.00	2.64%

6	Shanghai Colight Asset Management Co., Ltd. - Colight Tonghui Fixed Income No. 1 Innovative Investment Fund	Others	374,534	37,453,400.00	2.54%
7	National Social Security Fund 210 Portfolio	Others	347,716	34,771,600.00	2.36%
8	China Minsheng Banking Corp., Ltd. - Anxin Steady Appreciation Flexible Allocation Hybrid Securities Investment Fund	Others	340,399	34,039,900.00	2.31%
9	China Minsheng Banking Corp., Ltd. - Changxin Wenyu Three-month Regular Open Bond Initiated Securities Investment Fund	Others	300,087	30,008,700.00	2.03%
10	China AMC Yannianyishou Fixed-income Pension Product - Agricultural Bank of China Limited	Others	295,006	29,500,600.00	2.00%

#### 4. Information on material changes in the profitability, asset status and credit standing of guarantor

☐ Applicable ☒ Not Applicable

#### 5. Change in the Company's liabilities and credit standing, and cash arrangements for debt repayment in coming years at the end of the reporting period

On June 24, 2024, China Chengxin International Credit Rating Co., Ltd. issued the *Follow-up Rating Report on the Public Offering of Convertible Corporate Bonds by Infore Environment Technology Group Co., Ltd. (2024)* (X.P.W.H.Z. [2024] G.Z. No.1193), assigning the Company a corporate credit rating of AA+, with stable rating outlook for the coming 12 to 18 months. For details, please refer to the *Follow-up Rating Report on the Public Offering of Convertible Corporate Bonds by Infore Environment Technology Group Co., Ltd. (2024)* on June 28, 2024 on Cninfo (www.cninfo.com.cn).

The primary sources of funding for the Company to pay the principal and interest of the convertible bonds in the future are as follows: (1) The Company seeks organic growth by strengthening financial management and increasing net cash inflows and net profits from operating activities; (2) The Company has a good credit standing and a reasonable asset mix and can obtain financing from banks and other avenues to reasonably arrange for redemption funds.

#### V. During the Reporting Period, the Loss in the Scope of Consolidated Statements Outstripped 10% of the Net Assets at the End of the Previous Year

☐ Applicable ☒ Not Applicable

#### VI. Overdue Interest-Bearing Debts Other Than Bonds at the End of the Reporting Period

☐ Applicable ☒ Not Applicable

#### VII. Violation of Rules and Regulations During the Reporting Period

☐ Yes ☒ No

# **VIII. Main Accounting Data and Financial Indicators of the Company in Last Two Years as at the End of the Reporting Period**

Unit: RMB 10,000

Items	At the end of the reporting period	At the end of last year	YoY change
Current ratio	1.80	1.75	2.86%
Liability-to-asset ratio	39.36%	38.39%	0.97%
Quick ratio	1.67	1.62	3.09%
	The reporting period	The prior year	YoY change
Net profit after deducting non-recurring gains and losses	50,217.67	44,475.34	12.91%
EBITDA/total liabilities	13.77%	14.29%	-0.52%
Interest coverage ratio	4.74	4.63	2.38%
Cash/interest coverage ratio	10.93	13.68	-20.10%
EBITDA/interest coverage ratio	9.71	9.39	3.41%
Loan repayment rate	100.00%	100.00%	0.00%
Interest coverage ratio	100.00%	100.00%	0.00%

## Part X Financial Report

### Audit Report

Type of audit opinions	Standard unqualified opinion
Signing date of the auditor's report	April 24, 2025
Name of the auditor	Pan-China Certified Public Accountants LLP (Special General Partnership)
No. of the auditor's report	PCCPAAR [2025] No. 7496
Names of certified public accountants	Lin Wang, and Cao Cuijuan

Main body of the auditor's report

To the Shareholders of Infore Environment Technology Group Co., Ltd.:

#### I. Audit Opinion

We have audited the financial statements of Infore Environment Technology Group Co., Ltd. (the “Company”), which comprise the consolidated and parent company balance sheets as at December 31, 2024, the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

#### II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the 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 other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and

we do not express a separate opinion on these matters.

## (I) Revenue recognition

### 1. Key audit matters

Please refer to section III (XXVII) and V (II) 1 of notes to the financial statements for details.

The Company is mainly engaged in sales of environmental and sanitation machinery and ventilation equipment as well as sanitation operation service. In 2024, the operating revenue amounted to 13,117.89 million yuan, with year-over-year growth of 3.85%. As operating revenue is one of the key performance indicators of the Company, there might be inherent risks that the Company's management (the "Management") adopts inappropriate revenue recognition to achieve specific goals or expectations, we have identified revenue recognition as a key audit matter.

### 2. Responsive audit procedures

Our main audit procedures for revenue recognition are as follows:

(1) We obtained understandings of key internal controls related to revenue recognition, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;

(2) We checked sales contracts, obtained understandings of main contractual terms or conditions, and assessed whether the revenue recognition method was appropriate;

(3) We performed analysis procedure on operating revenue and gross margin by month, product, customer, project, etc., so as to identify whether there are significant or abnormal fluctuations and find out the reason;

(4) For revenue from sales of environmental and sanitation machinery, ventilation equipment, etc., we selected items to check related supporting documents, including sales contracts, sales invoices, outbound delivery orders, delivery notes, delivery receipts, etc. For revenue from sanitation operation service, we selected items to check related supporting documents, including sales contracts, service assessment statements, supervision schedule, etc.;

(5) We performed confirmation procedures on sales amount of selected items in combination with confirmation procedure of accounts receivable and contract assets;

(6) We performed cut-off tests to check whether the operating revenue was recognized in the appropriate period; and



(7) We checked whether information related to operating revenue had been presented appropriately in the financial statements.

(II) Impairment of accounts receivable and long-term receivables

1. Key audit matters

Please refer to section III (XII), V (I) 3, 9 and 11 of notes to the financial statements for details.

As of December 31, 2024, the book balance of accounts receivable amounted to 7,182.52 million yuan, with provision for bad debts of 958.09 million yuan, and the carrying amount of 6,224.43 million yuan; the book balance of long-term receivables (including those due within one year) amounted to 1,201.90 million yuan, with provision for bad debts of 93.11 million yuan, and the carrying amount of 1,108.79 million yuan. The carrying amount of accounts receivable and long-term receivables (collectively referred to as “receivables”) totaled 7,333.22 million yuan.

Based on credit risk features of receivables, the Management measures the loss allowance at the amount of lifetime expected credit losses, either on an individual basis or on a collective basis. As the amounts of receivables are significant and the impairment test involves significant judgment of the Management, we have identified impairment of receivables as a key audit matter.

2. Responsive audit procedures

Our main audit procedures for impairment of receivables are as follows:

(1) We obtained understandings of key internal controls related to impairment of receivables, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;

(2) We reviewed the outcome of the Management's previous estimates on provision for bad debts or their subsequent re-estimations;

(3) We reviewed the consideration of the Management on credit risk assessment of receivables and objective evidence, and assessed whether the credit risk features of receivables had been appropriately identified by the Management;

(4) For receivables with expected credit losses measured on an individual basis, we reviewed the Management's estimations on the expected future cash flows, assessed the appropriateness of significant assumptions and the appropriateness, relevance and reliability of data used in the estimations and checked them with acquired external evidence;

(5) For receivables with expected credit losses measured on a collective basis, we assessed the reasonableness of portfolio classification on the basis of credit risk features; we assessed the reasonableness of expected credit loss rate of accounts receivable determined by the Management, including the appropriateness of significant assumptions and the appropriateness, relevance and reliability of data used; we tested whether the Management's calculation of provision for bad debts was accurate;

(6) We checked the subsequent collection of receivables and assessed the reasonableness of provision for bad debts made by the Management; and

(7) We checked whether information related to impairment of receivables had been presented appropriately in the financial statements.

### (III) Impairment of goodwill

#### 1. Key audit matters

Please refer to section III (XXI) and V (I) 20 of notes to the financial statements for details.

As of December 31, 2024, the cost of goodwill amounted to 5,939.76 million yuan, with provision for impairment of 624.12 million yuan, and the carrying amount of 5,315.64 million yuan, accounting for 17.94% of total assets.

For asset group or asset group portfolio related to goodwill, the Management will perform impairment test on goodwill together with related asset group or asset group portfolio, and the recoverable amount of related asset group or asset group portfolio is determined based on the present value of estimated future cash flows. As the amount of goodwill is significant and impairment test involves significant judgment of the Management, we have identified impairment of goodwill as a key audit matter.

#### 2. Responsive audit procedures

Our main audit procedures for impairment of goodwill are as follows:

(1) We obtained understandings of key internal controls related to impairment of goodwill, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;

(2) We reviewed the outcome of the Management's previous estimates on the present value of future cash flows or their subsequent re-estimations;

(3) We assessed the competency, professional quality and objectivity of external appraisers engaged by the Management;

(4) We assessed the competency, professional quality and objectivity of experts engaged by us and the appropriateness of their works;

(5) We assessed the appropriateness and consistency of impairment test method adopted by the Management;

(6) We assessed the appropriateness of significant assumptions used in impairment test and reviewed whether relevant assumptions were consistent with overall economy environment, industry condition, management situation, historical experience, operation plan, approved budget, meeting summary, assumptions used in other accounting estimates and related assumptions used in other areas of business activities;

(7) We reviewed the sensitivity analysis on key assumptions performed by the Management, assessed the effect of changes in key assumptions on impairment test result, and identified signs of possible management bias in choosing key assumptions;

(8) We assessed the appropriateness, relevance and reliability of data used by the Management in the impairment test and reviewed the consistency of related information in the impairment test;

(9) We tested whether the Management's calculation of present value of estimated future cash flows was accurate; and

(10) We checked whether information related to impairment of goodwill had been presented appropriately in the financial statements.

#### **IV. Other Information**

The Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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 the other information, we are required to report that fact. We have nothing to report in this regard.

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

The Management is responsible for preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises, as well as designing, implementing and maintaining internal control relevant to 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 and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **VI. Certified Public Accountant's Responsibilities for the Audit of the 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 China Standards on Auditing 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.

We exercise professional judgment and maintain professional skepticism throughout the audit performed in accordance with China Standards on Auditing. 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 to draw 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 and 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 group audit. We remain sole responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned audit scope, time schedule and significant audit findings, including any deficiencies in internal control of concern 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pan-China Certified Public Accountants LLP    Chinese Certified Public Accountant: 林旺

(Engagement Partner)

Hangzhou · China

Chinese Certified Public Accountant: 曹翠娟

Date of Report: April 24, 2025

*The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and financial performance and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.*

Infore Environment Technology Group Co., Ltd.  
Consolidated balance sheet as at December 31, 2024  
(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2023
Current assets:			
Cash and bank balances	1	5,117,995,117.22	4,411,376,583.78
Settlement funds			
Loans to other banks			
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	2	2,444,245.61	4,947,131.83
Accounts receivable	3	6,224,430,217.77	5,867,669,476.86
Receivables financing	4	201,675,177.13	146,814,501.64
Advances paid	5	116,555,682.67	140,241,046.66
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	6	160,267,453.49	316,661,073.26
Financial assets under reverse repo			
Inventories	7	1,041,115,491.00	971,229,637.15
Including: Data resources			
Contract assets	8	94,117,942.03	74,803,489.48
Assets held for sale			
Non-current assets due within one year	9	483,484,497.10	552,082,464.00
Other current assets	10	597,468,283.91	523,880,405.80
Total current assets		14,039,554,107.93	13,009,705,810.46
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	11	625,304,161.32	423,098,527.59
Long-term equity investments	12	682,287,056.09	681,629,084.69
Other equity instrument investments	13	1,282,971.01	15,352,971.01
Other non-current financial assets			
Investment property	14	1,053,133.20	1,138,868.60
Fixed assets	15	2,259,900,141.60	2,338,316,124.14
Construction in progress	16	460,662,679.72	288,057,018.89
Productive biological assets			
Oil & gas assets			
Right-of-use assets	17	16,456,043.60	25,125,671.95
Intangible assets	18	5,660,386,100.81	5,984,348,824.39
Including: Data resources			
Development expenditures	19		
Including: Data resources			
Goodwill	20	5,315,639,985.65	5,645,365,375.67
Long-term prepayments	21	32,459,369.22	31,130,797.49
Deferred tax assets	22	127,979,852.03	116,448,305.64
Other non-current assets	23	413,364,735.69	488,484,179.84
Total non-current assets		15,596,776,229.94	16,038,495,749.90
Total assets		29,636,330,337.87	29,048,201,560.36

Legal representative:

Officer in charge of accounting:

Head of accounting department:

Infore Environment Technology Group Co., Ltd.  
Consolidated balance sheet as at December 31, 2024 (continued)  
*(Expressed in Renminbi Yuan)*

Liabilities & Equity	Note No.	Closing balance	December 31, 2023
Current liabilities:			
Short-term borrowings	25	113,697,615.88	126,939,855.26
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	26	1,982,522,352.45	2,294,276,551.46
Accounts payable	27	3,672,499,338.29	2,918,543,704.46
Advances received			
Contract liabilities	28	239,860,672.03	306,777,173.57
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposits for agency security transaction			
Deposits for agency security underwriting			
Employee benefits payable	29	586,442,924.01	490,900,839.98
Taxes and rates payable	30	220,358,221.46	124,031,931.13
Other payables	31	736,723,069.40	709,941,824.77
Handling fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	32	211,138,376.82	405,027,444.29
Other current liabilities	33	28,803,209.66	36,931,126.97
Total current liabilities		7,792,045,780.00	7,413,370,451.89
Non-current liabilities:			
Insurance policy reserve			
Long-term borrowings	34	1,987,236,842.43	1,884,356,851.73
Bonds payable	35	1,404,699,758.75	1,360,603,802.12
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	36	7,830,870.16	16,170,790.76
Long-term payables	37	31,687,999.95	302,949,472.95
Long-term employee benefits payable			
Provisions	38	1,049,769.45	1,994,511.41
Deferred income	39	386,252,654.20	115,340,494.42
Deferred tax liabilities	22	45,414,359.52	47,219,579.85
Other non-current liabilities	40	8,148,148.14	8,148,148.14
Total non-current liabilities		3,872,320,402.60	3,736,783,651.38
Total liabilities		11,664,366,182.60	11,150,154,103.27
Equity:			
Share capital	41	3,166,941,792.00	3,179,506,670.00
Other equity instruments	42	266,913,810.18	266,914,714.33
Including: Preferred shares			
Perpetual bonds			
Capital reserve	43	9,557,237,328.20	9,661,398,721.27
Less: Treasury shares	44		94,132,795.17
Other comprehensive income	45	-17,745,734.84	-4,630,000.00
Special reserve	46		
Surplus reserve	47	423,116,339.31	379,017,020.19
General risk reserve			
Undistributed profit	48	4,122,982,090.28	4,049,434,826.11
Total equity attributable to the parent company		17,519,445,625.13	17,437,509,156.73
Non-controlling interest		452,518,530.14	460,538,300.36
Total equity		17,971,964,155.27	17,898,047,457.09
Total liabilities & equity		29,636,330,337.87	29,048,201,560.36

Legal representative:

Officer in charge of accounting:

Head of accounting department:



Infore Environment Technology Group Co., Ltd.  
Parent company balance sheet as at December 31, 2024  
*(Expressed in Renminbi Yuan)*

Assets	Note No.	Closing balance	December 31, 2023
Current assets:			
Cash and bank balances		681,729,562.77	564,746,779.67
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing		3,049,680.44	43,226,079.68
Advances paid		264,874.65	450,233.21
Other receivables	1	4,109,183,327.45	4,470,847,162.66
Inventories			
Including: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets		4,794,227,445.31	5,079,270,255.22
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	2	16,966,182,637.80	16,970,439,351.38
Other equity instrument investments		1,282,971.01	15,352,971.01
Other non-current financial assets			
Investment property			
Fixed assets			
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets		610,009.02	1,830,027.06
Intangible assets		205,389.99	744,535.28
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill			
Long-term prepayments			
Deferred tax assets			
Other non-current assets			
Total non-current assets		16,968,281,007.82	16,988,366,884.73
Total assets		21,762,508,453.13	22,067,637,139.95

Legal representative:

Officer in charge of accounting:

Head of accounting department:

Infore Environment Technology Group Co., Ltd.  
Parent company balance sheet as at December 31, 2024 (continued)  
*(Expressed in Renminbi Yuan)*

Liabilities & Equity	Note No.	Closing balance	December 31, 2023
Current liabilities:			
Short-term borrowings			8,006,821.92
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		20,254,973.30	34,562,159.28
Accounts payable		1,137,507.93	1,137,507.93
Advances received			
Contract liabilities			
Employee benefits payable		3,081,440.43	3,603,061.04
Taxes and rates payable		6,018,372.68	6,535,689.77
Other payables		439,094,958.95	783,282,804.29
Liabilities held for sale			
Non-current liabilities due within one year		11,559,669.59	12,180,055.74
Other current liabilities			
Total current liabilities		481,146,922.88	849,308,099.97
Non-current liabilities:			
Long-term borrowings		38,100,008.00	48,985,720.00
Bonds payable		1,404,699,758.75	1,360,603,802.12
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			626,060.41
Long-term payables		3,000,000.00	3,000,000.00
Long-term employee benefits payable			
Provisions		952,985.85	1,563,887.81
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		1,446,752,752.60	1,414,779,470.34
Total liabilities		1,927,899,675.48	2,264,087,570.31
Equity:			
Share capital		3,166,941,792.00	3,179,506,670.00
Other equity instruments		266,913,810.18	266,914,714.33
Including: Preferred shares			
Perpetual bonds			
Capital reserve		15,243,099,431.46	15,324,662,735.39
Less: Treasury shares			94,132,795.17
Other comprehensive income		-18,700,000.00	-4,630,000.00
Special reserve			
Surplus reserve		388,895,949.89	344,796,630.77
Undistributed profit		787,457,794.12	786,431,614.32
Total equity		19,834,608,777.65	19,803,549,569.64
Total liabilities & equity		21,762,508,453.13	22,067,637,139.95

Legal representative:

Officer in charge of accounting:

Head of accounting department:

Infore Environment Technology Group Co., Ltd.  
Consolidated income statement for the year ended December 31, 2024  
(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue	1	13,117,894,323.95	12,631,050,967.34
Including: Operating revenue	1	13,117,894,323.95	12,631,050,967.34
Interest income			
Premiums earned			
Revenue from handling fees and commissions			
II. Total operating cost		12,223,590,697.65	11,755,419,190.66
Including: Operating cost	1	10,261,555,795.35	9,754,950,286.42
Interest expenses			
Handling fees and commissions			
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges	2	76,891,691.83	70,091,589.07
Selling expenses	3	713,507,964.56	784,866,753.52
Administrative expenses	4	773,511,609.91	726,159,237.45
R&D expenses	5	317,117,284.00	344,030,239.33
Financial expenses	6	81,006,352.00	75,321,084.87
Including: Interest expenses		148,707,477.58	156,635,777.38
Interest income		74,268,310.95	99,626,077.56
Add: Other income	7	137,108,552.70	119,986,816.29
Investment income (or less: losses)	8	-30,889,428.46	-51,597,205.92
Including: Investment income from associates and joint ventures		21,424,762.72	4,960,692.79
Gains from derecognition of financial assets at amortized cost		-50,286,665.91	
Gains on foreign exchange (or less: losses)			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)			
Credit impairment loss	9	-262,370,919.54	-216,352,591.11
Assets impairment loss	10	-31,710,185.75	-123,390,769.02
Gains on asset disposal (or less: losses)	11	-31,931.69	-1,191,825.82
III. Operating profit (or less: losses)		706,409,713.56	603,086,201.10
Add: Non-operating revenue	12	21,214,649.95	19,846,705.60
Less: Non-operating expenditures	13	79,294,913.15	13,031,066.19
IV. Profit before tax (or less: total loss)		648,329,450.36	609,901,840.51
Less: Income tax expenses	14	105,254,332.60	97,357,651.45
V. Net profit (or less: net loss)		543,075,117.76	512,544,189.06
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		543,075,117.76	512,544,189.06
2. Net profit from discontinued operations (or less: net loss)			
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of parent company (or less: net loss)		513,514,275.54	498,383,730.00
2. Net profit attributable to non-controlling shareholders (or less: net loss)		29,560,842.22	14,160,459.06
VI. Other comprehensive income after tax	15	-13,115,734.84	
Items attributable to the owners of the parent company		-13,115,734.84	
(I) Not to be reclassified subsequently to profit or loss		-14,070,000.00	
1. Remeasurements of the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments		-14,070,000.00	
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss		954,265.16	
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve		954,265.16	
7. Others			
Items attributable to non-controlling shareholders			
VII. Total comprehensive income		529,959,382.92	512,544,189.06
Items attributable to the owners of the parent company		500,398,540.70	498,383,730.00
Items attributable to non-controlling shareholders		29,560,842.22	14,160,459.06
VIII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)		0.16	0.16
(II) Diluted EPS (yuan per share)		0.16	0.16

Legal representative:

Officer in charge of accounting:

Head of accounting department:

**Infore Environment Technology Group Co., Ltd.**  
**Parent company income statement for the year ended December 31, 2024**  
*(Expressed in Renminbi Yuan)*

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	1	86,987.42	156,799.03
Less: Operating cost	1		45,108.06
Taxes and surcharges		172,598.34	8,724.82
Selling expenses			
Administrative expenses		34,040,383.63	32,795,434.31
R&D expenses			
Financial expenses		-32,199,924.51	-46,439,991.45
Including: Interest expenses		68,523,522.05	6,683,662.60
Interest income		100,788,936.40	114,151,812.97
Add: Other income		446,474.64	90,205.68
Investment income (or less: losses)	2	452,505,988.13	627,767,256.36
Including: Investment income from associates and joint ventures		39,991,003.64	32,220,248.17
Gains from derecognition of financial assets at amortized cost			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)			
Credit impairment loss		-17,238,362.29	-4,535,721.98
Assets impairment loss			
Gains on asset disposal (or less: losses)			
II. Operating profit (or less: losses)		433,788,030.44	637,069,263.35
Add: Non-operating revenue		8,224,413.05	1,853,259.39
Less: Non-operating expenditures		1,019,252.32	
III. Profit before tax (or less: total loss)		440,993,191.17	638,922,522.74
Less: Income tax expenses			
IV. Net profit (or less: net loss)		440,993,191.17	638,922,522.74
(I) Net profit from continuing operations (or less: net loss)		440,993,191.17	638,922,522.74
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income after tax		-14,070,000.00	
(I) Not to be reclassified subsequently to profit or loss		-14,070,000.00	
1. Remeasurements of the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments		-14,070,000.00	
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve			
7. Others			
VI. Total comprehensive income		426,923,191.17	638,922,522.74
VII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

Legal representative:

Officer in charge of accounting:

Head of accounting department:

**Infore Environment Technology Group Co., Ltd.**  
**Consolidated cash flow statement for the year ended December 31, 2024**  
*(Expressed in Renminbi Yuan)*

Items	Note No.	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:			
Cash receipts from sale of goods or rendering of services		12,253,778,468.76	12,453,986,179.20
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts from original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Cash receipts from interest, handling fees and commissions			
Net increase of loans from others			
Net increase of repurchase			
Net cash receipts from agency security transaction			
Receipts of tax refund		54,791,515.98	30,441,488.60
Other cash receipts related to operating activities	1.(1)	1,563,909,963.01	1,780,673,734.46
Subtotal of cash inflows from operating activities		13,872,479,947.75	14,265,101,402.26
Cash payments for goods purchased and services received		7,269,772,149.50	7,623,799,094.31
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payments for insurance indemnities of original insurance contracts			
Net increase of loans to others			
Cash payments for interest, handling fees and commissions			
Cash payments for policy bonus			
Cash paid to and on behalf of employees		2,760,726,135.33	2,522,411,850.58
Cash payments for taxes and rates		539,712,068.46	534,381,305.14
Other cash payments related to operating activities	1.(2)	2,140,220,112.98	2,198,952,642.74
Subtotal of cash outflows from operating activities		12,710,430,466.27	12,879,544,892.77
Net cash flows from operating activities		1,162,049,481.48	1,385,556,509.49
II. Cash flows from investing activities:			
Cash receipts from withdrawal of investments		4,176,029.95	
Cash receipts from investment income		215,921,968.00	17,581,018.93
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		22,226,636.40	22,804,215.79
Net cash receipts from the disposal of subsidiaries & other business units		252,832,196.90	
Other cash receipts related to investing activities	1.(3)	8,821,277,096.34	1,650,769,977.00
Subtotal of cash inflows from investing activities		9,316,433,927.59	1,691,155,211.72
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		806,085,373.66	1,119,006,242.88
Cash payments for investments			4,900,000.00
Net increase of pledged borrowings			
Net cash payments for the acquisition of subsidiaries & other business units			43,472.96
Other cash payments related to investing activities	1.(4)	8,310,287,424.40	1,642,935,617.97
Subtotal of cash outflows from investing activities		9,116,372,798.06	2,766,885,333.81
Net cash flows from investing activities		200,061,129.53	-1,075,730,122.09
III. Cash flows from financing activities:			
Cash receipts from absorbing investments		24,451,900.00	7,119,980.00
Including: Cash received by subsidiaries from non-controlling shareholders as investments		24,451,900.00	7,119,980.00
Cash receipts from borrowings		1,244,655,720.38	1,430,455,757.80
Other cash receipts related to financing activities	1.(5)	128,615,400.00	48,692,000.00
Subtotal of cash inflows from financing activities		1,397,723,020.38	1,486,267,737.80
Cash payments for the repayment of borrowings		1,314,496,090.40	1,946,364,301.72
Cash payments for distribution of dividends or profits and for interest expenses		530,172,889.26	471,087,036.44
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		11,034,966.64	7,622,681.40
Other cash payments related to financing activities	1.(6)	141,563,549.23	44,749,906.87
Subtotal of cash outflows from financing activities		1,986,232,528.89	2,462,201,245.03
Net cash flows from financing activities		-588,509,508.51	-975,933,507.23
IV. Effect of foreign exchange rate changes on cash and cash equivalents		470,874.17	1,587,128.38
V. Net increase in cash and cash equivalents		774,071,976.67	-664,519,991.45
Add: Opening balance of cash and cash equivalents		3,916,145,254.54	4,580,665,245.99
VI. Closing balance of cash and cash equivalents		4,690,217,231.21	3,916,145,254.54

Legal representative:

Officer in charge of accounting:

Head of accounting department:

Infore Environment Technology Group Co., Ltd.  
Parent company cash flow statement for the year ended December 31, 2024  
*(Expressed in Renminbi Yuan)*

Items	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	365,854.11	118,392.43
Receipts of tax refund	178,113.41	1,008,139.39
Other cash receipts related to operating activities	984,609,199.49	448,771,549.67
Subtotal of cash inflows from operating activities	985,153,167.01	449,898,081.49
Cash payments for goods purchased and services received	199,874.65	
Cash paid to and on behalf of employees	12,878,474.03	12,214,656.58
Cash payments for taxes and rates	191,681.93	19,920.85
Other cash payments related to operating activities	1,251,992,602.32	448,609,614.55
Subtotal of cash outflows from operating activities	1,265,262,632.93	460,844,191.98
Net cash flows from operating activities	-280,109,465.92	-10,946,110.49
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	596,256,937.18	355,469,611.94
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash receipts from the disposal of subsidiaries & other business units	258,552,204.53	
Other cash receipts related to investing activities	2,862,551,451.99	1,133,866,191.35
Subtotal of cash inflows from investing activities	3,717,360,593.70	1,489,335,803.29
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		
Cash payments for investments	222,046,440.00	
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	2,492,051,286.11	1,020,256,248.67
Subtotal of cash outflows from investing activities	2,714,097,726.11	1,020,256,248.67
Net cash flows from investing activities	1,003,262,867.59	469,079,554.62
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Cash receipts from borrowings		108,000,000.00
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities		108,000,000.00
Cash payments for the repayment of borrowings	18,886,714.22	430,885,712.00
Cash payments for distribution of dividends or profits and for interest expenses	420,282,564.36	367,220,162.26
Other cash payments related to financing activities	1,261,241.92	1,258,782.48
Subtotal of cash outflows from financing activities	440,430,520.50	799,364,656.74
Net cash flows from financing activities	-440,430,520.50	-691,364,656.74
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	282,722,881.17	-233,231,212.61
Add: Opening balance of cash and cash equivalents	398,120,744.73	631,351,957.34
VI. Closing balance of cash and cash equivalents	680,843,625.90	398,120,744.73

Legal representative:

Officer in charge of accounting:

Head of accounting department:

Infore Environment Technology Group Co., Ltd.  
Consolidated statement of changes in equity for the year ended December 31, 2024  
(Expressed in Renminbi Yuan)

Items	Current period cumulative												
	Equity attributable to parent company											Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred shares	Perpetual bonds	Others									
I. Balance at the end of prior year	3,179,506,670.00			266,914,714.33	9,661,398,721.27	94,132,795.17	-4,630,000.00		379,017,020.19		4,049,434,826.11	460,538,300.36	17,898,047,457.09
Add: Cumulative changes of accounting policies													
Error correction of prior period													
Business combination under common control													
Others													
II. Balance at the beginning of current year	3,179,506,670.00			266,914,714.33	9,661,398,721.27	94,132,795.17	-4,630,000.00		379,017,020.19		4,049,434,826.11	460,538,300.36	17,898,047,457.09
III. Current period increase (or less: decrease)	-12,564,878.00			-904.15	-104,161,393.07	-94,132,795.17	-13,115,734.84		44,099,319.12		73,547,264.17	-8,019,770.22	73,916,698.18
(I) Total comprehensive income							-13,115,734.84				513,514,275.54	29,560,842.22	529,959,382.92
(II) Capital contributed or withdrawn by owners	-12,564,878.00			-904.15	-104,161,393.07	-94,132,795.17						-24,461,010.86	-47,055,390.91
1. Ordinary shares contributed by owners	-12,565,382.00				-81,567,413.17	-94,132,795.17						25,999,900.00	25,999,900.00
2. Capital contributed by holders of other equity instruments	504.00			-904.15	4,109.24								3,709.09
3. Amount of share-based payment included in equity													
4. Others					-22,598,089.14							-50,460,910.86	-73,059,000.00
(III) Profit distribution									44,099,319.12		-439,967,011.37	-13,119,601.58	-408,987,293.83
1. Appropriation of surplus reserve									44,099,319.12		-44,099,319.12		

Items	Current period cumulative												
	Equity attributable to parent company											Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred shares	Perpetual bonds	Others									
2. Appropriation of general risk reserve													
3. Appropriation of profit to owners											-395,867,692.25	-13,119,601.58	-408,987,293.83
4. Others													
(IV) Internal carry-over within equity													
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others													
(V) Special reserve													
1. Current period appropriation								8,763,770.25					8,763,770.25
2. Current period use								-8,763,770.25					-8,763,770.25
(VI) Others													
IV. Balance at the end of current period	3,166,941,792.00			266,913,810.18	9,557,237,328.20		-17,745,734.84		423,116,339.31		4,122,982,090.28	452,518,530.14	17,971,964,155.27

Legal representative:

Officer in charge of accounting:

Head of accounting department:



## Infore Environment Technology Group Co., Ltd.

## Consolidated statement of changes in equity for the year ended December 31, 2024 (continued)

(Expressed in Renminbi Yuan)

Items	Preceding period comparative												
	Equity attributable to parent company											Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred shares	Perpetual bonds	Others									
I. Balance at the end of prior year	3,179,505,559.00			266,916,341.80	9,662,511,254.48	94,132,795.17	-4,630,000.00		315,124,767.92		3,963,306,890.06	448,810,670.89	17,737,412,688.98
Add: Cumulative changes of accounting policies													
Error correction of prior period													
Business combination under common control													
Others													
II. Balance at the beginning of current year	3,179,505,559.00			266,916,341.80	9,662,511,254.48	94,132,795.17	-4,630,000.00		315,124,767.92		3,963,306,890.06	448,810,670.89	17,737,412,688.98
III. Current period increase (or less: decrease)	1,111.00			-1,627.47	-1,112,533.21				63,892,252.27		86,127,936.05	11,727,629.47	160,634,768.11
(I) Total comprehensive income											498,383,730.00	14,160,459.06	512,544,189.06
(II) Capital contributed or withdrawn by owners	1,111.00			-1,627.47	-1,112,533.21							5,189,851.81	4,076,802.13
1. Ordinary shares contributed by owners												8,619,980.00	8,619,980.00
2. Capital contributed by holders of other equity instruments	1,111.00			-1,627.47	8,673.60								8,157.13
3. Amount of share-based payment included in equity													
4. Others					-1,121,206.81							-3,430,128.19	-4,551,335.00
(III) Profit distribution									63,892,252.27		-412,255,793.95	-7,622,681.40	-355,986,223.08

Items	Preceding period comparative												
	Equity attributable to parent company											Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred shares	Perpetual bonds	Others									
1. Appropriation of surplus reserve									63,892,252.27		-63,892,252.27		
2. Appropriation of general risk reserve													
3. Appropriation of profit to owners											-348,363,541.68	-7,622,681.40	-355,986,223.08
4. Others													
(IV) Internal carry-over within equity													
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others													
(V) Special reserve													
1. Current period appropriation								8,608,843.62					8,608,843.62
2. Current period use								-8,608,843.62					-8,608,843.62
(VI) Others													
IV. Balance at the end of current period	3,179,506,670.00			266,914,714.33	9,661,398,721.27	94,132,795.17	-4,630,000.00		379,017,020.19		4,049,434,826.11	460,538,300.36	17,898,047,457.09

Legal representative:

Officer in charge of accounting:

Head of accounting department:

## Infore Environment Technology Group Co., Ltd.

## Parent company statement of changes in equity for the year ended December 31, 2024

(Expressed in Renminbi Yuan)

Items	Current period cumulative										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	3,179,506,670.00			266,914,714.33	15,324,662,735.39	94,132,795.17	-4,630,000.00		344,796,630.77	786,431,614.32	19,803,549,569.64
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	3,179,506,670.00			266,914,714.33	15,324,662,735.39	94,132,795.17	-4,630,000.00		344,796,630.77	786,431,614.32	19,803,549,569.64
III. Current period increase (or less: decrease)	-12,564,878.00			-904.15	-81,563,303.93	-94,132,795.17	-14,070,000.00		44,099,319.12	1,026,179.80	31,059,208.01
(I) Total comprehensive income							-14,070,000.00			440,993,191.17	426,923,191.17
(II) Capital contributed or withdrawn by owners	-12,564,878.00			-904.15	-81,563,303.93	-94,132,795.17					3,709.09
1. Ordinary shares contributed by owners	-12,565,382.00				-81,567,413.17	-94,132,795.17					
2. Capital contributed by holders of other equity instruments	504.00			-904.15	4,109.24						3,709.09
3. Amount of share-based payment included in equity											
4. Others											
(III) Profit distribution									44,099,319.12	-439,967,011.37	-395,867,692.25
1. Appropriation of surplus reserve									44,099,319.12	-44,099,319.12	

2. Appropriation of profit to owners										-395,867,692.25	-395,867,692.25
3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation											
2. Current period use											
(VI) Others											
IV. Balance at the end of current period	3,166,941,792.00			266,913,810.18	15,243,099,431.46		-18,700,000.00		388,895,949.89	787,457,794.12	19,834,608,777.65

Legal representative:

Officer in charge of accounting:

Head of accounting department:

## Infore Environment Technology Group Co., Ltd.

## Parent company statement of changes in equity for the year ended December 31, 2024 (continued)

(Expressed in Renminbi Yuan)

Items	Preceding period comparative										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	3,179,505,559.00			266,916,341.80	15,324,654,061.79	94,132,795.17	-4,630,000.00		280,904,378.50	559,764,885.53	19,512,982,431.45
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	3,179,505,559.00			266,916,341.80	15,324,654,061.79	94,132,795.17	-4,630,000.00		280,904,378.50	559,764,885.53	19,512,982,431.45
III. Current period increase (or less: decrease)	1,111.00			-1,627.47	8,673.60				63,892,252.27	226,666,728.79	290,567,138.19
(I) Total comprehensive income										638,922,522.74	638,922,522.74
(II) Capital contributed or withdrawn by owners	1,111.00			-1,627.47	8,673.60						8,157.13
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity instruments	1,111.00			-1,627.47	8,673.60						8,157.13
3. Amount of share-based payment included in equity											
4. Others											
(III) Profit distribution									63,892,252.27	-412,255,793.95	-348,363,541.68
1. Appropriation of surplus reserve									63,892,252.27	-63,892,252.27	
2. Appropriation of profit to owners										-348,363,541.68	-348,363,541.68

3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation											
2. Current period use											
(VI) Others											
IV. Balance at the end of current period	3,179,506,670.00			266,914,714.33	15,324,662,735.39	94,132,795.17	-4,630,000.00		344,796,630.77	786,431,614.32	19,803,549,569.64

Legal representative:

Officer in charge of accounting:

Head of accounting department

## Infore Environment Technology Group Co., Ltd.

### Notes to Financial Statements

For the year ended December 31, 2024

Monetary unit: RMB Yuan

#### I. Company Profile

Infore Environment Technology Group Co., Ltd. (the “Company”), formerly known as Zhejiang Shangfeng Industrial Co., Ltd., was registered at Zhejiang Administration for Industry and Commerce on November 18, 1993. Under the approval of Zhejiang Share System Pilot Work Coordination Group with document of approval numbered Zhe Gu [1993] 51, the Company was established by Zhejiang Fan Air Cooling Equipment Co., Ltd., the main initiator, and Shangyu Fan Factory and Shaoxing Fluid Engineering Research Institute, the joint initiators, through targeted fundraising. Headquartered in Shaoxing City, Zhejiang Province, the Company currently holds a business license with unified social credit code of 913300006096799222 and has registered capital of 3,179,506,670.00 yuan, and share capital of 3,166,941,792.00 yuan. The difference between the registered capital and share capital is because the change related to share capital increased and canceled in the current period has not been registered at the administration for market regulation. The Company has total share of 3,166,941,792 shares (each with par value of one yuan), of which, 1,507,700 shares are restricted outstanding A shares, and 3,165,434,092 shares are unrestricted outstanding A shares. The Company's shares were listed on the Shenzhen Stock Exchange on March 30, 2000.

The Company belongs to the ecological protection and environmental management industry. The main business activities include R&D, sales, maintenance and operation services of environmental protection equipment, sanitation operation services, operation services of environmental treatment facilities, environmental engineering, environmental protection engineering, urban engineering, sale of ventilators, air-cooling, water-cooling and air-conditioning equipment, etc. Its revenue is mainly from sales of environmental protection machinery, ventilation equipment, and sanitation operation services.

The financial statements were approved and authorized for issue by the tenth meeting of the tenth session of the Board of Directors dated April 24, 2025.

#### II. Preparation Basis of the Financial Statements

##### (I) Preparation basis

The financial statements have been prepared on the basis of going concern.

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

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the balance sheet date.

### III. Significant Accounting Policies and Estimates

Important note: The Company has set up accounting policies and estimates on transactions or events such as impairment of financial instruments, inventories, depreciation of fixed assets, construction in progress, intangible assets, revenue recognition, etc., based on the Company's actual production and operation features.

#### (I) Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, financial performance and cash flows of the Company.

#### (II) Accounting period

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

#### (III) Operating cycle

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

#### (IV) Functional currency

The functional currency of the Company and its domestic subsidiaries is Renminbi (RMB) Yuan, while the functional currency of subsidiaries engaged in overseas operations is the currency of the primary economic environment in which they operate.

#### (V) Determination method and basis for selection of materiality

The Company prepares and discloses financial statements in compliance with the principle of materiality. The items disclosed in notes to the financial statements involving materiality judgements, determination method and basis for selection of materiality are as follows:

Disclosed items involving materiality judgements	Determination method and basis for selection of materiality
Significant accounts receivable with provision for bad debts made on an individual basis	With individual balance exceeding 0.3% of total assets
Significant accounts receivable written off	With individual balance exceeding 0.3% of total assets
Significant advances paid with age over one year	With individual balance exceeding 0.3% of total assets
Significant other receivables with provision for bad debts made on an individual basis	With individual balance exceeding 0.3% of total assets
Significant other receivables written off	With individual balance exceeding 0.3% of total assets
Significant contract assets with provision for impairment made on an individual basis	With individual balance exceeding 0.3% of total assets
Significant construction in progress	With individual balance exceeding 0.3% of total assets



Disclosed items involving materiality judgements	Determination method and basis for selection of materiality
Significant accounts payable with age over one year	With individual balance exceeding 0.3% of total assets
Significant contract liabilities with age over one year	With individual balance exceeding 0.3% of total assets
Significant other payables with age over one year	With individual balance exceeding 0.3% of total assets
Significant cash flows from investing activities	With individual balance exceeding 10% of total assets
Significant capitalized R&D projects and outsourced R&D projects	With individual balance exceeding 0.3% of total assets
Significant subsidiaries, not wholly-owned subsidiaries	With total assets exceeding 15% of the group's total assets
Significant joint ventures and associates	With individual balance exceeding 0.5% of total assets

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

1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

(VII) Judgement criteria for control and compilation method of consolidated financial statements

1. Judgement of control

An investor controls an investee if and only if the investor has all the following: (1) power over the investee; (2) exposure, or rights, to variable returns from its involvement with the investee; and (3) the ability to use its power over the investee to affect the amount of the investor's returns.

## 2. Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to “CASBE 33 – Consolidated Financial Statements”, based on relevant information and the financial statements of the parent company and its subsidiaries.

### (VIII) Classification of joint arrangements and accounting treatment of joint operations

1. Joint arrangements include joint operations and joint ventures.

2. When the Company is a joint operator of a joint operation, it recognizes the following items in relation to its interest in a joint operation:

- (1) its assets, including its share of any assets held jointly;
- (2) its liabilities, including its share of any liabilities incurred jointly;
- (3) its revenue from the sale of its share of the output arising from the joint operation;
- (4) its share of the revenue from the sale of the assets by the joint operation; and
- (5) its expenses, including its share of any expenses incurred jointly.

### (IX) Recognition criteria of cash and cash equivalents

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

### (X) Foreign currency translation

1. Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB yuan at the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are translated at the spot exchange rate at the transaction date, with the RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot exchange rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot exchange rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

### (XI) Financial instruments

1. Classification of financial assets and financial liabilities

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

Financial liabilities are classified into the following four categories when initially recognized: (1) financial

liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

## 2. Recognition criteria, measurement method and derecognition of financial assets and financial liabilities

### (1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, they are measured at the transaction price in accordance with “CASBE 14 – Revenues”.

### (2) Subsequent measurement of financial assets

#### 1) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

#### 2) Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

#### 3) Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

#### 4) Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

### (3) Subsequent measurement of financial liabilities

#### 1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including

derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

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

The Company measures its financial liabilities in accordance with “CASBE 23 – Transfer of Financial Assets”.

3) Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with “CASBE 14 – Revenues”.

4) Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire; or

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with “CASBE 23 – Transfer of Financial Assets”.

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items is included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions for derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items is included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

#### 4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and information are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, financial forecast developed using the Company's own data, etc.

#### 5. Impairment of financial instruments

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, contract assets, leases receivable, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash

shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For leases receivable, and accounts receivable and contract assets resulting from transactions regulated in “CASBE 14 – Revenues”, the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

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

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability.

#### (XII) Recognition criteria and accrual method for expected credit losses of receivables and contract assets

##### 1. Receivables and contract assets with expected credit losses measured on a collective basis using similar

## credit risk features

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable – Portfolio grouped with balances due from related parties within the consolidation scope	Balances due from related parties within the consolidation scope	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Accounts receivable – Portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and lifetime expected credit loss rate of accounts receivable, so as to calculate expected credit loss.
Other receivables – Portfolio grouped with balances due from related parties within the consolidation scope	Balances due from related parties within the consolidation scope	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with buyer's credit	Nature of receivables	
Other receivables – Portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of other receivables, so as to calculate expected credit loss.
Long-term receivables – Portfolio grouped with finance lease payment/ Long-term receivables – Portfolio grouped with receivables financing factoring payment /Accounts receivable – Portfolio grouped with commercial factoring payment	Nature of receivables	Expected credit loss rates are calculated based on five-level classification of credit assets of non-bank financial institutions: 1.5% for pass category, 3% for special-mention category, 30% for substandard category, 60% for doubtful category, and 100% for loss category
Long-term receivables – Portfolio	Nature of receivables	For long-term receivables within the credit

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
grouped with ages		period that has not reached the contractual payment deadline, provision for bad debts is accrued at 5% of the balance. For long-term receivables that have exceeded the contractual payment deadline and have not yet been paid, provision for bad debts is accrued based on the age of the balance.
Contract assets – Portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and lifetime expected credit loss rate of contract assets, so as to calculate expected credit loss.

## 2. Comparison table of ages and expected credit loss rate of portfolio grouped with ages

Ages	Expected credit loss rate of accounts receivable of parent company (%)	Expected credit loss rate of accounts receivable of ventilation equipment manufacturing industry and environmental integrated industry (%)	Expected credit loss rate of other receivables of parent company (%)	Expected credit loss rate of other receivables of ventilation equipment manufacturing industry and environmental integrated industry (%)
1-180 days (inclusive, the same hereinafter)	0	5	0	5
180 days - 1 year	2	5	2	5
1-2 years	10	10	10	10
2-3 years	30	30	30	30
3-5 years	50	50	50	50
Over 5 years	80	100	80	100

Ages of accounts receivable, other receivables and long-term receivables are calculated from the month when such receivables are accrued.

## 3. Recognition criteria for receivables and contract assets with expected credit losses measured on an individual basis

For receivables and contract assets whose credit risk is significantly different from that of portfolios, the Company accrues expected credit losses on an individual basis.

### (XIII) Inventories

#### 1. Classification of inventories

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



## 2. Accounting method for dispatched inventories

Inventories dispatched from storage are accounted for with weighted average method.

## 3. Inventory system

Perpetual inventory method is adopted.

## 4. Amortization method of low-value consumables and packages

### (1) Low-value consumables

Low-value consumables are amortized with one-off method.

### (2) Packages

Packages are amortized with one-off method.

## 5. Provision for inventory write-down

Recognition criteria and accrual method of provision for inventory write-down

At the balance sheet date, inventories are measured at the lower of cost and net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of inventories to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value are determined separately and are compared with their costs to set the provision for inventory write-down to be made or reversed.

## (XIV) Non-current assets or disposal groups held for sale, discontinued operations

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

Non-current assets or disposal groups are accounted for as held for sale when the following conditions are all met: (1) the asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets or disposal groups; (2) its sales must be highly probable, i.e., the Company has made a decision on the sale plan and has obtained a firm purchase commitment, and the sale is expected to be completed within one year.

When the Company acquires a non-current asset or disposal group with a view to resale, it shall classify the non-current asset or disposal group as held for sale at the acquisition date only if the requirement of “expected to be completed within one year” is met at that date and it is highly probable that other criteria for held for sale will be met within a short period (usually within three months).

An asset or a disposal group is still accounted for as held for sale when the Company remains committed to its plan to sell the asset or disposal group in the circumstance that non-related party transactions fail to be completed within one year due to one of the following reasons: (1) a buyer or others unexpectedly set conditions that will extend the sale period, while the Company has taken timely actions to respond to the conditions and expects a favorable resolution of the delaying factors within one year since the setting; (2) a non-current asset or disposal group classified as held for sale fails to be sold within one year due to rare cases, and the Company has taken action necessary to respond to the circumstances during the initial one-year period and the criteria for held for sale are met.

### 2. Accounting treatments of non-current assets or disposal groups held for sale

### (1) Initial measurement and subsequent measurement

For initial measurement and subsequent measurement as at the balance sheet date of a non-current asset or disposal group held for sale, where the carrying amount is higher than the fair value less costs to sell, the carrying amount is written down to the fair value less costs to sell, and the write-down is recognized in profit or loss as assets impairment loss, meanwhile, provision for impairment of assets held for sale shall be made.

For a non-current asset or disposal group classified as held for sale at the acquisition date, the asset or disposal group is measured on initial recognition at the lower of its initial measurement amount had it not been so classified and fair value less costs to sell. Apart from the non-current asset or disposal group acquired through business combination, the difference arising from the initial recognition of a non-current asset or disposal group at the fair value less costs to sell shall be included into profit or loss.

The assets impairment loss recognized for a disposal group held for sale shall reduce the carrying amount of goodwill in the disposal group first, and then reduce its carrying amount based on the proportion of each non-current asset's carrying amount in the disposal group.

No provision for depreciation or amortization shall be made on non-current assets held for sale or non-current assets in disposal groups held for sale, while interest and other expenses attributable to the liabilities of a disposal group held for sale shall continue to be recognized.

### (2) Reversal of assets impairment loss

When there is a subsequent increase in fair value less costs to sell of a non-current asset held for sale at the balance sheet date, the write-down shall be recovered, and shall be reversed not in excess of the impairment loss that has been recognized after the non-current asset was classified as held for sale. The reversal shall be included into profit or loss. Assets impairment loss that has been recognized before the classification is not reversed.

When there is a subsequent increase in fair value less costs to sell of a disposal group held for sale at the balance sheet date, the write-down shall be recovered, and shall be reversed not in excess of the non-current assets impairment loss that has been recognized after the disposal group was classified as held for sale. The reversal shall be included into profit or loss. The reduced carrying amount of goodwill and non-current assets impairment loss that has been recognized before the classification is not reversed.

For the subsequent reversal of the impairment loss that has been recognized in a disposal group held for sale, the carrying amount is increased based on the proportion of carrying amount of each non-current asset (excluding goodwill) in the disposal group.

### (3) Non-current asset or disposal group that is no longer classified as held for sale and derecognized

A non-current asset or disposal group that does not meet criteria for held for sale and no longer classified as held for sale, or a non-current asset that removed from a disposal group held for sale shall be measured at the lower of: 1) its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortization or impairment that would have been recognized had it not been classified as held for sale; and 2) its recoverable amount.

When a non-current asset or disposal group classified as held for sale is derecognized, unrecognized gains or losses shall be included into profit or loss.

### 3. Recognition criteria of discontinued operations

A component of the Company that has been disposed of, or is classified as held for sale and can be clearly

distinguished is recognized as a discontinued operation when it fulfills any of the following conditions:

- (1) it represents a separate major line of business or a separate geographical area of operations;
- (2) it is part of a related plan to dispose of a separate major line of business or a separate geographical area of operations; or
- (3) it is a subsidiary acquired exclusively with a review to resale.

#### 4. Presentation method of discontinued operations

The Company presents gains or losses from continuing operations and gains or losses from discontinued operations separately in the income statement. Operating gains or losses including impairment loss of discontinued operations and its reversal amount, and gains or losses on disposal are presented as gains or losses from discontinued operations. For discontinued operations presented in the current period, the information previously presented as gains or losses from continuing operations is reclassified as gains or losses from discontinued operations for the comparative period in the current financial statements. For discontinued operations that no longer meet criteria for held for sale, the information previously presented as gains or losses from discontinued operations is reclassified as gains or losses from continuing operations for the comparative period in the current financial statements.

#### (XV) Long-term equity investments

##### 1. Judgment of joint control and significant influence

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

##### 2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at the

acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

2) In the case of consolidated financial statements, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, the carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer's previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”.

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

For a long-term equity investment with control relationship, it is accounted for with cost method; for a long-term equity investment with joint control or significant influence relationship, it is accounted for with equity method.

### 4. Disposal of a subsidiary in stages resulting in the Company's loss of control

#### (1) Judgement principles of “bundled transaction”

For disposal of a subsidiary in stages resulting in the Company's loss of control, the Company determines whether it is a “bundled transaction” based on the agreement terms for each stage, disposal consideration obtained separately, object of the equity sold, disposal method, disposal time point, etc. If the terms, conditions and economic effect of each transaction meet one or more of the following conditions, these transactions are usually considered as a “bundled transaction”:

- 1) these transactions are entered into at the same time or in contemplation of each other;
- 2) these transactions form a single transaction designed to achieve an overall commercial effect;
- 3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; and
- 4) one transaction considered on its own is not economically justified, but it is economically justified when considered together with other transactions.

#### (2) Accounting treatments of non-bundled transactions

##### 1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is

recognized in profit or loss. If the disposal does not result in the Company's loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company's loss of control, joint control, or significant influence, the remained equity is accounted for according to "CASBE 22 – Financial Instruments: Recognition and Measurement".

## 2) Consolidated financial statements

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

## (3) Accounting treatment of bundled transaction

### 1) Stand-alone financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the carrying amount of long-term equity investments corresponding to the disposed investments is recognized as other comprehensive income at the stand-alone financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

### 2) Consolidated financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

## (XVI) Investment property

1. Investment property includes land use right of leased-out property and of property held for capital appreciation and buildings that have been leased out.

2. The initial measurement of investment property is based on its cost, and subsequent measurement is made using the cost model, the depreciation or amortization method is the same as that of fixed assets and intangible assets.

## (XVII) Fixed assets

### 1. Recognition principles of fixed assets

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets

are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

## 2. Depreciation method of different categories of fixed assets

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	3-50	3.00-5.00	1.90-32.33
General equipment	Straight-line method	3-5	3.00-5.00	19.00-32.33
Special equipment	Straight-line method	2-15	0.00-5.00	6.33-50.00
Transport facilities	Straight-line method	3-15	3.00-5.00	6.33-32.33
Other equipment	Straight-line method	3-10	5.00	9.50-31.67

## (XVIII) Construction in progress

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

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

Categories	Standards and time point of transferring construction in progress to fixed assets
Machinery	When the design requirements or acceptance criteria for use as specified in the contract are met after installation and commissioning
Engineering construction	When the completion acceptance is finished and reaching the designed usable conditions

## (XIX) Borrowing costs

### 1. Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

### 2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless the following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 3) the acquisition and

construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

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

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the excess of the accumulative capital disbursements over the special borrowings by the capitalization rate of the general borrowing used.

### (XX) Intangible assets

1. Intangible assets include land use right, franchise, patented technology, software, etc. The initial measurement of intangible assets is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Useful life and determination basis	Amortization method
Land use right	35-50 years; useful life registered on the land use certificate	Straight-line method
Franchise	Contractual term	Straight-line method
Patented technology	5-10 years; economic life cycle	Straight-line method
Software	3-10 years; estimated economic life	Straight-line method

### 3. Permitted scope of R&D costs

#### (1) Personnel costs

Personnel costs include wages and salaries, basic endowment insurance premiums, basic medical insurance premiums, unemployment insurance premiums, occupational injuries premiums, maternity premiums and housing provident funds for the Company's R&D personnel, as well as labor costs for external R&D personnel.

If R&D personnel serve for multiple R&D projects at the same time, personnel costs are recognized based on their working hour records provided by the Company's administrative department, and proportionately allocated among different R&D projects.

If personnel directly engaged in R&D activities and external R&D personnel are engaged in non-R&D activities at the same time, the Company, based on their working hour records at different positions, allocates personnel costs actually incurred between R&D expenses and production and operating expenses using reasonable methods such as the ratio of actual working hours.

#### (2) Direct input costs

Direct input costs refer to relevant expenses actually incurred by the Company for R&D activities, which include: 1) materials, fuel and power costs directly consumed by R&D activities; 2) development and manufacturing costs of molds and craft equipment used for intermediate tests and trial production, acquisition costs of samples, prototypes and general testing methods that do not constitute fixed assets, and inspection costs of trial production; and 3) operation and maintenance, adjustment, inspection, testing and repairing costs of instruments and equipment used for R&D activities.

#### (3) Depreciation and long-term prepayments

Depreciation refers to the depreciation of instruments, equipment and in-use buildings used for R&D activities.

For instruments, equipment and in-use buildings both used for R&D activities and non-R&D activities, necessary records shall be kept on their usage, and depreciation actually incurred is allocated between R&D expenses and production and operating expenses in a reasonable manner based on the actual working hours, the usable area, etc.

Long-term prepayments refer to those incurred during renovation, modification, decoration and repairing of R&D facilities, which are collected based on actual amount and amortized evenly over a specified period.

#### (4) Amortization of intangible assets

Amortization of intangible assets refer to the amortization of software, intellectual property, and non-patented technology (proprietary technology, licenses, design and calculation methods, etc.) used for R&D activities.

#### (5) Design expenses

Design expenses refer to expenses incurred for the conception, development and manufacturing of new products and techniques, design of processes, technical specifications, process specification formulation, operational characteristics, etc., including expenses incurred for creative design activities to obtain innovative, creative and breakthrough products.

#### (6) Equipment commissioning and testing expenses

Equipment commissioning expenses refer to expenses incurred for R&D activities during tooling preparation, including expenses incurred for activities such as development of special and specialized production machines, changes in production and quality control procedures, development of new methods and standards, etc.

Expenses incurred for routine tooling preparation and industrial engineering for the purpose of large-scale/mass and commercial production are not included in the permitted scope.

Testing expenses include clinical trial fees for new drug development, on-site testing fees for exploration and production technologies, field testing fees, etc.

#### (7) R&D outsourcing expenses

R&D outsourcing expenses refer to expenses incurred for R&D activities outsourced to other domestic or foreign organizations or individuals (outcomes of R&D activities are owned by the Company and closely related to



the Company's main business operations).

#### (8) Other expenses

Other expenses refer to expenses other than those mentioned above that are directly related to R&D activities, including technical books and materials fees, data translation fees, expert consultation fees, high-tech R&D insurance premiums, R&D outcomes search, demonstration, evaluation, appraisal and acceptance fees, intellectual property application, registration and agency fees, conference fees, business travelling fees, communication fees, etc.

4. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

5. Criteria for distinguishing the research phase from the development phase of an internal project to create an intangible asset:

The planned investigation phase for acquiring new technology and knowledge should be defined as the research phase, which has the characteristics of planning and exploratory nature; before commercial production or use, when the research results or other knowledge are applied to a certain plan or design with the intention to produce new or substantially improved materials, devices, products, etc., such stage should be determined as the development phase, which has the characteristics of pertinence and greater possibility of forming results. The Company divides the research and development phases by forming the prototype drawing and starting the prototype trial production. Expenditures in the research phase of internal research and development projects are included in profit or loss when they incur. When the Company enters the development phase, project expenditures are first calculated by projects under “development expenditure”, and if the capitalization conditions are met, they are presented as development expenditures in the financial statements. The project will be transferred to intangible assets when the project has the conditions for sale or mass production.

#### (XXI) Impairment of part of long-term assets

For long-term assets such as long-term equity investments, investment property at cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is to be estimated. For goodwill recognized in business combination and intangible assets with indefinite useful lives, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as provision for assets impairment through profit or loss.

## (XXII) Long-term prepayments

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

## (XXIII) Employee benefits

1. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

## 2. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

## 3. Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

## 4. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: (1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a

curtailment proposal; or (2) when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

#### 5. Other long-term employee benefits

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: (1) service cost; (2) net interest on the net liability or net assets of other long-term employee benefits; and (3) changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

#### (XXIV) Provisions

1. Provisions are recognized when fulfilling the present obligations arising from contingencies such as providing guarantee for other parties, litigation, products quality guarantee, onerous contract, etc., may cause the outflow of the economic benefit and such obligations can be reliably measured.

2. The initial measurement of provisions is based on the best estimated expenditures required in fulfilling the present obligations, and its carrying amount is reviewed at the balance sheet date.

#### (XXV) Share-based payment

##### 1. Types of share-based payment

Share-based payment consists of equity-settled share-based payment and cash-settled share-based payment.

##### 2. Accounting treatment for settlements, modifications and cancellations of share-based payment plans

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

For equity-settled share-based payment transaction with employees, if the equity instruments granted vest immediately, the fair value of those equity instruments is measured at grant date and recognized as transaction cost or expense, with a corresponding adjustment in capital reserve; if the equity instruments granted do not vest until the counterparty completes a specified period of service or fulfills certain performance conditions, at the balance sheet date within the vesting period, the fair value of those equity instruments measured at grant date based on the best estimate of the number of equity instruments expected to vest is recognized as transaction cost or expense, with a corresponding adjustment in capital reserve.

For equity-settled share-based payment transaction with parties other than employees, if the fair value of the services received can be measured reliably, the fair value is measured at the date the Company receives the service; if the fair value of the services received cannot be measured reliably, but that of equity instruments can be measured reliably, the fair value of the equity instruments granted measured at the date the Company receives the service is referred to, and recognized as transaction cost or expense, with a corresponding increase in equity.

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

For cash-settled share-based payment transactions with employees, if share appreciation rights vest immediately, the fair value of the liability incurred as the acquisition of services is measured at grant date and recognized as transaction cost or expense, with a corresponding increase in liabilities; if share appreciation rights

do not vest until the employees have completed a specified period of service or fulfills certain performance conditions, the liability is measured, at each balance sheet date until settled, at the fair value of the share appreciation rights measured at grant date based on the best estimate of the number of share appreciation right expected to vest.

### (3) Modifications and cancellations of share-based payment plan

If the modification increases the fair value of the equity instruments granted, the Company includes the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted; similarly, if the modification increases the number of equity instruments granted, the Company includes the fair value of the additional equity instruments granted, in the measurement of the amount recognized for services received as consideration for the equity instruments granted; if the Company modifies the vesting conditions in a manner that is beneficial to the employee, the Company takes the modified vesting conditions into account.

If the modification reduces the fair value of the equity instruments granted, the Company does not take into account that decrease in fair value and continue to measure the amount recognized for services received as consideration for the equity instruments based on the grant date fair value of the equity instruments granted; if the modification reduces the number of equity instruments granted to an employee, that reduction is accounted for as a cancellation of that portion of the grant; if the Company modifies the vesting conditions in a manner that is not beneficial to the employee, the Company does not take the modified vesting conditions into account.

If the Company cancels or settles a grant of equity instruments during the vesting period (other than that cancelled when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

### (XXVI) Other financial instruments such as preferred shares and perpetual bonds

Pursuant to CASBEs on financial instruments and “Regulations on Accounting Treatments of Perpetual Bonds” (Cai Kuai [2019] No. 2) issued by the Ministry of Finance, for financial instruments such as convertible bonds etc., the Company classifies a financial instrument or its components at initial recognition as a financial asset or liability or equity instrument, based on contract terms and economic essence it reveals instead of its legal form, combining with the definitions of financial asset, liability and equity instrument.

At the balance sheet date, for a financial instrument classified as an equity instrument, its interest expenditure or dividend distribution is treated as profit distribution, and share repurchase and cancelation are treated as changes in equity; for a financial instrument classified as a financial liability, its interest expenditure or dividend distribution is treated as borrowing expense, and gain or loss on repurchase or redemption is included in profit or loss.

### (XXVII) Revenue

#### 1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes

the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payments for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

## 2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

## 3. Revenue recognition method

The Company mainly sells environmental and sanitation machinery, ventilation equipment, etc., and engages in sanitation operation service.

(1) Sale of environmental and sanitation machinery is a performance obligation satisfied at a point in time, and revenue is recognized when the products have been delivered and accepted, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

(2) Sale of ventilation equipment is a performance obligation satisfied at a point in time. Revenue from domestic sales of products that do not require installation is recognized when the Company has delivered goods to the designated address as agreed by contract and such delivered goods have been verified for acceptance by customers, and the Company has obtained delivery receipts, and has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company. For products that need to be installed, revenue is recognized when the products are delivered and qualified for installation, commissioning and acceptance. Revenue from overseas sales is recognized when the Company has declared goods to the customs based on contractual agreements and has obtained a bill of lading, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

(3) Comprehensive environmental and sanitation management engineering is a performance obligation satisfied over time. Revenue is recognized based on the performance progress according to the project progress confirmed by the supervisor.

(4) Sanitation operation service is a performance obligation satisfied over time. Revenue is recognized based on the service assessment statement confirmed by the labor receiving party, etc.

(5) For revenue recognition method of PPP business with BOT model, etc., please refer to section III (XXXV) 1 of notes to the financial statements for details.

#### (XXVIII) Costs to obtain a contract and costs to fulfill a contract

The Company recognizes as an asset the incremental costs of obtaining a contract if those costs are expected to be recovered. The costs of obtaining a contract shall be included into profit or loss when incurred if the amortization period of the asset 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 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 resources of the Company that will be used in satisfying performance obligations in the future; and
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, with amortization included into profit or loss.

The Company shall make provision for impairment and recognize an impairment loss to the extent that the carrying amount of an asset related to 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. The Company shall recognize a reversal of an impairment loss previously recognized in profit or loss when the impairment conditions no longer exist or have improved. The carrying amount of the asset after the reversal shall not exceed the amount that would have been determined on the reversal date if no provision for impairment had been made previously.

#### (XXIX) Contract assets, contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

#### (XXX) Government grants

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

##### 2. Government grants related to assets

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

##### 3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or

losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

#### (XXXI) Deferred tax assets and deferred tax liabilities

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

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

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

5. Deferred tax assets and deferred tax liabilities shall offset each other and be presented on a net basis when the following conditions are all met: (1) the Company has the legal right to settle off current tax assets against current tax liabilities; (2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on either: 1) the same taxable entity; or 2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### (XXXII) Leases

##### 1. The Company as the lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes a lease as a lease of a low-value asset if the underlying asset is of low value when it is new. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

For all short-term leases and leases of low-value assets, lease payments are recognized as cost or profit or loss with straight-line method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement date.



### (1) Right-of-use assets

The right-of-use asset is measured at cost and the cost shall comprise: 1) the amount of the initial measurement of the lease liabilities; 2) any lease payments made at or before the commencement date, less any lease incentives received; 3) any initial direct costs incurred by the lessee; and 4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Company depreciates the right-of-use asset using the straight-line method. If it is reasonable to be certain that the ownership of the underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### (2) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date, if there is a change in the following items: 1) actual fixed payments; 2) amounts expected to be payable under residual value guarantees; 3) an index or a rate used to determine lease payments; 4) assessment result or exercise of purchase option, extension option or termination option, the Company remeasures the lease liability based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liability, the remaining amount shall be recognized into profit or loss.

## 2. The Company as the lessor

At the commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is classified as an operating lease.

### (1) Operating lease

Lease receipts are recognized as lease income with straight-line method over the lease term. Initial direct costs incurred shall be capitalized, amortized on the same basis as the recognition of lease income, and included into profit or loss by installments. Variable lease payments related to operating lease which are not included in the lease payment are charged as profit or loss in the periods in which they are incurred.

### (2) Finance lease

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. The Company calculates and recognizes interest income using the interest rate implicit

in the lease over the lease term.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

### 3. Sale and leaseback

#### (1) The Company as the lessee

In accordance with the “CASBE 14 – Revenues”, the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company measures the right-of-use asset arising from the leaseback at the proportion of the original carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

Otherwise, the Company continues the recognition of the transferred assets, and recognizes a financial liability equal to the amount of transfer income in accordance with the “CASBE 22 – Financial Instruments: Recognition and Measurement” at the same time.

#### (2) The Company as the lessor

In accordance with the “CASBE 14 – Revenues”, the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company accounts for the purchase of assets in accordance with other applicable standards, and accounts for the lease of assets in accordance with the “CASBE 21 – Leases”.

Otherwise, the Company does not recognize the transferred asset, but recognizes a financial asset equal to the amount of transfer income in accordance with the “CASBE 22 – Financial Instruments: Recognition and Measurement”.

#### (XXXIII) Work safety fund

The Company appropriates work safety fund in accordance with the “Circular on Management Measures on the Appropriation and Use of Work Safety Fund” (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Management. Standard work safety fund is included in the cost or profit or loss, meanwhile accounted for under “special reserve”. When work safety fund is used as an expense, it is to offset special reserve directly. When work safety fund is qualified to be included in the cost of fixed assets, it is accounted for under “construction in progress” and transferred to fixed assets when related safety projects reach the designed useful conditions; meanwhile, the cost included in fixed assets is to offset “special reserve”, and accumulated depreciation shall be recognized at the same amount. Such fixed assets shall not be depreciated in future periods.

#### (XXXIV) Segment reporting

Operating segments are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the segment and to assess its performance; and

3. for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

(XXXV) Other significant accounting policies and estimates

1. PPP business

The Company adopts the build-operate-transfer approach (PPP projects, mainly using BOT, TOT, etc.) to participate in the public infrastructure business. The project company obtains the franchise of public infrastructure projects from government departments and participates in the construction and operation of the project. After the franchise expires, the project company needs to hand over relevant infrastructure to the government or the department designated by the government.

For the PPP project contract under which the Company provides multiple services (such as the rendering of construction services of PPP projects as well as post-completion operation services and maintenance services), the Company identifies each performance obligation in the contracts in accordance with the provisions of “CASBE 14 – Revenues”, and allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling prices. If the stand-alone selling price cannot be directly observed, or if there is a lack of similar market prices, the Company will take into account market conditions, specific factors of the Company and information related to customers and other relevant information, and make a reasonable estimate of the stand-alone selling price using methods such as market adjustment method, cost-plus method, residual value method, etc. Construction services are performance obligations satisfied over time. Revenue from construction services is recognized by the percentage of completion of the performance obligations, which is determined based on the proportion of the incurred costs to the estimated total costs. In the circumstance that the percentage of completion cannot be measured reasonably, but the incurred costs are expected to be recovered, the Company recognizes revenue only to the extent of the incurred costs until it can reasonably measure the percentage of completion.

The Company has the right to charge users of public goods and services during the operation of the project in accordance with the PPP project contracts. However, if the amount of the fees is uncertain, such right does not constitute an unconditional right to receive cash, and the consideration or construction revenue of the relevant PPP project assets is recognized as intangible assets when the PPP project assets reach the designed useful conditions, which shall be accounted for in accordance with “CASBE 6 – Intangible Assets”.

If the Company is qualified to have the right to receive a determinable amount of cash (or other financial assets) during the operation of the project in accordance with the PPP project contracts, such amount is recognized as accounts receivable when the Company has the right to such consideration (the right depends only on the factor of the passage of time) and is accounted for in accordance with “CASBE 22 – Financial Instruments: Recognition and Measurement”. The Company recognizes the difference between the consideration or construction revenue of the relevant PPP project assets and the determinable amount of cash (or other financial assets) as intangible assets when the PPP project assets reach the designed useful conditions.

For the portion of the consideration or construction revenue recognized as intangible assets, the contract assets recognized during the relevant construction period are presented under “intangible assets” in the balance sheet; for other contract assets recognized during the construction period, they are presented under “contract assets”, or “other non-current assets” in the balance sheet if they are expected to be realized within twelve months of the balance sheet

date.

After the PPP project assets reach the designed useful conditions, the Company recognizes revenue related to operating services in accordance with “CASBE 14 – Revenues”.

## 2. Accounting treatment related to share repurchase

When the Company repurchases its shares for the purpose of reducing its registered capital or rewarding its employees, if the purchased shares are to be kept as treasury shares, the treasury shares are recorded at the cash distributed to existing shareholders for repurchase; if the purchased shares are to be retired, the difference between the total book value of shares retired and the cash distributed to existing shareholders for repurchase is to reduce capital reserve, or retained earnings when the capital reserve is not enough to reduce. If the Company repurchases vested equity instruments in equity-settled share-based payment transactions with employees, cost of treasury shares granted to employees and capital reserve (other capital reserve) accumulated within the vesting period are to be written off on the payment made to employees, with a corresponding adjustment in capital reserve (share premium).

### (XXXVI) Significant changes in accounting policies

#### Changes in accounting policies arising from changes in CASBEs

1. The Company has adopted the regulations about classification of liabilities as current or non-current in the “Interpretation of China Accounting Standards for Business Enterprises No. 17” issued by the Ministry of Finance since January 1, 2024. Such change in accounting policies has no impact on the Company's financial statements.

2. The Company has adopted the regulations about disclosure of supplier finance arrangements in the “Interpretation of China Accounting Standards for Business Enterprises No. 17” issued by the Ministry of Finance since January 1, 2024.

3. The Company has adopted the regulations about accounting treatment of sale and leaseback transactions in the “Interpretation of China Accounting Standards for Business Enterprises No. 17” issued by the Ministry of Finance since January 1, 2024. Such change in accounting policies has no impact on the Company's financial statements.

4. The Company has adopted the regulations about accounting treatment of the assurance-type warranty not considered a separate performance obligation in the “Interpretation of China Accounting Standards for Business Enterprises No. 18” issued by the Ministry of Finance since January 1, 2024, and makes retrospective adjustments on the comparative information as follows:

Financial statement items significantly affected	Amounts affected	Remarks
Items of income statement of 2023		
Operating cost	9,468,198.50	
Selling expenses	-9,468,198.50	

## IV. Taxes

### (I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	3%, 6%, 9%, 13%. Exported goods are subject to “exemption, credit, refund” policies, with refund rate of 13%.
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% [Note 1] of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of lease income	1.2%, 12%
Urban maintenance and construction tax	Turnover tax actually paid	7%, 5%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%, 1%
Enterprise income tax	Taxable income	15%, 20%, 25% [Note 2]

Note 1: For Changsha Zoomlion Environmental Industry Co., Ltd. (the “Zoomlion Environmental Company”) and some of its subsidiaries, housing property tax is levied on the basis of price and calculated at the rate of 1.2% of the balance after deducting 20% of the cost.

Note 2: The overseas subsidiaries are subject to local tax regulations of the places where they operate.

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
Guangdong Infore Technology Co., Ltd. (the “Infore Technology Company”)	15%
Guangdong Infore Intelligent Sanitation Technology Co., Ltd.	15%
Zoomlion Environmental Company	15%
Zhejiang Shangfeng Special Blower Industrial Co., Ltd. (the “Shangfeng Industrial Company”)	15%
Fengyun IoT Technology Co., Ltd.	15%
Huaian Chenjie Environmental Engineering Co., Ltd.	15%
Zhejiang Yolsh Electric Drive Technology Co., Ltd. (the “Yolsh Company”)	15%
Xiantao Green Oriental Environmental Power Generation Co., Ltd. (the “Xiantao Company”)	15%
Lianjiang Green Oriental New Energy Co., Ltd. (the “Lianjiang Company”)	15%
Taxpayers other than the above-mentioned	25%, 20% for small enterprises with meager profit

## (II) Tax preferential policies

### 1. Enterprise income tax

No.	Entities	Preferential policies
1	Zoomlion Environmental Company, Fengyun IoT Technology Co., Ltd., Huaian Chenjie Environmental Engineering Co., Ltd., Yolsh Company, Xiantao Company	Pursuant to the preferential income tax policy for high-tech enterprises, enterprise income tax rate is reduced to 15% from 2023 to 2025.
2	Shangfeng Industrial Company, Infore Technology Company, Guangdong Infore Intelligent Sanitation Technology Co., Ltd., Lianjiang Company	Pursuant to the preferential income tax policy for high-tech enterprises, enterprise income tax rate is reduced to 15% from 2022 to 2024.
3	Subsidiaries including Guangdong Infore Low Carbon Recycling Technology Co., Ltd., Zhanjiang Xiashan Yingde Recycling Resources Co., Ltd., Hubei Fenghe New Materials Co., Ltd., etc.	Revenue from the production of non-restricted and non-prohibited products that meet the relevant national and industry standards using resources specified in the “Resources Comprehensive Utilization of Enterprise Income Tax Preferential Catalog (2021 Edition)” as the main

No.	Entities	Preferential policies
		raw material will be reduced to 90% as taxable income for enterprise income tax in the current period.
4	Subsidiaries including Shenzhen Infore City Service Intelligent Technology Co., Ltd., Foshan Liansheng Environmental Sanitation Service Co., Ltd., Dingnan Zoomlion Environmental Industry Co., Ltd., etc.	Pursuant to the “Announcement of Ministry of Finance (MOF) and State Taxation Administration (STA) on the Further Implementation of the Enterprise Income Tax Preferential Policies for Small Enterprises with Meager Profit and Individually-owned Businesses” (Announcement of MOF and STA [2022] No. 13), “Announcement of MOF and STA on the Enterprises Income Tax Preferential Policies for Small Enterprises with Meager Profit and Individually-owned Businesses” (Announcement of MOF and STA [2023] No. 6), and the “Announcement of MOF and STA on Further Implementation of the Enterprises Income Tax Preferential Policies for Small Enterprises with Meager Profit and Individually-Owned Businesses” (Announcement [2023] No. 12), from January 1, 2023 to December 31, 2027, the enterprise income tax for the portion of the taxable income within 3 million yuan is levied at 20% based on 25% of that portion of income.
5	Subsidiaries and sub-subsidiaries including Pingdingshan Yinghe Environmental Sanitation Management Co., Ltd., Heyang Yinghe Urban Environmental Service Co., Ltd., Huai'an Yinghe Environmental Technology Co., Ltd., etc.	Pursuant to the “Law of the People's Republic of China on Enterprise Income Tax” and its implementation regulations, the “Notice of MOF, STA and National Development and Reform Commission (NDRC) on Publishing the Catalog of Enterprise Income Tax Preferences for Environmental Protection, Energy Saving, and Water Saving Projects (Trial)” (Cai Shui [2009] No. 166) (the “2009 Catalog”), the project companies are entitled to enjoy the preferential policy of three-year exemption from the first profit-making year, followed by three years of 50% reduction of enterprise income tax. Pursuant to the “Announcement No. 36, 2021 of MOF, STA, NDRC, and Ministry of Ecology and Environment” issued by four departments including the MOF dated December 16, 2021, the entities' business comply with the “2021 Catalog”, and relevant projects can still enjoy the above preferential policy.
6	Ruili Yinglian Environmental Industry Co., Ltd.	Pursuant to the document numbered Guo Ban Han [2012] 103 by the State Council, newly established enterprises that settle in the Ruili Pilot Zone are entitled to enjoy the five-year-exemption and five-year-half-reduction policy for the enterprise income tax shared by the local authority of the region (40% of total enterprise income tax), i.e., they enjoy enterprise income tax exemption from 2021 to 2025, and enjoy a 50% reduction in income from 2026 to 2030, while for the enterprise income tax shared by central government (60%), they enjoy the preferential policy as small enterprises with meager profit.

## 2. VAT

(1) Pursuant to the “Notice of MOF and STA on VAT Policies for Software Products” (Cai Shui [2011] No. 100), general VAT taxpayers who sell software products developed and produced by themselves are subject to VAT refund upon collection for the amount exceeding 3% of their actual VAT burdens. In 2024, the subsidiaries Zoomlion Environmental Company is entitled to enjoy the VAT refund upon collection policy for sale of their self-developed and self-produced software products.

(2) Pursuant to the “Notice of MOF and STA on Extra VAT Deduction Policy for Advanced Manufacturing

Enterprises” (Announcement of MOF and STA [2023] No. 43), from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are eligible to enjoy an extra 5% VAT credit. In 2024, the subsidiaries Zoomlion Environmental Company, Infore Technology Company, Shangfeng Industrial Company and Yolsh Company are entitled to enjoy such preferential policy.

(3) Pursuant to Article 2 of the “Announcement of MOF and STA on Improving VAT Policy for Improving Comprehensive Utilization of Resources” (Announcement of MOF and STA [2021] No. 40), enterprises producing electricity and heat products with fuel from garbage and biogas resources produced by garbage fermentation are entitled to enjoy 100% VAT refund upon collection. Pursuant to Article 5, enterprises rendering garbage treatment and sewage treatment services are entitled to enjoy 70% VAT refund upon collection. The subsidiaries Lianjiang Company, Shouxian Green Oriental New Energy Co., Ltd. (the “Shouxian Company”) and Huaian Chenjie Environmental Engineering Co., Ltd. are entitled to enjoy such preferential policy in the current period.

(4) Pursuant to the “Measures for the Implementation of the Pilot Implementation of VAT Reform for the Transportation Industry and Certain Modern Service Industries” (Cai Shui [2011] No. 111), revenue from technology transfer, technology development, and related technical consulting, and technical service businesses is exempt from VAT. In 2024, the subsidiary Shenzhen Dingzhu Environmental Technology Co., Ltd. meets the condition and is exempt from VAT.

(5) Pursuant to the “Announcement of MOF, STA and Ministry of Veterans Affairs (MVA) on Tax Policies for Further Supporting the Business Startup by and the Employment of Veterans Seeking Independent Employment” (Announcement of MOF, STA and MVA [2023] No. 14), from January 1, 2023 to December 31, 2027, if an enterprise enters into an employment contract with veteran seeking independent employment for a term of one year or more and pays social insurance premiums in accordance with the law, it may enjoy a credit within the standard quota against, in sequential order, VAT, urban maintenance and construction tax, educational surcharge, local education surcharges and enterprise income tax according to the number of persons actually employed for three years from the month when the employment contract is signed and the social premiums are paid. In 2024, the subsidiary Huaian Chenjie Environmental Engineering Co., Ltd. and some subsidiaries of the subsidiary Zoomlion Environmental Company were entitled to enjoy such tax reduction and exemption policy.

(8) Pursuant to the “Announcement of the MOF, SAT, Ministry of Human Resources and Social Security (MHR), Ministry of Agriculture and Rural Affairs (MAR) on Tax Policies for Further Supporting the Business Startup by and the Employment of Key Populations” (Announcement [2023] No. 15), from January 1, 2023 to December 31, 2027, if an enterprise enters into an employment contract with people who have been lifted out of poverty, as well as people who have been registered as unemployed for more than six months at the public employment service agency of MHR with an “Entrepreneurship Certificate” or “Unemployment Registration Certificate” (Indicated “Enterprise Tax Absorption Policy”), for a term of one



year or more and pays social insurance premiums in accordance with the law, it may enjoy a credit within the standard quota against, in sequential order, VAT, urban maintenance and construction tax, educational surcharge, local education surcharges and enterprise income tax according to the number of persons actually employed for three years from the month when the employment contract is signed and the social premiums are paid. In 2024, the subsidiary Zoomlion Environmental Company and its certain subsidiaries were entitled to enjoy such tax reduction and exemption policy.

### 3. Reduction and exemption policy on six local taxes and two rates

Pursuant to the “Announcement of the MOF and SAT on Tax Policies for Further Supporting the Development of Small Enterprises with Meager Profit and Individually-Owned Businesses” (Announcement of MOF and STA [2023] No. 12), from January 1, 2023 to December 31, 2027, for VAT small-scale taxpayers, small enterprises with meager profit and individually-owned businesses, resource tax (excluding water resources tax), urban maintenance and construction tax, housing property tax, urban land use tax, stamp duty (excluding securities transaction stamp duty) cultivated land occupation tax and education surcharge, local education surcharge will be halved. In 2024, some subsidiaries of Zoomlion Environmental Company, and Shenzhen Infore City Service Intelligent Technology Co., Ltd. were eligible to enjoy such tax preferential policy.

## V. Notes to Items of Consolidated Financial Statements

### (I) Notes to items of the consolidated balance sheet

#### 1. Cash and bank balances

##### (1) Details

Items	Closing balance	Opening balance
Cash on hand	165,440.86	310,688.91
Cash in bank	4,998,036,090.59	4,150,666,527.57
Other cash and bank balances	119,793,585.77	260,399,367.30
Total	5,117,995,117.22	4,411,376,583.78
Including: Deposited overseas	36,016,679.21	1,519,215.68

##### (2) Other remarks

1) Closing balance of cash in bank included certificates of deposit of 300,196,944.44 yuan, factoring collections held in custody of 6,357,287.45 yuan, funds frozen due to lawsuits of 1,968,278.41 yuan, frozen security deposits of 261,796.72 yuan and others of 362,768.22 yuan, totaling 309,147,075.24 yuan, which was with use restrictions.

2) Closing balance of other cash and bank balances included deposits for letters of guarantee of 63,861,028.22 yuan, credit deposits of 49,777,904.86 yuan, deposits for notes of 2,134,405.12 yuan, deposits for land reclamation of 1,382,242.32 yuan, deposits for buyer's credit of 863,453.18 yuan, engineering

deposits of 608,777.07 yuan and ETC deposits of 3,000.00 yuan, totaling 118,630,810.77 yuan, which was with use restrictions.

## 2. Notes receivable

### (1) Details

Items	Closing balance	Opening balance
Bank acceptance	1,153,333.58	4,597,270.24
Trade acceptance	1,290,912.03	349,861.59
Total	2,444,245.61	4,947,131.83

### (2) Provision for bad debts

#### 1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	2,887,435.03	100.00	443,189.42	15.35	2,444,245.61
Including: Bank acceptance	1,153,333.58	39.94			1,153,333.58
Trade acceptance	1,734,101.45	60.06	443,189.42	25.56	1,290,912.03
Total	2,887,435.03	100.00	443,189.42	15.35	2,444,245.61

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	5,005,019.28	100.00	57,887.45	1.16	4,947,131.83
Including: Bank acceptance	4,597,270.24	91.85			4,597,270.24
Trade acceptance	407,749.04	8.15	57,887.45	14.20	349,861.59
Total	5,005,019.28	100.00	57,887.45	1.16	4,947,131.83

#### 2) Notes receivable with provision for bad debts made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Bank acceptance portfolio	1,153,333.58		
Trade acceptance portfolio	1,734,101.45	443,189.42	25.56
Subtotal	2,887,435.03	443,189.42	15.35

## (3) Changes in provision for bad debts

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision made on a collective basis	57,887.45	385,301.97				443,189.42
Total	57,887.45	385,301.97				443,189.42

## (4) No pledged notes at the balance sheet date.

## (5) Endorsed or discounted but undue notes at the balance sheet date

Items	Closing balance derecognized	Closing balance not yet derecognized
Trade acceptance		1,734,101.45
Subtotal		1,734,101.45

## (6) Notes receivable transferred to accounts receivable due to non-performance of issuer

Items	Amount written off
Trade acceptance	8,539,412.75
Subtotal	8,539,412.75

## 3. Accounts receivable

## (1) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	5,167,753,317.61	4,798,113,288.74
1-2 years	1,014,928,501.08	930,689,479.95
2-3 years	488,245,197.47	552,003,141.94
3-5 years	403,022,500.69	277,106,854.66
Over 5 years	108,571,288.31	89,167,772.76

Total book balance	7,182,520,805.16	6,647,080,538.05
Less: Provision for bad debts	958,090,587.39	779,411,061.19
Carrying amount	6,224,430,217.77	5,867,669,476.86

## (2) Provision for bad debts

## 1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	205,388,214.20	2.86	175,166,701.01	85.29	30,221,513.19
Receivables with provision made on a collective basis	6,977,132,590.96	97.14	782,923,886.38	11.22	6,194,208,704.58
Total	7,182,520,805.16	100.00	958,090,587.39	13.34	6,224,430,217.77

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	261,607,248.18	3.94	108,069,720.23	41.31	153,537,527.95
Receivables with provision made on a collective basis	6,385,473,289.87	96.06	671,341,340.96	10.51	5,714,131,948.91
Total	6,647,080,538.05	100.00	779,411,061.19	11.73	5,867,669,476.86

## 2) Significant accounts receivable with provision made on an individual basis

Debtors	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion (%)	Basis for provision made
Guangdong Tianshu New Energy Technology Co., Ltd.	189,921,071.39	56,976,321.42	130,800,778.19	104,640,622.55	80.00	Expected credit losses
Subtotal	189,921,071.39	56,976,321.42	130,800,778.19	104,640,622.55	80.00	

## 3) Accounts receivable with provision for bad debts made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with ages	6,944,418,616.96	777,955,998.64	11.20
Portfolio grouped with commercial factoring receivable	32,713,974.00	4,967,887.74	15.19
Subtotal	6,977,132,590.96	782,923,886.38	11.22

## 4) Accounts receivable with provision made on a collective basis using age analysis method

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	5,015,010,397.06	250,750,520.00	5.00
1-2 years	995,337,204.38	99,533,720.44	10.00
2-3 years	457,161,019.70	137,148,305.91	30.00
3-5 years	372,773,087.08	186,386,543.55	50.00
Over 5 years	104,136,908.74	104,136,908.74	100.00
Subtotal	6,944,418,616.96	777,955,998.64	11.20

## 5) Commercial factoring portfolio grouped by five-level classification

Five-level classification	Closing balance			
	Book balance	Unrealized finance income	Provision for bad debts	Provision proportion (%)
Pass	23,938,400.00		359,076.00	1.50
Special-mention	658,844.32		19,765.33	3.00
Substandard	936,638.02		280,991.41	30.00
Doubtful	7,180,091.66		4,308,055.00	60.00
Subtotal	32,713,974.00		4,967,887.74	15.19

## (3) Changes in provision for bad debts

## 1) Details

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision made on an individual basis	108,069,720.23	113,298,440.41	8,712,878.63	21,040,111.57	16,448,469.43	175,166,701.01
Receivables with provision made on a collective basis	671,341,340.96	133,913,126.65			22,330,581.23	782,923,886.38
Total	779,411,061.19	247,211,567.06	8,712,878.63	21,040,111.57	38,779,050.66	958,090,587.39

2) No significant provisions collected or reversed in the current period.

(4) Accounts receivable actually written off in the current period

1) Accounts receivable written off

Items	Amount written off
Accounts receivable actually written off	21,040,111.57

2) No significant accounts receivable written off in the current period.

(5) Details of the top 5 debtors with largest balances of accounts receivable and contract assets

Debtors	Closing book balance			Proportion to the total balance of accounts receivable and contract assets (including contract assets presented under other non-current assets) (%)	Provision for bad debts of accounts receivable and provision for impairment of contract assets
	Accounts receivable	Contract assets (including contract assets presented under other non-current assets)	Subtotal		
No. 1	130,800,778.19		130,800,778.19	1.76	104,640,622.55
No. 2	102,761,400.00		102,761,400.00	1.38	5,138,070.00
No. 3	97,124,374.81		97,124,374.81	1.30	6,779,718.74
No. 4	93,868,366.24	17,032,357.94	110,900,724.18	1.49	14,582,973.64
No. 5	89,283,283.20		89,283,283.20	1.20	4,692,696.32
Subtotal	513,838,202.44	17,032,357.94	530,870,560.38	7.13	135,834,081.25

#### 4. Receivables financing

(1) Details

Items	Closing balance	Opening balance
Bank acceptance	201,675,177.13	146,814,501.64
Total	201,675,177.13	146,814,501.64

(2) No pledged receivables financing at the balance sheet date.

(3) Endorsed or discounted but undue receivables financing at the balance sheet date

Items	Closing balance derecognized
-------	------------------------------

Bank acceptance	98,574,739.77
Subtotal	98,574,739.77

Due to the fact that the acceptor of bank acceptance is commercial bank, which is of high credit level, there is very little possibility of failure in recoverability when it is due. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank acceptance is not recoverable when it is due, the Company still holds joint liability on such acceptance, according to the China Commercial Instrument Law.

## 5. Advances paid

### (1) Age analysis

#### 1) Details

Ages	Closing balance				Opening balance			
	Book balance	% to total	Provision for impairment	Carrying amount	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	105,675,560.02	90.67		105,675,560.02	131,172,209.02	93.53		131,172,209.02
1-2 years	6,563,741.82	5.63		6,563,741.82	8,100,756.68	5.78		8,100,756.68
2-3 years	3,747,053.86	3.21		3,747,053.86	327,684.83	0.23		327,684.83
Over 3 years	569,326.97	0.49		569,326.97	640,396.13	0.46		640,396.13
Total	116,555,682.67	100.00		116,555,682.67	140,241,046.66	100.00		140,241,046.66

#### 2) No material balance with age over one year.

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

Debtors	Book balance	Proportion to the total balance of advances paid (%)
No. 1	5,227,019.75	4.48
No. 2	3,157,927.53	2.71
No. 3	1,988,886.43	1.71
No. 4	1,856,332.80	1.59
No. 5	1,513,443.36	1.30
Subtotal	13,743,609.87	11.79

## 6. Other receivables

### (1) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Temporary advance payment	130,942,325.64	163,429,454.84

receivable and petty cash		
Security deposits	70,844,070.44	82,240,734.41
Performance compensation	14,231,285.04	113,460,620.00
Others	12,785,184.45	4,598,968.70
Total book balance	228,802,865.57	363,729,777.95
Less: Provision for bad debts	68,535,412.08	47,068,704.69
Carrying amount	160,267,453.49	316,661,073.26

## (2) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	116,428,153.86	117,612,450.57
1-2 years	29,572,716.48	65,555,129.46
2-3 years	31,226,881.64	149,623,905.77
3-4 years	32,266,905.43	10,558,177.00
4-5 years	4,812,643.70	14,053,059.51
Over 5 years	14,495,564.46	6,327,055.64
Total book balance	228,802,865.57	363,729,777.95
Less: Provision for bad debts	68,535,412.08	47,068,704.69
Carrying amount	160,267,453.49	316,661,073.26

## (3) Provision for bad debts

## 1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	26,497,378.65	11.58	26,497,378.65	100.00	
Receivables with provision made on a collective basis	202,305,486.92	88.42	42,038,033.43	20.78	160,267,453.49
Total	228,802,865.57	100.00	68,535,412.08	29.95	160,267,453.49

(Continued)



Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	363,729,777.95	100.00	47,068,704.69	12.94	316,661,073.26
Total	363,729,777.95	100.00	47,068,704.69	12.94	316,661,073.26

2) Other receivables with provision made on a collective basis

a. Other receivables with provision made on a collective basis – parent company

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with buyer's credit	8,859,765.36	1,751,965.61	19.77
Portfolio grouped with ages	2,076,218.99	909,605.81	43.81
Including: 1-180 days	296,956.85		
1-2 years	77,782.54	7,778.25	10.00
2-3 years	185,071.33	55,521.40	30.00
3-5 years	1,222,734.87	611,367.44	50.00
Over 5 years	293,673.40	234,938.72	80.00
Subtotal	10,935,984.35	2,661,571.42	24.34

b. Other receivables with provision made on a collective basis – ventilation equipment manufacturing industry and environmental integrated industry

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with ages	191,369,502.57	39,376,462.01	20.58
Including: Within 1 year	109,187,118.74	5,459,356.06	5.00
1-2 years	25,020,193.92	2,502,019.39	10.00

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
2-3 years	21,334,769.63	6,400,430.89	30.00
3-5 years	21,625,529.22	10,812,764.61	50.00
Over 5 years	14,201,891.06	14,201,891.06	100.00
Subtotal	191,369,502.57	39,376,462.01	20.58

## (4) Changes in provision for bad debts

Items	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	5,249,420.60	6,508,951.47	35,310,332.62	47,068,704.69
Opening balance in the current period	—	—	—	
--Transferred to stage 2	-1,252,565.37	1,252,565.37		
--Transferred to stage 3		-2,151,984.10	2,151,984.10	
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	1,521,849.18	-3,098,904.59	25,207,588.92	23,630,533.51
Provision recovered or reversed in the current period				
Provision written off in the current period			28,950.00	28,950.00
Other changes [Note]	59,348.35	830.51	2,074,697.26	2,134,876.12
Closing balance	5,459,356.06	2,509,797.64	60,566,258.38	68,535,412.08
Provision proportion (%)	4.99	10.00	64.28	29.95

Note: Other changes refer to balances transferred out due to the disposal of subsidiaries including Foshan Shunhe Environmental Protection Co., Ltd., the subsidiary Changsha Zoomlion Environmental Industry Co., Ltd.'s subsidiary Shengzhou Zoomlion Environmental Engineering Co., Ltd., Wuhan Tongying

Environmental Sanitation Management Co., Ltd., and Zhoushan Yinghe Environmental Sanitation Service Co., Ltd. in the current period.

Division basis for each stage: ages of other receivables.

(5) Other receivables actually written off in the current period

1) Other receivables written off

Items	Amount written off
Other receivables actually written off	28,950.00

2) No significant other receivables written off in the current period.

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

Debtors	Nature of receivables	Closing book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts at the balance sheet date
No. 1	Performance compensation and temporary advance payment receivable	14,563,576.23	[Note]	6.37	14,563,576.23
No. 2	Temporary advance payment receivable and petty cash	12,063,471.72	Within 1 year	5.27	603,173.59
No. 3	Temporary advance payment receivable and petty cash	9,707,040.68	2-3 years	4.24	9,707,040.68
No. 4	Others	7,740,651.66	Within 1 year	3.38	387,032.58
No. 5	Security deposits	7,120,100.00	Within 1 year	3.11	356,005.00
Subtotal		51,194,840.29		22.37	25,616,828.08

Note: It includes performance compensation of 14,231,285.04 yuan with age of 3 to 4 years, and temporary advance payment receivable of 332,291.19 yuan with age over 5 years.

## 7. Inventories

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for write-down	Carrying amount	Book balance	Provision for write-down	Carrying amount
Raw materials	106,242,420.19	19,036,911.54	87,205,508.65	124,680,011.55	17,707,425.98	106,972,585.57
Work in process	217,036,401.50	4,864,512.39	212,171,889.11	185,705,546.49	5,117,048.20	180,588,498.29
Goods on hand	722,312,988.73	20,357,600.16	701,955,388.57	671,255,477.27	10,858,073.14	660,397,404.13

Items	Closing balance			Opening balance		
	Book balance	Provision for write-down	Carrying amount	Book balance	Provision for write-down	Carrying amount
Materials on consignment for further processing	202,066.19		202,066.19	135,587.95		135,587.95
Costs to fulfill a contract	39,580,638.48		39,580,638.48	23,135,561.21		23,135,561.21
Total	1,085,374,515.09	44,259,024.09	1,041,115,491.00	1,004,912,184.47	33,682,547.32	971,229,637.15

## (2) Provision for inventory write-down

## 1) Details

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or transfer-out	Others	
Raw materials	17,707,425.98	6,746,207.26		5,416,721.70		19,036,911.54
Work in process	5,117,048.20	1,813,618.81		2,066,154.62		4,864,512.39
Goods on hand	10,858,073.14	15,778,089.35		6,278,562.33		20,357,600.16
Total	33,682,547.32	24,337,915.42		13,761,438.65		44,259,024.09

## 2) Determination basis of net realizable value and reasons for the reversal or transfer-out of provision for inventory write-down

Items	Determination basis of net realizable value	Reasons for transfer-out of provision for inventory write-down
Raw materials and work in process	Estimated selling price of relevant finished goods less cost to be incurred upon completion, estimated selling expenses, and relevant taxes and surcharges	Inventories with provision for inventory write-down made at the beginning of the period were used or sold in the current period.
Goods on hand	Estimated selling price of relevant finished goods less estimated selling expenses, and relevant taxes and surcharges	Inventories with provision for inventory write-down made at the beginning of the period were sold in the current period.

## (3) Costs to fulfill a contract

Items	Opening balance	Increase	Carried forward	Closing balance
Township sewage delivery project phase II of Hanshou County	7,208,417.24	80,557.61		7,288,974.85
Kitchen project of Shangrao Guangfeng District	4,533,540.92	3,811,704.41	8,345,245.33	
Well-point equipment sales of Leiyang City	1,815,112.42		1,815,112.42	
Pretreatment equipment procurement project of Duyun project	1,681,363.40		1,681,363.40	

Items	Opening balance	Increase	Carried forward	Closing balance
Leachate delivery project of Xi'an Chanba Transfer Station	1,117,852.48	10,803.30	1,128,655.78	
Power distribution project phase II of Shunde District		4,499,626.02		4,499,626.02
Old equipment renewal project of provincial environmental air automatic monitoring stations under Sichuan Provincial Department of Ecology and Environment		3,566,624.87		3,566,624.87
Xinning II Project of Hunan Province		1,976,576.49		1,976,576.49
Construction project of township air automatic monitoring stations in Yangquan City		1,968,007.73		1,968,007.73
Shimen II Project of Hunan Province	624,844.57	1,077,161.26		1,702,005.83
Leachate project of Nantong Tianhong Environmental Services		1,424,274.90		1,424,274.90
Leachate and integrated water-waste management project of Menghai County	174,227.39	885,525.96		1,059,753.35
Others	5,980,202.79	72,397,256.08	62,282,664.43	16,094,794.44
Subtotal	23,135,561.21	91,698,118.63	75,253,041.36	39,580,638.48

## 8. Contract assets

## (1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Quality guarantee deposit receivable	109,251,241.27	15,133,299.24	94,117,942.03	84,519,179.04	9,715,689.56	74,803,489.48
Total	109,251,241.27	15,133,299.24	94,117,942.03	84,519,179.04	9,715,689.56	74,803,489.48

## (2) Details on provision for impairment

Categories	Closing balance				
	Book balance		Provision for impairment		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
On an individual basis	90,969.10	0.08	90,969.10	100.00	
On a collective basis	109,160,272.17	99.92	15,042,330.14	13.78	94,117,942.03
Total	109,251,241.27	100.00	15,133,299.24	13.85	94,117,942.03

(Continued)

Categories	Opening balance				
	Book balance		Provision for impairment		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
On a collective basis	84,519,179.04	100.00	9,715,689.56	11.50	74,803,489.48
Total	84,519,179.04	100.00	9,715,689.56	11.50	74,803,489.48

## 3) Contract assets with provision for impairment made on a collective basis

Items	Closing balance		
	Book balance	Provision for impairment	Provision proportion (%)
Portfolio grouped with ages	109,160,272.17	15,042,330.14	13.78
Subtotal	109,160,272.17	15,042,330.14	13.78

## (3) Changes in provision for impairment

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Transfer-out/Write-off	Others	
On an individual basis		90,969.10				90,969.10
On a collective basis	9,715,689.56	5,326,640.58				15,042,330.14
Total	9,715,689.56	5,417,609.68				15,133,299.24

## 9. Non-current assets due within one year

Items	Closing balance				
	Book balance	Unrecognized finance income	Provision for bad debts	Carrying amount	Discount rate range (%)
Goods sold by installments	447,835,809.91	8,495,844.14	69,314,228.75	370,025,737.02	3.60-4.30
Finance lease payment	28,609,032.71	1,429,392.82	553,141.68	26,626,498.21	3.60-4.30
Factoring of receivables financing	91,339,416.68	3,119,663.56	1,387,491.25	86,832,261.87	3.60-4.30
Total	567,784,259.30	13,044,900.52	71,254,861.68	483,484,497.10	

(Continued)

Items	Opening balance				
	Book balance	Unrecognized finance income	Provision for bad debts	Carrying amount	Discount rate range (%)

Goods sold by installments	328,993,341.47	6,469,240.60	15,965,200.41	306,558,900.46	4.20-4.30
Finance lease payment	46,826,104.16	2,749,700.41	1,354,452.95	42,721,950.80	4.20-4.30
Factoring of receivables financing	215,722,449.48	9,685,000.00	3,235,836.74	202,801,612.74	4.20-4.30
Total	591,541,895.11	18,903,941.01	20,555,490.10	552,082,464.00	

## 10. Other current assets

## (1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Input VAT to be credited and excess input VAT credits	591,058,310.42		591,058,310.42	513,175,804.36		513,175,804.36
Costs to obtain a contract	6,409,973.49		6,409,973.49	10,704,601.44		10,704,601.44
Total	597,468,283.91		597,468,283.91	523,880,405.80		523,880,405.80

## (2) Costs to obtain a contract

Items	Opening balance	Increase	Amortization	Provision for impairment	Closing balance
Costs to obtain a contract	10,704,601.44	29,487,764.96	33,782,392.91		6,409,973.49
Subtotal	10,704,601.44	29,487,764.96	33,782,392.91		6,409,973.49

## 11. Long-term receivables

## (1) Details

Items	Closing balance				
	Book balance	Unrealized finance income	Provision for bad debts	Carrying amount	Discount rate range (%)
Goods sold by installments	284,404,413.84	24,302,615.80	14,518,418.91	245,583,379.13	3.60-4.30
Guaranteed collection amount for BOT projects	27,148,165.14	1,980,892.63	1,357,408.26	23,809,864.25	4.30-4.65
Finance lease payment	27,114,735.40	1,456,539.74	605,069.27	25,053,126.39	3.60-4.30
Factoring of receivables financing	355,617,452.50	19,385,569.41	5,374,091.54	330,857,791.55	3.60-4.30
Total	694,284,766.88	47,125,617.58	21,854,987.98	625,304,161.32	

(Continued)

Items	Opening balance				
	Book balance	Unrealized finance	Provision for bad	Carrying	Discount rate

		income	debts	amount	range (%)
Goods sold by installments	474,463,111.30	28,883,881.35	69,637,094.56	375,942,135.39	4.20-4.30
Guaranteed collection amount for BOT projects	32,146,788.99	3,759,737.26	1,607,339.45	26,779,712.28	4.30-4.65
Finance lease payment	21,422,534.54	1,929,467.83	486,521.79	19,006,544.92	4.20-4.30
Factoring of receivables financing	1,391,000.00		20,865.00	1,370,135.00	4.20-4.30
Total	529,423,434.83	34,573,086.44	71,751,820.80	423,098,527.59	

## (2) Provision for bad debts

## 1) Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	647,159,149.30	100.00	21,854,987.98	3.38	625,304,161.32
Total	647,159,149.30	100.00	21,854,987.98	3.38	625,304,161.32

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	1,711,994.50	0.35	1,711,994.50	100.00	
Receivables with provision made on a collective basis	493,138,353.89	99.65	70,039,826.30	14.20	423,098,527.59
Total	494,850,348.39	100.00	71,751,820.80	14.50	423,098,527.59

2) No significant long-term receivables with provision for bad debts made on an individual basis.

3) Long-term receivables with provision for bad debts made on a collective basis

Items	Closing balance
-------	-----------------



	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with ages	311,552,578.98	15,875,827.17	5.10
Including: Payments undue	132,100,235.91	6,605,011.80	5.00
Payments due	179,452,343.07	9,270,815.37	5.17
Portfolio grouped with finance lease payment	27,114,735.40	605,069.27	2.23
Portfolio grouped with receivables financing factoring payment	355,617,452.50	5,374,091.54	1.51
Subtotal	694,284,766.88	21,854,987.98	3.15

## (3) Changes in provision for bad debts

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision made on an individual basis	1,711,994.50		1,711,994.50			
Receivables with provision made on a collective basis	70,039,826.30	-48,184,838.32				21,854,987.98
Total	71,751,820.80	-48,184,838.32	1,711,994.50			21,854,987.98

## 12. Long-term equity investments

## (1) Categories

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in associates	682,287,056.09		682,287,056.09	681,629,084.69		681,629,084.69
Total	682,287,056.09		682,287,056.09	681,629,084.69		681,629,084.69

## (2) Details

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Associates					
Tengine Innovation (Beijing) Monitoring Instrument Co., Ltd.	27,809,668.75			-2,456,331.32	

Investees	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Guangdong Shunkong Environmental Investment Co., Ltd.	243,215,652.05			38,775,000.00	
Guangdong Tianshu New Energy Technology Co., Ltd. [Note 1]					
Shantou Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	24,506,917.27			2,165,162.58	
Shantou Chaoyang District Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	32,067,539.05			360,081.50	
Changsha Cowa Zoomlion Intelligent Technology Co., Ltd.	4,671,509.07		4,671,509.07		
Guangdong Liangke Environmental Engineering Co., Ltd.	32,899,120.78			1,356,900.38	
Guangxi Zoomlion Guilv Urban Environmental Service Co., Ltd.	2,622,217.24			598,435.25	
Shenzhen Yingmei City Housekeeper Co., Ltd.	28,206.34			32.15	
Foshan Yingtong Electrical Materials Co., Ltd.	201,953,927.82			-27,729,746.82	
China Urban Institute (Beijing) Environmental Technology Co., Ltd.	101,188,300.57			3,672,302.78	
Beijing Xingyun Zhixing Technology Co., Ltd.	8,665,589.98			-379,184.70	
Guangdong Yingling Testing Technology Service Co., Ltd. [Note 2]					
Taizhou Jinzhong Environmental Industry Co., Ltd.	2,000,435.77			4,209,106.23	
Total	681,629,084.69		4,671,509.07	20,571,758.03	

(Continued)

Investees	Increase/Decrease				Closing balance	
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others	Carrying amount	Provision for impairment
Associates						

Tengine Innovation (Beijing) Monitoring Instrument Co., Ltd.					25,353,337.43	
Guangdong Shunkong Environmental Investment Co., Ltd.		13,667,277.56			268,323,374.49	
Guangdong Tianshu New Energy Technology Co., Ltd. [Note 1]						
Shantou Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.					26,672,079.85	
Shantou Chaoyang District Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.					32,427,620.55	
Changsha Cowa Zoomlion Intelligent Technology Co., Ltd.						
Guangdong Liangke Environmental Engineering Co., Ltd.					34,256,021.16	
Guangxi Zoomlion Guilv Urban Environmental Service Co., Ltd.					3,220,652.49	
Shenzhen Yingmei City Housekeeper Co., Ltd.					28,238.49	
Foshan Yingtong Electrical Materials Co., Ltd.					174,224,181.00	
China Urban Institute (Beijing) Environmental Technology Co., Ltd.		1,575,000.00			103,285,603.35	
Beijing Xingyun Zhixing Technology Co., Ltd.					8,286,405.28	
Guangdong Yingling Testing Technology Service Co., Ltd. [Note 2]						
Taizhou Jinzhong Environmental Industry Co., Ltd.					6,209,542.00	
Total		15,242,277.56			682,287,056.09	

Note 1: Long-term equity investments of 0.00 yuan in Guangdong Tianshu New Energy Technology Co., Ltd. was due to its long-term loss. The carrying amount of such long-term equity investment was adjusted to 0.00 yuan by the Company under the equity method.

Note 2: Long-term equity investments of 0.00 yuan in Guangdong Yingling Testing Technology Service Co., Ltd. was due to its long-term loss. The carrying amount of such long-term equity investment was adjusted to 0.00 yuan by the Company under the equity method.

### 13. Other equity instrument investments

Items	Opening balance	Increase/Decrease			
		Investments increased	Investments decreased	Gains or losses included into other comprehensive income in the current period	Others
Zhejiang Shangyu Rural Commercial Bank Co., Ltd.	800,000.00				
Shenzhen Infore Environmental Protection Industry Fund Management Co., Ltd.	270,000.00				
Shenzhen Infore Environmental Protection Industry M&A Fund [Note]	14,282,971.01			-14,070,000.00	
Total	15,352,971.01			-14,070,000.00	

(Continued)

Items	Closing balance	Dividend income recognized in the current period	Accumulated gains or losses included into other comprehensive income at the end of the period
Zhejiang Shangyu Rural Commercial Bank Co., Ltd.	800,000.00	432,250.00	
Shenzhen Infore Environmental Protection Industry Fund Management Co., Ltd.	270,000.00		
Shenzhen Infore Environmental Protection Industry M&A Fund [Note]	212,971.01		-18,700,000.00
Total	1,282,971.01	432,250.00	-18,700,000.00

Note: As of December 31, 2024, Shenzhen Infore Environmental Protection Industry M&A Fund is still in liquidation.

#### 14. Investment property

##### (1) Details

Items	Buildings and structures	Total
Cost		
Opening balance	1,804,955.43	1,804,955.43
Increase	662,564.22	662,564.22
1) Acquisition	662,564.22	662,564.22
Decrease	662,564.22	662,564.22

Items	Buildings and structures	Total
1) Disposal	662,564.22	662,564.22
Closing balance	1,804,955.43	1,804,955.43
Accumulated depreciation and amortization		
Opening balance	666,086.83	666,086.83
Increase	85,735.40	85,735.40
1) Accrual or amortization	85,735.40	85,735.40
Decrease		
Closing balance	751,822.23	751,822.23
Carrying amount		
Closing carrying amount	1,053,133.20	1,053,133.20
Opening carrying amount	1,138,868.60	1,138,868.60

## (2) Investment property with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Shangyu Wanda real estate	1,053,133.20	In processing
Subtotal	1,053,133.20	

## 15. Fixed assets

## (1) Details

Items	Buildings and structures	General equipment	Special equipment	Transport facilities	Other equipment	Total
Cost						
Opening balance	1,601,668,910.67	175,881,474.60	1,436,242,670.58	59,965,293.93	37,459,730.25	3,311,218,080.03
Increase	3,017,462.99	13,653,033.62	233,203,422.45	9,282,016.68	341,071.94	259,497,007.68
1) Acquisition		4,198,660.94	180,005,636.71	9,282,016.68	341,071.94	193,827,386.27
2) Transferred in from construction in progress	3,017,462.99	9,454,372.68	50,504,713.10			62,976,548.77
3) Transferred in from inventories			2,693,072.64			2,693,072.64
Decrease	167,253.80	3,797,959.61	80,530,393.27	3,126,803.90	330,825.30	87,953,235.88
1) Disposal/Scrapping	167,253.80	2,021,759.70	80,286,771.98	2,102,915.94	330,825.30	84,909,526.72
2) Disposal of subsidiaries		1,776,199.91	243,621.29	1,023,887.96		3,043,709.16

Items	Buildings and structures	General equipment	Special equipment	Transport facilities	Other equipment	Total
Closing balance	1,604,519,119.86	185,736,548.61	1,588,915,699.76	66,120,506.71	37,469,976.89	3,482,761,851.83
Accumulated depreciation						
Opening balance	276,038,235.20	83,084,198.21	576,531,948.13	19,776,609.96	17,470,964.39	972,901,955.89
Increase	60,981,188.10	21,119,368.75	214,090,604.45	5,981,799.09	1,519,195.33	303,692,155.72
1) Accrual	60,981,188.10	21,119,368.75	214,090,604.45	5,981,799.09	1,519,195.33	303,692,155.72
Decrease	155,187.76	3,193,696.97	47,325,104.63	2,795,847.83	262,564.19	53,732,401.38
1) Disposal/Scrapping	155,187.76	1,732,651.46	47,276,973.22	1,826,721.76	262,564.19	51,254,098.39
2) Disposal of subsidiaries		1,461,045.51	48,131.41	969,126.07		2,478,302.99
Closing balance	336,864,235.54	101,009,869.99	743,297,447.95	22,962,561.22	18,727,595.53	1,222,861,710.23
Carrying amount						
Closing carrying amount	1,267,654,884.32	84,726,678.62	845,618,251.81	43,157,945.49	18,742,381.36	2,259,900,141.60
Opening carrying amount	1,325,630,675.47	92,797,276.39	859,710,722.45	40,188,683.97	19,988,765.86	2,338,316,124.14

## (2) Fixed assets leased out under operating leases

Items	Closing carrying amount
Buildings and structures	32,330,758.71
Special equipment	1,026,005.26
Subtotal	33,356,763.97

## (3) Fixed assets with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Bottom renovation workshop in Lueryuan	20,741,643.13	In processing
Lueryuan Exhibition Center	15,234,749.47	In processing
Staff canteen in Lueryuan	22,267,950.17	In processing
Subtotal	58,244,342.77	

## 16. Construction in progress

## (1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Infore Environment Shunde Environmental Protection Technology Industrial Park (Phase II) Project	392,643,101.57		392,643,101.57	256,519,519.36		256,519,519.36
Xiantao New Energy Power Battery Dismantling, Recycling and Resource Utilization (Phase I) Project	53,895,734.40		53,895,734.40	598,521.30		598,521.30
Equipment to be installed	9,599,505.81		9,599,505.81	19,134,556.95		19,134,556.95
Piecemeal projects	4,524,337.94		4,524,337.94	11,804,421.28		11,804,421.28
Total	460,662,679.72		460,662,679.72	288,057,018.89		288,057,018.89

## 2) Changes in significant projects

Projects	Budgets	Opening balance	Increase	Transferred to fixed assets	Transferred to intangible assets	Other decreases	Closing balance
Infore Environment Shunde Environmental Protection Technology Industrial Park (Phase II) Project	483,333,200.00	256,519,519.36	136,123,582.21				392,643,101.57
Xiantao New Energy Power Battery Dismantling, Recycling and Resource Utilization (Phase I) Project	69,000,000.00	598,521.30	53,297,213.10				53,895,734.40
Total		257,118,040.66	189,420,795.31				446,538,835.97

(Continued)

Projects	Accumulated input to budget (%)	Completion percentage (%)	Accumulated amount of borrowing cost capitalization	Amount of borrowing cost capitalization in the current period	Annual capitalization rate (%)	Source of funds
Infore Environment Shunde Environmental Protection Technology Industrial Park (Phase II) Project	81.24	81.24	10,802,904.78	8,086,904.78	3.35	Self-raised, long-term borrowings
Xiantao New Energy Power Battery Dismantling, Recycling and Resource Utilization (Phase I) Project	78.11	78.11	148,800.00	148,800.00	3.18	Self-raised, long-term borrowings
Total			10,951,704.78	8,235,704.78		

## 17. Right-of-use assets

Items	Buildings and structures	Total
Cost		
Opening balance	39,902,430.79	39,902,430.79

Items	Buildings and structures	Total
Increase		
Decrease		
Closing balance	39,902,430.79	39,902,430.79
Accumulated depreciation		
Opening balance	14,776,758.84	14,776,758.84
Increase	8,669,628.35	8,669,628.35
1) Accrual	8,669,628.35	8,669,628.35
Decrease		
Closing balance	23,446,387.19	23,446,387.19
Carrying amount		
Closing carrying amount	16,456,043.60	16,456,043.60
Opening carrying amount	25,125,671.95	25,125,671.95

## 18. Intangible assets

### (1) Details

Items	Land use right	Software	Franchise	Patented technology	Total
Cost					
Opening balance	664,718,247.37	85,310,078.32	7,073,103,398.41	488,760,167.48	8,311,891,891.58
Increase	29,334,400.00	8,084,335.46	464,271,293.91	387,958.60	502,077,987.97
1) Acquisition	29,334,400.00	5,391,216.13	464,271,293.91	387,958.60	499,384,868.64
2) Transferred in from construction in progress		2,693,119.33			2,693,119.33
Decrease		340,326.43	912,446,988.49		912,787,314.92
1) Disposal		340,326.43	97,963,798.88		98,304,125.31
2) Disposal of subsidiaries			814,483,189.61		814,483,189.61
Closing balance	694,052,647.37	93,054,087.35	6,624,927,703.83	489,148,126.08	7,901,182,564.63
Accumulated amortization					
Opening balance	98,773,281.98	31,524,424.05	1,844,722,034.29	307,650,223.83	2,282,669,964.15
Increase	14,206,101.06	10,122,109.55	445,373,373.71	31,805,489.15	501,507,073.47
1) Accrual	14,206,101.06	10,122,109.55	445,373,373.71	31,805,489.15	501,507,073.47
Decrease		222,249.71	588,031,427.13		588,253,676.84



Items	Land use right	Software	Franchise	Patented technology	Total
1) Disposal		222,249.71	72,160,535.91		72,382,785.62
2) Disposal of subsidiaries			515,870,891.22		515,870,891.22
Closing balance	112,979,383.04	41,424,283.89	1,702,063,980.87	339,455,712.98	2,195,923,360.78
Provision for impairment					
Opening balance			24,687,522.85	20,185,580.19	44,873,103.04
Increase					
Decrease					
Closing balance			24,687,522.85	20,185,580.19	44,873,103.04
Carrying amount					
Closing carrying amount	581,073,264.33	51,629,803.46	4,898,176,200.11	129,506,832.91	5,660,386,100.81
Opening carrying amount	565,944,965.39	53,785,654.27	5,203,693,841.27	160,924,363.46	5,984,348,824.39

(2) All land use rights with certificates of title were settled at the balance sheet date.

## 19. Development expenditures

### (1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Development expenditures				9,063,080.60	9,063,080.60	
Total				9,063,080.60	9,063,080.60	

### (2) Other remarks

Please refer to section VI of notes to the financial statements for details on development expenditures.

## 20. Goodwill

### (1) Details

Investees or events resulting in goodwill	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Zoomlion Environmental Company	5,714,428,315.99	620,675,633.32	5,093,752,682.67	5,714,428,315.99	618,097,980.83	5,096,330,335.16
Shenzhen Green Oriental Environmental Protection Co., Ltd.(the	65,456,185.12		65,456,185.12	65,456,185.12		65,456,185.12

Investees or events resulting in goodwill	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
“Green Oriental Company”)						
Foshan Shunhe Environmental Protection Co., Ltd.				329,083,984.91	3,152,463.61	325,931,521.30
Shangfeng Industrial Company	100,455,813.40		100,455,813.40	100,455,813.40		100,455,813.40
Yolsh Company	13,389,232.61		13,389,232.61	13,389,232.61		13,389,232.61
Lianjiang Company	46,032,017.84	3,445,945.99	42,586,071.85	46,032,017.84	2,229,729.76	43,802,288.08
Total	5,939,761,564.96	624,121,579.31	5,315,639,985.65	6,268,845,549.87	623,480,174.20	5,645,365,375.67

## (2) Cost

Investees or events resulting in goodwill	Opening balance	Increase	Decrease [Note]	Closing balance
Zoomlion Environmental Company	5,714,428,315.99			5,714,428,315.99
Green Oriental Company	65,456,185.12			65,456,185.12
Foshan Shunhe Environmental Protection Co., Ltd.	329,083,984.91		329,083,984.91	
Shangfeng Industrial Company	100,455,813.40			100,455,813.40
Yolsh Company	13,389,232.61			13,389,232.61
Lianjiang Company	46,032,017.84			46,032,017.84
Total	6,268,845,549.87		329,083,984.91	5,939,761,564.96

Note: Current decrease was mainly due to the Company's disposal of its subsidiary Foshan Shunhe Environmental Protection Co., Ltd. on February 1, 2024.

## (3) Provision for impairment

Investees or events resulting in goodwill	Opening balance	Increase	Decrease	Closing balance
Zoomlion Environmental Company [Note 1]	618,097,980.83	2,577,652.49		620,675,633.32
Lianjiang Company [Note 2]	2,229,729.76	1,216,216.23		3,445,945.99
Foshan Shunhe Environmental Protection Co., Ltd. [Note 3]	3,152,463.61		3,152,463.61	
Total	623,480,174.20	3,793,868.72	3,152,463.61	624,121,579.31

Note 1: For current increase in the provision for impairment of goodwill of Zoomlion Environmental Company, as the goodwill of 92,031,026.04 yuan was recognized at the time of the acquisition of Zoomlion Environmental Company through deferred tax liabilities arising from appraisal appreciation at the date of business combination not under common control, provision for impairment of goodwill of 2,577,652.49 yuan was made along with changes in deferred tax liabilities in the current period. The accumulated provision for impairment of goodwill arising from this factor totaled 59,335,142.64 yuan. As the recoverable amount of the equipment asset group portfolio of Zoomlion Environmental Company exceeded its carrying amount in the current period, no impairment loss on goodwill was recognized for this factor, and the accumulated provision for impairment of goodwill arising from this factor totaled 561,340,490.68 yuan.

Note 2: For impairment of goodwill of Lianjiang Company, as the goodwill of 30,000,000.00 yuan was recognized at the time of the acquisition of Lianjiang Company through deferred tax liabilities due to appraisal appreciation at the date of business combination not under common control, provision for impairment of 1,216,216.23 yuan was made along with changes in deferred tax liabilities in the current period. The accumulated provision for impairment of goodwill arising from this factor totaled 3,445,945.99 yuan.

Note 3: Current decrease in the provision for impairment of goodwill was mainly due to the Company's disposal of its subsidiary Foshan Shunhe Environmental Protection Co., Ltd. on February 1, 2024.

(4) Related information of asset groups or asset group portfolios which include goodwill

Related information of asset groups or asset group portfolios

Asset groups or asset group portfolios	Composition of asset groups or asset group portfolios and its basis	Operating segment and its basis	Whether asset groups or asset group portfolios are consistent with those at acquisition date/at goodwill impairment testing date in previous years
Sanitation vehicles and equipment manufacturing and sales asset group	Operating long-term assets of 11 entities including Zoomlion Environmental Company (manufacturing and sales of sanitation vehicles and equipment), Changsha Zhongbiao Environmental Industry Co., Ltd., Fengyun IoT Technology Co., Ltd., Ningbo Infore Trading Co., Ltd., and Infore Environment Intelligent Sanitation Equipment (Thailand) Co., Ltd.	11 entities including Zoomlion Environmental Company (manufacturing and sales of sanitation vehicles and equipment), Changsha Zhongbiao Environmental Industry Co., Ltd., Fengyun IoT Technology Co., Ltd., Ningbo Infore Trading Co., Ltd., and Infore Environment Intelligent Sanitation Equipment (Thailand) Co., Ltd.	Yes
Urban-rural sanitation integrated operation asset group portfolio	Operating long-term assets of Zoomlion Environmental Company (sanitation integrated operation), Green Oriental Company, Huaian Chenjie Environmental Engineering Co., Ltd., Biyang County Fenghe New Energy Power Co., Ltd., and Lianjiang Company	Zoomlion Environmental Company (sanitation integrated operation), Green Oriental Company, Huaian Chenjie Environmental Engineering Co., Ltd., Biyang County Fenghe New Energy Power Co., Ltd., and Lianjiang Company	Yes [Note]

Asset groups or asset group portfolios	Composition of asset groups or asset group portfolios and its basis	Operating segment and its basis	Whether asset groups or asset group portfolios are consistent with those at acquisition date/at goodwill impairment testing date in previous years
Ventilation equipment manufacturing and sales asset group	Operating long-term assets of Shangfeng Industrial Company	Shangfeng Industrial Company	Yes
Electrical equipment manufacturing and sales asset group	Operating long-term assets of Yolsh Company	Yolsh Company	Yes

Note: In December 2018, Zoomlion Environmental Company, which was acquired under business combination under common control by the Company, had two asset groups, i.e., sanitation vehicles and equipment manufacturing and sales asset group and urban-rural sanitation integrated operation asset group (including waste transfer, landfill and treatment). Data of original goodwill at the formation of Zoomlion Environmental Company was based on the fair value of the identifiable net assets as at the end of June 2017 under asset-based method in the appraisal report numbered Zhong Rui Ping Bao Zi [2017] 110731042, without considering the synergy between the urban-rural sanitation integrated operation asset group of Zoomlion Environmental Company and the waste incineration power generation operation asset group of former Green Oriental Company. After the business combination of Zoomlion Environmental Company, as its urban-rural sanitation integrated operation asset group and the waste incineration power generation operation asset group of Green Oriental Company were similar in terms of business acquisition, production and operation activities, and cash return realization methods, and the Management had started to carry out integrated management, these two asset groups were identified as the urban-rural sanitation integrated operation asset group portfolio.

The Company acquired Lianjiang Company through business combination not under common control in February 2022. After the business combination of Lianjiang Company, as its asset group and urban-rural sanitation integrated operation asset group and the waste incineration power generation operation asset group of the Company were similar in terms of business acquisition, production and operation activities, and cash return realization methods, and the Management had carried out integrated management, the asset group of Lianjiang Company was identified as the urban-rural sanitation integrated operation asset group portfolio.

As the Company disposed of Funan Company on February 1, 2024, Funan Company was removed from the disposed urban-rural sanitation integrated operation asset group portfolio.

#### (5) Specific method for determining recoverable amount

Recoverable amount determined based on the present value of estimated future cash flows

Items	Carrying amount of asset groups or asset group portfolios which include goodwill [Note 1]	Recoverable amount [Note 2]	Provision for impairment
Sanitation vehicles and equipment manufacturing and sales asset group	11,182,390,702.76	11,602,810,000.00	
Urban-rural sanitation integrated operation asset group portfolio	4,471,406,833.92	5,031,650,000.00	
Ventilation equipment manufacturing and sales asset group	274,961,014.07	313,200,000.00	
Electrical equipment manufacturing and sales asset group	68,185,540.56	80,730,000.00	
Subtotal	15,996,944,091.31	17,028,390,000.00	

Note 1: The goodwill of the asset group portfolio has included the portion attributable to non-controlling shareholders.

Note 2: The present value of estimated future cash flows (recoverable amount) of sanitation vehicles and equipment manufacturing and sales asset group was based on the appraisal report numbered Zhong Rui Ping Bao Zi [2025] 500680 issued by Chunrui Worldunion Assets Appraisal Group Co., Ltd.

The present value of estimated future cash flows (recoverable amount) of urban-rural sanitation integrated operation asset group portfolio was based on the appraisal report numbered Zhong Rui Ping Bao Zi [2025] 500678 issued by Chunrui Worldunion Assets Appraisal Group Co., Ltd. and the appraisal report numbered Jun Rui Ping Bao Zi [2025] 061 issued by Shenzhen Junrui Assets Appraisals LLP.

(Continued)

Items	Forecast period (years)	Parameters including revenue growth rate and gross margin for forecast period and their determination basis	Parameters including revenue growth rate and gross margin for stable period and their determination basis	Discount rate and its determination basis [Note 4]
Sanitation vehicles and equipment manufacturing and sales asset group	5	[Note 1]	The revenue growth rate is 0	9.53%
Urban-rural sanitation integrated operation asset group portfolio	[Note 1]	[Note 1]	[Note 1]	7.78%-10.08%
Ventilation equipment manufacturing and sales asset group	5	[Note 2]	The revenue growth rate is 0	11.89%
Electrical equipment manufacturing and sales asset	5	[Note 3]	The revenue growth rate is 0	13.92%

Items	Forecast period (years)	Parameters including revenue growth rate and gross margin for forecast period and their determination basis	Parameters including revenue growth rate and gross margin for stable period and their determination basis	Discount rate and its determination basis [Note 4]
group				

Note 1: The recoverable amount of asset groups and asset group portfolios is estimated based on the business characteristics of different asset groups or asset group portfolios according to the budget approved by the Management. The revenue growth rate of the product production and sales asset group in 2025 is based on the existing orders, historical data and operating budget, while the expense rate is based on the average expense rate of the previous three years, in combination with the reasonable income growth, capital depreciation and labor cost growth in the future; for operation asset groups or asset group portfolios, which include multiple concurrent projects with varying revenue, profit rates, and operating periods, resulting in an irregular distribution of the expected growth rate, stable period growth rate and profit rate of the asset groups and asset group portfolios when multiple projects are run in parallel, and the income, costs and expenses are estimated based on the time to mature operation and design capacity of each specific project.

Note 2: The revenue growth rate of ventilation equipment manufacturing and sales asset group during the forecast period from 2025 to 2029 is 3.28%, 3.17%, 3.07%, 1.95%, and 1.91%, respectively, which are determined based on the Company's historical annual operating performance, growth rates, existing orders, and the Management's expectations and forecasts for market development.

Note 3: The revenue growth rate of electrical equipment manufacturing and sales asset group during the forecast period from 2025 to 2029 is 79.78%, 52.70%, 42.20%, 38.50%, and 35.50%, respectively, which are determined based on the Company's historical annual operating performance, growth rates, existing orders, and the Management's expectations and forecasts for market development.

Note 4: Discount rate: determined based on weighted average cost of capital (WACC), cost of equity capital and cost of liabilities.

## 21. Long-term prepayments

Items	Opening balance	Increase	Amortization	Other decreases	Closing balance
Expenditures on improvement of leased-in fixed assets	23,607,681.15	6,731,098.17	8,269,312.72		22,069,466.60
Others	7,523,116.34	7,743,937.39	4,785,850.75	91,300.36	10,389,902.62
Total	31,130,797.49	14,475,035.56	13,055,163.47	91,300.36	32,459,369.22

## 22. Deferred tax assets and deferred tax liabilities

### (1) Deferred tax assets before offset

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	749,632,120.63	114,522,455.34	697,808,362.88	107,271,372.72
Unrealized profit from internal transactions	21,039,511.36	3,155,926.70	20,475,833.05	3,071,374.96
Deductible losses	77,488,185.09	16,409,996.88	47,114,527.25	8,894,435.03
Lease liabilities	21,892,910.99	3,344,937.55	26,136,462.82	4,103,472.14
Total	870,052,728.07	137,433,316.47	791,535,186.00	123,340,654.85

## (2) Deferred tax liabilities before offset

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Accelerated depreciation of fixed assets	48,454,673.35	10,671,145.87	26,637,066.56	4,698,936.18
Assets appraisal appreciation due to business combination not under common control	245,062,312.00	41,667,270.65	267,111,526.85	45,461,139.37
Right-of-use assets	16,456,043.60	2,529,407.44	25,125,671.95	3,951,853.51
Total	309,973,028.95	54,867,823.96	318,874,265.36	54,111,929.06

## (3) Deferred tax assets or liabilities after offset

Items	Closing balance		Opening balance	
	Deferred tax assets offset by deferred tax liabilities	Deferred tax assets/liabilities after offset	Deferred tax assets offset by deferred tax liabilities	Deferred tax assets/liabilities after offset
Deferred tax assets	9,453,464.44	127,979,852.03	6,892,349.21	116,448,305.64
Deferred tax liabilities	9,453,464.44	45,414,359.52	6,892,349.21	47,219,579.85

## (4) Details of unrecognized deferred tax assets

Items	Closing balance	Opening balance
Deductible temporary difference	1,113,242,396.91	825,763,726.98
Deductible losses	926,437,145.29	749,514,337.17
Unrealized profit from internal transactions	359,675,062.25	364,794,037.67
Total	2,399,354,604.45	1,940,072,101.82

## (5) Maturity years of deductible losses of unrecognized deferred tax assets

Maturity years	Closing balance	Opening balance	Remarks
Year 2024		86,322,391.77	
Year 2025	147,216,122.42	187,721,684.90	
Year 2026	82,144,535.23	94,150,648.91	
Year 2027	102,646,185.14	175,149,966.49	
Year 2028	179,079,090.77	206,169,645.10	
Year 2029	415,351,211.73		
Total	926,437,145.29	749,514,337.17	

## 23. Other non-current assets

## (1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Assets to be disposal of	200,218,595.42		200,218,595.42	227,240,727.12		227,240,727.12
Contract assets – Quality guarantee deposit receivable	159,404,912.28	19,779,021.81	139,625,890.47	164,081,168.47	21,618,229.88	142,462,938.59
Advances for long-term assets	14,871,583.56		14,871,583.56	55,114,043.37		55,114,043.37
Costs to obtain a contract	58,648,666.24		58,648,666.24	63,666,470.76		63,666,470.76
Receivables for agent construction				8,518,174.25	8,518,174.25	
Total	433,143,757.50	19,779,021.81	413,364,735.69	518,620,583.97	30,136,404.13	488,484,179.84

## (2) Contract assets



Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Quality guarantee deposit receivable	159,404,912.28	19,779,021.81	139,625,890.47	164,081,168.47	21,618,229.88	142,462,938.59
Subtotal	159,404,912.28	19,779,021.81	139,625,890.47	164,081,168.47	21,618,229.88	142,462,938.59

## 2) Details on provision for impairment

### a. Details on categories

Categories	Closing balance				
	Book balance		Provision for impairment		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
On an individual basis	417,980.12	0.26	417,980.12	100.00	
On a collective basis	158,986,932.16	99.74	19,361,041.69	12.18	139,625,890.47
Total	159,404,912.28	100.00	19,779,021.81	12.41	139,625,890.47

(Continued)

Categories	Opening balance				
	Book balance		Provision for impairment		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
On an individual basis					
On a collective basis	164,081,168.47	100.00	21,618,229.88	13.18	142,462,938.59
Total	164,081,168.47	100.00	21,618,229.88	13.18	142,462,938.59

### b. Contract assets with provision for impairment made on a collective basis

Items	Closing balance		
	Book balance	Provision for impairment	Provision proportion (%)
Portfolio grouped with ages	158,986,932.16	19,361,041.69	12.18
Subtotal	158,986,932.16	19,361,041.69	12.18

## 3) Changes in provision for impairment

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Transfer-out/ Write-off	Others	
On an individual basis		417,980.12				417,980.12
On a collective basis	21,618,229.88	-2,257,188.19				19,361,041.69
Total	21,618,229.88	-1,839,208.07				19,779,021.81

## (3) Costs to obtain a contract

Items	Opening balance	Increase	Amortization	Provision for impairment	Closing balance
Costs to obtain a contract	63,666,470.76	53,925,740.25	58,943,544.77		58,648,666.24
Subtotal	63,666,470.76	53,925,740.25	58,943,544.77		58,648,666.24

## 24. Assets with title or use right restrictions

## (1) Details on assets with restrictions at the balance sheet date

Items	Closing book balance	Closing carrying amount	Type of restrictions	Reasons for restrictions
Cash and bank balances	427,777,886.01	427,777,886.01	Guaranteed, frozen, etc.	Deposits, escrow account, frozen due to litigation preservation
Notes receivable – Trade acceptance	1,734,101.45	1,290,912.03	Endorsed or discounted	Endorsed or discounted but undue
Accounts receivable	440,028,528.05	417,447,902.95	Pledged	Pledged
Long-term receivables and non-current assets due within one year	1,047,731.00	959,813.58	Recourse factoring, pledged	Recourse factoring, pledged
Intangible assets	69,926,700.00	66,896,543.00	Mortgaged	Mortgaged
100% of equity of Biyang County Fenghe New Energy Power Co., Ltd.	106,118,119.06	106,118,119.06	Pledged	Pledged [Note]
100% of equity of Poyang Green Oriental Renewable Energy Co., Ltd.	73,614,538.73	73,614,538.73	Pledged	
75% of equity of Lianjiang Green Oriental New Energy Co., Ltd.	120,095,125.17	120,095,125.17	Pledged	
Total	1,240,342,729.47	1,214,200,840.53		

Note: The pledged amount refers to the Company's proportionate share of net assets in these entities.

## (2) Details on assets with restrictions at the beginning of the period

Items	Opening book balance	Opening carrying amount	Type of restrictions	Reasons for restrictions
Cash and bank balances	495,231,329.24	495,231,329.24	Guaranteed, frozen, etc.	Security deposits, escrow account, frozen due to litigation preservation
Notes receivable – Bank acceptance	4,472,210.78	4,472,210.78	Endorsed or discounted	Endorsed or discounted but undue
Notes receivable – Trade acceptance	407,749.04	349,861.59	Endorsed or discounted	Endorsed or discounted but undue
Accounts receivable	357,237,223.82	338,232,491.18	Pledged	Pledged
Receivables financing	55,280,364.20	55,280,364.20	Pledged	Pledged
Long-term receivables and non-current assets due within one year	66,695,425.00	61,841,516.63	Recourse factoring	Recourse factoring, pledged
Fixed assets	72,439,458.40	27,881,359.42	Mortgaged	Mortgaged
Intangible assets	84,779,751.51	77,778,795.88	Mortgaged	Mortgaged
100% of equity of Biyang County Fenghe New Energy Power Co., Ltd.	105,047,950.25	105,047,950.25	Pledged	Pledged [Note]
100% of equity of Funan Green Oriental Environmental Protection Co., Ltd.	78,720,044.41	78,720,044.41	Pledged	
100% of equity of Poyang Green Oriental Renewable Energy Co., Ltd.	76,768,690.77	76,768,690.77	Pledged	
75% of equity of Lianjiang Green Oriental New Energy Co., Ltd.	112,692,107.66	112,692,107.66	Pledged	
25% of equity of Lianjiang Green Oriental New Energy Co., Ltd.	37,564,035.89	37,564,035.89	Frozen	Frozen due to litigation preservation
Total	1,547,336,340.97	1,471,860,757.90		

Note: The pledged amount refers to the Company's proportionate share of net assets in these entities.

## 25. Short-term borrowings

Items	Closing balance	Opening balance
Guaranteed borrowings	94,979,664.72	66,077,658.34
Pledged borrowings	9,807,159.38	29,830,000.00

Items	Closing balance	Opening balance
Mortgaged borrowings		18,018,500.00
Credit borrowings	3,903,916.78	8,006,821.92
Pledged and guaranteed borrowings	5,006,875.00	5,006,875.00
Total	113,697,615.88	126,939,855.26

## 26. Notes payable

Items	Closing balance	Opening balance
Trade acceptance	39,834,082.33	58,782,211.43
Bank acceptance	1,942,688,270.12	2,235,494,340.03
Total	1,982,522,352.45	2,294,276,551.46

## 27. Accounts payable

## (1) Details

Items	Closing balance	Opening balance
Payments for goods	3,370,627,251.09	2,580,677,947.96
Payments for engineering and equipment	275,421,830.10	240,704,266.86
Others	26,450,257.10	97,161,489.64
Total	3,672,499,338.29	2,918,543,704.46

(2) No material closing balance with age over one year.

## 28. Contract liabilities

## (1) Details

Items	Closing balance	Opening balance
Payments for goods received in advance	226,592,307.86	290,854,742.72
Rebate for customers	13,268,364.17	15,922,430.85
Total	239,860,672.03	306,777,173.57

(2) No material closing balance with age over one year.

## 29. Employee benefits payable

## (1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	487,271,995.49	2,714,344,778.71	2,618,701,890.69	582,914,883.51
Post-employment benefits - defined contribution plan	2,632,920.50	142,595,914.46	143,882,992.06	1,345,842.90
Termination benefits	995,923.99	26,615,613.79	25,429,340.18	2,182,197.60
Total	490,900,839.98	2,883,556,306.96	2,788,014,222.93	586,442,924.01

## (2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	471,358,528.62	2,549,234,077.16	2,451,938,653.17	568,653,952.61
Employee welfare fund	1,639,839.39	51,919,734.63	52,140,110.53	1,419,463.49
Social insurance premium	947,570.31	70,119,935.65	70,295,265.08	772,240.88
Including: Medicare premium	861,424.87	61,576,164.11	61,712,494.73	725,094.25
Occupational injuries premium	86,145.44	8,543,771.54	8,582,770.35	47,146.63
Housing provident fund	1,632,935.07	37,103,324.22	36,937,549.22	1,798,710.07
Trade union fund and employee education fund	11,693,122.10	5,967,707.05	7,390,312.69	10,270,516.46
Subtotal	487,271,995.49	2,714,344,778.71	2,618,701,890.69	582,914,883.51

## (3) Details of defined contribution plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium	2,550,907.40	137,734,846.61	139,001,451.29	1,284,302.72

Items	Opening balance	Increase	Decrease	Closing balance
Unemployment insurance premium	82,013.10	4,861,067.85	4,881,540.77	61,540.18
Subtotal	2,632,920.50	142,595,914.46	143,882,992.06	1,345,842.90

## 30. Taxes and rates payable

Items	Closing balance	Opening balance
VAT	128,140,253.73	86,581,679.18
Enterprise income tax	81,407,710.07	27,900,731.55
Individual income tax withheld for tax authorities	5,179,247.03	4,803,397.21
Urban maintenance and construction tax	1,046,557.99	506,023.66
Housing property tax	1,308,651.99	1,191,074.92
Land use tax	1,131,184.98	1,168,188.55
Stamp duty	1,402,540.97	1,433,178.29
Education surcharge	444,401.41	252,330.39
Local education surcharge	294,627.34	135,999.15
Others	3,045.95	59,328.23
Total	220,358,221.46	124,031,931.13

## 31. Other payables

## (1) Details

Items	Closing balance	Opening balance
Dividend payable	536,634.94	
Other payables	736,186,434.46	709,941,824.77
Total	736,723,069.40	709,941,824.77

## (2) Dividend payable

Items	Closing balance	Opening balance
Dividend of ordinary shares	536,634.94	
Subtotal	536,634.94	

## (3) Other payables

## 1) Details

Items	Closing balance	Opening balance
Recourse factoring of accounts receivable [Note]	82,837,731.00	22,660,825.00
Temporary receipts payable	324,686,486.30	354,511,622.56
Security deposits	130,234,447.82	165,161,284.82
Others	198,427,769.34	167,608,092.39
Subtotal	736,186,434.46	709,941,824.77

Note: The balance refers to the recourse factoring of accounts receivable made by Zoomlion Environmental Company to the non-bank financial institutions. However, as non-bank financial institutions have the right to request Zoomlion Environmental Company to repurchase the accounts receivable if they are overdue, the accounts receivable shall not be derecognized, and the receipts of factoring shall be recognized as other payables.

## 2) No material closing balance with age over one year.

## 32. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term borrowings due within one year	193,724,340.76	387,310,047.45
Lease liabilities due within one year	8,310,036.06	8,613,396.84
Long-term payables due within one year	9,104,000.00	9,104,000.00
Total	211,138,376.82	405,027,444.29

## 33. Other current liabilities

Items	Closing balance	Opening balance
Output VAT to be recognized	28,803,209.66	36,931,126.97
Total	28,803,209.66	36,931,126.97

## 34. Long-term borrowings

Items	Closing balance	Opening balance
Pledged borrowings	150,712,074.55	200,179,577.30
Mortgaged borrowings	290,530,000.00	154,000,000.00
Guaranteed borrowings	262,950,450.00	47,300,000.00
Credit borrowings	82,600,000.00	90,650,000.00

Items	Closing balance	Opening balance
Pledged and guaranteed borrowings	1,200,444,317.88	1,392,227,274.43
Total	1,987,236,842.43	1,884,356,851.73

## 35. Bonds payable

## (1) Details

Items	Closing balance	Opening balance
Convertible bonds	1,404,699,758.75	1,360,603,802.12
Total	1,404,699,758.75	1,360,603,802.12

(2) Current period movements (not including other financial instruments such as preferred shares/perpetual bonds classified as financial liabilities)

Bonds	Par value	Coupon rate (%)	Issuing date	Maturity	Amount outstanding	Whether default
Infore convertible bonds	100	[Note]	November 4, 2020	6 years	1,476,189,600.00	No
Subtotal	100				1,476,189,600.00	

(Continued)

Bonds	Opening balance	Current period issuance	Par value interest	Premium/ Discount amortization	Current period repayment	Converted to shares	Funds returned due to conversion of bonds into shares	Current period redemption	Closing balance
Infore convertible bonds	1,360,603,802.12		22,854,024.79	43,388,452.33	22,141,822.54	3,739.36	8.56	950.03	1,404,699,758.75
Subtotal	1,360,603,802.12		22,854,024.79	43,388,452.33	22,141,822.54	3,739.36	8.56	950.03	1,404,699,758.75

Note: The coupon rate is 0.20% in the first year, 0.50% in the second year, 0.80% in the third year, 1.50% in the fourth year, 1.80% in the fifth year and 2.00% in the sixth year.

## (3) Converting conditions, time, accounting treatment and judgement basis of convertible bonds

Under the “Approval of the Public Offering of Convertible Bonds by Infore Environment Technology Group Co., Ltd.” issued by China Securities Regulatory Commission (Zheng Jian Xu Ke [2020] 2219) dated September 10, 2020, on November 4, 2020, the Company issued publicly convertible bonds of 1,476,189,600 yuan, with a total issuance of 14,761,896 pieces, and a term of 6 years. The coupon rate of the convertible bonds issued this time is 0.20% in the first year, 0.50% in the second year, 0.80% in the third year, 1.50% in the fourth year, 1.80% in the fifth year, and 2.00% in the sixth year. Interest of the convertible corporate bonds



is paid once a year, and principal and the last year's interest are paid at maturity. The Company will redeem all convertible bonds not converted by investors at the 110% of the par value (including the last year's interest) within 5 trading days upon maturity of the convertible bonds issued this time.

The duration of the convertible bonds issued this time is 6 years from the date of issuance, that is, from November 4, 2020 to November 3, 2026. The initial conversion price of the convertible bonds issued this time is 8.31 yuan/share; the conversion period of the convertible bonds issued this time starts from the first trading day (May 10, 2021) after the expiration of six months from the end date of the issuance on November 10, 2020 to the maturity date of the convertible bonds (November 3, 2026).

In the current period, a total of 40 Infore convertible bonds had been converted to the Company's ordinary A shares, with a total of 504 shares converted. Capital reserve (share premium) of 3,958.68 yuan was recognized at the difference between the carrying amount of the convertible bonds actually converted and other equity instruments and share capital increased due to actual conversion of bonds into shares. The Company redeemed 10 Infore convertible bonds in the current period, and capital reserve (share premium) of 150.56 yuan was recognized at the difference between the carrying amount of the convertible bonds and other equity instruments redeemed and their fair value on the redemption date.

### 36. Lease liabilities

Items	Closing balance	Opening balance
Unpaid lease payments	8,192,889.91	17,036,813.59
Less: Unrecognized financing expenses	362,019.75	866,022.83
Total	7,830,870.16	16,170,790.76

### 37. Long-term payables

#### (1) Details

Items	Closing balance	Opening balance
Long-term payables	7,087,999.95	15,173,333.32
Special payables	24,600,000.00	287,776,139.63
Total	31,687,999.95	302,949,472.95

#### (2) Long-term payables

Items	Closing balance	Opening balance
Factoring funds payable	7,087,999.95	15,173,333.32
Subtotal	7,087,999.95	15,173,333.32

#### (3) Special payables

Items	Opening balance	Increase	Decrease	Closing balance	Reasons for balance
Special funds for treasury bond projects	3,000,000.00			3,000,000.00	Funds from conversion of treasury bonds into loans
Special funds for Jiayu Sewage Treatment Project	158,287,779.83		158,287,779.83		Special government funds for PPP projects
Special funds for Tongshan Sewage Treatment Project	126,488,359.80		126,488,359.80		Special government funds for PPP projects
Special funds for Hubei Fenghui Battery Dismantling Project		21,600,000.00		21,600,000.00	Special treasury bond funds
Subtotal	287,776,139.63	21,600,000.00	284,776,139.63	24,600,000.00	

## 38. Provisions

Items	Closing balance	Opening balance	Reasons for balance
Credit guarantees	1,049,769.45	1,994,511.41	Guarantee for buyer's credit
Total	1,049,769.45	1,994,511.41	

## 39. Deferred income

Items	Opening balance	Increase	Decrease	Closing balance	Reasons for balance
Government grants	115,340,494.42	301,312,660.38	30,400,500.60	386,252,654.20	Government grants related to assets
Total	115,340,494.42	301,312,660.38	30,400,500.60	386,252,654.20	

## 40. Other non-current liabilities

Items	Closing balance	Opening balance
Central special construction funds	8,148,148.14	8,148,148.14
Total	8,148,148.14	8,148,148.14

## 41. Share capital

## (1) Details

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bonus shares	Conversion of reserve to shares	Others	Subtotal	
Total shares	3,179,506,670.00	504.00			-12,565,382.00	-12,564,878.00	3,166,941,792.00

## (2) Other remarks

1) The Company converted convertible corporate bonds with par value of 4,000 yuan into the Company's ordinary A shares of 504 shares, with capital premium (share premium) recognized at 3,958.68 yuan.

2) The Company canceled treasury shares of 12,565,382 shares from the unused portion in the special securities account for repurchase, with capital premium (share premium) decreased by 81,567,413.17 yuan.

## 42. Other equity instruments

(1) Please refer to section V (I) 35 of notes to financial statements for basic information of convertible corporate bonds outstanding at the balance sheet date.

(2) Current period movements of financial instruments such as preferred shares or perpetual bonds outstanding at the balance sheet date

Items	Opening balance		Increase		Decrease		Closing balance	
	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount	Quantity	Carrying amount
Convertible bonds	14,760,507	266,914,714.33			50	904.15	14,760,457	266,913,810.18
Total	14,760,507	266,914,714.33			50	904.15	14,760,457	266,913,810.18

Note: In the current period, convertible corporate bonds with par value of 5,000 yuan had been converted and redeemed, with other equity instruments decreased by 904.15 yuan accordingly.

## 43. Capital reserve

## (1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Share/capital premium	9,603,497,791.03	4,109.24	104,165,502.31	9,499,336,397.96
Other capital reserve	57,900,930.24			57,900,930.24
Total	9,661,398,721.27	4,109.24	104,165,502.31	9,557,237,328.20

## (2) Other remarks

1) Current increase of capital premium (share premium) of 4,109.24 yuan was due to the conversion and redemption of convertible corporate bonds issued by the Company, with the corresponding premium recognized

as capital reserve in accordance with the CASBEs. Please refer to section V (I) 35 and V (I) 42 of notes to the financial statements for details.

2) Current decrease of capital premium (share premium) was mainly due to:

- a. the difference of 22,598,089.14 yuan between the consideration for acquisition of 30% of equity of the subsidiary Green Oriental Company in February 2024 and the proportionate share in net assets of Green Oriental Company continuously calculated from the acquisition date or combination date;
- b. the difference of 81,567,413.17 yuan between the repurchase price and share capital of 12,565,382 shares from the unused portion in the special securities account for repurchase, which were canceled based on the resolution of the shareholders' meeting in May 2024.

#### 44. Treasury shares

##### (1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Treasury shares	94,132,795.17		94,132,795.17	
Total	94,132,795.17		94,132,795.17	

##### (2) Other remarks

Please refer to section V (I) 43 of notes to the financial statements for changes in treasury shares during the current period.

#### 45. Other comprehensive income

Items	Opening balance	Current period cumulative						Closing balance
		Other comprehensive income after tax					Less: OCI previously recognized but transferred to retained earnings in the current period (attributable to parent company after tax)	
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in the current period	Less: Income tax expenses	Attributable to parent company	Attributable to non-controlling shareholders		
Items not to be reclassified subsequently to profit or loss	- 4,630,000.00	- 14,070,000.00			- 14,070,000.00			- 18,700,000.00
Including: Changes in fair value of other equity instrument investments	- 4,630,000.00	- 14,070,000.00			- 14,070,000.00			- 18,700,000.00
Items to be reclassified subsequently to profit		954,265.16			954,265.16			954,265.16

Items	Opening balance	Current period cumulative						Closing balance
		Other comprehensive income after tax					Less: OCI previously recognized but transferred to retained earnings in the current period (attributable to parent company after tax)	
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in the current period	Less: Income tax expenses	Attributable to parent company	Attributable to non-controlling shareholders		
or loss								
Including: Translation reserves		954,265.16			954,265.16			954,265.16
Total	- 4,630,000.00	- 13,115,734.84			- 13,115,734.84			- 17,745,734.84

## 46. Special reserve

Items	Opening balance	Increase	Decrease	Closing balance
Work safety fund		8,763,770.25	8,763,770.25	
Total		8,763,770.25	8,763,770.25	

## 47. Surplus reserve

## (1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	379,017,020.19	44,099,319.12		423,116,339.31
Total	379,017,020.19	44,099,319.12		423,116,339.31

## (2) Other remarks

Current increase of 44,099,319.12 yuan was due to the appropriation of statutory surplus reserve at 10% of net profit generated by the parent company in the current period.

## 48. Undistributed profit

Items	Current period cumulative	Preceding period comparative
Opening balance	4,049,434,826.11	3,963,306,890.06
Add: Net profit attributable to owners of the parent company	513,514,275.54	498,383,730.00

Items	Current period cumulative	Preceding period comparative
Less: Appropriation of statutory surplus reserve	44,099,319.12	63,892,252.27
Dividend payable on ordinary shares	395,867,692.25	348,363,541.68
Closing balance	4,122,982,090.28	4,049,434,826.11

## (II) Notes to items of the consolidated income statement

## 1. Operating revenue/Operating cost

## (1) Details

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	13,092,045,278.10	10,246,959,377.89	12,593,195,441.07	9,734,951,651.18
Other operations	25,849,045.85	14,596,417.46	37,855,526.27	19,998,635.24
Total	13,117,894,323.95	10,261,555,795.35	12,631,050,967.34	9,754,950,286.42
Including: Revenue from contracts with customers	13,115,089,788.96	10,259,158,457.63	12,627,471,564.83	9,752,551,808.30

## (2) Breakdown of revenue

## 1) Breakdown of revenue from contracts with customers by goods or services

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Smart city services	11,628,543,394.30	9,125,374,442.47	10,715,122,532.51	8,370,507,746.80
Other businesses	1,486,546,394.66	1,133,784,015.16	1,912,349,032.32	1,382,044,061.50
Subtotal	13,115,089,788.96	10,259,158,457.63	12,627,471,564.83	9,752,551,808.30

## 2) Breakdown of revenue from contracts with customers by operating regions

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Domestic	13,045,493,647.53	10,206,828,132.10	12,580,574,554.53	9,719,212,709.12
Overseas	69,596,141.43	52,330,325.53	46,897,010.30	33,339,099.18
Subtotal	13,115,089,788.96	10,259,158,457.63	12,627,471,564.83	9,752,551,808.30

## 3) Breakdown of revenue from contracts with customers by time of transferring goods or rendering services

Items	Current period cumulative	Preceding period comparative
Recognized at a point in time	6,135,772,464.01	5,853,953,110.98
Recognized over time	6,979,317,324.95	6,773,518,453.85
Subtotal	13,115,089,788.96	12,627,471,564.83

## 2. Taxes and surcharges

Items	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	24,148,825.72	19,347,236.29
Education surcharge	10,666,964.16	9,237,216.76
Housing property tax	16,203,888.67	16,056,747.97
Land use tax	10,199,996.02	9,274,170.36
Local education surcharge	6,868,443.19	4,897,252.61
Stamp duty	6,587,025.93	9,430,645.45
Vehicle and vessel use tax	2,112,684.94	1,791,754.71
Environmental protection tax	52,355.08	22,817.10
Others	51,508.12	33,747.82
Total	76,891,691.83	70,091,589.07

## 3. Selling expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	307,251,216.27	335,609,966.84
Marketing expenses and agency fees	220,819,033.76	265,269,393.83
Business entertainment expenses	51,112,112.30	48,124,800.71
Office expenses	38,257,930.59	44,084,358.46
Expenses for tendering and bidding	24,630,610.09	23,714,813.45
Vehicle usage fees	24,639,231.23	26,437,459.78
Business travelling expenses	24,984,948.00	24,235,527.24
Depreciation and amortization	3,406,740.19	2,564,157.65
Others	18,406,142.13	14,826,275.56

Items	Current period cumulative	Preceding period comparative
Total	713,507,964.56	784,866,753.52

## 4. Administrative expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	445,519,388.01	405,851,793.11
Depreciation and amortization	85,688,115.35	96,124,324.58
Office expenses	66,533,790.62	55,346,741.42
Business entertainment expenses	47,715,823.66	57,420,506.69
Agency consulting fees	56,947,385.40	49,770,146.66
Vehicle usage fees	10,655,045.66	11,285,144.00
Business travelling expenses	13,607,851.02	12,998,629.92
Repair fees	3,188,966.37	3,476,335.42
Others	43,655,243.82	33,885,615.65
Total	773,511,609.91	726,159,237.45

## 5. R&amp;D expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	225,296,261.02	246,795,666.58
Direct inputs	24,575,277.27	34,669,099.04
Other expenses	67,245,745.71	62,565,473.71
Total	317,117,284.00	344,030,239.33

## 6. Financial expenses

Items	Current period cumulative	Preceding period comparative
Interest expenditures	148,707,477.58	156,635,777.38
Interest income	-74,268,310.95	-99,626,077.56
Gains and losses on foreign exchange	484,792.16	-1,587,128.38
Others	6,082,393.21	19,898,513.43



Items	Current period cumulative	Preceding period comparative
Total	81,006,352.00	75,321,084.87

## 7. Other income

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Government grants related to assets	26,869,378.43	9,544,515.62	2,142,170.52
Government grants related to income	74,123,506.76	69,450,144.75	53,415,135.13
Refund of handling fees for withholding individual income tax	954,133.65	424,735.51	
VAT extra deductions	35,161,533.86	40,567,420.41	
Total	137,108,552.70	119,986,816.29	55,557,305.65

## 8. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	21,424,762.72	4,960,692.79
Investment income from disposal of long-term equity investments	-21,453,627.50	
Investment income from financial products	24,183,474.63	12,111,406.99
Losses from debt restructuring	-2,318,575.60	-3,130,560.92
Gains from non-recourse factoring of accounts receivable	-67,388,725.85	-64,671,667.09
Gains from sale of accounts receivable	17,102,059.94	
Others	-2,438,796.80	-867,077.69
Total	-30,889,428.46	-51,597,205.92

## 9. Credit impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debts	-263,315,661.50	-218,933,128.92
Credit guarantee loss	944,741.96	2,580,537.81
Total	-262,370,919.54	-216,352,591.11

## 10. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Inventory write-down loss	-24,337,915.42	-15,842,992.24
Impairment loss of goodwill	-3,793,868.72	-94,237,304.12
Impairment loss of other non-current assets	1,839,208.07	-12,686,044.85
Impairment loss of contract assets	-5,417,609.68	5,615,945.43
Development expenditures		-6,240,373.24
Total	-31,710,185.75	-123,390,769.02

## 11. Gains on asset disposal

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Gains on disposal of fixed assets	-996,886.09	-661,936.68	-996,886.09
Gains on disposal of intangible assets	964,954.40	-529,889.14	964,954.40
Total	-31,931.69	-1,191,825.82	-31,931.69

## 12. Non-operating revenue

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Gains on damage or retirement of non-current assets	66,171.96	428,721.52	66,171.96
Penalty and confiscatory income	17,560,236.12	14,363,825.53	17,560,236.12
Others	3,588,241.87	5,054,158.55	3,588,241.87
Total	21,214,649.95	19,846,705.60	21,214,649.95

## 13. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Losses on damage or retirement of non-current assets	25,496,831.59	2,654,891.96	25,496,831.59
Donation expenditures	1,499,766.00	1,837,168.20	1,499,766.00
Special funds for local water conservancy construction	655,418.93	490,964.79	
Penalty and confiscatory expenses	44,581,056.24	6,546,510.22	44,581,056.24

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Others	7,061,840.39	1,501,531.02	7,061,840.39
Total	79,294,913.15	13,031,066.19	78,639,494.22

## 14. Income tax expenses

## (1) Details

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	122,573,790.57	106,216,873.13
Deferred income tax expenses	-17,319,457.97	-8,859,221.68
Total	105,254,332.60	97,357,651.45

## (2) Reconciliation of accounting profit to income tax expenses

Items	Current period cumulative	Preceding period comparative
Profit before tax	648,329,450.36	609,901,840.51
Income tax expenses based on tax rate applicable to the parent company	162,082,362.59	152,475,460.13
Effect of different tax rate applicable to subsidiaries	-101,232,225.41	-108,201,596.08
Effect of prior income tax reconciliation	425,975.50	10,458,266.74
Effect of non-taxable income	2,081,837.94	-1,995,800.61
Effect of non-deductible costs, expenses and losses	11,590,048.99	17,657,279.37
Effect of utilization of deductible losses not previously recognized as deferred tax assets	-9,980,142.34	-13,171,099.82
Effect of deductible temporary differences or deductible losses not recognized as deferred tax assets in the current period	92,928,187.83	86,948,728.47
Effect of extra deduction	-52,880,238.87	-46,798,282.51
Difference between deferred and current income tax rates	238,526.37	-15,304.24
Income tax expenses	105,254,332.60	97,357,651.45

## 15. Other comprehensive income after tax

Please refer to section V (I) 45 of notes to the financial statements for details.

## (III) Notes to items of the consolidated cash flow statement

## 1. Other cash receipts or payments related to operating activities, investing activities and financing activities

## (1) Other cash receipts related to operating activities

Items	Current period cumulative	Preceding period comparative
Receipts of deposits for notes, letters of credit and letters of guarantee	227,769,983.95	167,737,972.76
Receipts of government grants	70,100,681.48	58,010,336.36
Receipts of security deposits	64,398,840.83	111,742,962.57
Recovery of petty cash and temporary advance payment receivable	65,091,670.24	99,329,855.08
Temporary receipts payable	199,441,444.40	180,665,554.52
Receipts of interest income	55,176,330.53	76,788,792.42
Receipts of factoring payment and principal of finance lease	609,740,986.98	1,066,072,685.44
Receipt of principal and interest of time deposits	230,340,333.33	
Others	41,849,691.27	20,325,575.31
Total	1,563,909,963.01	1,780,673,734.46

## (2) Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Payments for deposits for notes, letters of credit and letters of guarantee	93,276,510.85	285,090,684.20
Operating period expenses	878,207,698.46	731,115,039.63
Payments for security deposits	73,120,850.95	63,056,515.55
Payments for petty cash and temporary advance payment receivable	51,587,935.83	60,967,713.23
Payments for factoring and principal of finance lease	588,127,124.82	719,746,793.47
Purchase of time deposits	300,000,000.00	230,000,000.00
Payments for temporary receipts payable	105,457,623.44	94,331,472.76
Others	50,442,368.63	14,644,423.90

Total	2,140,220,112.98	2,198,952,642.74
-------	------------------	------------------

## (3) Other cash receipts related to investing activities

Items	Current period cumulative	Preceding period comparative
Redemption of financial products	8,309,070,380.37	1,638,150,000.00
Receipts of special payables	21,600,000.00	12,619,977.00
Receipts of principal and interest of call loans	391,377,381.01	
Receipts of performance compensation payments	99,229,334.96	
Total	8,821,277,096.34	1,650,769,977.00

## (4) Other cash payments related to investing activities

Items	Current period cumulative	Preceding period comparative
Purchase of financial products	8,309,070,380.37	1,638,150,000.00
Recovery of special payables		3,000,000.00
Cash outflows from disposal of subsidiaries	1,217,044.03	1,785,617.97
Total	8,310,287,424.40	1,642,935,617.97

## (5) Other cash receipts related to financing activities

Items	Current period cumulative	Preceding period comparative
Receipts of call loans	46,325,400.00	48,692,000.00
Recourse factoring of accounts receivable	82,290,000.00	
Total	128,615,400.00	48,692,000.00

## (6) Other cash payments related to financing activities

Items	Current period cumulative	Preceding period comparative
Return of call loans	56,774,887.22	32,418,130.98
Payments for rents	9,833,360.67	10,331,775.89
Purchase of non-controlling interest	73,059,000.00	2,000,000.00
Payments for factoring service fees and handling fees	1,896,301.34	

Total	141,563,549.23	44,749,906.87
-------	----------------	---------------

## 2. Supplementary information to the cash flow statement

Supplementary information	Current period cumulative	Preceding period comparative
(1) Reconciliation of net profit to cash flows from operating activities:		
Net profit	543,075,117.76	512,544,189.06
Add: Provision for assets impairment	31,710,185.75	123,390,769.02
Provision for credit impairment	262,370,919.54	216,352,591.11
Depreciation of fixed assets, right-of-use assets, oil and gas assets, productive biological assets	312,447,519.47	286,959,372.71
Amortization of intangible assets	496,120,079.56	508,294,636.17
Amortization of long-term prepayments	13,055,163.47	12,737,945.56
Losses on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	31,931.69	1,104,586.11
Fixed assets retirement loss (Less: gains)	25,430,659.63	2,226,170.44
Losses on changes in fair value (Less: gains)		
Financial expenses (Less: gains)	142,928,235.60	156,286,924.35
Investment losses (Less: gains)	-21,732,249.38	-17,097,464.58
Decrease of deferred tax assets (Less: increase)	-15,514,237.64	-1,871,173.45
Increase of deferred tax liabilities (Less: decrease)	-1,805,220.33	-6,988,048.23
Decrease of inventories (Less: increase)	-97,981,316.86	-115,741,461.68
Decrease of operating receivables (Less: increase)	-1,113,495,631.13	-217,119,189.86
Increase of operating payables (Less: decrease)	585,408,324.35	-75,523,337.24
Others		
Net cash flows from operating activities	1,162,049,481.48	1,385,556,509.49
(2) Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Right-of-use assets increased in the current period		

Supplementary information	Current period cumulative	Preceding period comparative
(3) Net changes in cash and cash equivalents:		
Cash at the end of the period	4,690,217,231.21	3,916,145,254.54
Less: Cash at the beginning of the period	3,916,145,254.54	4,580,665,245.99
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	774,071,976.67	-664,519,991.45

### 3. Composition of cash and cash equivalents

#### (1) Details

Items	Closing balance	Opening balance
1) Cash	4,690,217,231.21	3,916,145,254.54
Including: Cash on hand	165,440.86	310,688.91
Cash in bank on demand for payment	4,688,889,015.35	3,914,780,983.13
Other cash and bank balances on demand for payment	1,162,775.00	1,053,582.50
Central bank deposit on demand for payment		
Deposit in other banks		
Loans to other banks		
2) Cash equivalents		
Including: Bond investments maturing within three months		
3) Cash and cash equivalents at the end of the period	4,690,217,231.21	3,916,145,254.54
Including: Cash and cash equivalents of parent company or subsidiaries with use restrictions		

#### (2) Cash and cash equivalents with use restrictions

Items	Closing balance	Opening balance	Reasons for use restrictions and for considered as cash and cash equivalents
Raised funds	144,975,442.92	77,431,277.37	Raised funds

Items	Closing balance	Opening balance	Reasons for use restrictions and for considered as cash and cash equivalents
Business funds specifically used for project payments	21,171,606.15	22,851,951.00	Special funds
Subtotal	166,147,049.07	100,283,228.37	

## (3) Cash and bank balances not considered as cash and cash equivalents

Items	Closing balance	Opening balance	Reasons for not considered as cash and cash equivalents
Deposits for bank acceptance	51,912,309.98	179,001,533.41	Unable to be withdrawn on demand
Deposits for letters of guarantee	63,861,028.22	77,546,493.49	Unable to be withdrawn on demand
Engineering deposits	608,777.07	929,734.93	Unable to be withdrawn on demand
ETC deposits	3,000.00	3,000.00	Unable to be withdrawn on demand
Deposits for land reclamation	1,382,242.32	1,003,098.32	Unable to be withdrawn on demand
Deposits for buyer's credit	863,453.18	861,924.65	Unable to be withdrawn on demand
Engineering escrow accounts that are not available for separate use		154,141.05	Unable to be withdrawn on demand
Cash in bank frozen due to lawsuits	1,968,278.41	5,100,869.89	Unable to be withdrawn on demand
Time deposits and interests	300,196,944.44	230,340,333.33	Unable to be withdrawn on demand
Factoring collections held in custody	6,357,287.45		Unable to be withdrawn on demand
Security deposits	261,796.72		Unable to be withdrawn on demand
Others	362,768.22	290,200.17	Unable to be withdrawn on demand
Subtotal	427,777,886.01	495,231,329.24	

## 4. Changes in liabilities related to financing activities



Items	Opening balance	Increase		Decrease		Closing balance
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short-term borrowings	126,939,855.26	786,667,037.35	10,744,082.65	781,153,359.38	29,500,000.00	113,697,615.88
Dividend payable			407,439,293.83	406,902,658.89		536,634.94
Other payables	23,799,636.47	128,615,400.00	76,636,291.09	122,602,932.36		106,448,395.20
Long-term borrowings (including long-term borrowings due within one year)	2,271,666,899.18	457,988,683.03	85,775,737.61	634,470,136.63		2,180,961,183.19
Bonds payable (including bonds payable due within one year)	1,360,603,802.12		66,238,781.39	22,142,824.76		1,404,699,758.75
Lease liabilities (including lease liabilities due within one year)	24,784,187.60		1,190,079.29	9,833,360.67		16,140,906.22
Long-term payables (including long-term payables due within one year)	24,277,333.32		1,041,922.83	9,127,256.20		16,191,999.95
Subtotal	3,832,071,713.95	1,373,271,120.38	649,066,188.69	1,986,232,528.89	29,500,000.00	3,838,676,494.13

#### 5. Significant activities not involving cash receipts and payments

Please refer to section V (III) 4 of notes to the financial statements for details on significant investing and financing activities not involving cash receipts and payments.

#### (IV) Others

##### 1. Monetary items in foreign currencies

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Cash and bank balances			54,087,935.42
Including: USD	4,680,710.05	7.1884	33,646,816.12
EUR	1,535,918.33	7.5257	11,558,860.58
HKD	9,042,266.56	0.9260	8,373,138.83
THB	2,394,731.36	0.2126	509,119.89
Accounts receivable			16,468,198.57
Including: USD	764.00	7.1884	5,491.94
EUR	2,119,178.74	7.5257	15,948,303.44
HKD	555,511.00	0.9260	514,403.19
Other receivables			1,393,826.66
Including: EUR	100,000.00	7.5257	752,570.00
HKD	2,500.00	0.9260	2,315.00
THB	3,005,370.00	0.2126	638,941.66
Accounts payable			7,666.38
Including: THB	36,060.11	0.2126	7,666.38
Other payables			109,624.02
Including: HKD	100,000.00	0.9260	92,600.00
THB	80,075.35	0.2126	17,024.02

## 2. Leases

### (1) The Company as the lessee

1) Please refer to section V (I) 17 of notes to the financial statements for details on right-of-use assets.

2) Please refer to section III (XXXII) of notes to the financial statements for details on the Company's accounting policies on short-term leases and leases for which the underlying asset is of low value. The amounts of short-term leases and low-value asset leases included into profit or loss are as follows:

Items	Current period cumulative	Preceding period comparative
Expense relating to short-term leases	11,898,616.80	19,527,703.71
Expense relating to leases of low-value assets (excluding short-term leases)		
Total	11,898,616.80	19,527,703.71

## 3) Profit or loss and cash flows related to leases

Items	Current period cumulative	Preceding period comparative
Interest expenses on lease liabilities	861,147.85	1,190,325.15
Variable lease payments included in profit or loss but not included in the measurement of lease liabilities		
Income from subleasing right-of-use assets		
Total cash outflows related to leases	21,731,977.47	29,859,479.60
Gains or losses arising from sale and leaseback transactions		

4) Please refer to section IX (II) of notes to the financial statements for details on maturity analysis of lease liabilities and related liquidity risk management.

## (2) The Company as the lessor

## 1) Operating lease

## a. Lease income

Items	Current period cumulative	Preceding period comparative
Lease income	2,422,596.81	3,249,127.28
Including: Income relating to variable lease payments not included in the measurement of the lease liabilities		

## b. Assets leased out under operating leases

Items	Closing balance	December 31, 2023
Buildings and structures	32,330,758.71	23,875,232.89
Special equipment	1,026,005.26	
Subtotal	33,356,763.97	23,875,232.89

Please refer to section V (I) 15 of notes to the financial statements for details on fixed assets leased out under operating leases.

c. Undiscounted lease payments to be received arising from non-cancellable leases based on the lease contract signed with lessee

Remaining years	Closing balance	December 31, 2023
Within 1 year	1,328,438.00	104,738.00
1-2 years	104,738.00	104,738.00
2-3 years	104,738.00	104,738.00
3-4 years	104,738.00	104,738.00
4-5 years		104,738.00
Total	1,642,652.00	523,690.00

## 2) Finance lease

a. Profit or loss related to finance lease

Items	Current period cumulative	Preceding period comparative
Finance income on the net investment in the lease	2,140,490.59	2,245,842.84
Income relating to variable lease payments not included in the measurement of the net investment in the lease		

b. Reconciliation of undiscounted lease payments to net investment in the lease

Items	Closing balance	December 31, 2023
Undiscounted lease payments	55,723,768.11	68,248,638.70
Less: Unrealized finance income relating to lease payments	2,885,932.56	4,679,168.24
Add: Present value of unguaranteed residual value		
Net investment in the lease	52,837,835.55	63,569,470.46

c. Undiscounted lease payments to be received arising from non-cancellable leases based on the lease contract signed with lessee

Remaining years	Closing balance	December 31, 2023
Within 1 year	28,609,032.71	46,826,104.16
1-2 years	22,702,585.40	19,550,334.54
2-3 years	1,945,150.00	1,497,760.00
3-4 years	1,493,600.00	374,440.00
4-5 years	973,400.00	
Total	55,723,768.11	68,248,638.70

### 3. Supplier finance arrangements

#### (1) Terms and conditions of supplier finance arrangements

Categories	Terms and conditions
Supply chain financing	The Company enters into agreements with banks to utilize either the bank's proprietary service platform or China Enterprise Cloud Chain, the third-party online financing platform, for supply chain financing operations. The banks provide payment agency and seller factoring services to the Company, which in turn extends the payment period by settling the payment on the agreed maturity date of accounts payable.
Domestic letters of credit	The Company processes domestic letters of credit through banks. The Company authorizes the banks to directly deduct handling fees, interest, and other related charges from its account, as well as to execute outward payments under domestic letters of credit through direct account deductions.

#### (2) Liabilities related to supplier finance arrangements

##### 1) Carrying amount of related liabilities

Items	Closing balance	Opening balance
Accounts payable	196,358,041.38	77,000,553.53
Including: Payments already received by suppliers	138,583,990.82	19,966,154.50
Subtotal	196,358,041.38	77,000,553.53

##### 2) Range of payment due dates for related liabilities

The Company extended the payment terms of related liabilities by 6-9 months through supplier finance arrangements.

## VI. R&D Costs

### (I) R&D costs

Items	Current period cumulative	Preceding period comparative
Employee benefits	225,296,261.02	252,327,439.92
Direct inputs	24,575,277.27	37,083,931.61
Other expenses	67,245,745.71	63,438,534.25
Total	317,117,284.00	352,849,905.78
Including: R&D costs to be expensed	317,117,284.00	344,030,239.33
R&D costs to be capitalized		8,819,666.45

## (II) Development expenditures

## 1. Changes in development expenditures

Items	Opening balance	Increase		Decrease			Closing balance
		Internal development expenditures	Others	Recognized as intangible assets	Transferred out into profit or loss	Disposal/ Scrapping	
Development expenditures	9,063,080.60					9,063,080.60	
Total	9,063,080.60					9,063,080.60	

## 2. Impairment of development expenditures

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Disposal/ Scrapping	Others	
Development expenditures	9,063,080.60			9,063,080.60		
Subtotal	9,063,080.60			9,063,080.60		

**VII. Interest in Other Entities**

## (I) Composition of the consolidation scope

1. The Company has brought 315 subsidiaries including Zoomlion Environmental Company, Shangfeng Industrial Company, Infore Technology Company and Green Oriental Company into the consolidation scope.

## 2. Basic information of significant subsidiaries

Subsidiaries	Registered capital	Main operating place and place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
Zoomlion Environmental Company	2,351.53 million yuan	Changsha, Hunan	Smart city services	100.00		Business combination under common control

## (II) Disposal of subsidiaries

## One-time disposal leading to loss of control over a subsidiary

Subsidiaries	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal method	Loss-of-control date	Determination basis for loss-of-control date	Difference between disposal consideration and net assets attributable to the Company at the consolidated financial statements level
Ji'an Zhongfeng Environmental Technology Co., Ltd.	1,184,613.45	100.00	Transfer	August 22, 2024	Substantial control transfer	15,369.49
Chongqing Zhongying Environmental Sanitation Service Co., Ltd.	540,000.00	100.00	Transfer	November 27, 2024	Substantial control transfer	529.15
Shengzhou Zoomlion Environmental Engineering Co., Ltd.	533,558.32	100.00	Transfer	September 30, 2024	Substantial control transfer	6,009.97
Heze Yingsheng Environmental Sanitation Service Co., Ltd.	200,000.00	100.00	Transfer	July 30, 2024	Substantial control transfer	28,191.24
Wuhan Tongying Environmental Sanitation Management Co., Ltd.	147,905.00	100.00	Transfer	December 27, 2024	Substantial control transfer	8,320.83
Zhoushan Yinghe Environmental Sanitation Service Co., Ltd.	531,542.00	100.00	Transfer	December 27, 2024	Substantial control transfer	93,152.20

Subsidiaries	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal method	Loss-of-control date	Determination basis for loss-of-control date	Difference between disposal consideration and net assets attributable to the Company at the consolidated financial statements level
Foshan Shunhe Environmental Protection Co., Ltd.	258,552,204.53	100.00	Transfer	February 1, 2024	Substantial control transfer	-21,109,721.98

(Continued)

Subsidiaries	Proportion of remaining equity at the loss-of-control date	Carrying amount of remaining equity at the loss-of-control date	Fair value of remaining equity at the loss-of-control date	Gains/Losses on fair value remeasurement of remaining equity	Determination method and major assumption on fair value of remaining equity at the loss-of-control date	Changes in other comprehensive income/ equity related to former subsidiary's equity investment transferred to investment income
Ji'an Zhongfeng Environmental Technology Co., Ltd.						
Chongqing Zhongying Environmental Sanitation Service Co., Ltd.						
Shengzhou Zoomlion Environmental Engineering Co., Ltd.						
Heze Yingsheng Environmental Sanitation Service Co., Ltd.						
Wuhan Tongying Environmental Sanitation Management Co., Ltd.						
Zhoushan Yinghe Environmental Sanitation Service Co., Ltd.						



Subsidiaries	Proportion of remaining equity at the loss-of-control date	Carrying amount of remaining equity at the loss-of-control date	Fair value of remaining equity at the loss-of-control date	Gains/Losses on fair value remeasurement of remaining equity	Determination method and major assumption on fair value of remaining equity at the loss-of-control date	Changes in other comprehensive income/ equity related to former subsidiary's equity investment transferred to investment income
Foshan Shunhe Environmental Protection Co., Ltd.						

## (III) Changes in the consolidation scope due to other reasons

## 1. Entities brought into the consolidation scope

Name of entities	Equity acquisition method	Equity acquisition date	Capital contribution	Proportion of capital contribution (%)
Maoming Yingsheng Urban Environmental Service Co., Ltd.	Establishment	January 9, 2024	1,700,000.00	100.00
Guangzhou Yingsheng Environmental Co., Ltd.	Establishment	January 24, 2024	[Note]	100.00
Shadong Yingsheng Environmental Sanitation Management Co., Ltd.	Establishment	January 24, 2024	[Note]	100.00
Pingdingshan Zhongying Environmental Sanitation Management Co., Ltd.	Establishment	January 29, 2024	[Note]	100.00
Pingdingshan Yinglian Environmental Sanitation Management Co., Ltd.	Establishment	January 29, 2024	[Note]	100.00
Huizhou Tongying Environmental Industry Co., Ltd.	Establishment	January 31, 2024	[Note]	100.00
Luanzhou Zhongying Environmental Service Co., Ltd.	Establishment	January 31, 2024	1,000,000.00	100.00
Chunhua Yinghe Urban Environmental Services Co., Ltd.	Establishment	February 2, 2024	100,000.00	100.00
Foshan Shunde Yinggui Urban Environmental Service Co., Ltd.	Establishment	February 21, 2024	12,000,000.00	100.00
Hefei Yingsheng Environmental Sanitation Management Co., Ltd.	Establishment	February 26, 2024	500,000.00	100.00
Zhongyang Tongying Environmental Sanitation Service Co., Ltd.	Establishment	February 29, 2024	[Note]	100.00
Nantong Gaoying Environmental Sanitation Management Co., Ltd.	Establishment	March 14, 2024	100,000.00	100.00
Shenzhen Longhua Yinglian Environment Co., Ltd.	Establishment	March 25, 2024	2,000,000.00	100.00

Name of entities	Equity acquisition method	Equity acquisition date	Capital contribution	Proportion of capital contribution (%)
Hanshou Tongying Environmental Sanitation Service Co., Ltd.	Establishment	March 26, 2024	[Note]	100.00
Zhongshan Yingluo Environmental Technology Co., Ltd.	Establishment	April 2, 2024	255,000.00	51.00
Suzhou Lianying Environmental Technology Co., Ltd.	Establishment	April 19, 2024	[Note]	100.00
Changfeng Tongying Environmental Sanitation Management Co., Ltd.	Establishment	April 22, 2024	200,000.00	100.00
Xinnin Zhongying Environmental Sanitation Management Co., Ltd.	Establishment	April 30, 2024	[Note]	100.00
Guangdong Infore Low Carbon Recycling Technology Co., Ltd.	Establishment	May 11, 2024	10,000,000.00	100.00
Shenyang Yinghe Urban Environmental Sanitation Management Co., Ltd.	Establishment	May 13, 2024	5,000,000.00	100.00
Zhaoqing Yingjie Environmental Service Co., Ltd.	Establishment	May 31, 2024	[Note]	100.00
Jiaxing Yingjia Urban Service Co., Ltd.	Establishment	June 3, 2024	1,000,000.00	100.00
Tongdao Yinglian Jiujie Environmental Industry Co., Ltd.	Establishment	June 13, 2024	100,000.00	100.00
Xiangtan Yingsheng Environmental Sanitation Management Co., Ltd.	Establishment	June 14, 2024	100,000.00	100.00
Taihu Yinghe Environmental Sanitation Management Co., Ltd.	Establishment	June 21, 2024	100,000.00	100.00
Chongqing Jiangbei Yingsheng Environmental Sanitation Service Co., Ltd.	Establishment	June 25, 2024	200,000.00	100.00
Huizhou Yinghe Environmental Industry Co., Ltd.	Establishment	June 26, 2024	200,000.00	100.00
Guangze Yingze Environmental Development Co., Ltd.	Establishment	June 27, 2024	[Note]	100.00
Yongzhou Lingling Yingsheng Environmental Sanitation Management Co., Ltd.	Establishment	July 2, 2024	6,000,000.00	100.00
Datong Yingsheng Environmental Sanitation Management Co., Ltd.	Establishment	July 19, 2024	[Note]	100.00
Tangshan Zhongying Environmental Service Co., Ltd.	Establishment	July 24, 2024	6,300,000.00	100.00
Foshan Shunde Yinghe Urban Environmental Service Co., Ltd.	Establishment	August 2, 2024	4,900,000.00	100.00

Name of entities	Equity acquisition method	Equity acquisition date	Capital contribution	Proportion of capital contribution (%)
Xining Yinglian Urban Environmental Service Co., Ltd.	Establishment	August 5, 2024	100,000.00	100.00
Maoming Binhai New Area Yingbin Urban Environmental Service Co., Ltd.	Establishment	August 26, 2024	6,500,000.00	100.00
Suzhou Wujiang Yingzhiyuan Environmental Sanitation Management Co., Ltd.	Establishment	August 28, 2024	200,000.00	100.00
Infore Environment Technology Group Co., Ltd.	Establishment	September 3, 2024	USD 5,230,000.00	100.00
Meishan Yinglian Urban Sanitation Service Co., Ltd.	Establishment	September 27, 2024	10,000,000.00	100.00
Foshan Shunde Yinglun Recycling Resources Co., Ltd.	Establishment	October 10, 2024	2,000,000.00	100.00
Dongguan Yinglian Urban Environmental Service Co., Ltd.	Establishment	October 16, 2024	2,000,000.00	100.00
Yangjiang Yingfei Environmental Technology Co., Ltd.	Establishment	October 16, 2024	[Note]	100.00
Linqing Yingchuang Environmental Technology Co., Ltd.	Establishment	October 17, 2024	[Note]	100.00
Dongguan Hefuying Environmental Industry Co., Ltd.	Establishment	October 23, 2024	102,000.00	51.00
Zouping Yinglian Urban Environmental Service Co., Ltd.	Establishment	October 29, 2024	[Note]	100.00
Xiapu Yingjia Environmental Service Co., Ltd.	Establishment	October 29, 2024	500,000.00	100.00
Infore Environment Intelligent Sanitation Equipment (Thailand) Co., Ltd.	Establishment	November 1, 2024	USD 2,900,000.00	100.00
Taizhou Yinglian Environmental Management Co., Ltd.	Establishment	November 7, 2024	[Note]	100.00
Zhanjiang Xiashan Yingde Recycling Resources Co., Ltd.	Establishment	November 15, 2024	580,000.00	70.00
Qianxinan Tongying Environmental Management Co., Ltd.	Establishment	November 27, 2024	[Note]	100.00
Anshan Lianying Urban Environmental Sanitation Management Co., Ltd.	Establishment	November 28, 2024	1,000,000.00	100.00
Shangsi Guiying Environmental Technology Co., Ltd.	Establishment	November 28, 2024	[Note]	100.00
Foshan Chancheng Yingsheng Recycling Resources Co., Ltd.	Establishment	December 3, 2024	1,200,000.00	100.00

Name of entities	Equity acquisition method	Equity acquisition date	Capital contribution	Proportion of capital contribution (%)
Fujian Pucheng Yingrun Environmental Service Co., Ltd.	Establishment	December 19, 2024	[Note]	100.00
Luoding Yingxin Urban Environmental Service Co., Ltd.	Establishment	December 25, 2024	[Note]	100.00

Note: As of December 31, 2024, capital contributions of these companies have not yet been paid.

## 2. Entities excluded from the consolidation scope

Name of entities	Equity disposal method	Equity disposal date	Disposal-date net assets	Net profit from the period beginning to the disposal date
Shenzhen Longgang Yinglian Environmental Service Co., Ltd.	Cancellation	January 10, 2024		
Shenzhen Yinglian Afforest Engineering Co., Ltd.	Cancellation	July 15, 2024		
Shengzhou Yinglia Environmental Sanitation Management Co., Ltd.	Cancellation	September 3, 2024		-11,026.33

## (IV) Transactions resulting in changes in subsidiaries' equity but without losing control

### 1. Changes in subsidiaries' equity

Subsidiaries	Date of change	Holding proportion before change	Holding proportion after change
Green Oriental Company	March 1, 2024	70.00%	100.00%

### 2. Effect of transactions on non-controlling interest and equity attributable to parent company

Items	Green Oriental Company
Acquisition costs/Disposal considerations	73,059,000.00
Cash	73,059,000.00
Acquisition costs/Total disposal considerations	73,059,000.00
Less: Share in subsidiaries' net assets based on acquired/disposed net assets proportion	50,460,910.86
Difference	22,598,089.14
Including: Capital reserve adjusted	22,598,089.14

## (V) Interest in joint ventures or associates

## 1. Significant joint ventures or associates

Associates	Main operating place	Place of registration	Business nature	Holding proportion (%)		Accounting treatment on investments in joint ventures or associates
				Direct	Indirect	
Foshan Yingtong Electrical Materials Co., Ltd.	Foshan	Foshan	Manufacturing		49.00	Equity method

## 2. Main financial information of significant associates

Items	Closing balance/ Current period cumulative	Opening balance/ Preceding period comparative
	Foshan Yingtong Electrical Materials Co., Ltd.	Foshan Yingtong Electrical Materials Co., Ltd.
Current assets	1,251,407,195.98	1,111,710,931.09
Non-current assets	126,393,546.48	164,920,906.11
Total assets	1,377,800,742.46	1,276,631,837.20
Current liabilities	791,732,615.90	672,193,265.67
Non-current liabilities	91,600,000.00	55,400,000.00
Total liabilities	883,332,615.90	727,593,265.67
Non-controlling interest	66,618,579.35	66,338,530.17
Equity attributable to owners of parent company	427,849,547.21	482,700,041.36
Proportionate share in net assets	209,646,278.13	236,523,020.27
Adjustments		
Others	-35,422,097.13	-34,569,092.45
Carrying amount of investments in associates	174,224,181.00	201,953,927.82
Operating revenue	2,212,289,063.72	1,773,954,226.95
Net profit	-54,570,444.97	-49,874,177.08

## 3. Aggregated financial information of insignificant joint ventures and associates

Items	Closing balance/ Current period cumulative	Opening balance/ Preceding period comparative
Associates		
Total carrying amount of investments	508,062,875.09	479,675,156.87
Proportionate shares in the following items		
Net profit	48,301,504.85	31,940,019.06
Other comprehensive income		
Total comprehensive income	48,301,504.85	31,940,019.06

**VIII. Government Grants****(I) Government grants increased in the current period**

Items	Increase
Government grants related to assets	16,536,520.75
Including: Included into deferred income	16,536,520.75
Government grants related to income	74,123,506.76
Including: Included into other income	74,123,506.76
Total	90,660,027.51

**(II) Liabilities related to government grants**

Presented under	Opening balance	Increase	Amount included into other income	Amount included into non-operating revenue
Deferred income	115,340,494.42	16,536,520.75	26,869,378.43	
Subtotal	115,340,494.42	16,536,520.75	26,869,378.43	

(Continued)

Presented under	Amount offsetting expenses	Amount offsetting assets	Other changes	Closing balance	Related to assets/income
Deferred income			281,245,017.46 [Note]	386,252,654.20	Related to assets
Subtotal			281,245,017.46 [Note]	386,252,654.20	

Note: Deferred income decreased by 3,531,122.17 yuan due to the disposal of subsidiaries, and increased by 284,776,139.63 yuan transferred in from special payables.

(III) Government grants included into profit or loss

Items	Current period cumulative	Preceding period comparative
Government grants included into other income	100,992,885.19	78,994,660.37
Total	100,992,885.19	78,994,660.37

## IX. Risks Related to Financial Instruments

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on such risk management objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits on a timely and reliable basis.

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

### (I) Credit risk

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

#### 1. Credit risk management practice

##### (1) Evaluation method of credit risk

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

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

- 1) Quantitative standard mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;
- 2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability;

## (2) Definition of default and credit-impaired assets

A financial instrument is defined as defaulted when one or more following events have occurred, of which the standard is consistent with that for credit-impairment:

- 1) significant financial difficulty of the debtor;
- 2) a breach of binding clause of contract;
- 3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;
- 4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

## 2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss given default, and exposure to default risk. The Company develops a model of the probability of default, loss given default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g., counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. Please refer to section V (I) 2, 3, 4, 6, 8, 11 and 23 of notes to the financial statements for details on the reconciliation table of opening balance and closing balance of loss allowances of financial instrument.

## 4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables. In order to control such risks, the Company has taken the following measures:

### (1) Cash and bank balances

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

### (2) Receivables and contract assets

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

As the Company's credit risks fall into several business partners and customers, as of December 31, 2024, 7.13%



(December 31, 2023: 7.33%) of the total accounts receivable and contract assets was due from the five largest customers of the Company. The Company has no significant central credit risk.

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

## (II) Liquidity risk

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

In order to control such risk, the Company comprehensively utilizes financing tools such as notes settlement, bank borrowings, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

Financial liabilities classified based on remaining time period till maturity

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	2,294,658,799.07	2,667,409,785.09	381,300,821.15	739,357,008.55	1,546,751,955.39
Notes payable	1,982,522,352.45	1,982,522,352.45	1,982,522,352.45		
Accounts payable	3,672,499,338.29	3,672,499,338.29	3,672,499,338.29		
Other payables	736,723,069.40	736,723,069.40	736,723,069.40		
Lease liabilities	16,140,906.22	17,006,929.09	8,814,039.18	8,192,889.91	
Long-term payables	40,791,999.95	42,355,305.45	10,146,091.33	7,609,214.12	24,600,000.00
Bonds payable	1,404,699,758.75	1,532,135,433.44	26,568,822.60	1,505,566,610.84	
Subtotal	10,148,036,224.13	10,650,652,213.21	6,818,574,534.40	2,260,725,723.42	1,571,351,955.39

(Continued)

Items	December 31, 2023				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	2,398,606,754.44	2,785,244,392.01	598,015,270.38	611,768,269.63	1,575,460,852.00
Notes payable	2,294,276,551.46	2,294,276,551.46	2,294,276,551.46		

Items	December 31, 2023				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Accounts payable	2,918,543,704.46	2,918,543,704.46	2,918,543,704.46		
Other payables	709,941,824.77	709,941,824.77	709,941,824.77		
Lease liabilities	24,784,187.60	26,511,358.34	9,474,544.70	17,036,813.64	
Long-term payables	312,053,472.95	312,053,472.95	9,104,000.00	15,173,333.32	287,776,139.63
Bonds payable	1,360,603,802.12	1,566,237,165.60	11,809,516.80	22,142,844.00	1,532,284,804.80
Subtotal	10,018,810,297.80	10,612,808,469.59	6,551,165,412.57	666,121,260.59	3,395,521,796.43

### (III) Market risk

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

#### 1. Interest risk

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

As of December 31, 2024, balance of borrowings with interest accrued at floating interest rate totaled 1,772,042,454.13 yuan (December 31, 2023: 1,811,617,334.60 yuan). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's gross profit and equity will not be significantly affected.

#### 2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company is mainly operated in mainland China, whose main activities are denominated in RMB, hence, the Company bears insignificant market risk arising from foreign exchange changes.

Please refer to section V (IV) 1 of notes to the financial statements for details on foreign currency financial assets and liabilities at the balance sheet date.

**X. Fair Value Disclosure****(I) Details of fair value of assets and liabilities at fair value at the balance sheet date**

Items	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
1. Receivables financing			201,655,996.66	201,655,996.66
2. Other equity instrument investments			1,282,971.01	1,282,971.01
Total assets at non-recurring fair value measurement			202,938,967.67	202,938,967.67

**(II) Determination basis for market prices of level 3 fair value at recurring and non-recurring fair value measurement**

1. For receivables financing, the Company uses specific valuation techniques to determine its fair value based on its par value.
2. For other equity instrument investments, the Company uses specific valuation techniques to determine its fair value.

**XI. Related Party Relationships and Transactions****(I) Related party relationships****1. Parent company****(1) Details**

Parent company	Place of registration	Business nature	Registered capital	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
Infore Group Co., Ltd.	Foshan, Guangdong	Industrial investment	4.45 billion	43.50 [Note]	43.50

Note: Infore Group Co., Ltd. (the “Infore Group”) directly holds 11.36% of equity of the Company, and indirectly holds 32.14% of equity of the Company through its wholly-owned subsidiary Ningbo Infore Asset Management Co., Ltd.

(2) The Company's ultimate controlling party is He Jianfeng, who directly holds 2.01% of equity of the Company, and indirectly holds 43.50% of equity of the Company through Infore Group.

2. Please refer to section VII of notes to the financial statements for details on the Company's subsidiaries.

3. Joint ventures and associates of the Company

Please refer to section VII of notes to the financial statements for details on the Company's significant joint ventures and associates. Details of other joint ventures or associates carrying out related party transactions with the Company in the current period or in preceding period but with balance in the current period are as follows:

Joint ventures or associates	Relationships with the Company
Guangdong Tianshu New Energy Technology Co., Ltd.	Associate of the Company
Tengine Innovation (Beijing) Monitoring Instrument Co., Ltd.	Associate of the Company
Guangdong Shunkong Environmental Investment Co., Ltd.	Associate of the Company
Guangxi Zoomlion Guilv Urban Environmental Service Co., Ltd.	Associate of the Company's subsidiary Zoomlion Environmental Company
Shantou Chaoyang District Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	Associate of the Company's subsidiary Zoomlion Environmental Company
Shantou Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	Associate of the Company's subsidiary Zoomlion Environmental Company
Taizhou Jinzhong Environmental Industry Co., Ltd.	Associate of the Company's subsidiary Zoomlion Environmental Company
Changsha Cowa Zoomlion Intelligent Technology Co., Ltd. [Note]	Associate of the Company's subsidiary Zoomlion Environmental Company
Guangdong Liangke Environmental Engineering Co., Ltd.	Associate of the Company's subsidiary Guangdong Infore Environmental Investment Co., Ltd.
Foshan Yingtong Electrical Materials Co., Ltd.	Associate of the Company's subsidiary Guangdong Infore Environmental Investment Co., Ltd.
Beijing Xingyun Zhixing Technology Co., Ltd.	Associate of the Company's subsidiary Guangdong Infore Environmental Investment Co., Ltd.
Guangdong Yingling Testing Technology Service Co., Ltd.	Associate of the Company's subsidiary Infore Technology Company

Note: As Changsha Cowa Zoomlion Intelligent Technology Co., Ltd. was canceled in August 2024, the current disclosure period of related party transactions was from January 2024 to August 2024.

#### 4. Other related parties of the Company

Related parties	Relationships with the Company
Zoomlion Heavy Industry Co., Ltd. (the "Zoomlion Heavy Industry Company")	Shareholder holding more than 5% of the Company's shares
Shenzhen Infore Smart Technology Co., Ltd.	Under control of the actual controller
Foshan Shunde District Yinghai Investment Co., Ltd.	Under control of the actual controller
Guangdong Shunde Ruiying Investment Management Co., Ltd.	Under control of the actual controller
Shenzhen Yingfeng Heyun Management Co., Ltd.	Under control of the actual controller
Guangzhou Huayi International Auction Co., Ltd.	Under control of the actual controller
Guangdong Meizhi Refrigeration Equipment Co., Ltd.	Under control of immediate family of the actual controller

Related parties	Relationships with the Company
Foshan Shunde District Midea Hotel Management Co., Ltd.	Under control of immediate family of the actual controller
Guangdong Bomei Property Service Co., Ltd.	Under control of immediate family of the actual controller
Guangdong Juxinhemei Technology Service Co., Ltd.	Under control of immediate family of the actual controller
Guangdong Welling Motor Manufacturing Co., Ltd.	Under control of immediate family of the actual controller
Midea Group Co., Ltd.	Under control of immediate family of the actual controller
Guangdong Midea HVAC Equipment Co., Ltd.	Under control of immediate family of the actual controller
Anhui Meizhi Refrigeration Equipment Co., Ltd.	Under control of immediate family of the actual controller
Guangdong Ferries New Energy Technology Co., Ltd.	Under control of the Company's associate Foshan Yingtong Electrical Materials Co., Ltd.
Guangdong Weiqi Electrical Materials Co., Ltd.	Under control of the Company's associate Foshan Yingtong Electrical Materials Co., Ltd.
Anhui Weiqi Electrical Materials Co., Ltd.	Under control of the Company's associate Foshan Yingtong Electrical Materials Co., Ltd.
Liaoning Donggang Magnet Wire Co., Ltd. [Note 1]	Formerly under control of the Company's associate Foshan Yingtong Electrical Materials Co., Ltd.
Guangdong Yingtong Zhilian Digital Technology Co., Ltd.	Under control of the Company's associate Foshan Yingtong Electrical Materials Co., Ltd.
Hunan Teli Hydraulic Co., Ltd.	Investee of the Company's shareholder Zoomlion Heavy Industry Company
Green Oriental Investment Holdings Co., Ltd. (the “Hong Kong Investment Company”) [Note 2]	Non-controlling shareholder of the former subsidiary
Foshan Shunhe Environmental Protection Co., Ltd. [Note 3]	Former subsidiary
Foshan Shunde Yuanyi Water Environmental Protection Co., Ltd. [Note 3]	Subsidiary of the Company's former subsidiary Foshan Shunhe Environmental Protection Co., Ltd.
Funan Green Oriental Environmental Energy Co., Ltd. [Note 3]	Subsidiary of the Company's former subsidiary Foshan Shunhe Environmental Protection Co., Ltd.
Gucheng Yinglian Urban Environmental Service Co., Ltd. [Note 4]	The former subsidiary of the Company's subsidiary Zoomlion Environmental Company
Yichun Yinglian Urban Environmental Service Co., Ltd. [Note 4]	The former subsidiary of the Company's subsidiary Zoomlion Environmental Company

Note 1: In March 2024, Foshan Yingtong Electrical Materials Co., Ltd. disposed of all the equity of its former controlled company Liaoning Donggang Magnet Wire Co., Ltd. The current disclosure period of related party transactions was from January 2024 to December 2024.

Note 2: Hong Kong Investment Company was a non-controlling shareholder of the Company's former subsidiary. In February 2024, the Company acquired 30% of equity of Green Oriental Company held by Hong Kong Investment Company through judicial auction. The current disclosure period of related party transactions was from January 2024 to February 2024.

Note 3: The Company disposed of all the equity of its former subsidiary Foshan Shunhe Environmental Protection Co., Ltd. (including its subsidiaries) in February 2024, which continued to be disclosed as related parties within one year after disposal, and the current disclosure period of related party transactions was from January 2024 to December 2024.

Note 4: The Company disposed of all the equity of Gucheng Yinglian Urban Environmental Service Co., Ltd. and Yichun Yinglian Urban Environmental Service Co., Ltd., the former subsidiaries of Zoomlion Environmental Company, in August 2023, which continued to be disclosed as related parties within one year after disposal, and the current disclosure period of related party transactions was from January 2024 to July 2024.

## (II) Related party transactions

### 1. Purchase and sale of goods, rendering and receiving of services

#### (1) Purchase of goods and receiving of services

Related parties	Content of transactions	Current period cumulative	Preceding period comparative
Guangdong Tianshu New Energy Technology Co., Ltd.	Materials	558,526.70	8,393,506.88
Tengine Innovation (Beijing) Monitoring Instrument Co., Ltd.	Materials	2,643,820.35	3,572,705.19
Guangdong Ferries New Energy Technology Co., Ltd.	Materials	899,194.69	518,435.64
Changsha Cowa Zoomlion Intelligent Technology Co., Ltd.	Materials		150.98
Guangdong Shunkong Environmental Investment Co., Ltd.	Labor services		10,692,550.78
Zoomlion Heavy Industry Company	Materials	58,453,145.65	77,364,306.08
Shenzhen Infore Smart Technology Co., Ltd.	Information systems and related implementation services	8,080,866.49	4,253,139.63
Guangdong Liangke Environmental Engineering Co., Ltd.	Labor services	8,000.00	1,500,000.00
Foshan Shunde District Midea Hotel Management Co., Ltd.	Labor services	429,236.00	116,702.94
Guangzhou Huayi International Auction Co., Ltd.	Labor services	484,400.00	801,033.29
Guangdong Shunde Ruiying Investment Management Co., Ltd.	Labor services	504,717.54	

Related parties	Content of transactions	Current period cumulative	Preceding period comparative
Guangdong Bomei Property Service Co., Ltd.	Labor services	366,016.18	1,191,467.15
Guangdong Juxinhemei Technology Service Co., Ltd.	Labor services	1,422,562.84	
Guangdong Yingtong Zhilian Digital Technology Co., Ltd.	Materials	5,558,283.29	
Shenzhen Yingfeng Heyun Management Co., Ltd.	Labor services	147,083.80	
Infore Group Co., Ltd.	Materials	9,887.50	
Funan Green Oriental Environmental Energy Co., Ltd.	Materials	4,928.26	
Subtotal		79,570,669.29	108,403,998.56

## 2) Sale of goods and rendering of services

Related parties	Content of transactions	Current period cumulative	Preceding period comparative
Guangdong Liangke Environmental Engineering Co., Ltd.	Goods and factoring	157,248.71	1,706,918.19
Guangdong Tianshu New Energy Technology Co., Ltd.	Goods and factoring	-12,421,710.58	4,572,082.14
Guangdong Weiqi Electrical Materials Co., Ltd.	Factoring	2,559,469.56	5,100,534.46
Liaoning Donggang Magnet Wire Co., Ltd.	Factoring		2,843,034.34
Anhui Weiqi Electrical Materials Co., Ltd.	Factoring	1,095,396.91	2,323,149.35
Foshan Yingtong Electrical Materials Co., Ltd.	Factoring		549,056.60
Guangdong Ferries New Energy Technology Co., Ltd.	Goods	23,764,641.49	32,674,315.93
Guangdong Midea HVAC Equipment Co., Ltd.	Goods		28,141.59
Guangdong Welling Motor Manufacturing Co., Ltd.	Goods and labor services	43,287.67	233,895.50

Related parties	Content of transactions	Current period cumulative	Preceding period comparative
Beijing Xingyun Zhixing Technology Co., Ltd.	Goods		943.40
Taizhou Jinzhong Environmental Industry Co., Ltd.	Labor services	49,971,957.93	22,021,147.55
Guangdong Bomei Property Service Co., Ltd.	Goods and labor services	6,711,163.50	4,719,857.33
Guangxi Zoomlion Guily Urban Environmental Service Co., Ltd.	Goods and labor services		-141,215.31
Zoomlion Heavy Industry Company	Goods	3,836,602.19	3,780,395.53
Shantou Chaoyang District Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	Goods	28,828.32	94,726.56
Shantou Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	Goods	58,553.98	118,489.02
Guangdong Yingtong Zhilian Digital Technology Co., Ltd.	Goods	681,968.36	
Subtotal		76,487,408.04	80,625,472.18

## 2. Related party leases

### (1) The Company as the lessor

Lessees	Types of assets leased	Lease income for the current period	Lease income for the preceding period
Guangdong Tianshu New Energy Technology Co., Ltd.	Plant and comprehensive building	309,783.67	2,304,088.08
Guangdong Yingtong Zhilian Digital Technology Co., Ltd.	Plant	1,555,278.57	
Guangdong Liangke Environmental Engineering Co., Ltd.	Office		15,600.00

### (2) The Company as the lessee



Lessors	Types of assets leased	Current period cumulative			
		Expenses for short-term leases and leases of low-value assets with simplified approach and variable lease payments not included in the measurement of lease liabilities	Lease with right-of-use assets recognized		
			Lease expenses paid (excluding variable lease payments not included in the measurement of lease liabilities)	Increased principal of lease liabilities	Interest expenses recognized
Foshan Shunde District Yinghai Investment Co., Ltd.	Office building, parking space	10,000.00	1,261,241.92		41,409.44
Shenzhen Infore Smart Technology Co., Ltd.	Office building				

(Continued)

Lessors	Types of assets leased	Preceding period comparative			
		Expenses for short-term leases and leases of low-value assets with simplified approach and variable lease payments not included in the measurement of lease liabilities	Lease with right-of-use assets recognized		
			Lease expenses paid (excluding variable lease payments not included in the measurement of lease liabilities)	Increased principal of lease liabilities	Interest expenses recognized
Foshan Shunde District Yinghai Investment Co., Ltd.	Office building, parking space	20,952.38	1,258,782.48		84,848.59
Shenzhen Infore Smart Technology Co., Ltd.	Office building	695,812.82			

### 3. Related party guarantees

- (1) The Company and its subsidiaries did not act as guarantors in the current period.
- (2) There were no cases where related parties not brought into the consolidation scope provided guarantees for the Company and its subsidiaries in the current period.

### 4. Call loans between related parties

Related parties	Amount	Commencement date	Maturity date	Remarks
Call loans to related parties				
Foshan Shunhe Environmental Protection Co., Ltd.	389,072,490.42	January 25, 2024	April 3, 2024	The Company transferred all of the equity of Foshan Shunhe Environmental Protection Co., Ltd. in February 2024. As of the equity transfer

Related parties	Amount	Commencement date	Maturity date	Remarks
				date, the outstanding intercompany balances and loans totaled 389,072,490.42 yuan, which passively formed financial assistance. According to the equity transfer agreement signed by both parties, interest will be charged based on the benchmark loan rate during the same period until the actual repayment. As of April 3, 2024, the entire amount has been fully repaid.

#### 5. Temporary call loans between related parties

In 2024, Infore Group lent temporary funds to the Company and its subsidiaries, totaling 1.30 billion yuan, which were usually returned within one working day. Therefore, the two parties have not settled the interest on the funds occupied.

#### 6. Key management's emoluments

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	7,771,307.53	7,022,866.00

### (III) Balances due to or from related parties

#### 1. Balances due from related parties

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Guangdong Tianshu New Energy Technology Co., Ltd.	130,800,778.19	104,640,622.55	189,921,071.39	56,976,321.42
	Guangdong Liangke Environmental Engineering Co., Ltd.	22,881,300.00	374,065.00		
	Shantou Chaoyang District Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	5,743,718.14	1,694,349.90	4,048,556.31	1,185,488.39
	Taizhou Jinzhong Environmental Industry Co., Ltd.	5,236,554.50	261,827.73	5,934,700.00	296,735.00
	Guangdong Ferries New Energy Technology Co., Ltd.	5,126,710.80	256,335.54	36,921,977.00	1,846,098.85
	Zoomlion Heavy Industry Company	2,849,505.11	339,936.13	1,150,774.01	237,645.17

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Guangdong Yingtong Zhilian Digital Technology Co., Ltd.	1,906,958.00	95,347.90		
	Guangxi Zoomlion Guilv Urban Environmental Service Co., Ltd.	1,889,210.92	566,763.28	1,889,210.92	188,921.09
	Guangdong Bomei Property Service Co., Ltd.	1,503,411.12	76,320.56	876,777.77	43,838.89
	Guangdong Shunkong Environmental Investment Co., Ltd.	643,515.71	321,757.86	4,108,567.88	1,696,739.48
	Shantou Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	91,166.00	5,808.30	77,715.00	3,885.75
	Guangdong Weiqi Electrical Materials Co., Ltd.			43,161,070.83	647,416.06
	Liaoning Donggang Magnet Wire Co., Ltd.			40,963,666.44	614,455.00
	Anhui Weiqi Electrical Materials Co., Ltd.			21,157,622.95	317,364.34
	Gucheng Yinglian Urban Environmental Service Co., Ltd.			2,045,755.42	102,287.77
	Guangdong Welling Motor Manufacturing Co., Ltd.			85,215.05	4,260.75
	Guangdong Midea HVAC Equipment Co., Ltd.			31,910.00	1,595.50
Subtotal		178,672,828.49	108,633,134.75	352,374,590.97	64,163,053.46
Receivables financing	Guangdong Ferries New Energy Technology Co., Ltd.	2,903,986.83			
	Zoomlion Heavy Industry Company	1,026,000.00		600,000.00	
	Guangdong Tianshu New Energy Technology Co., Ltd.			3,776,800.00	
Subtotal		3,929,986.83		4,376,800.00	
Advances paid	Zoomlion Heavy Industry Company	113,402.41		155,660.67	
	Guangzhou Huayi International Auction Co., Ltd.	330,000.00		40,800.00	

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Gucheng Yinglian Urban Environmental Service Co., Ltd.			500,000.00	
Subtotal		443,402.41		696,460.67	
Other receivables	Foshan Shunde District Yinghai Investment Co., Ltd.	205,228.40	164,182.72	205,228.40	102,614.20
	Gucheng Yinglian Urban Environmental Service Co., Ltd.			2,739,525.00	136,976.25
	Guangdong Shunkong Environmental Investment Co., Ltd.			1,730,000.00	1,730,000.00
	Shantou Chaoyang District Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.			838,613.91	41,930.70
	Guangzhou Huayi International Auction Co., Ltd.			327,600.00	16,380.00
	Anhui Meizhi Refrigeration Equipment Co., Ltd.			5,000.00	250.00
Subtotal		205,228.40	164,182.72	5,845,967.31	2,028,151.15
Contract assets and other non-current assets	Zoomlion Heavy Industry Company	177,180.00	9,084.00	22,500.00	1,125.00
	Guangdong Liangke Environmental Engineering Co., Ltd.	125,900.00	6,295.00		
	Guangdong Welling Motor Manufacturing Co., Ltd.	22,900.00	2,290.00		
	Guangdong Midea HVAC Equipment Co., Ltd.			31,800.00	3,180.00
Subtotal		325,980.00	17,669.00	54,300.00	4,305.00
Long-term receivables and non-current assets due within one year	Guangdong Weiqi Electrical Materials Co., Ltd.	68,481,000.00	1,027,215.00		
	Anhui Weiqi Electrical Materials Co., Ltd.	23,892,008.33	358,380.12		
	Shantou Chaoyang District Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	7,369,548.45	3,469,063.65	7,369,548.45	1,995,153.96

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Shantou Zoomlion Ruikang Environmental Sanitation Service Co., Ltd.	3,456,000.00	1,900,800.00	3,456,000.00	1,342,250.00
	Guangdong Tianshu New Energy Technology Co., Ltd.			5,037,500.00	1,511,250.00
Subtotal		103,198,556.78	6,755,458.77	15,863,048.45	4,848,653.96

## 2. Balances due to related parties

Items	Related parties	Closing balance	Opening balance
Accounts payable	Zoomlion Heavy Industry Company	31,964,065.54	33,784,532.87
	Guangdong Yingtong Zhilian Digital Technology Co., Ltd.	4,409,651.85	
	Guangdong Tianshu New Energy Technology Co., Ltd.	1,091,820.57	3,737,470.40
	Tengine Innovation (Beijing) Monitoring Instrument Co., Ltd.	816,441.07	2,963,838.75
	Midea Group Co., Ltd.	587,507.93	587,507.93
	Foshan Shunde District Midea Hotel Management Co., Ltd.	22,848.91	22,848.91
	Guangdong Ferries New Energy Technology Co., Ltd.	2,050.70	519,697.82
	Guangzhou Huayi International Auction Co., Ltd.	16,113.36	327,600.00
	Guangdong Shunkong Environmental Investment Co., Ltd.		585,700.00
	Changsha Cowa Zoomlion Intelligent Technology Co., Ltd.		26,733.52
Subtotal		38,910,499.93	42,555,930.20
Notes payable	Zoomlion Heavy Industry Company	4,214,500.00	51,685,972.00
	Changsha Cowa Zoomlion Intelligent Technology Co., Ltd.		471,035.00
	Guangdong Tianshu New Energy Technology Co., Ltd.		252,000.00
Subtotal		4,214,500.00	52,409,007.00
Contract liabilities	Guangxi Zoomlion Guilv Urban Environmental Service Co., Ltd.	147,964.60	
	Foshan Shunde Yuanyi Water Environmental Protection Co., Ltd.	52,089.12	

Items	Related parties	Closing balance	Opening balance
	Guangdong Meizhi Refrigeration Equipment Co., Ltd.	800.00	
	Zoomlion Heavy Industry Company		101,061.95
	Guangdong Liangke Environmental Engineering Co., Ltd.		987,079.70
	Guangdong Tianshu New Energy Technology Co., Ltd.		13,296.46
Subtotal		200,853.72	1,101,438.11
Other payables	Guangxi Zoomlion Guilv Urban Environmental Service Co., Ltd.	1,555,315.33	1,525,315.33
	Shenzhen Infore Smart Technology Co., Ltd.	470,381.58	
	Zoomlion Heavy Industry Company	67,759.20	68,259.20
	Tengine Innovation (Beijing) Monitoring Instrument Co., Ltd.	50,000.00	50,000.00
	Foshan Shunde District Midea Hotel Management Co., Ltd.	10,664.00	
	Guangdong Bomei Property Service Co., Ltd.	5,000.00	5,000.00
	Guangdong Tianshu New Energy Technology Co., Ltd.	2,700.00	2,700.00
	Shenzhen Yingfeng Heyun Management Co., Ltd.	1,725.00	
	Hong Kong Investment Company		32,958,498.54
	Gucheng Yinglian Urban Environmental Service Co., Ltd.		3,480,000.00
	Taizhou Jinzhong Environmental Industry Co., Ltd.		1,545,898.65
	Yichun Yinglian Urban Environmental Service Co., Ltd.		63,965.82
Subtotal		2,163,545.11	39,699,637.54
Lease liabilities and non-current liabilities due within one year	Foshan Shunde District Yinghai Investment Co., Ltd.	630,620.96	1,845,892.92
Subtotal		630,620.96	1,845,892.92

## XII. Commitments and Contingencies

### (I) Significant commitments

As of December 31, 2024, the Company has no significant commitments to be disclosed.

## (II) Contingencies

Contingent liabilities incurred by providing debt guarantees for other entities and the financial effect

1. Please refer to section XI of notes to the financial statements for details on guarantees provided by the Company to related parties.

2. Guarantees provided by the Company and its subsidiaries to non-related parties

(1) Certain customers of the Company use working capital loans provided by banks to finance their purchase. According to the arrangement of the agreement, the Company provides guarantees for such transactions. Meanwhile, the actual controller of the borrower provides a joint and several liability guarantee for the full amount of loans. As of December 31, 2024, the Company's maximum exposure to these guarantees is 71,091,464.57 yuan.

(2) Certain customers of the Company use finance lease services provided by third-party finance lease companies to finance their purchase from the Company. According to the arrangement of the agreement, the Company provides guarantees for third-party finance lease companies. If customers default, the Company will be required to compensate the third-party finance lease companies for the lease payment owed by customers. Meanwhile, the Company has the right to take back and sell the machinery that is the subject of the lease, and keep any sales income exceeding the balance of the guarantee payment to the lease company. As of December 31, 2024, the Company's maximum exposure to these guarantees is 33,885,480.68 yuan.

## XIII. Events after the Balance Sheet Date

### (I) Significant non-adjusting events

The Company has no non-adjusting events after the balance sheet date to be disclosed.

### (II) Profit distribution after the balance sheet date

Profit or dividend planned to be distributed	598,551,998.69
Profit or dividend approved to be distributed	

According to the “Profit Distribution Plan of 2024” deliberated and approved by the tenth meeting of the tenth session of the Board of Directors on April 24, 2025, the Company intends to distribute cash dividends of 1.89 yuan (tax inclusive) per 10 shares based on the current total share capital of 3,166,941,792 shares (net of shares in the Company's special account for repurchase), with cash dividends distributed totaling 598,551,998.69 yuan. This plan is still subject to review and approval by the Company's shareholders' meeting.

## XIV. Other Significant Events

### (I) Segment information

## 1. Identification basis for reportable segments

Reportable segments are identified according to the structure of the Company's internal organization, management requirements and internal reporting system, and based on product segments. Assessments are respectively performed on the operation performance of smart city services and other businesses. Assets and liabilities shared by different segments are allocated among segments proportionate to their respective sizes.

## 2. Financial information of reportable segments

## Product segments

Items	Smart city services	Other businesses	Inter-segment offsetting	Total
Operating revenue	11,638,743,398.78	1,537,058,561.92	57,907,636.75	13,117,894,323.95
Operating cost	9,154,750,843.86	1,170,212,756.84	63,407,805.35	10,261,555,795.35
Total assets	18,473,127,208.12	29,109,163,182.92	17,945,960,053.17	29,636,330,337.87
Total liabilities	9,730,486,620.12	8,249,637,199.77	6,315,757,637.29	11,664,366,182.60

## (II) PPP contracts

Main PPP project contracts are listed as follows:

Items	Contracting authority	Contract signing date	Operation model
PPP Project of Resource Recovery of Liling Urban and Rural Domestic Waste	Liling City Urban Management and Administrative Law Enforcement Bureau	November 2018	DBOT&ROT
Xin'an, Fuyong and Fuhai Streets Sanitation Integration PPP Project	Shenzhen Bao'an District Urban Management and Comprehensive Law Enforcement Bureau	June 2020	BOT
Lianjiang Domestic Waste Incineration Power Generation Plant Project	Lianjiang City Urban Management and Comprehensive Law Enforcement Bureau	January 2012	BOT
Xiantao Circular Economy Industrial Park PPP Project	Xiantao City Urban Management and Law Enforcement Bureau	May 2019	BOT&ROT

(Continued)

Items	Franchise period
PPP Project of Resource Recovery of Liling Urban and Rural Domestic Waste	The cooperation period is 25 years, with details as follows: the construction period for Liling Urban and Rural Domestic Waste Collection and Transportation System Construction Project is 1 year, and the construction period for Liling Urban and Rural Domestic Waste



Items	Franchise period
	Pretreatment and Incineration Power Generation Project is 2 years, both calculated from the date of establishment of the project company. The operation period for Liling Domestic Waste Harmless Disposal Site Project is 25 years, starting from the effective date of the project contract.
Xin'an, Fuyong and Fuhai Streets Sanitation Integration PPP Project	The operation period is 15 years (including 1 year of construction and equipment configuration period)
Lianjiang Domestic Waste Incineration Power Generation Plant Project	30 years (calculated from the date of commercial operation)
Xiantao Circular Economy Industrial Park PPP Project	30 years (including 1 year of construction period)

## (III) Other significant transactions and events that may be influential for investors in decision-making

## 1. Equity pledge of controlling shareholders, actual controllers and persons acting in concert

As of December 31, 2024, the Company's controlling shareholder, actual controller and persons acting in concert held a total of 1,441,121,828 shares of the Company, accounting for 45.51% of the Company's total share capital, of which, 571,660,000 shares were pledged, accounting for 39.67% of its holdings of the Company, and 18.05% of the Company's total share capital. Details are as follows:

Shareholders	Holder of the pledge	Number of shares pledged	Initial transaction date	Repurchase date	Remarks
Infore Group	China Construction Bank Corporation Limited, Foshan Branch	100,000,000	December 28, 2023	Long-term	Financing
Infore Group	China Construction Bank Corporation Limited, Foshan Branch	64,461,047	August 16, 2024	Long-term	Financing for M&A
Ningbo Infore Asset Management Co., Ltd.	China Construction Bank Corporation Limited, Foshan Branch	97,348,953	March 29, 2024	Long-term	Financing for M&A
Ningbo Infore Asset Management Co., Ltd.	Industrial Bank Co., Ltd., Foshan Branch	309,850,000	April 25, 2024	Long-term	Financing for M&A
Total		571,660,000			

## 2. Recognition of performance compensation and indemnity

Pursuant to the “Proposal on Signing the Equity Transfer Agreement and Cooperation Framework Agreement” deliberated and approved by the 13<sup>th</sup> interim meeting of the seventh session of the Board of Directors of the Company dated October 14, 2015, the Company signed the “Signing of Equity Transfer Agreement” and the “Cooperation Framework Agreement of Shenzhen Green Oriental Environmental Protection Co., Ltd.” (the “Cooperation Framework Agreement”), which stipulated that the Company will acquire 51.00% of equity of

Green Oriental Company held by Shenzhen Feima Investment Co., Ltd. and Shenzhen Qianhai China Environmental Protection Investment Co., Ltd. at the consideration of 100,548,976.00 yuan, of which, 96,605,878.90 yuan is the consideration for the 49.00% of equity of Green Oriental Company held by Shenzhen Feima Investment Co., Ltd., and 3,943,097.10 yuan is the consideration for the 2.00% of equity of Green Oriental Company held by Shenzhen Qianhai China Environmental Protection Investment Co., Ltd.

According to the Cooperation Framework Agreement, Hong Kong Investment Company and Zheng Weixian made commitments on the business performance of Green Oriental Company in the next four years as follows: (1) from January 1, 2016 to December 31, 2019, the total net profit realized by the four project companies including Lianjiang Company, Xiantao Company, Funan Company and Shouxian Company (collectively, the “four project companies”) shall not be less than 120 million yuan. Otherwise, Hong Kong Investment Company and Zheng Weixian shall compensate the Company based on the difference between the accumulated committed net profit and the accumulated realized net profit multiplied by 60%, which should be paid in cash. If the cash compensation is insufficient, they will compensate the Company with the equity of Green Oriental Company held by Hong Kong Investment Company; (2) within 24 months after the completion of registration of capital increase at the administration for market regulation, Hong Kong Investment Company shall transfer its Luyi Project and Puyang Project to Green Oriental Company, and smoothly start the construction as scheduled according to the law. If the projects cannot be transferred or partially transferred, unable to be transferred, or are withdrawn and cancelled by the government within the above period, Hong Kong Investment Company and Zheng Weixian will pay the lump sum indemnity of not less than 5.00 million yuan for each project to the Company; (3) before December 31, 2018, the Poyang Project and the Yangxin Project must officially start construction and obtain approval procedures. If the construction cannot be started or the projects are withdrawn by the government, Hong Kong Investment Company and Zheng Weixian will pay the indemnity of not less than 10.00 million yuan for each project to the Company; (4) before December 31, 2020, Jiujiang Green Oriental Renewable Energy Co., Ltd. must start construction and obtain approval procedures. If the construction cannot be started or it is withdrawn by the government, Hong Kong Investment Company and Zheng Weixian will pay the indemnity of not less than 5.00 million yuan for each project to the Company; (5) from January 1, 2016 to December 31, 2019, for the new waste incineration power generation BOT agreement (subject to the signed franchise agreement) signed by Green Oriental Company, the total daily processing capacity shall be not less than 6,500 tons (the daily processing capacity of a single project is not less than 500 tons, at least one of which must be more than 2,000 tons). If the above conditions are not met, Hong Kong Investment Company and Zheng Weixian will compensate Green Oriental Company 5 million yuan for every 500 tons less than the daily processing capacity.

In addition, in 2015, the Company and Hong Kong Investment Company entered into the equity pledge contract, stipulating that Hong Kong Investment Company would pledge 49% of equity of Green Oriental Company for the debt portfolio worth 340 million yuan as agreed in the Cooperation Framework Agreement. The equity pledge was processed by both parties in the same year.

As of October 31, 2015, the Company has paid all the equity transfer payments, and Green Oriental Company has been brought into the consolidation scope since the end of October 2015. In April 2016, the Company continued

to acquire 19.00% of equity of Green Oriental Company through capital increase of 86.67 million yuan and finally held 70% of equity of Green Oriental Company. On April 23, 2020, Pan-China Certified Public Accountants LLP issued an assurance report numbered PCCPAAR [2020] 3439, which stated that: the audited net profits of the four project companies for the year ended December 31, 2016, 2017, 2018 and 2019 (the lower of net profits before and after deducting non-recurring profit or loss) amounted to 2.16 million yuan, -24.42 million yuan, -19.19 million yuan and -0.63 million yuan, respectively; the accumulated net profit amounted to -42.09 million yuan, which was 162.09 million yuan less than the amount of performance commitment, and the committed net profits from 2016 to 2019 were not achieved.

In order to promote the implementation of performance compensation and indemnity, the Company filed a lawsuit with the Intermediate People's Court of Foshan City, Guangdong Province, requiring Hong Kong Investment Company and Zheng Weixian to pay indemnity and compensation to the Company in accordance with the Cooperation Framework Agreement.

On January 13, 2021, the Intermediate People's Court of Foshan City, Guangdong Province made a first-instance judgment, requesting Hong Kong Investment Company and Zheng Weixian to pay the indemnity of 113.46 million yuan for the unfulfilled performance commitment, i.e.,  $[120 \text{ million yuan} - (-42.09 \text{ million yuan})] * 70\%$ ; pay the compensation of 50.00 million yuan for the unfinished daily processing volume; at the same time, the court supported the Company to enjoy the priority of compensation within 200 million yuan for the 30% of equity of Green Oriental Company held by Hong Kong Investment Company.

On January 29, 2021, Hong Kong Investment Company and Zheng Weixian appealed to the Higher People's Court of Guangdong Province.

On November 2, 2021, the Higher People's Court of Guangdong Province held a public hearing of the second-instance case.

On July 18, 2022, the Higher People's Court of Guangdong Province made the final judgement of the second instance, ruling that Hong Kong Investment Company and Zheng Weixian shall pay the Company 113.46 million yuan for the unfulfilled performance commitment and supported the Company to enjoy the priority of compensation within 200 million yuan for the 30% of equity of Green Oriental Company held by Hong Kong Investment Company.

The Company has applied to the Intermediate People's Court of Foshan City, Guangdong Province for compulsory enforcement, and received the notice of acceptance of the enforcement case numbered (2022) Yue 06 Zhi 1500 on August 4, 2022. On January 26, 2024, the Intermediate People's Court of Foshan City, Guangdong Province, conducted a judicial auction of 30% equity of Green Oriental Company, which was won by the Company with a bid of 73,059,000 yuan. On February 18, 2024, the Intermediate People's Court of Foshan City, Guangdong Province transferred the enforcement payment of 72,403,790.58 yuan to the Company.

On March 29, 2024, the Company received the Execution Ruling numbered (2022) Yue 06 Zhi 1500-3 issued by the Intermediate People's Court of Foshan City, Guangdong Province. During the enforcement process

conducted by the Intermediate People's Court of Foshan City, Guangdong Province, in addition to executing the auction proceeds of the 30% of equity of Green Oriental Company held by Green Oriental Investment Holdings Co., Ltd., it also executed a debt claim amount of 33,137,144.38 yuan and transferred deposits of 26,448.58 yuan.

In summary, through the above enforcement procedure, the Company received a total enforcement amount of 106,222,592.96 yuan, while paid execution fees for this case of 181,658.00 yuan, equity appraisal fees of 500,700.00 yuan, online auction service fees of 5,000.00 yuan, and property right transfer taxes for auctioned equity of Green Oriental Company of 6,305,900.00 yuan. Therefore, the Company actually received compensation of 99,229,334.96 yuan.

## XV. Notes to Items of Parent Company Financial Statements

### (I) Notes to items of parent company balance sheet

#### 1. Other receivables

##### (1) Details

Items	Closing balance	Opening balance
Dividend receivable		176,000,000.00
Other receivables	4,109,183,327.45	4,294,847,162.66
Total	4,109,183,327.45	4,470,847,162.66

##### (2) Dividend receivable

Items	Closing balance	Opening balance
Foshan Shunhe Environmental Protection Co., Ltd.		176,000,000.00
Subtotal		176,000,000.00

##### (3) Other receivables

#### 1) Other receivables categorized by nature

Nature of receivables	Closing balance	Opening balance
Temporary advance payment receivable	4,121,058,266.15	4,189,643,502.15
Performance commitment compensation	14,231,285.04	113,460,620.00
Security deposits	493,673.40	493,673.40

Nature of receivables	Closing balance	Opening balance
Book balance	4,135,783,224.59	4,303,597,795.55
Less: Provision for bad debts	26,599,897.14	8,750,632.89
Carrying amount	4,109,183,327.45	4,294,847,162.66

## 2) Age analysis

Ages	Closing balance	Opening balance
1-180 days	4,105,590,896.71	4,163,468,425.70
180-365 days		10,580,672.99
1-2 years	4,552,522.56	12,685,613.80
2-3 years	9,892,112.01	113,790,001.49
3-4 years	14,424,611.74	2,779,408.17
4-5 years	1,029,408.17	205,228.40
Over 5 years	293,673.40	88,445.00
Book balance	4,135,783,224.59	4,303,597,795.55
Less: Provision for bad debts	26,599,897.14	8,750,632.89
Carrying amount	4,109,183,327.45	4,294,847,162.66

## 3) Provision for bad debts

## a. Details on categories

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	23,938,325.72	0.58	23,938,325.72	100.00	
Receivables with provision made on a collective basis	4,111,844,898.87	99.42	2,661,571.42	0.06	4,109,183,327.45
Subtotal	4,135,783,224.59	100.00	26,599,897.14	0.64	4,109,183,327.45

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis					
Receivables with provision made on a collective basis	4,303,597,795.55	100.00	8,750,632.89	0.20	4,294,847,162.66
Subtotal	4,303,597,795.55	100.00	8,750,632.89	0.20	4,294,847,162.66

## b. Other receivables with provision made on a collective basis

Portfolios	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from related parties within the consolidation scope	4,100,908,914.52		
Portfolio grouped with buyer's credit	8,859,765.36	1,751,965.61	19.77
Portfolio grouped with ages	2,076,218.99	909,605.81	43.81
Including: 1-180 days	296,956.85		
1-2 years	77,782.54	7,778.25	10.00
2-3 years	185,071.33	55,521.40	30.00
3-5 years	1,222,734.87	611,367.44	50.00
Over 5 years	293,673.40	234,938.72	80.00
Subtotal	4,111,844,898.87	2,661,571.42	0.06

## 4) Changes in provision for bad debts

Items	Stage 1	Stage 2	Stage 3	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	20,382.26	31,569.08	8,698,681.55	8,750,632.89
Opening balance in the current period	—	—	—	

Items	Stage 1	Stage 2	Stage 3	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
--Transferred to stage 2	-1,555.65	1,555.65		
--Transferred to stage 3		-18,507.12	18,507.12	
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	-18,826.61	-6,839.36	17,874,930.22	17,849,264.25
Provision recovered or reversed in the current period				
Provision written off in the current period				
Other changes				
Closing balance		7,778.25	26,592,118.89	26,599,897.14
Provision proportion (%)		10.00	77.08	0.64

Division basis for three stages: Ages of other receivables.

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

Debtors	Nature of receivables	Closing book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts at the balance sheet date
No. 1	Temporary advance payment receivable	846,994,343.85	1-180 days	20.48	
No. 2	Temporary advance payment receivable	379,735,552.13	1-180 days	9.18	
No. 3	Temporary advance payment receivable	351,650,761.95	1-180 days	8.50	
No. 4	Temporary advance payment receivable	301,171,830.26	1-180 days	7.28	

Debtors	Nature of receivables	Closing book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts at the balance sheet date
No. 5	Temporary advance payment receivable	230,861,568.26	1-180 days	5.58	
Subtotal		2,110,414,056.45		51.02	

## 2. Long-term equity investments

### (1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	16,568,587,435.04		16,568,587,435.04	16,597,592,874.70		16,597,592,874.70
Investments in associates and joint ventures	397,595,202.76		397,595,202.76	372,846,476.68		372,846,476.68
Total	16,966,182,637.80		16,966,182,637.80	16,970,439,351.38		16,970,439,351.38

### (2) Investments in subsidiaries

Investees	Opening balance		Increase/Decrease				Closing balance	
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Provision for impairment	Others	Carrying amount	Provision for impairment
Infore Water Environment Investment Co., Ltd.	113,055,998.06						113,055,998.06	
Foshan Shunhe Environmental Protection Co., Ltd.	250,064,088.09			250,064,088.09				
Infore Technology Company	134,352,901.63						134,352,901.63	
Infore Zoomlion City Environmental Service Co., Ltd.	15,300,000.00						15,300,000.00	
Changsha Zhongbiao Environmental Industry Co., Ltd.	5,270,000.00						5,270,000.00	



Investees	Opening balance		Increase/Decrease				Closing balance	
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Provision for impairment	Others	Carrying amount	Provision for impairment
Ningbo Infore Finance Lease Co., Ltd.	356,322,974.66		148,987,440.00				505,310,414.66	
Huaqingyuan Company	987,791.57			987,791.57				
Zoomlion Environmental Company	15,260,177,431.68						15,260,177,431.68	
Shangfeng Industrial Company	200,198,801.05						200,198,801.05	
Green Oriental Company	191,192,917.50		73,059,000.00				264,251,917.50	
Xiantao Yinghe Environmental Protection Co., Ltd.	70,418,640.00						70,418,640.00	
Lianjiang Company	51,330.46						51,330.46	
Guangdong Infore Intelligent Cleaning Technology Co., Ltd.	200,000.00						200,000.00	
Subtotal	16,597,592,874.70		222,046,440.00	251,051,879.66			16,568,587,435.04	

## (3) Investments in associates and joint ventures

Investees	Opening balance		Increase/Decrease			
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Associates						
Shenzhen Yingmei City Housekeeper Co., Ltd.	28,206.34				32.15	
Tengine Innovation (Beijing) Monitoring Instrument Co., Ltd.	27,809,668.75				-2,456,331.32	
Guangdong Shunkong Environmental Investment Co., Ltd.	243,820,301.05				38,775,000.00	
China Urban Institute (Beijing) Environmental Technology Co., Ltd.	101,188,300.54				3,672,302.81	

Investees	Opening balance		Increase/Decrease			
	Carrying amount	Provision for impairment	Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Total	372,846,476.68				39,991,003.64	

(Continued)

Investees	Increase/Decrease				Closing balance	
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others	Carrying amount	Provision for impairment
Associates						
Shenzhen Yingmei City Housekeeper Co., Ltd.					28,238.49	
Tengine Innovation (Beijing) Monitoring Instrument Co., Ltd.					25,353,337.43	
Guangdong Shunkong Environmental Investment Co., Ltd.		13,667,277.56			268,928,023.49	
China Urban Institute (Beijing) Environmental Technology Co., Ltd.		1,575,000.00			103,285,603.35	
Total		15,242,277.56			397,595,202.76	

## (II) Notes to items of the parent company income statement

## 1. Operating revenue/Operating cost

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations			45,108.06	45,108.06
Other operations	86,987.42		111,690.97	
Total	86,987.42		156,799.03	45,108.06

## 2. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	39,991,003.64	32,220,248.17
Investment income from long-term equity investments under cost method	400,000,000.00	526,000,000.00
Investment income from disposal of long-term equity investments	7,500,324.87	69,138,964.19
Investment income from financial products	4,582,409.62	
Others	432,250.00	408,044.00
Total	452,505,988.13	627,767,256.36

## XVI. Other Supplementary Information

### (I) Non-recurring profit or loss

#### Schedule of non-recurring profit or loss

Items	Amount	Remarks
Gains on disposal of non-current assets, including write-off of provision for impairment	-47,196,844.86	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, enjoyed based on certain standards, and continuously affecting gains or losses of the Company)	55,557,305.65	
Gains on changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains from disposal of financial assets and financial liabilities, excluding those arising from hedging business related to operating activities	17,102,059.94	
Fund possession charge from non-financial entities and included in profit or loss	6,113,509.25	
Gains on assets consigned to the third party for investment or management	24,183,474.63	Investment income from financial products was 24,183,474.63 yuan.
Gains on designated loans		
Losses on assets incurred due to force majeure such as		

Items	Amount	Remarks
natural disasters		
Reversed provision for impairment of receivables based on impairment testing on an individual basis	10,424,873.13	
Gains on acquisition of subsidiaries, joint ventures and associates due to the surplus of acquisition-date fair value of net identifiable assets in acquiree over the acquisition cost		
Net profit on subsidiaries acquired through business combination under common control from the beginning of the period to the combination date		
Gains on non-cash assets exchange		
Gains on debt restructuring	-2,318,575.60	
One-off expenses incurred due to the discontinuation of relevant operating activities, such as severance payments		
One-off effects on profit or loss due to amendments of laws and regulations on taxation, accounting, etc.		
Share-based payments recognized at one time due to cancellation or modification of equity incentive plan		
Gains arising from changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payment		
Gains on changes in fair value of investment properties with subsequent measurement using the fair value model		
Gains on transactions with unfair value		
Contingent gains on non-operating activities		
Management charges for consigned operations		
Other non-operating revenue or expenditures	-31,994,184.64	
Other profit or loss satisfying the definition of non-recurring profit or loss		
Subtotal	31,871,617.50	
Less: Enterprise income tax affected	12,036,883.47	
Non-controlling interest affected (after tax)	8,497,198.56	
Net non-recurring profit or loss attributable to shareholders of the parent company	11,337,535.47	

## (II) ROE and EPS

## 1. Details

Profit of the reporting period	Weighted average ROE (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	2.94	0.16	0.16
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	2.88	0.16	0.16

## 2. Calculation process of weighted average ROE

Items		Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares		A	513,514,275.54
Non-recurring profit or loss		B	11,337,535.47
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss		C=A-B	502,176,740.07
Opening balance of net assets attributable to shareholders of ordinary shares		D	17,437,509,156.73
Net assets attributable to shareholders of ordinary shares increased due to offering of new shares or conversion of debts into shares		E	3,739.36
Number of months counting from the next month when the net assets were increased to the end of the reporting period		F	6
Net assets attributable to shareholders of ordinary shares decreased due to share repurchase or cash dividends appropriation		G	395,867,692.25
Number of months counting from the next month when the net assets were decreased to the end of the reporting period		H	7
Others	Net assets increased due to translation reserves	I1	954,265.16
	Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J1	6
	Net assets increased due to redemption of convertible bonds	I2	-30.27

Items	Symbols	Current period cumulative
Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J2	
Net assets increased due to acquisition of non-controlling interest	I3	-22,598,089.14
Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J3	10
Net assets increased due to changes in other equity instrument investments of Shenzhen Infore Environmental Protection Industry M&A Fund	I4	-14,070,000.00
Number of months counting from the next month when the net assets were increased or decreased to the end of the reporting period	J4	6
Number of months in the reporting period	K	12
Weighted average net assets	$L = D + A/2 + E \times F/K - G \times H/K \pm I \times J/K$	17,437,955,735.33
Weighted average ROE	$M = A/L$	2.94%
Weighted average ROE after deducting non-recurring profit or loss	$N = C/L$	2.88%

### 3. Calculation process of basic EPS and diluted EPS

#### (1) Calculation process of basic EPS

Items	Symbols	Current period cumulative
Net profit attributable to shareholders of ordinary shares	A	513,514,275.54
Non-recurring profit or loss	B	11,337,535.47
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	$C = A - B$	502,176,740.07
Opening balance of total shares	D	3,179,506,670
Number of shares increased due to conversion of reserve to share capital or share dividend appropriation	E	
Number of shares increased due to offering of new shares or conversion of debts into shares	F	504

Items	Symbols	Current period cumulative
Number of months counting from the next month when the shares were increased to the end of the reporting period	G	6
Number of shares decreased due to share repurchase	H	12,565,382
Number of months counting from the next month when the shares were decreased to the end of the reporting period	I	12
Number of shares decreased in the reporting period	J	
Number of months in the reporting period	K	12
Weighted average of outstanding ordinary shares	$L = D + E + F \times G / K - H \times I / K - J$	3,166,941,540
Basic EPS	$M = A / L$	0.16
Basic EPS after deducting non-recurring profit or loss	$N = C / L$	0.16

## (2) Calculation process of diluted EPS

The calculation process of diluted EPS is the same as that of basic EPS.

Infore Environment Technology Group Co., Ltd.

April 24, 2025