

Zhejiang Dahua Technology Co., Ltd.

2025 Semi-Annual Report



August 16, 2025

This document is a translated version of the Chinese version 2025 Semi-Annual Report (“2025 年半年度报告全文”), and the published annual report in the Chinese version shall prevail.

The complete published Chinese 2025 Semi-Annual Report may be obtained at <http://www.cninfo.com.cn>.

Section I Important Notes, Table of Contents, and Definitions

The Board of Directors, Board of Supervisors, Directors, Supervisors and Senior Management hereby guarantee that the information presented in this report are true, accurate, and complete without any false records, misleading statements or material omissions, and they will bear joint and several liability for such information.

Fu Liquan, the Company's legal representative, Xu Qiaofen, chief accountant, and Zhu Zhuling, person in charge of accounting institution (Accounting Officer) hereby declare and warrant that the financial statements in the semi-annual report are authentic, accurate, and complete.

All directors attended the meeting of the Board of Directors for deliberation of this semiannual report.

During the reporting period, there was no significant change in the risks faced by the Company. The Company has been trying to identify all kinds of risks and actively take counter-measures to avoid and reduce the risks.

(1) Risk of Technology Upgrading: The AIoT industry is a prime example of a technology-intensive sector, characterized by rapid advancements and upgrades. If the Company is unable to keep up with development trends of industrial technologies, to pay full attention to customers' diversified needs, and to devote sufficient R&D investments, it may still face the risk of losing market competitiveness due to discontinuous innovation. By increasing R & D investment, the Company continues to strengthen research on such core technologies as

multi-dimensional perception, large model in AI, video cloud, big data, network communication, network security, and machine vision, and reserves product, technology, management and talent resources for a broader market in the future, so as to achieve sustainable and steady business development.

(2) Risk of business model transformation: With the development of technologies such as artificial intelligence, big data, cloud computing, network communication, and IoT, as well as the upgrading of intelligent terminal application methods, the business models in the era of artificial intelligence may impact the development of traditional industries. If enterprises fail to timely grasp the opportunities brought by the transformation of business models, they may face the risk of their original market patterns being disrupted. The company continuously monitors and studies significant changes in the global economy, industry, and technology sectors, analyzes industry development logic, assesses the evolution of the AIoT industry, the integration of video technology with digital technologies including artificial intelligence, and the potential diversified needs of customers. It consolidates its existing advantageous markets, actively explores and pilots new businesses and new commercial models, and carries out business and technology deployments.

(3) Risks of International Operations: The Company's products and solutions cover more than 100 countries and regions overseas, and international business operations face uncertainties and new challenges. On the one hand, the global economic growth rate continues to slow down, geopolitical and political conflicts in some regions have intensified, and some countries are facing risks such as

foreign exchange difficulties and exchange rate fluctuations, which pose certain threats and risks to the continued expansion of business in the host countries. On the other hand, increasingly complex compliance requirements in the international business environment, intensified regional trade protectionism and controls, and tariff policy volatility have heightened pressures on overseas market expansion. Additionally, local manufacturing rules imposed by certain countries and regions have escalated supply chain challenges, leading to continuously rising demands for compliance capacity building and corresponding cost investments. To this end, the Company actively prevents and responds to risks in international operations, continuously improves the overall overseas compliance and risk control system, enhances proactive risk anticipation and systematic response capabilities for various risks, and continuously strengthens the Company's reserves and development of local production and manufacturing capabilities. At the same time, the company continuously strengthens its understanding of and adaptability to the laws, regulations, and political and economic environments of the regions involved in its business. It formulates differentiated national business operation strategies based on the changes in political, economic, financial, and compliance environments in different regions, applying a one country, one policy approach to respond quickly to challenges and reduce business operation pressure.

(4) Exchange Rate Risk: The Company's export sales settlement currency is mainly in USD and EUR, and with overseas business continuously growing, fluctuations in exchange rates may have a certain impact on the Company's profitability. The Company has progressively increased the proportion of

transactions in local currencies of non-US dollar countries, with USD-denominated contracts showing a declining trend.

(5) Risks associated with uncertain local fiscal payment capacity: Amid the current moderate economic recovery, elevated debt levels in some regional governments have yet to yield significant improvements in payment capabilities. This has resulted in delayed project tenders, extended timelines, and heightened selectivity in clients and projects. To mitigate these risks, the Company continuously refines credit management policies and optimizes project vetting. Comprehensive risk assessments—covering client creditworthiness, project budgets, and delivery viability—are conducted to navigate market fluctuations. The Company actively monitors national debt restructuring policies, intensifies accounts receivable collection, and safeguards cash flow to reduce operational exposure.

(6) Product Security Risks: The Company attaches great importance to and continues to set up special funds to strengthen product security construction, in order to prevent and respond to security risks of products in the Internet application environment, but there may still be risks of being attacked by denial of service, brute-force access, SQL injection, malware, etc., which may lead to system failure or service interruption. The Company has established a Network and Data Security Committee to establish and improve a global end-to-end network and data security system in terms of policies, organizations, processes, management, technology, and specifications, actively respond to cyber security challenges, and be vigilant and prevent major cyber security incidents.

(7) Intellectual Property Risk: The promotion of the Company's globalization strategy and its own brand strategy may expose the Company to intellectual property rights risks and patent infringement, as well as such risks as business relations, fluctuations in the public opinion environment, increased legal proceedings and rising costs. With a high priority on technological innovation, the Company has established a mechanism for the protection and management of intangible assets such as innovation achievements, own brands and trade secrets, so as to continuously gather advantageous intellectual property assets; with the establishment of an intellectual property compliance and risk control system, the Company continuously strengthens its ability to understand and master intellectual property laws and regulations as well as the administrative and judicial environment in the regions where it operates.

(8) Supply Chain Security Risks: The overall supply market is stable. The Company builds a sustainable supply ecosystem through multiple measures, including early supplier design involvement, universal selection of new materials, development of secondary suppliers for exclusive materials, and flexible inventory strategies, ensuring supply delivery. At the same time, the Company focuses on supplier operational risks by using a procurement supply security management platform to monitor suppliers' operational status in real time, preventing potential risks.

The Company plans not to pay cash dividend, give bonus shares, or convert capital reserve into share capital.

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Documents Available for Reference

(I) Financial statements signed and sealed by the Company's person in charge, the chief accountant, and the person in charge of accounting department (accounting officer).

(II) The original of all the Company's documents publicly disclosed during the reporting period and the original of the announcement.

(III) The reference documents are available at the company's Securities Investment Department for investors to review.

Definitions

Item of Definition	Refers To	Definitions
Reporting Period	Refers To	January 1, 2025 to June 30, 2025
Dahua, Company, The Company	Refers To	Zhejiang Dahua Technology Co., Ltd.
Dahua System Engineering, System Engineering Company	Refers To	Zhejiang Dahua System Engineering Co., Ltd.
Dahua Vision Technology	Refers To	Zhejiang Dahua Vision Technology Co., Ltd.
Dahua Security Network, Operation Company	Refers To	Zhejiang Dahua Security Network Operation Service Co., Ltd.
Dahua Ju'an	Refers To	Zhejiang Dahua Ju'an Technology Co., Ltd.
Guangxi Dahua Information	Refers To	Guangxi Dahua Information Technology Co., Ltd.
Guangxi Yunlian	Refers To	Guangxi Dahua Yunlian Information Technology Co., Ltd.
Xiaohua Technology, Hangzhou Xiaohua	Refers To	Hangzhou Xiaohua Technology CO., LTD.
Dahua Zhilian	Refers To	Zhejiang Dahua Zhilian Co., Ltd.
Dahua Investment, Dahua Investment Management	Refers To	Zhejiang Dahua Investment Management Co., Ltd.
Guangxi Zhicheng, Dahua Zhicheng	Refers To	Guangxi Dahua Zhicheng Co., Ltd.
Hangzhou Huacheng, Huacheng Network	Refers To	Hangzhou Huacheng Network Technology Co., Ltd.
HuaRay Technology	Refers To	Zhejiang HuaRay Technology Co., Ltd.
Fuyang Hua'ao	Refers To	Hangzhou Fuyang Hua'ao Technology Co., Ltd.
Huafei Intelligent	Refers To	Zhejiang Huafei Intelligent Technology CO., LTD.
Huachuang Vision	Refers To	Zhejiang Huachuang Vision Technology Co., Ltd.
Guizhou Huayi	Refers To	Guizhou Huayi Shixin Technology Co., Ltd.
Guangxi Huacheng	Refers To	Guangxi Huacheng Technology Co., Ltd.
Meitan Dahua Technology	Refers To	Guizhou Meitan Dahua Information Technology Co., Ltd.
Inner Mongolia Zhimeng	Refers To	Inner Mongolia Dahua Zhimeng Information Technology Co., Ltd.
Tianjin Dahua Information, Tianjin Dahua	Refers To	Tianjin Dahua Information Technology Co., Ltd.
Hunan Dahua Zhilong, Dahua Zhilong	Refers To	Hunan Dahua Zhilong Information Technology Co., Ltd.
Huaxiao Technology	Refers To	Zhejiang Huaxiao Technology Co., Ltd.
Vision Technology	Refers To	Zhejiang Fengshi Technology Co., Ltd.
Xi'an Dahua Zhilian, Xi'an Dahua	Refers To	Xi'an Dahua Zhilian Technology Co., Ltd.
Huaruipin	Refers To	Jiangsu Huaruipin Technology Co. Ltd.
Beijing Huayue	Refers To	Beijing Huayue Shangcheng Information Technology Service Co., Ltd.
Shanghai Huashang	Refers To	Shanghai Huashang Chengyue Information Technology Service Co., Ltd.
Dahua Jinzhi	Refers To	Zhejiang Dahua Jinzhi Technology Co., Ltd.
Dahua Hong Kong, Dahua (HK) Limited	Refers To	Dahua Technology (HK) Limited
Zhoushan Operation	Refers To	Zhejiang Zhoushan Digital Development Operation Co. Ltd.
Guangxi Dahua Technology	Refers To	Guangxi Dahua Technology Co., Ltd.
Huayixin	Refers To	Zhejiang Huayixin Technology Co., Ltd.

Huaruijie	Refers To	Zhejiang Huaruijie Technology Co., Ltd.
Chengdu Zhilian	Refers To	Chengdu Dahua Zhilian Information Technology Co., Ltd.
Chengdu Zhian	Refers To	Chengdu Dahua Zhian Information Technology Service Co., Ltd.
Chengdu Zhishu	Refers To	Chengdu Dahua Zhishu Information Technology Service Co., Ltd.
Chengdu Zhichuang	Refers To	Chengdu Zhichuang Yunshu Technology Co., Ltd.
Chengdu Smart Network	Refers To	Chengdu Huishan Smart Network Technology Co., Ltd.
Huakong Software	Refers To	Zhejiang Huakong Software Co., Ltd.
Henan Dahua	Refers To	Henan Dahua Zhilian Information Technology Co., Ltd.
Huajian	Refers To	Zhejiang Huajian Technology Co., Ltd.
Zhengzhou Dahua Zhian	Refers To	Zhengzhou Dahua Zhian Information Technology Co., Ltd.
Dahua International	Refers To	Dahua Technology International Co., Ltd.
Anhui Zhilian	Refers To	Anhui Dahua Zhilian Information Technology Co., Ltd.
Anhui Zhishu	Refers To	Anhui Dahua Zhishu Information Technology Co., Ltd.
Changsha Dahua	Refers To	Changsha Dahua Technology Co., Ltd.
Tianjin Huajian	Refers To	Tianjin Huajian Technology Co., Ltd.
Zhejiang Pixfra	Refers To	Zhejiang Pixfra Technology Co., Ltd.
Yiwu Huaxi	Refers To	Yiwu Huaxi Technology Co., Ltd.
Dahua Operation	Refers To	Zhejiang Dahua Intelligent IoT Operation Service Co., Ltd.
Nanyang Intelligent	Refers To	Nanyang Dahua Intelligent Information Technology Co., Ltd.
Yibin Huahui	Refers To	Yibin Huahui Information Technology Co., Ltd.
Chengdu Huazhiwei	Refers To	Chengdu Huazhiwei Technology Co., Ltd.
Luoyang Zhiyu	Refers To	Luoyang Dahua Zhiyu Information Technology Co., Ltd.
Huaqi Intelligence	Refers To	Zhejiang Huaqi Intelligent Technology Co., Ltd.
Chengdu Information	Refers To	Chengdu Dahua Wisdom Information Technology Co., Ltd.
HJ Technology	Refers To	Zhejiang HJ Technology Co., Ltd.
Huaxiyue	Refers To	Guangdong Huaxiyue Intelligent Technology Co., Ltd.
Huajie Operation	Refers To	Zhejiang Huajie New Energy Operation Service Co., Ltd.
Shuhang Intelligent	Refers To	Zhejiang Shuhang Intelligent Technology Co., Ltd.
Qingdao Ruifa	Refers To	Qingdao Dahua Ruifa Intelligent Internet of Things Technology Co., Ltd.
Shandong Digital Intelligence	Refers To	Shandong Dahua Digital Intelligence Technology Co., Ltd.
Fujian Qingchuang	Refers To	Fujian Dahua Qingchuang Digital Technology Co., Ltd.
Jilin Zhilian	Refers To	Jilin Dahua Zhilian Technology Co., Ltd.
Zhengzhou Huao	Refers To	Zhengzhou Airport Economy Zone Huao Technology Co., Ltd.
Hainan Huizhi	Refers To	Hainan Dahua Huizhi Technology Co., Ltd.
Dahua Europe	Refers To	Dahua Europe B.V.
Dahua Middle East	Refers To	Dahua Technology Middle East FZE
Dahua Mexico	Refers To	Dahua Technology Mexico S.A. DE C.V
Dahua Chile	Refers To	Dahua Technology Chile SpA
Dahua Malaysia	Refers To	Dahua Security Malaysia SDN. BHD.
Dahua Korea	Refers To	Dahua Technology Korea Company Limited
Dahua Indonesia	Refers To	PT. Dahua Vision Technology Indonesia

Dahua Colombia	Refers To	Dahua Technology Colombia S.A.S
Dahua Australia	Refers To	Dahua Technology Australia PTY LTD
Dahua Singapore	Refers To	Dahua Technology Singapore Pte. Ltd.
Dahua South Africa	Refers To	Dahua Technology South Africa Proprietary Limited
Dahua Peru	Refers To	Dahua Technology Perú S.A.C
Dahua Russia	Refers To	Dahua Technology Rus Limited Liability Company
Dahua Brazil	Refers To	DAHUA TECHNOLOGY BRASIL COMÉRCIO E SERVIÇOS EM SEGURANÇA ELETRÔNICA LTDA
Dahua Canada	Refers To	Dahua Technology Canada INC.
Dahua Panama	Refers To	Dahua Technology Panama S.A.
Dahua Hungary	Refers To	Dahua Technology Hungary Kft
Dahua Poland	Refers To	Dahua Technology Poland Sp. z o.o.
Dahua Italy	Refers To	Dahua Technology Italy S.R.L.
Dahua Tunisia	Refers To	Dahua Technology Tunisia Limited Liability Company
Dahua Kenya	Refers To	Dahua Technology Kenya Limited
Dahua UK	Refers To	Dahua Technology UK Limited
Dahua Germany	Refers To	Dahua Technology GmbH
Dahua Serbia	Refers To	Dahua Technology SRB d.o.o.
Dahua India	Refers To	Dahua Technology India Private Limited
Dahua Turkey	Refers To	Dahua Guvenlik Teknolojileri Sanayive Ticaret A.S.
Dahua Czech	Refers To	Dahua Technology Czech s.r.o.
Dahua Argentina	Refers To	Dahua Argentina S.A.
Dahua Spain	Refers To	Dahua Iberia, S.L.
Dahua Kazakhstan	Refers To	Dahua Technology Kazakhstan LLP
Dahua Denmark	Refers To	Dahua Technology Denmark ApS
Dahua France	Refers To	Dahua Technology France SAS
Dahua Technology Holdings	Refers To	Dahua Technology Holdings Limited
Dahua New Zealand	Refers To	Dahua Technology New Zealand Limited
Dahua Netherlands	Refers To	Dahua Technology Netherlands B.V.
Dahua Morocco	Refers To	Dahua Technology Morocco SARL
Dahua Romania	Refers To	Dahua Technology S.R.L
Dahua Uzbekistan	Refers To	Dahua Vision LLC
Dahua Bulgaria	Refers To	Dahua Technology Bulgaria EOOD
Dahua Sri Lanka	Refers To	Dahua Technology China (Pvt) LTD
Dahua Pakistan	Refers To	Dahua Technology Pakistan (private) Limited
Dahua Thailand	Refers To	Dahua Technology (Thailand) Co.,LTD.
Dahua Nigeria	Refers To	Dahua Technology Nigeria Representative Ltd
Dahua Israel	Refers To	Dahua Technology Israel Ltd.
Dahua Mexico Service	Refers To	VISMEXTECH DHM SERVICIOS, S.A. DEC.V.
Dahua Japan	Refers To	Dahua Technology Japan LLC
Dahua Qatar	Refers To	Dahua Technology QFZ LLC
Dahua Pacific	Refers To	Dahua Technology Pacific S.A
Intelbras S.A.	Refers To	INTELBRAS S.A. INDÚSTRIA DE TELECOMUNICAÇÃO

		ELETRÔNICA BRASILEIRA
Dahua Saudi Arabia	Refers To	Dahua Technology Middle East for Maintenance Single Person Company
Dahua Bengal	Refers To	Dahua Technology Bangladesh Private Limited
HuaRay Singapore	Refers To	HUARAY TECHNOLOGY SINGAPORE PTE. LTD.
Dahua Belgium Co.	Refers To	Dahua Technology Belgium BV
Dahua Saudi Arabia Co.	Refers To	Dahua Technology Regional Headquarters
Dahua Argentina Co.	Refers To	Dahua Technology Azerbaijan LLC
Dahua Vietnam Co., Ltd.	Refers To	Dahua Technology Vietnam Company Limited
HuaRay Korea	Refers To	HUARAY TECHNOLOGY KOREA COMPANY LIMITED
HuaRay Germany	Refers To	Huaray Technology GmbH
Dahua Angola	Refers To	DAHUA EUROPE B.V - SUCURSAL EM ANGOLA,(SU), LDA
Hirige MaLaysia	Refers To	Hirige Technology MaLaysia Sdn.Bhd.
Dahua Egypt	Refers To	Dahua Technology Egypt LLC
DAHUA Abu Dhabi	Refers To	DAHUA TECHNOLOGY AUH FOR SECURITY & SURVEILLANCE – SOLE PROPRIETORSHIP L.L.C.

Section II Company Profile and Key Financial Indicators

I. Company Overview

Stock Abbreviation	DAHUA	Stock Code	002236
Stock Exchange	Shenzhen Stock Exchange		
Company Name in Chinese	Zhejiang Dahua Technology Co., Ltd.		
Company Abbreviation in Chinese (If any)	DAHUA		
Company Name in Foreign Language (If any)	ZHEJIANG DAHUA TECHNOLOGY CO.,LTD.		
Legal Representative	Fu Liquan		

II. Contact Person and Contact Information

	Secretary of the Board	Representative of Securities Affairs
Name	Wu Jian	Li Sirui
Contact Address	No. 1399 Binxing Road, Binjiang District, Hangzhou City	No. 1399 Binxing Road, Binjiang District, Hangzhou City
Phone	0571-28939522	0571-28939522
Fax	0571-28051737	0571-28051737
E-mail	zqsw@dahuatech.com	zqsw@dahuatech.com

III. Other Information

1. Company Contact Information

Whether the Company's registered address, the Company's office address and its postal code, the Company's website, e-mail address, etc. have changed during the reporting period

☐ Applicable ☒ Not applicable

The company's registered address, office address, postal code, website, and email have not changed during the reporting period; for details, please refer to the 2024 annual report.

2. Information Disclosure and Location

Whether the information disclosure and location have changed during the reporting period

☐ Applicable ☒ Not applicable

The stock exchange website and media names and URLs where the company's semi-annual report is disclosed have not changed during the reporting period. For details, please refer to the 2024 annual report.

3. Other Related Information

Whether there is any change in other related information

☒ Applicable ☐ Not applicable

Guosen Securities Co., Ltd. (hereinafter referred to as "Guosen Securities" or the "Sponsor"), acting as the sponsor for the Company's private share placement and listing, conducted ongoing supervision in accordance with regulations, with the supervision period spanning from April 14, 2023, to December 31, 2024. On March 31, 2025, Guosen Securities issued the "Summary Report on Ongoing Supervision and Sponsorship by Guosen Securities Co., Ltd. Regarding Zhejiang Dahua Technology Co., Ltd.'s Private Share Placement." This confirmed that the ongoing supervision period for the private share placement and listing had concluded, and the ongoing supervision duties will no longer be performed.

IV. Key Accounting Data and Financial Indexes

Whether the Company needs retroactive adjustment or restatement of accounting data in prior years or not

☐ Yes ☒ No

	Current reporting period	Same period of last year	Increase/decrease ratio compared with the same period of last year
Operating revenue (RMB)	15,181,329,651.13	14,866,622,569.81	2.12%
Net profit attributable to shareholders of the listed Company (RMB)	2,475,566,750.61	1,809,589,445.46	36.80%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	1,795,933,411.70	1,762,237,469.53	1.91%
Net cash flow generated by operational activities (RMB)	639,122,979.11	-507,185,620.71	226.01%
Basic earnings per share (RMB/Share)	0.76	0.56	35.71%
Diluted earnings per share (RMB/Share)	0.76	0.56	35.71%
Weighted average ROE	6.72%	5.10%	1.62%
	End of this reporting period	At the end of the previous year	Increase/decrease at the end of the current reporting period compared with the end of the previous year
Total assets (RMB)	50,021,031,055.64	52,735,912,081.82	-5.15%
Net assets attributable to shareholders of the listed company (RMB)	37,095,215,232.19	36,028,046,171.08	2.96%

V. Differences in accounting data Under domestic and overseas accounting standards

1. Differences of net profits and net assets in the financial reports disclosed according to the international accounting standards and Chinese accounting standards

☐ Applicable ☒ Not applicable

During the reporting period of the company, there is no difference between the net profits and net assets in the financial reports disclosed according to international accounting standards and Chinese accounting standards.

2. Differences between the net profits and net assets in the financial reports disclosed according to the overseas accounting standards and Chinese accounting standards

☐ Applicable ☒ Not applicable

During the reporting period of the company, there is no difference between the net profits and net assets in the financial reports disclosed according to overseas accounting standards and Chinese accounting standards.

3. Explanation of the Differences in Accounting Data under Domestic and Overseas Accounting Standards

☐ Applicable ☒ Not applicable

VI. Non-recurring Gains and Losses Items and Their Amounts

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Note
Profits or losses from disposal of non-current assets (including the write-off for the accrued impairment of assets)	485,365,113.48	
The government subsidies included in the current profits and losses (excluding the government subsidies closely related to regular businesses of the Company, in line with national policies, entitled to according to the established standard, and continuously impacting the Company's profits and losses)	194,290,442.32	
Profits and losses resulting from the changes in fair value for financial assets and financial liabilities held by non-financial enterprises, and from disposal of financial assets and liabilities, excluding the effective hedging businesses related to the regular business operation of the Company	416,914.56	
Gains or losses from investment or asset management entrusted to others	189,343,772.69	
Reversal of the receivables depreciation reserves for separate impairment test	3,036,913.33	
Profits and losses on debt restructuring	-7,664,077.54	
Non-Operating Revenue and expenses other than the above	1,405,059.67	
Other gains and losses items that fit the definition of non-recurring gains and losses	-7,787,446.32	
Less: Impact of income tax	170,642,154.85	
Impact of minority equity (after tax)	8,131,198.43	
Total	679,633,338.91	

Other gains or losses that fit the definition of non-recurring gains or losses:

☐ Applicable ☒ Not applicable

The Company has no other gains or losses that fit the definition of non-recurring gains or losses.

Note for the definition of non-recurring gains and losses listed in the No. 1 Explanatory Announcement on Information Disclosure for Companies Issuance Their Securities to the Public - Non-recurring gains and losses, as recurring gains and losses.

☐ Applicable ☒ Not applicable

The Company did not define any non-recurring gains and losses listed in the No. 1 Explanatory Announcement on Information Disclosure for Companies Issuance Their Securities to the Public - Non-recurring gains and losses as recurring gains and losses.

Section III Management Discussion and Analysis

I. Main Businesses of the Company during the Reporting Period

There is no major change in the Company's main businesses during the reporting period. Refer to the 2024 Annual Report for details.

II. Core Competitiveness Analysis

There is no major change in areas of core competitiveness during the reporting period. Refer to the 2024 Annual Report for details.

III. Main Business Analysis

In the first half of 2025, global geopolitical conflicts continued, and trade protectionism reemerged, affecting the process of global economic recovery. Leveraging advantages such as its vast market scale, extensive application scenarios, and comprehensive industrial depth, China fostered robust growth in its digital economy, injecting critical momentum into high-quality economic development. Concurrently, breakthroughs in foundational technologies like large-scale AI models unlocked new frontiers for advanced productive forces. The integration of science and technology with real-world industries has accelerated, continuously expanding the depth and breadth of the AIoT sector.

Amidst this era of digitalization and intelligence, the Company remained resolutely determined and steadfastly acted to propel high-quality development. In our Research and Development efforts, we aim to accelerate the deep integration of technological innovation with industrial implementation. Our strategy includes positioning ourselves in key areas such as multi-dimensional perception, artificial intelligence, intelligent computing, data communications, and graph-digit fusion. We will advance the large-scale deployment of large models across various industries. Additionally, we will continuously launch competitive new products, including the chat data and Tian Series all-in-one large model devices, the WizSeek NVR, and Glowlight 2.0. Our goal is to develop hardware and software products that demonstrate exceptional competitiveness. In the Domestic Market: For the urban business segment, we focus on enhancing refined operations for existing clients, particularly in fiscally supported sectors such as macro-transportation, water conservancy, and emergency

management. Our goal is to capture systematic opportunities while strengthening client engagement capabilities and improving the efficiency of converting sales opportunities. In the enterprise business segment, we center our efforts on the digital and intelligent transformation of enterprises. This involves penetrating core production workflows, accelerating the research and development of next-generation digital intelligence products, and enhancing scenario-based solutions to boost productivity and operational efficiency. In the distribution business segment, we are implementing the "Local Operations & County Market Penetration" strategy. This includes expanding our coverage in county-level markets, strengthening the development and activation of service providers, continuously improving the sustainable operations and profitability of our agents, and achieving genuine win-win outcomes. In the Overseas Market: Build a healthy and sustainable business ecosystem, scale key accounts, optimize the stability of the client portfolio, and focus on dedicated initiatives in high-potential countries. In terms of industry, maintain a strong focus on specific sectors, replicate successful strategies across targeted industries, revitalize the grand video strategy, and deliver high-value, cost-competitive products and solutions. For new business products, ensure optimal resource allocation while steadily expanding the business volume of leading products. In the Innovation Business Segment: Focus on core strategic areas, further strengthen the integration and mutual reinforcement between innovative ventures and the Group's core operations, sustain technological innovation, and drive stronger growth across all business segments.

During the reporting period, despite the influence of various domestic and international factors, the company adhered to the business philosophy of refined management and high-quality development, achieving operating revenue of RMB 15.18 billion, an increase of 2.12% year-over-year; net profit attributable to shareholders of the listed company, excluding non-recurring gains or losses, reached RMB 1.796 billion, an increase of 1.91% compared to the same period last year.

1. Prudent and Solid Growth, Strategic Transformation, Commitment to High-quality Development

The Company adheres to high-quality development, promotes growth, ecology and human efficiency, and emphasizes customer first, and pursues commercial success and customer development; sustains ecological development, builds a new ecosystem of co-construction, coexistence and win-win situation, and endeavors to create unique and differentiated value for its partners and achieve common growth; improves the management efficiency, the human efficiency

and the organization effectiveness; adheres to balanced business development, and lays a solid foundation for sustainable high-quality development to meet customers' needs better. The Company actively assumes greater social responsibility in ESG, low-carbon, rural revitalization, social poverty alleviation and relief, and technology for equality and good, and fulfills the mission of "enabling a smarter living and a safer society".

2. Keeping Precision Investment in Research and Development, and Deepening "Five Full" Capabilities

Centering on technological innovation and customer needs, the Company persists in large-scale R&D investment to continuously strengthen its foundational "five full" capabilities: Full Sensing, Full Intelligence, Full Connection, Full Computing, and Full Ecosystem. In addition to maintaining investment in traditional video technology, the company continuously strengthens research, development, and productization in the fields of multi-dimensional perception, AI large models, data intelligence, intelligent computing, cloud computing, software platforms, network communication, cyber security, and innovative businesses, focusing on value-driven business scenarios to build industry-leading solutions, products, and technology systems.

3. Build Full-stack Capabilities for Large Models and Promote AI industrialization

The company regards artificial intelligence as one of its core strategies and is always committed to core technology research and innovation, focusing on vision-centered main channels, continuously enhancing artificial intelligence research and engineering capabilities. Focusing on scenario-based applications across diverse industries, the Company leverages technologies such as multimodal large models and Agents. By integrating industry expertise, it builds full-stack large model capabilities, further consolidates its AI engineering foundation, and actively promotes the industrialization and commercial success of new AI technologies.

4. Improve Software Management Capabilities and Deepening the Data Industry Chain

The Company has always been committed to promoting the value-added process of data elements. It positions itself as a provider of data as a resource, practitioner of data as an asset, and enabler of data as a commodity. It uses technology + ecology as a dual-wheel drive to form solutions covering the entire lifecycle of data, and works with ecological partners to help build a prosperous data element market. Proceeding from multi-dimensional perception, multi-faceted connectivity, view intelligence, and open platforms, the Company achieves deep integration between its Dahua large

model and multi-dimensional data. This enables a closed loop from perceptual intelligence to data intelligence and then to operational intelligence, comprehensively empowering efficient urban governance and enterprise digital and intelligent transformation.

5. Deepen engagement with the core businesses of urban and enterprise customers to support digital and intelligent transformation

The Company deeply cultivates urban digital innovation and enterprise digital and intelligent transformation. Continuously discerning industry evolution trends, it deeply integrates advanced technologies like AI, big data, and intelligent computing with industry scenarios. By continuously enhancing hardware diversity and full-stack AI capabilities, it deepens the application of multi-dimensional perception products and industry algorithm models in scenario-based services. Progressively moving from peripheral system integration into core operational systems like governance and production, it strives to become a trusted partner for customers' digital and intelligent transformation.

6. Promote the Development of Innovative Businesses and Expand New High-Potential Growth Points

In the innovative business, the Company, based on its in-depth understanding of customers' diversified needs and years of experience in AIoT, continues to explore emerging businesses, including: machine vision and mobile robots, thermal imaging, automotive electronics, smart security inspection, smart fire control, and storage medium, continuously expanding new high-potential growth points for the Company.

7. Hand in hand with partners to grow together and create a ecological environment of co-construction, symbiosis and win-win situation

Facing unprecedented opportunities in the digital economy, the Company upholds an altruistic philosophy. Through continuous exploration and practice with ecosystem partners, it builds comprehensive open capabilities spanning technology, business, and services. By fully opening hardware, software, algorithms, services, and business ecosystems to industry clients and developers, it empowers partners' continuous innovation and development. We work with partners to open up new areas, create new momentum, and jointly create unlimited possibilities for industrial development, empower the digital and intelligent development of thousands of industries, and achieve co-creation, symbiosis, and win-win results.

YoY rates in key financial indicators

Unit: RMB

	Current reporting period	Same period of last year (Restated, Note)	Year-on-year Increase Or Decrease	Reasons for changes
Operating revenue	15,181,329,651.13	14,866,622,569.81	2.12%	No major changes
Operating cost	8,864,525,518.69	8,782,722,018.67	0.93%	No major changes
Sales expenses	2,163,482,109.43	2,216,940,115.97	-2.41%	No major changes
Administration expenses	554,682,203.57	511,481,522.31	8.45%	No major changes
Financial expenses	-408,285,432.92	-249,811,638.73	-63.44%	Mainly due to exchange rate fluctuations, exchange earnings increased compared with the same period last year.
Income tax expense	270,570,745.94	-33,838,461.10	899.60%	Mainly due to higher tax rebates received in the same period of last year.
R&D investment	1,984,405,423.10	1,901,330,160.90	4.37%	No major changes
Net cash flow generated by operating activities	639,122,979.11	-507,185,620.71	226.01%	Mainly due to increase of sales proceeds compared with the same period of last year.
Net amount of cash flow generated by investment activities	-1,252,180,226.45	-3,738,735,276.02	66.51%	The main reason is that the large-denomination certificates of deposit expenses were higher in the same period last year.
Net cash flow generated by financing activities	-2,227,681,253.87	-2,231,053,114.28	0.15%	No major changes
Net increase in cash and cash equivalents	-2,737,708,517.17	-6,386,639,986.44	57.13%	Mainly due to increased cash inflows from operating activities and decreased cash outflows from investing activities during the current period.

Note: Pursuant to the "Accounting Standard for Business Enterprises No. 18" issued by the Ministry of Finance, the Company has retrospectively adjusted warranty costs not meeting the criteria of single performance obligations for the year 2024, reclassifying them from selling expenses to operating costs. The same treatment applies below.

There are major changes in the composition or sources of profit of the Company in the current period

☐ Applicable ☒ Not applicable

There is no major change in the composition or sources of profit of the Company in the current period

Composition of operating revenue

Unit: RMB

	Current reporting period		Same period of last year		Year-on-year Increase Or Decrease
	Amount	Proportion in Operating Revenue	Amount	Proportion in Operating Revenue	
Total revenue	15,181,329,651.13	100.00%	14,866,622,569.81	100.00%	2.12%
By industry					
Smart IoT industry	15,181,329,651.13	100.00%	14,866,622,569.81	100.00%	2.12%
By product					
Smart IoT products and solutions	11,740,932,998.53	77.34%	12,028,870,893.80	80.92%	-2.39%
Including: software business	767,210,890.41	5.05%	758,033,553.36	5.10%	1.21%
Innovative business (Note)	3,022,964,624.87	19.91%	2,461,115,617.88	16.55%	22.83%
Others	417,432,027.73	2.75%	376,636,058.13	2.53%	10.83%
By region					
Domestic	7,553,259,609.99	49.75%	7,381,482,622.15	49.65%	2.33%
Overseas	7,628,070,041.14	50.25%	7,485,139,947.66	50.35%	1.91%

Domestic sub-business segment

Unit: RMB

	Current reporting period		Same period of last year		Year-on-year Increase Or Decrease
	Amount	Proportion in Domestic Operating Revenue	Amount	Proportion in Domestic Operating Revenue	
To G	1,850,842,299.81	24.50%	1,768,114,465.94	23.95%	4.68%
To B	4,219,444,435.31	55.87%	3,900,695,525.76	52.85%	8.17%
Others	1,482,972,874.87	19.63%	1,712,672,630.45	23.20%	-13.41%
Total	7,553,259,609.99	100.00%	7,381,482,622.15	100.00%	2.33%

Note: Innovative business mainly includes machine vision and mobile robots, smart living, thermal imaging, automotive electronics, smart security inspection, smart fire control and storage medium, and other relevant businesses; the same as below.

Industry, product, or region accounting for more than 10% of the Company's operating revenue or profit

☒ Applicable ☐ Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross Margin	Increase or decrease of operating revenue compared with the same period of last year	Increase and decrease of operating cost over the same period of last year (restated)	Increase or decrease of gross profit compared with the same period of last year (restated)
By industry						
Smart IoT industry	15,181,329,651.13	8,864,525,518.69	41.61%	2.12%	0.93%	0.69%
By product						
Smart IoT products and solutions	11,740,932,998.53	6,589,674,115.39	43.87%	-2.39%	-3.75%	0.79%
Including: software business	767,210,890.41	252,290,758.12	67.12%	1.21%	-0.50%	0.57%
Innovated businesses	3,022,964,624.87	1,919,520,426.76	36.50%	22.83%	19.21%	1.92%
By region						
Domestic	7,553,259,609.99	4,866,160,607.15	35.58%	2.33%	2.72%	-0.24%
Overseas	7,628,070,041.14	3,998,364,911.54	47.58%	1.91%	-1.17%	1.63%
Domestic sub-business segment						
To G	1,850,842,299.81	1,089,576,316.95	41.13%	4.68%	9.07%	-2.37%
To B	4,219,444,435.31	2,696,793,918.93	36.09%	8.17%	11.65%	-1.99%
Others	1,482,972,874.87	1,079,790,371.27	27.19%	-13.41%	-18.37%	4.42%

When the statistical caliber of the company's main business data is adjusted in the reporting period, the company's main business data should be subject to the one after the statistical caliber at the end of the reporting period is adjusted in the most recent reporting period.

☐ Applicable ☒ Not applicable

IV. Non-Main Business Analysis

☐ Applicable ☒ Not applicable

V. Analysis of Assets and Liabilities

1. Significant Changes in Assets Composition

Unit: RMB

	End of this reporting period		End of the Previous Year		Proportion Increase and Decrease	Statement on Significant Changes
	Amount	Proportion To Total Assets	Amount	Proportion To Total Assets		
Cash and bank balances	8,445,984,587.70	16.88%	11,181,803,423.83	21.20%	-4.32%	Mainly due to dividend distributions and year-end bonus payments.
Accounts receivable	15,790,636,239.17	31.57%	17,046,094,518.79	32.32%	-0.75%	No major changes
Contract assets	83,105,021.95	0.17%	87,397,517.09	0.17%	0.00%	No major changes
Inventory	5,549,837,470.93	11.10%	5,203,560,771.25	9.87%	1.23%	No major changes
Investment property	145,023,330.44	0.29%	139,280,586.26	0.26%	0.03%	No major changes
Long-term Equity Investment	749,403,415.83	1.50%	722,241,568.57	1.37%	0.13%	No major changes
Fixed Assets	5,331,558,518.85	10.66%	4,973,953,628.05	9.43%	1.23%	Mainly due to the conversion of construction in progress to fixed assets.
Projects under Construction	850,146,152.40	1.70%	1,254,554,187.36	2.38%	-0.68%	Mainly due to the conversion of construction in progress to fixed assets.
Right-of-use assets	226,161,696.36	0.45%	232,124,277.86	0.44%	0.01%	No major changes
Short-term loan	501,579,505.58	1.00%	995,000,000.00	1.89%	-0.89%	No major changes
Contract liabilities	806,391,542.30	1.61%	1,282,204,348.75	2.43%	-0.82%	No major changes
Lease liabilities	128,641,582.44	0.26%	114,313,807.41	0.22%	0.04%	No major changes
Other non-current assets	5,619,083,954.76	11.23%	4,327,776,909.06	8.21%	3.02%	Mainly due to the purchase of large-denomination certificates of deposit

2. Major Overseas Assets

☐ Applicable ☒ Not applicable

3. Assets and Liabilities Measured at Fair Value
☒ Applicable ☐ Not applicable

Unit: RMB

Item	At the Beginning of the Reporting Period	Changes in Fair Value Gains and Losses in the Current Period	Cumulative Fair Value Changes in Equity	Impairment Loss of the Reporting Period	Purchase Amount of The Reporting Period	Sales Amount of the Reporting Period	Other Variations	At the End of the Reporting Period
Financial assets								
1. Trading financial assets (derivative financial assets excluded)	229,927,529.28	-106,293,552.37			25,039,155.90	40,650,829.79		108,022,303.02
2. Other non-current financial assets	1,274,697,490.87	185,399,363.64					-1,039,608.18	1,459,057,246.33
3. Receivables financing	841,815,267.43						-67,795,311.55	774,019,955.88
Financial assets subtotal	2,346,440,287.58	79,105,811.27			25,039,155.90	40,650,829.79	-68,834,919.73	2,341,099,505.23
Total of above items	2,346,440,287.58	79,105,811.27			25,039,155.90	40,650,829.79	-68,834,919.73	2,341,099,505.23
Financial liabilities	4,268,603.52	-471,146.84					-13,309.61	3,784,147.07

Are there any significant changes in the measurement attributes of the company's main assets during the reporting period?

☐ Yes ☒ No
4. Restrictions on Asset Rights as of the End Of the Reporting Period

As of June 30, 2025, the company's restricted asset situation is as follows:

Item	Book Value at the End of the Perion (RMB)	Cause of Restrictions
Cash and bank balances	107,943,051.28	Guarantee letter security deposit and other restricted funds
Notes receivable and receivables financing	898,323,101.98	Pledged notes used for issuing banker's acceptance, endorsed or discounted but not yet matured or terminated and recognized
Accounts receivable	1,461,555.02	Financial discount and factoring not derecognised in the supply chain
Fixed Assets	904,506,973.80	Fixed assets rented out under operating leases
Total	1,912,234,682.08	

VI. Investment Analysis

1. Overview

☒Applicable ☐ Not applicable

Investment in the Reporting Period (RMB)	Investment for the same Period of Last Year	Rate of Change
2,965,513.85	93,948,173.50	-96.84%

2. Significant Equity Investments Acquired During the Reporting Period

☐ Applicable ☒Not applicable

3. Major non-equity Investments Underway During The Reporting Period

☒ Applicable ☐Not applicable

For details, refer to "5. Utilization of Raised Funds"

4. Financial Assets Investment

(1) Securities Investment

☒Applicable ☐ Not applicable

Unit: RMB

Variety of Securities	Code of Securities	Abbreviation of Securities	Initial Investment Cost	Accounting Measurement Model	Opening Balance on Book Value	Changes in Fair Value Gains and Losses in the Current Period	Cumulative Fair Value Changes in Equity	Purchase Amount of The Reporting Period	Sales Amount of the Reporting Period	Profits and Losses in the Reporting Period	Book Value at the End of the Period	Accounting Accounts	Capital Source
Domestic and Overseas Stocks	688213	SMARTS ENS	29,548,786.48	Fair value measurement	149,726,569.64	-107,537,695.75		25,039,155.90	40,650,829.79	9,721,065.51	26,577,200.00	Trading financial assets	Equity fund
Total			29,548,786.48	--	149,726,569.64	-107,537,695.75		25,039,155.90	40,650,829.79	9,721,065.51	26,577,200.00	--	--

(2) Derivatives Investment

☒Applicable ☐ Not applicable

1) Derivatives Investments for Hedging Purposes During the Reporting Period

☒ Applicable ☐ Not applicable

Unit: ten thousand RMB

Types of Derivatives Investment	Initial Investment Amount	Opening Balance	Changes in Fair Value Gains and Losses in the Current Period	Cumulative Fair Value Changes in Equity	Amount Purchased During the Reporting Period	Amount Sold During the Reporting Period	Closing Balance	Proportion of Investment Amount in the Company's Net Assets at End of the Reporting Period
Foreign exchange contract		14,600.00	47.11		322,940.03	324,742.53	12,797.50	0.34%
Total		14,600.00	47.11		322,940.03	324,742.53	12,797.50	0.34%
Explanation of whether the Company's hedging business accounting policies and specific accounting principles have changed significantly during the reporting period compared with the previous reporting period			The Company calculated and presented its foreign exchange derivatives trading business in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments and other relevant provisions. Held-for-trading financial assets/held-for-trading financial liabilities were adopted for initial and subsequent measurements of the foreign exchange contracts. The fair values of the foreign exchange contracts were basically determined by referencing the different parameters of the financial institutions based on the then market conditions as well as the remaining term and duration of transaction, so as to be recognized as the held-for-trading financial assets or held-for-trading financial liabilities. There was no significant change in the fair values of the foreign exchange contracts compared with that in the previous reporting period.					
Description of actual profit and loss during the reporting period			During the reporting period, the actual loss amount was RMB 7,270,400.					
Descriptions of the effect of hedging			The Company carried out foreign exchange hedging business appropriately as the case may be, which could effectively reduce the risks in foreign exchange market and avoid exchange rate fluctuation risks.					
Sources of funds for derivatives investment			Equity fund					
Risk analysis and description of control measures for derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)			For detailed information on risk analysis and control measures, please refer to the company's Announcement on Conducting Foreign Exchange Hedging Transactions disclosed on March 29, 2025 (Announcement No.: 2025-017).					
Changes in market prices or product fair value of invested derivatives during the reporting period, and the analysis of the fair value of derivatives should disclose the specific methods used and the setting of related assumptions and parameters.			The Company recognized and measured its foreign exchange hedging business in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments and other relevant provisions. The fair values of foreign exchange forward contracts were basically measured and recognized by referencing the different parameters of the financial institutions based on the then market conditions as well as the remaining term and duration of the transaction.					

	During the reporting period, the fair value change gain of foreign exchange contracts was RMB 471,100.
Litigation involved (if applicable)	None
Disclosure date of board of directors' announcement on the approval of derivatives investment (if any)	March 29, 2025

2) Derivatives Investments for Speculative Purposes During the Reporting Period

☐ Applicable ☒ Not applicable

The Company had no derivatives investments for speculative purposes during the reporting period.

5. Utilization of Raised Funds

☒ Applicable ☐ Not applicable

(1) Utilization of Raised Funds

☒ Applicable ☐ Not applicable

Unit: ten thousand RMB

Year of Fund-raising	Way of Fund-raising	Listing Date	Total Amount of Funds Raised	Net Funds Raised (1)	The Amount of Funds Raised Used in the Current Period	Accumulated Aggregate Amount of Funds Raised Used (2)	Proportion of Raised Funds Used at the End of the Reporting Period (3) = (2) / (1)	Amount of Funds Raised in the Current Period That Were Repurposed	Aggregate Amount of Funds Raised as of the Current Period That Were Repurposed	Percentage of the Aggregate Amount of Funds Raised as of the Current Period That Were Repurposed	Amount of Funds Raised Not Yet Used	Purpose and use of the Funds Raised Not Yet Used	Amount of Funds Raised Put Aside for More Than Two Years
2023	Issuance of shares to specific objects	April 14, 2023	509,999.92	508,983.26	38,880.73	471,157.33	92.57%		30,191.75	5.93%	44,610.38	Deposited in banks	
Total	--	--	509,999.92	508,983.26	38,880.73	471,157.33	92.57%		30,191.75	5.93%	44,610.38	--	

Notes on utilization of raised funds

1. According to the "Reply on Approving the Non-public Issuance of Shares by Zhejiang Dahua Technology Co., Ltd." (Zheng Jian License [2022] No. 853) released by CSRC, the Company issued 293,103,400 shares to specific parties at an issue price of RMB 17.40 per share. The total amount of funds raised in this offering is RMB 5,099,999,160.00 and after deducting RMB 10,166,575.28 (excluding VAT), the cost associated with issuance, the actual net amount of funds raised is RMB 5,089,832,584.72, which has been verified by BDO China Shu Lun Pan CPAs (special general partnership) in the Capital Verification Report (Lixin Accounting Report [2023] No. ZF10231).

2. On August 23, 2024, the Company held the seventh meeting of the eighth Board of Directors and the sixth meeting of the eighth Board of Supervisors, and reviewed and approved the "Proposal on the Completion of Some Fundraising Projects and the Permanent Use of Surplus Fundraising Funds to Supplement Working Capital". In view of the fact that the Company's fundraising investment projects "AIoT Solution R&D and Industrialization Project" and "Supplementary Working Capital Project" have been invested and completed, in order to improve the efficiency of the use of raised funds, with the approval of the Board of Directors and the Board of Supervisors, the Company used the surplus raised funds of the aforementioned fundraising projects and the general account of raised funds totaling RMB 17.7424 million (including interest income from bank deposits) to permanently supplement its working capital, and cancelled the relevant special accounts for raised funds.

3. The company has cumulatively used RMB 4,711,573,300 of raised funds, with net interest income from the special fundraising account amounting to RMB 85,586,900. As of June 30, 2025, the balance of unused raised funds was RMB 446,103,800.

(2) Projects with Pledged Investments Using Raised Funds

☑Applicable ☐ Not applicable

Unit: ten thousand RMB

Financing Project Name	Listing Date	Projects with pledged investments and investment directions of excess funds due to oversubscription	Project Nature	Whether the Projects Have Been Changed (Including Partial Changes)	Total Pledged Investments Using Raised Funds	Total Adjusted Investments (1)	Amount Invested in the Current Reporting Period	Cumulative Investments as of the End of Reporting Period (2)	Investment Progress as of the End of Reporting Period (3)=(2)/(1)	The Date the Project Reaches Its Intended Usable Status	Benefits Realized During the Reporting Period	Cumulative Income As Of The End Of The Reporting Period	Whether Expected Benefits Have Been Achieved	Whether There Are Major Changes in Project Feasibility
Projects with pledged investments														
Issuance of shares to specific objects in 2023	April 14, 2023	Project of Smart IoT Solution R&D and Industrialization	Operation management project	No	92,990.00	92,990.00	0.00	92,990.00	100.00%	2023	4,957.69	9,660.97	Not applicable	No
		The phase II construction project of the smart manufacturing base in Hangzhou	Production and construction project	No	77,580.00	77,580.00	0.00	77,859.38	100.36% (Note 1)	2024	4,368.60	10,649.71	Not applicable	No
		Artificial intelligence technology research and development and application research project	Research and development project	Yes	88,960.00	119,151.75	19,928.06	95,878.67	80.47%	2026	Not applicable	Not applicable	Not applicable	No
		5G, IoT and multi-dimensional perception products and solutions R&D project	Research and development project	Yes	100,470.00	70,278.25	18,952.67	54,317.29	77.29%	2026	Not applicable	Not applicable	Not applicable	No
		Replenishment of working capital	Flow Supplement Project	No	148,983.26	148,983.26	0.00	150,111.99	100.76% (Note 1)	Not applicable	Not applicable	Not applicable	Not applicable	No
Subtotals for projects with pledged investments				--	508,983.26	508,983.26	38,880.73	471,157.33	--	--	9,326.29	20,310.68	--	--
Investment directions of excess funds due to oversubscription														
Not applicable														
Total				--	508,983.26	508,983.26	38,880.73	471,157.33	--	--	9,326.29	20,310.68	--	--
Explain the circumstances and reasons for failing to achieve the planned progress and expected benefits for each project (including the reasons for selecting "Not applicable" for "Whether expected benefits have been achieved")						Due to the uneven benefits of smart IoT solution R&D and industrialization projects as well as the phase II construction project of the smart manufacturing base in Hangzhou around the year, whether the expected benefits can be achieved will be measured after an entire year.								
Notes on major changes in project feasibility						Not applicable								
The amount, purpose and progress of the use of the excess funds due to oversubscription						Not applicable								
Involved unauthorized changes to the use of raised funds and improper occupation of raised funds.						Not applicable								
Changes of the implementation location of the projects using raised funds						Applicable								

	Occurred in prior years
	See (3) Change of Projects That Use Raised Funds.
Changes of the implementation method of the projects using raised funds	Applicable
	Occurred in prior years
	See (3) Change of Projects That Use Raised Funds.
Advance investments and replacements of raised funds in projects	Not applicable
Temporary replenishment of working capital with idle raised funds	Not applicable
The amount and reasons for the balance of funds raised in the implementation of the project	Not applicable
The intended use and disposal of the unused funds raised	The unused funds raised (including interest income from the account of the funds raised) are deposited in the Company's special account for the funds raised.
Problems or other circumstances in the use and disclosure of the funds raised	On May 19, 2023, the Company held the 43rd meeting of the 7th Board of Directors and the 30th meeting of the 7th Board of Supervisors, and reviewed and approved the "Proposal on the Use of Acceptance Bills, Equity Funds, etc. to Pay Funds for Investment Projects and Replace them with Equal Amounts of Fundraised Funds", agreeing that during the implementation of the investment projects with raised funds, the Company would use acceptance bills (including endorsement transfers), own foreign exchange, supply chain bills, and equity funds to advance payment of part of the funds for investment projects, and regularly transfer equal amounts from the special account for raised funds to the Company's equity funds account. This part of the equal amount of replacement funds would be deemed as funds used for the investment projects.

Note 1: The interest income from bank deposits is the excess of the actual investment amount of the replenishment of working capital projects over the total pledged investments using raised funds.

(3) Change of Projects That Use Raised Funds
☒ Applicable ☐ Not applicable

Unit: ten thousand RMB

Financing Project Name	Way of Fund-raising	Changed projects	Corresponding original commitment projects	Total amount of funds raised to be invested in the changed projects (1)	Actual amount invested in the current reporting period	Actual total amount invested as of the end of reporting period (2)	Investment progress as of the end of reporting period (3)=(2)/(1)	The Date the Project Reaches Its Intended Usable Status	Benefits Realized During the Reporting Period	Whether Expected Benefits Have Been Achieved	Are there any major changes in feasibility of the changed projects?
Issuance of shares to specific objects in 2023	Issuance of shares to specific objects	Artificial intelligence technology research and development and application research project	Construction Project of Xi'an R&D Center	119,151.75	19,928.06	95,878.67	80.47%	2026	Not applicable	Not applicable	No
		5G, IoT and multi-dimensional perception products and solutions R&D project	New project of Southwest R&D Center of Dahua Co., Ltd.	70,278.25	18,952.67	54,317.29	77.29%	2026	Not applicable	Not applicable	No
Total	--	--	--	189,430.00	38,880.73	150,195.96	--	--		--	--
Explanation of reasons for changes, decision-making procedures and information disclosure (by project)			<p>1. Reasons for increasing the scale of investment of funds raised in the artificial intelligence technology research and development and application research project (formerly "Construction Project of Xi'an R&D Center"):</p> <p>With the launch of ChatGPT in November, 2022, artificial intelligence has gradually entered the development stage of big model in AGI (General Artificial Intelligence). The integrated development of digitalization and AGI will bring a new round of development cycle and transformation to the industry. The "industry brain" that fully combines industry experience in the visual field is the inevitable path for the real commercial landing of artificial intelligence model, and it is also one of the key research and development fields of many technology enterprises around the world. The company has accumulated a lot of experience in many industries concerning the government and enterprises. In the future, it needs to further increase R&D resources investment and talent echelon construction in large visual models in artificial intelligence, and trains the large visual model in artificial intelligence for industry landing application through the ability of the big model and the knowledge accumulated in industry segments, to promote the digital and intelligent business development of the government and the enterprise, and to further enhance the Company's core competitiveness. Therefore, the amount of the project investment and the investment scale of the funds raised are increased.</p> <p>2. Reasons for reducing the investment scale of funds raised 5G, Internet of Things and multi-dimensional perception products and solutions R&D projects (formerly "New project of Southwest R&D Center of Dahua Co., Ltd."):</p> <p>Given that the R&D center in Hangzhou headquarters has quickly seized the R&D opportunities in the fields of 5G and multi-dimensional perception by using the existing technology precipitation, successively released more than ten integrated 5G products and more than 30 5G smart application solutions, and released the 6D omni-domain perception technology in full-time domain, full-space domain, full-color domain, and full-frequency domain by utilizing the advantages of the multi-dimensional perception technology, to lead the industry to continuously expand the boundaries of the perception capability, deeply practice the integration of visual intelligence and multi-dimensional perception, and accelerate the business innovation and application. Therefore, in the direction of "5G and multi-dimensional perception", the Company can carry out the research and development work quickly by reusing the resources and achievements of the R&D center at Hangzhou headquarter, seize the opportunities of the industry development, and optimize the use efficiency of the funds raised and the layout of the project investment. After the project has reused the resources of the R&D center at Hangzhou headquarters, the Company has reduced the investment amount in hardware and software of the special laboratory and R&D facilities to be set up as planned in Chengdu, taking into account such factors as saving operating costs and improving the use efficiency of the funds raised.</p> <p>3. The Company held the 4th Meeting of the 8th Board of Directors and the 3rd Meeting of the 8th Board of Supervisors on January 12, 2024, and the First Extraordinary General Meeting of Shareholders of 2024 on January 29, 2024, during which the "Proposal on Adjusting the Investment Amount and Investment Structure of Part of the Funds Raised Projects, and Increasing the Implementing Subjects and Implementation Locations" was considered and adopted. The Company also agreed to adjust the investment amount of the "Construction Project of Xi'an R&D Center" and the "New project of Southwest R&D Center of Dahua Co., Ltd.", the investment amount of the funds raised, internal investment structure, implementation method and subject, implementation locations, and project name.</p>								
Situations and reasons for failure to achieve planned progress or expected benefits (by project)			Not applicable								
Notes on major changes in project feasibility after change			Not applicable								

VII. Major Assets and Equity Sales**1. Major Assets Sales**
☐ Applicable ☒ Not applicable

No major assets were sold during the reporting period of the Company.

2. Major Equity Sales

☒ Applicable ☐ Not applicable

Counterparty	Equity sold	Sale date	Transaction price (in RMB 10,000)	Net profit contributed by this equity to the listed company from the beginning of the period to the date of sale (in RMB 10,000)	Impact of the sale on the Company	Proportion of net profit contributed by the equity sale to the listed company's total net profit	Pricing principles for the equity sale	Whether it is a related transaction	Relationship with the counterparty	Whether the equity involved has been fully transferred	Whether it proceeded as scheduled. If not, the reasons and measures taken by the Company should be explained	Date of Disclosure	Disclosure Index
Shanghai Zhicheng Technology Co., Ltd.	32.7321% equity of Hangzhou Huacheng Network Technology Co., Ltd.	June 20, 2025	71,683.29	4,838.85	This transaction is not expected to have a material adverse impact on the Company's financial or operational condition.	15.38%	Determined through negotiation based on the asset appraisal value.	No	Not applicable	Yes	Proceeded as scheduled.	March 04, 2025	Juchao Information Network http://cninfo.com.cn

VIII. Analysis of Major Subsidiaries and Associates

☒ Applicable ☐ Not applicable

Major subsidiaries and joint-stock companies with a net profit impact of over 10%.

Unit: ten thousand RMB

Company Name	Company Type	Main businesses	Registered Capital	Total Assets	Net Assets	Operating revenue	Operating Profit	Net Profit
Zhejiang Dahua Vision Technology Co., Ltd.	Subsidiary Company	Technology development, services, consultation, and transfer; manufacturing, sales, and system services of computer hardware and software; manufacturing and sales of security devices, mechanical and electrical devices, and photovoltaic devices; sales and technical services of IoT devices; charging pile sales; warehousing services, bonded warehouse operation.	130,681.00	2,276,570.00	263,427.69	1,064,397.45	8,477.42	7,132.45
Zhejiang Dahua Zhilian Co., Ltd.	Subsidiary Company	Technology development, services, consultation, and transfer; manufacturing and marketing of computer hardware and software; development, manufacturing and marketing of electronic products and electronic components, safety equipment and communication devices; leasing of self-owned houses; warehousing services; catering services; import and export of goods	188,580.00	630,361.98	167,709.61	257,552.36	5,958.42	4,491.54

Acquisition and disposal of subsidiaries during the reporting period

☒ Applicable ☐ Not applicable

Company Name	Method of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production management and performance
Hangzhou Huacheng Network Technology Co., Ltd. and its controlled subsidiaries	Equity transfer	No significant impact on overall production, operation, and performance
IMOU NETWORK TECHNOLOGY AUSTRALIA PTY LTD	Cancellation	No significant impact on overall production, operation, and performance

IX. Structured Entity Controlled by the Company

☐ Applicable ☒ Not applicable

X. Risks and Countermeasures

During the reporting period, there was no significant change in the risks faced by the Company. The Company has been trying to identify all kinds of risks and actively take counter-measures to avoid and reduce the risks.

(1) Risk of Technology Upgrading: The AIoT industry is a prime example of a technology-intensive sector, characterized by rapid advancements and upgrades. If the Company is unable to keep up with development trends of industrial technologies, to pay full attention to customers' diversified needs, and to devote sufficient R&D investments, it may still face the risk of losing market competitiveness due to discontinuous innovation. By increasing R & D investment, the Company continues to strengthen research on such core technologies as multi-dimensional perception, large model in AI, video cloud, big data, network communication, network security, and machine vision, and reserves product, technology, management and talent resources for a broader market in the future, so as to achieve sustainable and steady business development.

(2) Risk of business model transformation: With the development of technologies such as artificial intelligence, big data, cloud computing, network communication, and IoT, as well as the upgrading of intelligent terminal application methods, the business models in the era of artificial intelligence may impact the development of traditional industries. If enterprises fail to timely grasp the opportunities brought by the transformation of business models, they may face the risk of their original market patterns being disrupted. The company continuously monitors and studies significant changes in the global economy, industry, and technology sectors, analyzes industry development logic, assesses the evolution of the AIoT industry, the integration of video technology with digital technologies including artificial intelligence, and the potential diversified needs of customers. It consolidates its existing advantageous markets, actively explores and pilots new businesses and new commercial models, and carries out business and technology deployments.

(3) Risks of International Operations: The Company's products and solutions cover more than 100 countries and regions overseas, and international business operations face uncertainties and new challenges. On the one hand, the global economic growth rate continues to slow down,

geopolitical and political conflicts in some regions have intensified, and some countries are facing risks such as foreign exchange difficulties and exchange rate fluctuations, which pose certain threats and risks to the continued expansion of business in the host countries. On the other hand, increasingly complex compliance requirements in the international business environment, intensified regional trade protectionism and controls, and tariff policy volatility have heightened pressures on overseas market expansion. Additionally, local manufacturing rules imposed by certain countries and regions have escalated supply chain challenges, leading to continuously rising demands for compliance capacity building and corresponding cost investments. To this end, the Company actively prevents and responds to risks in international operations, continuously improves the overall overseas compliance and risk control system, enhances proactive risk anticipation and systematic response capabilities for various risks, and continuously strengthens the Company's reserves and development of local production and manufacturing capabilities. At the same time, the company continuously strengthens its understanding of and adaptability to the laws, regulations, and political and economic environments of the regions involved in its business. It formulates differentiated national business operation strategies based on the changes in political, economic, financial, and compliance environments in different regions, applying a one country, one policy approach to respond quickly to challenges and reduce business operation pressure.

(4) Exchange Rate Risk: The Company's export sales settlement currency is mainly in USD and EUR, and with overseas business continuously growing, fluctuations in exchange rates may have a certain impact on the Company's profitability. The Company has progressively increased the proportion of transactions in local currencies of non-US dollar countries, with USD-denominated contracts showing a declining trend.

(5) Risks associated with uncertain local fiscal payment capacity: Amid the current moderate economic recovery, elevated debt levels in some regional governments have yet to yield significant improvements in payment capabilities. This has resulted in delayed project tenders, extended timelines, and heightened selectivity in clients and projects. To mitigate these risks, the Company continuously refines credit management policies and optimizes project vetting. Comprehensive risk assessments—covering client creditworthiness, project budgets, and delivery viability—are conducted to navigate market fluctuations. The Company actively monitors national debt restructuring policies, intensifies accounts receivable collection, and safeguards cash flow to reduce operational exposure.

(6) Product Security Risks: The Company attaches great importance to and continues to set up special funds to strengthen product security construction, in order to prevent and respond to security risks of products in the Internet application environment, but there may still be risks of being attacked by denial of service, brute-force access, SQL injection, malware, etc., which may lead to system failure or service interruption. The Company has established a Network and Data Security Committee to establish and improve a global end-to-end network and data security system in terms of policies, organizations, processes, management, technology, and specifications, actively respond to cyber security challenges, and be vigilant and prevent major cyber security incidents.

(7) Intellectual Property Risk: The promotion of the Company's globalization strategy and its own brand strategy may expose the Company to intellectual property rights risks and patent infringement, as well as such risks as business relations, fluctuations in the public opinion environment, increased legal proceedings and rising costs. With a high priority on technological innovation, the Company has established a mechanism for the protection and management of intangible assets such as innovation achievements, own brands and trade secrets, so as to continuously gather advantageous intellectual property assets; with the establishment of an intellectual property compliance and risk control system, the Company continuously strengthens its ability to understand and master intellectual property laws and regulations as well as the administrative and judicial environment in the regions where it operates.

(8) Supply Chain Security Risks: The overall supply market is stable. The Company builds a sustainable supply ecosystem through multiple measures, including early supplier design involvement, universal selection of new materials, development of secondary suppliers for exclusive materials, and flexible inventory strategies, ensuring supply delivery. At the same time, the Company focuses on supplier operational risks by using a procurement supply security management platform to monitor suppliers' operational status in real time, preventing potential risks.

XI. Development and implementation of market value management system and valuation enhancement plan

Whether the Company has established a market value management system.

☒Yes ☐No

Whether the Company has disclosed its valuation enhancement plan.

☐Yes ☒No

In order to strengthen the Company's market value management work, further standardize the Company's market value management behavior, and safeguard the legitimate rights and interests of the Company, investors, and other stakeholders, the Company has formulated a market value management system. The company will focus on its main business, improve operational efficiency and profitability, and, based on its own circumstances, comprehensively utilize mergers and acquisitions, equity incentives, employee stock ownership plans, cash dividends, investor relations management, enhancement of information disclosure quality, share repurchases, and other lawful and compliant methods to increase the company's investment value.

XII. Implementation status of the "increase in both quality and returns" action plan

Has the Company disclosed the announcement of the "Increase in Both Quality and Returns" action plan?

☒Yes ☐No

To safeguard the interests of all shareholders, the Company has formulated the "Increase in Both Quality and Returns" Action Plan based on its confidence in the future development prospects and recognition of its stock value. For details, see the Announcement on "Increase in Both Quality and Returns" Action Plan (Announcement No. 2024-013) published on Juchao Information Network on February 7, 2024.

The Company always takes high-quality development as its theme and always adheres to the core values of "achieving customers, achieving strivers". It fulfills the mission of "making society smarter and life better", relying on two technical strategies: AIoT and the intelligent IoT data platform. It effectively integrates artificial intelligence, big data, and IoT technologies into the Company's products and solutions, serving urban digital innovation and enterprises' digital and intelligent transformation. The Company is committed to building a preferred brand of AIoT, promoting high-quality, green, and innovative development of the economy and society.

The Company continues to strengthen the foundation of corporate governance, build a sound internal control system, standardizes the rights and obligations of the company and shareholders, and prevents the abuse of shareholder rights and the management's dominant position from harming the interests of minority investors. Strengthen the management of investor relations, broaden the channels for institutional investors to participate in corporate governance, guide small and medium-sized investors to actively participate in general meeting of shareholders, and create convenience for

all kinds of investors to participate in major decision-making to enhance their right to speak and sense of gain.

While solidifying its own development foundation, the company firmly establishes a shareholder return awareness and has consistently implemented cash dividends every year since its listing, with a cumulative cash dividend amount of RMB 9.098 billion. During the reporting period, the company formulated and implemented the 2024 annual profit distribution plan, distributing a cash dividend of RMB 4.58 (including tax) per 10 shares to all shareholders, with a total cash dividend of approximately RMB 1.502 billion. At the same time, upon approval by the Board of Directors and the general meeting of shareholders, the company will use equity funds to repurchase part of its shares through centralized competitive bidding transactions, for the purpose of legally canceling and reducing the registered capital. The total amount of repurchase funds will be no less than RMB 300 million (inclusive) and no more than RMB 500 million (inclusive).

Section IV Company Governance, Environment, and Society

I. Changes of Directors, Supervisors and Senior Management of the Company

☐ Applicable ☒ Not applicable

There were no changes in the company's directors, supervisors, and senior management during the reporting period. For details, please refer to the 2024 annual report.

II. Profit Distribution and Capital Reserve Converted to Share Capital in the Reporting Period

☐ Applicable ☒ Not applicable

The Company plans to pay no cash dividends, no bonus shares and no capital increase by way of capitalization of provident fund for the half-year

III. Implementation of the company's equity incentive plan, employee stock ownership plan or other employee incentive measures

☒ Applicable ☐ Not applicable

1. Equity Incentive

1. On March 28, 2025, the company held the 11th meeting of the 8th Board of Directors and the 8th meeting of the 8th Board of Supervisors. On April 21, 2025, the 2024 annual general meeting was held, during which the "Proposal on Cancellation of Some Restricted Shares of 2022 Stock Options and Restricted Stock Incentive Plan" was reviewed and approved. In view of the Company's performance not meeting the conditions for releasing from restricted sale and the departure of incentive recipients, the Company resolved to repurchase and cancel a total of 20,544,960 restricted shares already granted but not yet released. The repurchase price is RMB 8.16 per share. During the reporting period, the company completed the repurchase and cancellation of the aforementioned restricted shares.

2. On March 28, 2025, the company held the 11th meeting of the 8th Board of Directors and the 8th meeting of the 8th Board of Supervisors, during which the "Proposal on Adjustment of the Exercise Price of the 2022 Stock Option and Restricted Stock Incentive Plan" was reviewed and approved. Due to the implementation of the 2024 annual profit distribution plan, in accordance with the provisions of the Stock Option and Restricted Share Incentive Plan (Draft Revised) for 2022 and the authorization granted by the 2021 annual general meeting, the exercise price of the stock options was adjusted from RMB 15.473 per share to RMB 15.015 per share.

3. The exercise conditions for the second exercise period of the company's 2022 stock option and restricted share incentive plan have been met. The exercise period is from July 11, 2024 to July 10, 2025. The exercise method is voluntary exercise. For details, please refer to the "Indicative Announcement on the Voluntary Exercise of the Second Exercise Period of the 2022 Stock Option and Restricted Share Incentive Plan" disclosed by the company on Juchao Information Network on July 10, 2024. As of June 30, 2025, a total of 11,052,904 stock options have been exercised in the second exercise period, of which 4,309,703 stock options were exercised in the second quarter of 2025.

2. Implementation of Employee Stock Ownership Plan

☐ Applicable ☒ Not applicable

3. Other Employee Incentive Measures

☒ Applicable ☐ Not applicable

The Company adheres to the concept of "striving for the goal". By long-term incentives for employees based on the equity of listed companies, the Company has launched an incentive plan for employees to co-investment in specific subsidiaries with innovated business, aiming to combine the interests of the Company and employees to realize the sustainable and healthy development of the Company, and to stimulate the employees' enthusiasm for innovation.

IV. Environmental Information Disclosure

Whether the listed company and its principal subsidiaries are included in the list of enterprises required to disclose environmental information according to law.

☐ Yes ☒ No

V. Social Responsibilities

Report published on the Juchao Information Network (For details, see the Company's 2024 Environmental, Social and Governance www.cninfo.com.cn).

Section V Significant Events

I. Commitments that have been fulfilled by the Company's actual controller(s), shareholders, related parties, acquirers, the Company and the relevant parties during the reporting period and those that have not been fulfilled by the end of the reporting period

☐ Applicable ☒ Not applicable

There are no commitments that have been fulfilled by the Company's actual controller(s), shareholders, related parties, acquirers, the Company and the relevant parties during the reporting period or those that have not been fulfilled by the end of the reporting period.

II. Non-operational capital occupation over listed companies by controlling shareholders and their related parties

☐ Applicable ☒ Not applicable

During the reporting period, there is no non-operational capital occupation over listed companies by controlling shareholders and their related parties.

III. Illegal External Guarantees

☐ Applicable ☒ Not applicable

No illegal external guarantees during the reporting period.

IV. Appointment and Dismissal of Accounting Firms

Whether the semi-annual financial report has been audited

☐ Yes ☒ No

The semi-annual financial report has not been audited.

V. Explanations made by the board of directors and the board of supervisors on the "non-standard audit report" from the accounting firm during the reporting period

☐ Applicable ☒ Not applicable

VI. Statement by the Board of Directors on the "Non-standard Audit Report" of the Previous Year

☐ Applicable ☒ Not applicable

VII. Bankruptcy and Restructuring

☐ Applicable ☒ Not applicable

No such case as bankruptcy and reorganization related event during the reporting period.

VIII. Lawsuits

Major lawsuits and arbitrations

☐ Applicable ☒ Not applicable

There is no major lawsuit or arbitration during this reporting period.

Other lawsuits

☐ Applicable ☒ Not applicable

IX. Penalties and Rectification

☐ Applicable ☒ Not applicable

No such cases as punishment or rectification during the reporting period.

X. Integrity of the Company, Its Controlling Shareholders and Actual Controllers

☐ Applicable ☒ Not applicable

XI. Significant Related-party Transactions

1. Related Transactions Relevant to Daily Operations

☐ Applicable ☒ Not applicable

No such case as significant related-party transactions connected with daily operations.

2. Related Transactions in Acquisition or Sale of Assets or Equities

☐ Applicable ☒ Not applicable

No such case as related significant transactions in acquisition or sale of assets or equities in the reporting period.

3. Significant Related-party Transactions Arising from Joint Investments on External Parties

☐ Applicable ☒ Not applicable

No such case as significant related-party transactions involving joint external investments.

4. Related-party Creditor's Rights and Debts

☐ Applicable ☒ Not applicable

No such case as related credits and debts during the reporting period.

5. Transactions with Related Financial Companies

☐ Applicable ☒ Not applicable

No deposit, loan, credit or other financial business between the Company and the related financial company and the related parties.

6. Transactions between the Financial Company Controlled by the Company and The Related Parties

☐ Applicable ☒ Not applicable

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

7. Other Significant Related-party Transactions

☒ Applicable ☐ Not applicable

1. On March 28, 2025, the company held the 11th meeting of the 8th Board of Directors and approved the "Proposal on the Estimated Amount of Routine Related-Party Transactions for 2025." According to business development and daily operational needs, the company and its subsidiaries estimate that the total amount of routine related-party transactions with various related parties in 2025 will be RMB 1,927.52 million (excluding tax).

2. On April 18, 2025, the Company convened the 13th Meeting of the Eighth Board of Directors, which reviewed and approved the "Proposal on the Waiver of the Priority Right to Acquire Partial Equity Pan of the Controlling Subsidiary and Related Transactions." Other shareholders of the Company's controlling subsidiaries—Zhejiang Huayixin Technology Co., Ltd., Zhejiang Huaruijie Technology Co., Ltd., and Zhejiang Huajian Technology Co., Ltd.—intend to transfer their equity interests in said companies within the same controlling entity. Specifically, Ningbo Huaying Venture Capital Partnership (Limited Partnership) will transfer its equity stakes in the three controlling subsidiaries to Ms. Chen Ailing, the Executive Partner. The Company has waived its priority to accept transfer regarding this equity transfer arrangement. Following the aforementioned equity transfer, the Company's proportional ownership interest in these controlling subsidiaries will not decrease, and there will be no change to the scope of consolidated statements.

Website for disclosing the interim report on significant related-party transactions

Announcement name	Disclosure date	Website for the disclosure
Announcement on the forecast of daily related-party transactions for 2025	March 29, 2025	Juchao Information Network http://www.cninfo.com.cn
Announcement on the Waiver of the Priority Right to Acquire Partial Equity Pan of the Controlling Subsidiary and Related Transactions	April 19, 2025	Juchao Information Network http://www.cninfo.com.cn

XII. Significant Contracts and Performance

1. Matters on Trusteeship, Contracting, and Leasehold

(1) Matters on Trusteeship

☐ Applicable ☒ Not applicable

No such case as custody during the reporting period.

(2) Contracting

☐ Applicable ☒ Not applicable

No such case as contracting during the reporting period.

(3) Leasing

☒Applicable ☐ Not applicable

Explanations on leases

During the reporting period, some of the Company's own real estate properties and devices were used for rental, and there are no other leases of major property except for the leased real estate properties used for office, warehouse, and production workshops.

Cases that brought the profit and loss accounted for more than 10% of the Company's total profit during the reporting period

☐ Applicable ☒Not applicable

No such leases that brought the profit and loss accounted for more than 10% of the Company's total profit during the reporting period.

2. Significant Guarantees

☒Applicable ☐ Not applicable

Unit: ten thousand RMB

External guarantees from the Company and its subsidiaries (excluding guarantees to the subsidiaries)								
Guaranteed party	Announcement date of disclosure of the guarantee cap	Guarantee amount	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for related parties or not
Total amount of guarantees approved during the reporting period (A1)				Total amount of external guarantees actually occurred during the reporting period (A2)				
Total amount of external guarantees approved by the end of the reporting period (A3)				Total balance of external guarantees at the end of the reporting period (A4)				
Company's guarantees to subsidiaries								
Guaranteed party	Announcement date of disclosure of the guarantee cap	Guarantee amount	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for related parties or not
Zhejiang Dahua Vision Technology Co., Ltd.	March 29, 2025	839,200.00	2017.10.13	22,000.00	Joint liability guarantee	Two years after the maturity of the debts in the master contract	No	No
			2018.09.21	28,634.40 (USD 40 million)	Joint liability guarantee	Two years after the maturity of the debts in the master contract	No	No
			2020.09.01	30,000.00	Joint liability guarantee	Five years upon expiration of debt period of master contract	No	No
			2022.07.22	20,000.00	Joint liability guarantee	Three years after the maturity of the debts in the master contract	No	No
			2023.07.24	40,000.00	Joint liability guarantee	From the date of expiration of the performance period of each debt in the master contract until three years after the date of expiration of the performance period of the last due master debt under all master contracts	No	No

			2023.09.26	90,000.00	Joint liability guarantee	From the date of signing the master contract for a single credit transaction until three years after the debtor's debt performance period under the master contract expires	No	No
			2023.09.26	33,000.00	Joint liability guarantee	Three years from the expiration date of the debtor's performance period as agreed in the master claim contract	No	No
			2024.03.01	100,000.00	Joint liability guarantee	Three years from the next day after the expiry date of each type of financing business under the master contract	No	No
			2024.04.01	53,000.00	Joint liability guarantee	Two years from the expiration date of the debtor's performance period as agreed in the master contract	No	No
			2024.06.07	40,000.00	Joint liability guarantee	From the effective date of the Commitment Letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the accounts receivable claims granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance within the credit extension period	Yes	No
			2024.07.25	49,500.00	Joint liability guarantee	Three years from the expiration date of the debtor's performance period as agreed in each specific financing contract	No	No
			2024.08.16	50,000.00	Joint liability guarantee	The guarantee period is three years from the effective date of the Maximum Amount Guarantee Contract until the expiration date of the performance period of each debt under the Credit Business Agreement.	No	No
			2024.09.19	68,000.00	Joint liability guarantee	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No	No
			2024.12.13	20,000.00	Joint liability guarantee	Three years from the expiration date of the debtor's performance period as agreed in the	No	No

						master contract.		
			2025.06.10	40,000.00	Joint liability guarantee	From the effective date of the Commitment Letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the accounts receivable claims granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance within the credit extension period	No	No
Zhejiang Dahua Zhilian Co., Ltd.	March 29, 2025	260,000.00	2024.09.28	20,000.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2024.03.29	30,000.00	Joint liability guarantee	Two years from the expiration date of the debtor's performance period as agreed in the master contract	No	No
			2024.06.07	16,000.00	Joint liability guarantee	From the effective date of the Commitment Letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the accounts receivable claims granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance within the credit extension period	Yes	No
			2024.07.25	60,000.00	Joint liability guarantee	The guarantee period starts from the expiration date of the performance period of each principal debt under the master contract and ends three years after the expiration date of the performance period of the last due principal debt under all master contracts.	No	No
			2024.07.25	16,500.00	Joint liability guarantee	Three years from the expiration date of the debtor's performance period as agreed in each specific financing contract	No	No
			2024.09.19	15,000.00	Joint liability guarantee	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No	No
			2024.09.26	10,000.00	Joint liability guarantee	Three years from the expiration date of the debtor's	No	No

						performance period as agreed in the master contract.		
			2025.06.10	16,000.00	Joint liability guarantee	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance.	No	No
			2025.01.02	1,000.00	Joint liability guarantee	One year commencing upon the expiration of Dahua Zhilian's debt performance period.	No	No
			2025.05.09	20,000.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Zhejiang Dahua System Engineering Co., Ltd.	March 29, 2025	38,000.00	2024.09.28	500.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2024.06.10	4,000.00	Joint liability guarantee	From the effective date of the Commitment Letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the accounts receivable claims granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance within the credit extension period	Yes	No
			2024.08.16	5,000.00	Joint liability guarantee	The guarantee period is three years from the effective date of the Maximum Amount Guarantee Contract until the expiration date of the performance period of each debt under the Credit Business Agreement.	No	No
			2024.09.03	1,000.00	Joint liability guarantee	The guarantee period is two years from the expiration date of the debtor's debt performance period stipulated in the master contract.	No	No
			2025.06.10	4,000.00	Joint liability guarantee	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance.	No	No
			2025.05.09	500.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Dahua Technology (HK) Limited	March 29, 2025	69,907.77	2024.04.22	2,147.58 (USD 3 million)	Joint liability guarantee	2024.4.22-2025.4.22	Yes	No
			2025.04.22	2,147.58 (USD 3 million)	Joint liability guarantee	2025.4.22-2026.4.21	No	No

			2025.01.15	14,317.2 (USD 20 million)	Joint liability guarantee	2025.01.15-2026.01.14	No	No
DAHUA TECHNOLOGY MEXICO S.A. DE C.V	March 29, 2025	3,000.00	2024.10.18	715.86 (USD 1 million)	Joint liability guarantee	2024.10.18-2025.10.17	No	No
			2025.01.15	1,431.72 (USD 2 million)	Joint liability guarantee	Three years commencing from the day following the expiration of the loan term under the main agreement.	No	No
Dahua Technology UK Limited	March 29, 2025	3,300.00	2020.08.12	1,140.28 (1.16 million pounds)	Joint liability guarantee	August 12, 2020 - Signature of notice of termination	No	No
			2024.03.04	715.86 (USD 1 million)	Joint liability guarantee	2024.3.4-2025.3.3	Yes	No
			2025.03.04	715.86 (USD 1 million)	Joint liability guarantee	2025.3.4-2026.3.3	No	No
Zhejiang Huayixin Technology Co., Ltd.	March 29, 2025	4,500.00	2022.04.29	1,000.00	Joint liability guarantee	Three years after the maturity of the debts in the master contract	Yes	No
			2024.09.28	200.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2024.09.26	1,000.00	Joint liability guarantee	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance.	No	No
			2025.05.09	1,000.00	Joint liability guarantee	The guarantee period shall be three years starting from the day after the expiration of the debtor's performance period as stipulated in each specific financing contract.	No	No
			2025.05.09	200.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Zhejiang Fengshi Technology Co., Ltd.	March 29, 2025	16,000.00	2024.09.28	10,000.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2024.09.03	3,000.00	Joint liability guarantee	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Hangzhou Branch of China Merchants Bank or the advances date of each advance;	No	No
			2024.09.19	1,500.00	Joint liability guarantee	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No	No
			2025.05.09	10,000.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No

Jiangsu Huarupin Technology Co., Ltd.	March 29, 2025	2,800.00	2024.09.28	800.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2024.09.19	1,500.00	Joint liability guarantee	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No	No
			2025.05.09	800.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Zhejiang Huaxiao Technology Co., Ltd.	March 29, 2025	2,200.00	2024.09.28	200.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2025.06.27	2,000.00	Joint liability guarantee	The debtor's debt performance period stipulated in the master contract shall expire two years from the due date.	No	No
			2025.05.09	200.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Xi'an Dahua Zhilian Technology Co., Ltd.	March 29, 2025	20,000.00	2024.09.19	2,000.00	Joint liability guarantee	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No	No
			2024.09.28	10,000.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2024.12.06	3,000.00	Joint liability guarantee	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Xi'an Branch of China Merchants Bank or the advance date of each advance within the credit extension period;	No	No
			2025.05.09	10,000.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Zhengzhou Dahua Zhian Information Technology Co., Ltd.	March 29, 2025	10,000.00	2024.09.28	3,000.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2024.07.16	5,000.00	Joint liability guarantee	2024.07.16-2025.06.09	Yes	No
			2025.05.09	3,000.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
			2025.02.20	5,000.00	Joint liability guarantee	2025.02.20-2025.06.09	Yes	No
			2025.06.10	5,000.00	Joint liability guarantee	2025.06.10-2026.06.09	No	No
Chengdu Dahua Zhian Information Technology Service Co., Ltd.	March 29, 2025	15,000.00	2024.07.16	8,000.00	Joint liability guarantee	2024.07.16-2025.06.09	Yes	No
			2025.02.20	10,000.00	Joint liability guarantee	2025.02.20-2025.06.09	Yes	No
			2025.06.09	10,000.00	Joint liability guarantee	2025.06.10-2026.06.09	No	No
Changsha Dahua Technology Co., Ltd.	March 29, 2025	8,000.00	2024.09.28	5,000.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No

			2024.09.19	2,000.00	Joint liability guarantee	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No	No
			2025.05.09	5,000.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Zhejiang Pixfra Technology Co., Ltd.	March 29, 2025	3,000.00	2024.09.28	500.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2025.02.21	2,000.00	Joint liability guarantee	The warranty period shall commence from the effective date of this contract and continue until three years after the expiration date of the debt performance period under the specific credit granted in the master contract.	No	No
			2025.05.09	500.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Zhejiang Huafei Intelligent Technology CO., LTD.	March 29, 2025	2,500.00	2024.09.28	200.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2025.05.09	1,000.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
			2025.06.27	1,500.00	Joint liability guarantee	The debtor's debt performance period stipulated in the master contract shall expire two years from the due date.	No	No
Zhejiang Huajian Technology Co., Ltd.	March 29, 2025	1,000.00	2024.09.28	200.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2025.05.09	200.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Hangzhou Xiaohua Technology CO., LTD.	March 29, 2025	200.00	2024.09.28	200.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2025.05.09	200.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Zhejiang Dahua Security Network Operation Service Co., Ltd.	March 29, 2025	500.00	2024.09.28	500.00	Joint liability guarantee	2024.09.28-2025.05.08	Yes	No
			2025.05.09	500.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
Dahua Technology France SAS	March 29, 2025	700.00	2023.12.07	122.42 (EUR 145,700)	Joint liability guarantee	2023.12.07-2029.08.31	No	No
DAHUA EUROPE B.V.	March 29, 2025	16,000.00	2024.03.04	1,073.79 (USD 1.5 million)	Joint liability guarantee	2024.3.4-2025.3.3	Yes	No
			2025.03.04	1,789.65 (USD 2.5 million)	Joint liability guarantee	2025.3.4-2026.3.3	No	No
Dahua Technology Italy S.R.L.	March 29, 2025	2,000.00	2024.03.04	357.93 (USD 500,000)	Joint liability guarantee	2024.3.4-2025.3.3	Yes	No
			2025.03.04	357.93 (USD 500,000)	Joint liability guarantee	2025.3.4-2026.3.3	No	No
Zhejiang Huaruijie Technology Co., Ltd.	March 29, 2025	5,000.00	2025.05.09	200.00	Joint liability guarantee	2025.5.9-2025.8.24	No	No
			2025.06.27	1,500.00	Joint liability guarantee	The debtor's debt performance period stipulated in the master contract shall expire two years from the due date.	No	No
			2025.06.27	1,000.00	Joint liability guarantee	From the effective date of the commitment letter until the maturity date of each loan or other financing under the Credit Agreement, or the	No	No

						maturity date of the accounts receivable creditor's right assigned to China Merchants Bank Hangzhou Branch, or three years after the date of each advance.		
Yibin Huahui Information Technology Co., Ltd.	March 29, 2025	500.00	2025.01.02	475.42	Joint liability guarantee	2025.1.2-2025.12.31	No	No
Dahua Technology Singapore Pte.Ltd.	March 29, 2025	192.23	2025.04.30	92.23 (164,177.83 SGD)	Joint liability guarantee	2025.4.30-2028.1.30	No	No
Guangxi Dahua Information Technology Co., Ltd.	March 29, 2025	100.00	No such case during the reporting period					
Guangxi Dahua Technology Co., Ltd.	March 29, 2025	100.00	No such case during the reporting period					
Anhui Dahua Zhilian Information Technology Co., Ltd.	March 29, 2025	300.00	No such case during the reporting period					
Chengdu Dahua Zhilian Information Technology Co., Ltd.	March 29, 2025	500.00	No such case during the reporting period					
Chengdu Dahua Zhishu Information Technology Service Co., Ltd.	March 29, 2025	300.00	No such case during the reporting period					
Chengdu Zhichuang Yunshu Technology Co., Ltd.	March 29, 2025	300.00	No such case during the reporting period					
Hangzhou Fuyang Hua'ao Technology Co., Ltd.	March 29, 2025	100.00	No such case during the reporting period					
Henan Dahua Zhilian Information Technology Co., Ltd.	March 29, 2025	300.00	No such case during the reporting period					
Zhejiang Huaqi Intelligent Technology Co., Ltd.	March 29, 2025	500.00	No such case during the reporting period					
Tianjin Dahua Information Technology Co., Ltd.	March 29, 2025	100.00	No such case during the reporting period					
Yiwu Huaxi Technology Co., Ltd.	March 29, 2025	100.00	No such case during the reporting period					
Zhejiang Dahua Intelligent IoT Operation Service Co., Ltd.	March 29, 2025	300.00	No such case during the reporting period					
Zhejiang Huakong Software Co., Ltd.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Japan LLC	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Poland Sp.Zo.O.	March 29, 2025	800.00	No such case during the reporting period					
Dahua Technology Hungary Kft	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology India Private Limited	March 29, 2025	4,000.00	No such case during the reporting period					
DAHUA TECHNOLOGY BRASIL COMÉRCIO E SERVIÇOS EM SEGURANÇA ELETRÔNICA LTDA	March 29, 2025	1,000.00	No such case during the reporting period					
Dahua Technology Middle East FZE	March 29, 2025	1,000.00	No such case during the reporting period					
Dahua Technology Perú S.A.C	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Australia PTY LTD	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology South Africa Proprietary Limited	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Canada INC.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Guvenlik Teknolojileri Sanayi ve Ticaret A.S.	March 29, 2025	200.00	No such case during the reporting period					
Dahua Technology SRB d.o.o.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Bulgaria EOOD	March 29, 2025	100.00	No such case during the reporting period					
Dahua Iberia, S.L.	March 29, 2025	100.00	No such case during the reporting period					

Dahua Security Malaysia SDN. BHD.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Kazakhstan LLP	March 29, 2025	100.00	No such case during the reporting period					
PT. Dahua Vision Technology Indonesia	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Korea Company Limited	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology S.R.L.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Vision LLc	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology New Zealand Limited	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology GmbH	March 29, 2025	300.00	No such case during the reporting period					
Dahua Technology Colombia S.A.S.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Panama S.A.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Chile SpA	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Tunisia Limited Liability Company	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Kenya Limited	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Pakistan (private) Limited	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Morocco SARL	March 29, 2025	100.00	No such case during the reporting period					
Dahua Argentina S.A.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Czech s.r.o.	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology Denmark ApS	March 29, 2025	100.00	No such case during the reporting period					
Dahua Technology (Thailand) Co.,LTD.	March 29, 2025	100.00	No such case during the reporting period					
Luoyang Dahua Zhiyu Information Technology Co., Ltd.	March 29, 2025	300.00	No such case during the reporting period					
Dahua Technology Belgium B.V.	March 29, 2025	100.00	No such case during the reporting period					
VISMEXTECH DHM SERVICIOS, S.A. DEC.V.	March 29, 2025	100.00	No such case during the reporting period					
DAHUA TECHNOLOGY INTERNATIONAL PTE. LTD.	March 29, 2025	1,500.00	No such case during the reporting period					
Dahua Technology Regional Headquarters	March 29, 2025	1,000.00	No such case during the reporting period					
Nanyang Dahua Intelligent Information Technology Co., Ltd.	March 29, 2025	100.00	No such case during the reporting period					
Total amount of guarantees to subsidiaries approved during the reporting period (B1)		1,339,700.00	Total amount of guarantees to subsidiaries actually occurred during the reporting period (B2)		173,627.60			
Total amount of guarantees to subsidiaries approved by the end of the reporting period (B3)		1,339,700.00	Total balance of guarantees actually paid to subsidiaries at the end of the reporting period (B4)		916,240.55			
Subsidiaries' guarantees to subsidiaries								
Guaranteed party	Announcement date of disclosure of the guarantee cap	Guarantee amount	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for related parties or not

Huaray Technology Korea Company Limited	March 29, 2025	4,000.00	2024.12.09	180.75 (KRW 343.432 million)	Joint and several liability guarantee	The guarantee period is until Huaray Korea has fulfilled its responsibilities and obligations under each business agreement. The specific guarantee period under each business contract is calculated separately.	No (partially completed)	No
			2024.12.13	77.37 (KRW 147 million)	Joint and several liability guarantee	The guarantee period is until Huaray Korea has fulfilled its responsibilities and obligations under each business agreement. The specific guarantee period under each business contract is calculated separately.	No (partially completed)	No
			2025.04.11	65.27 (KRW 124.02 million)	Joint and several liability guarantee	The guarantee period is until Huaray Korea has fulfilled its responsibilities and obligations under each business agreement. The specific guarantee period under each business contract is calculated separately.	No (partially completed)	No
			2025.05.07	99.15 (KRW 188.3864 million)	Joint and several liability guarantee	The guarantee period is until Huaray Korea has fulfilled its responsibilities and obligations under each business agreement. The specific guarantee period under each business contract is calculated separately.	No	No
			2025.06.27	223.12 (KRW 423.926 million)	Joint and several liability guarantee	The guarantee period is until Huaray Korea has fulfilled its responsibilities and obligations under each business agreement. The specific guarantee period under each business contract is calculated separately.	No	No
Huaray technology GmbH	March 29, 2025	1,000.00	No such case during the reporting period					
Huaray Technology Singapore Pte.Ltd	March 29, 2025	3,000.00	No such case during the reporting period					
Total amount of guarantees to subsidiaries approved during the reporting period (C1)		8,000.00	Total amount of guarantees to subsidiaries actually occurred during the reporting period (C2)		387.54			
Total amount of guarantees to subsidiaries approved by the end of the reporting period (C3)		8,000.00	Total balance of guarantees actually paid to subsidiaries at the end of the reporting period (C4)		402.88			
Total amount of company guarantees (namely sum of the previous three major items)								
Total amount of guarantees approved during the reporting period (A1+B1+C1)		1,347,700.00	Total amount of guarantees actually occurred during the reporting period (A2+B2+C2)		174,015.14			

Total amount of guarantees approved by the end of the reporting period (A3+B3+C3)	1,347,700.00	Total balance of guarantees actually paid at the end of the reporting period (A4+B4+C4)	916,643.43
Total amount of actual guarantees (A4+B4+C4) as a percentage of the Company's net assets		24.71%	
Among them:			
Balance of guarantees provided to the shareholders, actual controllers, and their related parties (D)			
Balance of debt guarantees directly or indirectly offered to guaranteed objects with asset-liability ratio exceeding 70% (E)		863,792.98	
Amount of the portion of the total guarantee amount exceeding 50% of net assets (F)			
Total amount of the above three guarantees (D+E+F)		863,792.98	
Notes on unexpired guarantees with guarantee responsibilities occurred or possible joint liabilities within the reporting period (if any)			
Notes on providing external guarantees in violation of specified procedures (if any)			

3. Entrusted Financing

☒ Applicable ☐ Not applicable

Unit: ten thousand RMB

Specific type	Funding source	Entrusted amount	Unexpired balance	Overdue outstanding amount	Impairment amount accrued for overdue financial management
Financial products of securities companies	Equity fund		100,000.00		
Financial products of securities companies	Equity fund		8,000.00		
Total			108,000.00		

Specific matters on high-risk entrusted capital management with a large amount for a single item, or with low security and poor liquidity

☒ Applicable ☐ Not applicable

Unit: ten thousand RMB

Trustee organization name	Type of trustee organization	Product type	Amount	Capital Source	Starting date	Termination date	Investment direction	Payment determination method	Reference for annualized rate of return	Expected revenue	Actual profit and loss during the reporting period	Actual recovery of profits and losses during the reporting period	Amount of provision for impairment accrued in the current year	Whether it passed the legal procedures	Whether there will be entrusted financial plan in the future	Item overview and related query index
Guosen Securities co., Ltd.	Securities Company	Asset Management Plan	100,000.00	Equity fund	February 10, 2021	February 09, 2031	Private equity fund products, fixed income assets, equity assets, public equity hybrid funds	Payment of principal and income at maturity			18,809.96	Unexpired		Yes		
Guosen Securities co., Ltd.	Securities Company	Earnings certificate	8,000.00	Equity fund	November 06, 2024	November 06, 2025	Others	Principal-Protected Floating Income			124.41	Unexpired		Yes		
Total			108,000.00	--	--	--	--	--	--		18,934.37	--		--	--	--

Cases of entrusted financing expected to be unable to recover the principal or cases that may result in impairment

☐ Applicable ☒ Not applicable

4. Other Significant Contracts

☐ Applicable ☒ Not applicable

No such case as other significant contract during the reporting period.

XIII. Explanations on Other Significant Matters

☒ Applicable ☐ Not applicable

Based on confidence in the Company's future development prospects and strong recognition of its value, and to safeguard the legitimate rights and interests of investors while enhancing their confidence, the Board of Directors and general meeting of shareholders approved the Company's repurchase of a portion of its domestically issued common stocks (A-shares) through centralized bidding transactions. The repurchased shares will be canceled to reduce registered capital, following comprehensive consideration of operational conditions, business development prospects, financial status, and future profitability. The total repurchase amount shall be no less than RMB 300 million (inclusive) and no more than RMB 500 million (inclusive), with implementation to be completed within 12 months from the date the repurchase plan is approved by the general meeting of shareholders. For details, please refer to the "Share Repurchase Report" published by the Company on the Juchao Information Network (<http://www.cninfo.com.cn>).

XIV. Significant Events of the Company's Subsidiaries

☐ Applicable ☒ Not applicable

Section VI Changes in Shares and Information about Shareholders

I. Changes in Shares

1. Changes in Shares

Unit: share

	Before the change		Increase or decrease in the change (+, -)					After the change	
	Quantity	Proportion	Shares newly issued	Bonus shares	Shares converted from capital reserves	Others	Subtotal	Quantity	Proportion
I. Shares with Limited Sales Condition	1,191,426,894	36.15%				-20,633,370	-20,633,370	1,170,793,524	35.66%
1. Shares Held by State	0	0.00%					0	0	0.00%
2. Shares Held by State-owned Legal Persons	293,103,400	8.89%					0	293,103,400	8.93%
3. Other Domestic Shares	898,323,494	27.26%				-20,633,370	-20,633,370	877,690,124	26.74%
Shares held by domestic legal persons	0	0.00%					0	0	0.00%
Shares held by domestic natural persons	898,323,494	27.26%				-20,633,370	-20,633,370	877,690,124	26.74%
4. Foreign Shares	0	0.00%					0	0	0.00%
Including: Shares held by overseas legal persons	0	0.00%					0	0	0.00%
Shares held by foreign natural persons	0	0.00%					0	0	0.00%
II. Shares Without Restrictions	2,104,202,839	63.85%				7,845,891	7,845,891	2,112,048,730	64.34%
1. RMB Ordinary Shares	2,104,202,839	63.85%				7,845,891	7,845,891	2,112,048,730	64.34%
2. Foreign Shares Listed in China	0	0.00%					0	0	0.00%
3. Foreign Shares Listed in Foreign Countries	0	0.00%					0	0	0.00%
4. Other	0	0.00%					0	0	0.00%
III. Total	3,295,629,733	100.00%				-12,787,479	-12,787,479	3,282,842,254	100.00%

Reasons for changes in shares

☒ Applicable ☐ Not applicable

1. During the reporting period, pursuant to the provisions of the Stock Option and Restricted Share Incentive Plan in 2022, the Company repurchased and canceled 20,544,960 restricted shares held by 3,837 incentive recipients that had been granted but remained unlocked.
2. During the reporting period, a total of 7,757,481 shares were voluntarily exercised by the incentive recipients under the 2022 stock option and restricted share incentive plan;
3. According to relevant regulations, at the beginning of each year, the locked shares will be re-determined based on the shares held by directors, supervisors, and senior management. At the same time, for directors, supervisors, and senior management who have left their positions, their held shares will be locked at different stages and in varying proportions according to their departure time and the originally stipulated term of office.

Approval for changes in shares

☒Applicable ☐ Not applicable

1. The company's repurchase and cancellation of restricted shares have been approved by the 11th meeting of the 8th Board of Directors, the 8th meeting of the 8th Board of Supervisors, and the 2024 annual general meeting.
2. On June 19, 2024, the company held the sixth meeting of the eighth Board of Directors and the fifth meeting of the eighth Board of Supervisors, during which the "Proposal on Meeting the Conditions for Exercising the Second Exercise Period of 2022 Stock Options and Restricted Stock Incentive Plan" was reviewed and approved. According to the authorization of the general meeting of shareholders and the Board of Directors, the company completed the registration and declaration work related to the voluntary exercise in 2024.

Transfer for changes in shares

☐ Applicable ☒ Not applicable

The progress on share repurchases

☒Applicable ☐ Not applicable

The Company convened the 12th Meeting of the Eighth Board of Directors on April 8, 2025, and the 2024 Annual General Meeting on April 21, 2025. Both meetings reviewed and approved the "Proposal on the Scheme for the Repurchase of Shares", authorizing the Company to use equity funds to repurchase a portion of its shares through centralized bidding transactions. The repurchased shares will be canceled to reduce registered capital in accordance with the law. The total repurchase amount shall be no less than RMB 300 million (inclusive) and no more than RMB 500 million (inclusive), with a repurchase price not exceeding RMB 27.26 per share (inclusive). The share repurchase implementation period shall be within 12 months from the date the general meeting of shareholders approves this repurchase plan. For details, please refer to the "Announcement on the Scheme for the Repurchase of Shares" disclosed by the Company on the Juchao Information Network (<http://www.cninfo.com.cn>) on April 9, 2025.

As of June 30, 2025, the company repurchased 6,652,200 shares through the special securities account for share repurchase via competitive bidding, with the highest transaction price at RMB 15.71 per share, the lowest transaction price at RMB 15.16 per share, and a total transaction amount of RMB 103.41 million (excluding transaction fees).

The progress in reduction of re-purchase shares by means of centralized competitive bidding

☐ Applicable ☒ Not applicable

Effects of changes in shares on the basic earnings per share ("EPS"), diluted EPS, net assets per share, attributable to common shareholders of the Company, and other financial indexes over the last year and last period

☒Applicable ☐ Not applicable

During the reporting period, changes in share capital occurred due to the company's repurchase and cancellation of restricted shares and the voluntary exercise of incentive recipients. The impact on the company's basic earnings per share, diluted earnings per share, and net asset per share attributable to common shareholders for the most recent year and the most recent period is detailed in "Section II, IV. Key Accounting Data and Financial Indexes."

Other contents that the Company considers necessary or are required by the securities regulatory authorities to disclose

☐ Applicable ☒ Not applicable

2. Changes in Restricted Stocks

☒ Applicable ☐ Not applicable

Unit: share

Name of Shareholder	Number Of Shares With Limited Sales Condition At The Beginning Of The Period	Number of unlocked shares with limited sales condition in current period	Number of increased shares with limited sales condition in current period	Number of shares with limited sales condition at the end of the period	Reasons for limited sales	Date of unlocking
Fu Liquan	767,901,735			767,901,735	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
China Mobile Communications Group Co., Ltd.	293,103,400			293,103,400	Issuance of restricted shares to specific objects	April 13, 2026
Chen Ailing	53,447,110			53,447,110	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
Wu Jun	51,879,664			51,879,664	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
Wu Jian	1,218,701	190,800		1,027,901	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
Zhao Yuning	984,450	244,800		739,650	Lock-up shares for directors, supervisors and senior	According to the relevant provisions of shares management of

					management	directors, supervisors and senior management
Zhu Jiantang	806,869	190,800		616,069	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
Li Zhijie	705,450	190,800		514,650	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
Xu Zhicheng	661,950	190,800		471,150	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
Xu Qiaofen	621,450	163,800		457,650	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
Other senior executives and equity incentive objects	20,096,115	19,461,570		634,545	Lock-up shares for directors, supervisors and senior management	According to the relevant provisions of shares management of directors, supervisors and senior management
Total	1,191,426,894	20,633,370		1,170,793,524	--	--

II. Issuance and Listing of Securities

☐ Applicable ☒ Not applicable

III. Total Number of Shareholders and Their Shareholdings

Unit: share

Total Number Of Common Shareholders At The End Of The Reporting Period		187,566		Total Number of Preferred Shareholders (If Any) (Refer to Note 8) Whose Voting Rights have been Recovered at the End of the Reporting Period			0	
Shareholding situation of shareholders holding over 5% of shares or the top 10 shareholders (excluding shares lent through refinancing)								
Name of Shareholder	Nature of Shareholder	Shareholding Percentage	Number of shares held at the end of the reporting period	Changes in the reporting period	Number of shares held with limited sales conditions	Number of shares held without limited sales condition	Pledges, markings, or freezing	
							State Of Shares	Quantity
Fu Liquan	Domestic Natural Person	31.19%	1,023,868,980	0	767,901,735	255,967,245	Pledged	28,200,000
China Mobile Communications Group Co., Ltd.	State-owned Legal Person	8.93%	293,103,400	0	293,103,400	0	Not applicable	0
Zhu Jiangming	Domestic Natural Person	4.66%	153,140,260	-3,087,300	0	153,140,260	Not applicable	0
Chen Ailing	Domestic Natural Person	2.17%	71,262,813	0	53,447,110	17,815,703	Not applicable	0
Wu Jun	Domestic Natural Person	2.11%	69,172,886	0	51,879,664	17,293,222	Not applicable	0
Hong Kong Securities Clearing Co. Ltd.	Overseas Legal Person	2.04%	67,006,597	1,872,365	0	67,006,597	Not applicable	0
Industrial Bank Co., Ltd. - Huaxia CSI Robotic Trading Open Index Securities Investment Fund	Others	1.35%	44,336,975	29,778,900	0	44,336,975	Not applicable	0
China Securities Finance Co., Ltd.	Domestic Non-state-owned Legal Person	1.21%	39,611,241	0	0	39,611,241	Not applicable	0
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	Others	1.08%	35,316,830	1,136,800	0	35,316,830	Not applicable	0
China Construction Bank	Others	0.77%	25,153,943	1617500	0	25,153,943	Not applicable	0

Stock Corporation - E Fund CSI 300 Exchange Traded Open-End Index- Initiated Securities Investment Fund								
Strategic investors or general legal persons becoming shareholders of the top 10 common shares as a result of the placement of new shares (if any) (see Note 3)	Not applicable							
Description of the association relationship or concerted action of above-mentioned shareholders	Mr. Fu Liquan and Ms. Chen Ailing are husband and wife. The Company Is Unaware Of Whether Other Shareholders Have Associated Relationship Or Are Persons Acting In Concert							
Explanation of the above shareholders involved in proxy/trustee voting rights and abstention from voting rights	Not applicable							
Special note on the existence of repurchase special accounts among the top 10 shareholders (if any) (see Note 11)	As of June 30, 2025, the company's dedicated securities repurchase account holds 26,471,801 shares of the company's common stock A shares, which, according to requirements, are not included in the company's top 10 shareholders or top 10 unrestricted shareholders listings.							
Shareholding of the top 10 unlimited sale condition shareholders (excluding shares lent through refinancing and lock-up shares for senior management)								
Name of Shareholder				Number of shares held without limited sales condition at the end of the reporting period	Type of shares			
					Type of shares	Quantity		
Fu Liquan				255,967,245	RMB common stock	255,967,245		
Zhu Jiangming				153,140,260	RMB common stock	153,140,260		
Hong Kong Securities Clearing Co. Ltd.				67,006,597	RMB common stock	67,006,597		
Industrial Bank Co., Ltd. - Huaxia CSI Robotic Trading Open Index Securities Investment Fund				44,336,975	RMB common stock	44,336,975		
China Securities Finance Co., Ltd.				39,611,241	RMB common stock	39,611,241		
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund				35,316,830	RMB common stock	35,316,830		
China Construction Bank Stock Corporation - E Fund CSI 300 Exchange Traded Open-End Index-Initiated Securities Investment Fund				25,153,943	RMB common stock	25,153,943		
New China Life Insurance Company Limited - dividend-personal dividend - 018L-FH002 Shen				24,146,636	RMB common stock	24,146,636		
New China Life Insurance Company Limited - Traditional - general insurance - 018L-CT001 Shen				23,275,148	RMB common stock	23,275,148		
PICC Life Insurance Company Limited - dividend - individual insurance dividend				22,890,947	RMB common stock	22,890,947		
Explanation of the relationships or concerted actions between the top 10 unrestricted shareholders, as well as between the top 10 unrestricted shareholders and the top 10 shareholders.				Mr. Fu Liquan and Ms. Chen Ailing are husband and wife. The Company Is Unaware Of Whether Other Shareholders Have Associated Relationship Or Are Persons Acting In Concert				
Explanation on Top 10 common stock shareholders' participation in securities margin trading (If any) (see Note 4)				None				

Shareholders holding more than 5% of shares, the top 10 shareholders and the top 10 shareholders without limited outstanding shares participating in the lending of shares through refinancing

☐ Applicable ☒ Not applicable

Changes in top 10 shareholders and top 10 shareholders without limited outstanding shares over the previous period due to refinancing, lending/returning

☐ Applicable ☒ Not applicable

Whether the Company's top ten common shareholders or top ten common shareholders without limited shares agree on any repurchase transaction in the reporting period

☐ Yes ☒ No

None of the Company's top ten common shareholders or top ten common shareholders without limited shares agreed on repurchase in the reporting period.

IV. Shareholding Changes of Directors, Supervisors and Senior Management

☒ Applicable ☐ Not applicable

Name	Title	Position status	Number of shares held at the beginning of the period (share)	Number of shares increased in the period (share)	Number of shares reduced during this period (shares, note)	Number of shares held at the end of the period	Number of Restricted Stocks Granted at the Beginning of the Period (share)	Number of Restricted Stocks Granted During the Reporting Period (share)	Number of Restricted Stocks Granted at the End of the Period (share)
Fu Liquan	Chairman, President	Incumbent	1,023,868,980	0	0	1,023,868,980	0	0	0
Wu Jun	Vice Chairman	Incumbent	69,172,886	0	0	69,172,886	0	0	0
Chen Ailing	Director	Incumbent	71,262,813	0	0	71,262,813	0	0	0
Zhao Yuning	Director, Executive President	Incumbent	1,312,600	0	244,800	1,067,800	244,800	0	0
Yuan Lihua	Director	Incumbent	0	0	0	0	0	0	0
Zhang Xiaoming	Director	Incumbent	0	0	0	0	0	0	0
Liu Hanlin	Independent Director	Incumbent	0	0	0	0	0	0	0
Zhang Yuli	Independent Director	Incumbent	0	0	0	0	0	0	0
Cao Yanlong	Independent Director	Incumbent	0	0	0	0	0	0	0
Song Maoyuan	Employee Supervisor	Incumbent	0	0	0	0	0	0	0
Zheng Jieping	Employee Supervisor	Incumbent	50,200	0	0	50,200	0	0	0
Jia Qi	Supervisor	Incumbent	0	0	0	0	0	0	0
Liu Ming	Senior Vice President	Incumbent	805,500	0	190,800	614,700	190,800	0	0
Li Zhijie	Senior Vice President	Incumbent	940,600	0	190,800	749,800	190,800	0	0
Song Ke	Senior Vice President	Incumbent	327,600	0	163,800	163,800	163,800	0	0
Wu Jian	Secretary of	Incumbent	1,624,935	0	190,800	1,434,135	190,800	0	0

	the Board of Directors, Senior Vice President								
Xu Qiaofen	Senior Vice President, Chief Financial Officer	Incumbent	828,600	0	163,800	664,800	163,800	0	0
Xu Zhicheng	Senior Vice President	Incumbent	882,600	0	190,800	691,800	190,800	0	0
Zhu Jiantang	Senior Vice President	Incumbent	1,075,825	0	190,800	885,025	190,800	0	0
Chen Qiang	Senior Vice President	Incumbent	53,040	0	26,520	26,520	26,520	0	0
Total	--	--	1,172,206,179	0	1,552,920	1,170,653,259	1,552,920	0	0

Note: "Number of Shares Decreased in the Period" refers to the Company's repurchase and cancellation of restricted shares that had been granted to directors and senior management but remained unlocked.

V. Particulars about the Change to the Controlling Shareholders and Actual Controllers

Change of the controlling shareholders in the reporting period

☐ Applicable ☒ Not applicable

No change has happened to the controlling shareholder in the reporting period of the Company

Change of the actual controller in the reporting period

☐ Applicable ☒ Not applicable

No change has happened to the actual controller in the reporting period

VI. Preferred Stock Related Information

☐ Applicable ☒ Not applicable

There are no preferred shares in the reporting period.

Section VII Bond-Related Information

☐ Applicable ☒ Not applicable

Section VIII Financial Report

I. Audit Reports

Whether the semi-annual report has been audited

☐ Yes ☒ No

The semi-annual report has not been audited.

II. Financial Statements

Units of financial reports in the notes: RMB

1. Consolidated Balance Sheet

Prepared by: Zhejiang Dahua Technology Co., Ltd.

June 30, 2025

Unit: RMB

Item	Closing Balance	Opening Balance
Current Assets:		
Cash and bank balances	8,445,984,587.70	11,181,803,423.83
Deposit reservation for balance		
Loans to Banks and Other Financial Institutions		
Trading financial assets	108,022,303.02	229,927,529.28
Derivative Financial Assets		
Notes receivable	679,431,194.94	777,750,260.09
Accounts receivable	15,790,636,239.17	17,046,094,518.79
Receivables Financing	774,019,955.88	841,815,267.43
Prepayments	324,080,823.13	310,574,867.09
Premium receivable		
Reinsurance Accounts Receivable		
Reinsurance Contract Reserves Receivable		
Other Receivables	579,165,629.07	293,728,850.42
Including: interest receivable	669,535.47	
Dividends receivable		
Buying Back the Sale of Financial Assets		
Inventory	5,549,837,470.93	5,203,560,771.25
Among them: Data resources		
Contract assets	83,105,021.95	87,397,517.09
Holding for-sale assets		
Non-current Assets Due within 1	363,369,234.97	237,608,641.30

Year		
Other current assets	593,995,732.10	1,035,802,016.58
Total current assets	33,291,648,192.86	37,246,063,663.15
Non-current asset:		
Granting of loans and advances		
Investment in Creditor's Rights		
Investment in Other Creditor's Rights		
Long-term Receivables	686,714,849.69	744,412,552.00
Long-term Equity Investment	749,403,415.83	722,241,568.57
Investment in Other Equity Instruments		
Other Non-current Financial Assets	1,459,057,246.33	1,274,697,490.87
Investment property	145,023,330.44	139,280,586.26
Fixed Assets	5,331,558,518.85	4,973,953,628.05
Projects under Construction	850,146,152.40	1,254,554,187.36
Productive biological asset		
Oil and gas assets		
Right-of-use assets	226,161,696.36	232,124,277.86
Intangible asset	565,682,245.01	578,035,438.59
Among them: Data resources		
Development Expenditure		
Among them: Data resources		
Goodwill	6,615,294.18	6,615,294.18
Long-term Deferred Expenses	81,231,852.70	99,410,405.42
Deferred income tax assets	1,008,704,306.23	1,136,746,080.45
Other non-current assets	5,619,083,954.76	4,327,776,909.06
Total non-current assets	16,729,382,862.78	15,489,848,418.67
Total assets	50,021,031,055.64	52,735,912,081.82
Current liability:		
Short-term loan	501,579,505.58	995,000,000.00
Borrowing from the central bank		
Borrowings from Banks and Other Financial Institutions		
Transactional financial liabilities	3,784,147.07	4,268,603.52
Derivative financial liability		
Notes Payable	2,851,016,916.85	3,599,974,242.02
Accounts Payable	5,318,829,779.51	5,877,976,861.13
Advance payments		
Contract liabilities	806,391,542.30	1,282,204,348.75
Proceeds from the sale and repurchase of financial assets		
Deposit Taking and Interbank Deposit		

Receiving from Vicariously Traded Securities		
Receiving from Vicariously Sold Securities		
Payroll payable	895,053,643.66	1,811,053,208.92
Taxes Payable	398,474,375.43	405,860,321.63
Other payables	440,276,175.28	637,013,560.05
Including: interest payable		
Dividends Payable		22,951,560.23
Payable service charges and commissions		
Reinsurance Accounts Payable		
Holding for-sale liabilities		
Non-current Liabilities Due within 1 Year	93,778,798.09	117,227,812.08
Other current liabilities	139,826,674.38	160,151,530.23
Total current liabilities	11,449,011,558.15	14,890,730,488.33
Non-current liability:		
Insurance Contract Reserves		
Long-term loan		
Bonds Payable		
Including: Preferred Stocks		
Perpetual Bonds		
Lease liabilities	128,641,582.44	114,313,807.41
Long-term payables		
Long-term payroll payable		
Expected Liabilities	293,714,394.83	268,194,691.24
Deferred income	174,950,192.93	186,181,012.99
Deferred income tax liabilities		19,162.22
Other non-current liabilities	94,386,053.89	102,264,089.02
Total non-current liabilities	691,692,224.09	670,972,762.88
Total liabilities	12,140,703,782.24	15,561,703,251.21
Owner's equity:		
Share Capital	3,282,842,254.00	3,295,629,733.00
Other equity instruments		
Including: Preferred Stocks		
Perpetual Bonds		
Capital Reserves	7,162,106,446.57	7,156,767,235.86
Less: treasury share	523,372,315.27	564,654,524.63
Other comprehensive income	131,704,549.95	104,358,460.57
Special reserve		
Surplus Reserves	1,647,814,866.50	1,647,814,866.50
General risk reserve		
Undistributed Profits	25,394,119,430.44	24,388,130,399.78
Total equity attributable to the parent company's shareholders	37,095,215,232.19	36,028,046,171.08
Minority shareholders' equity	785,112,041.21	1,146,162,659.53

Total owners' equity	37,880,327,273.40	37,174,208,830.61
Total liabilities and shareholders' equity	50,021,031,055.64	52,735,912,081.82

Legal representative: Fu Liquan

Person in charge of accounting work: Xu Qiaofen

Head of accounting department: Zhu Zhuling

2. Balance Sheet of the Parent Company

Unit: RMB

Item	Closing Balance	Opening Balance
Current Assets:		
Cash and bank balances	4,053,386,145.77	5,897,243,923.06
Trading financial assets	108,022,303.02	229,927,529.28
Derivative Financial Assets		
Notes receivable	24,705,897.07	46,362,406.21
Accounts receivable	4,756,787,785.43	4,139,497,263.56
Receivables Financing	1,135,261,945.74	719,599,879.51
Prepayments	7,815,861.85	16,906,692.15
Other Receivables	13,499,248,390.13	13,384,626,871.41
Including: interest receivable	669,535.47	
Dividends receivable		
Inventory	232,370,568.78	284,771,384.52
Among them: Data resources		
Contract assets	10,057,836.21	11,494,282.17
Holding for-sale assets		
Non-current Assets Due within 1 Year	174,851,210.06	3,807,555.80
Other current assets	78,859,552.98	538,541,006.72
Total current assets	24,081,367,497.04	25,272,778,794.39
Non-current asset:		
Investment in Creditor's Rights		
Investment in Other Creditor's Rights		
Long-term Receivables	1,927,043.58	1,954,398.82
Long-term Equity Investment	8,118,833,805.77	8,162,278,853.75
Investment in Other Equity Instruments		
Other Non-current Financial Assets	1,434,117,246.33	1,249,757,490.87
Investment property	18,600,074.27	19,105,162.49
Fixed Assets	1,681,461,472.34	1,727,649,143.59
Projects under Construction	3,814,816.27	3,656,082.30
Productive biological asset		
Oil and gas assets		
Right-of-use assets	53,326,329.55	65,543,667.49

Intangible asset	125,546,534.95	128,466,583.90
Among them: Data resources		
Development Expenditure		
Among them: Data resources		
Goodwill		
Long-term Deferred Expenses	41,863,984.78	51,808,153.67
Deferred income tax assets	20,743,191.15	193,183,542.15
Other non-current assets	4,242,014,937.07	3,122,186,359.68
Total non-current assets	15,742,249,436.06	14,725,589,438.71
Total assets	39,823,616,933.10	39,998,368,233.10
Current liability:		
Short-term loan		
Transactional financial liabilities		776,841.98
Derivative financial liability		
Notes Payable	554,428,922.56	654,898,101.96
Accounts Payable	784,278,878.34	998,713,006.78
Advance payments		
Contract liabilities	107,296,799.48	127,382,878.88
Payroll payable	554,722,001.22	1,115,800,008.44
Taxes Payable	167,079,972.04	170,444,725.36
Other payables	1,404,584,526.79	1,350,481,637.98
Including: interest payable		
Dividends Payable		22,951,560.23
Holding for-sale liabilities		
Non-current Liabilities Due within 1 Year	29,701,405.77	35,716,560.18
Other current liabilities	18,140,306.36	25,720,588.07
Total current liabilities	3,620,232,812.56	4,479,934,349.63
Non-current liability:		
Long-term loan		
Bonds Payable		
Including: Preferred Stocks		
Perpetual Bonds		
Lease liabilities	17,828,877.83	23,992,169.41
Long-term payables		
Long-term payroll payable		
Expected Liabilities	40,191,780.06	39,764,161.76
Deferred income	29,235,794.79	30,091,476.57
Deferred income tax liabilities		
Other non-current liabilities	28,471.58	44,307.49
Total non-current liabilities	87,284,924.26	93,892,115.23
Total liabilities	3,707,517,736.82	4,573,826,464.86
Owner's equity:		

Share Capital	3,282,842,254.00	3,295,629,733.00
Other equity instruments		
Including: Preferred Stocks		
Perpetual Bonds		
Capital Reserves	6,881,044,295.12	6,888,762,462.22
Less: treasury share	523,372,315.27	564,654,524.63
Other comprehensive income		
Special reserve		
Surplus Reserves	1,647,814,866.50	1,647,814,866.50
Undistributed Profits	24,827,770,095.93	24,156,989,231.15
Total owners' equity	36,116,099,196.28	35,424,541,768.24
Total liabilities and shareholders' equity	39,823,616,933.10	39,998,368,233.10

3. Consolidated Income Statement

Unit: RMB

Item	2025 Semi-Annual Report	2024 Semi-Annual Report (restated)
I. Total Operating Revenue	15,181,329,651.13	14,866,622,569.81
Among them: operating revenue	15,181,329,651.13	14,866,622,569.81
Interest income		
Earned Premiums		
Service Charge and Commission Income		
II. Total Operating Cost	13,272,648,542.15	13,262,791,211.99
Including: Operating Cost	8,864,525,518.69	8,782,722,018.67
Interest expense		
Service Charge and Commission Expenses		
Surrender Value		
Net Claims Paid		
Extract net reserve for insurance liabilities		
Policyholder Dividend Expense		
Reinsurance Cost		
Taxes and Surcharges	113,838,720.28	100,129,032.87
Sales expenses	2,163,482,109.43	2,216,940,115.97
Administration expenses	554,682,203.57	511,481,522.31
Research and development expense	1,984,405,423.10	1,901,330,160.90
Financial expenses	-408,285,432.92	-249,811,638.73
Including: interest expenses	-15,628,113.44	28,989,823.89
Interest income	153,226,904.60	236,240,691.12
Add: Other income	518,903,075.93	510,212,853.42
Investment Income (Mark "-" for Loss)	597,805,651.04	140,115,897.54

Including: investment income from joint ventures and joint ventures	10,798,379.54	16,910,626.79
Profits from recognition Termination of Financial Assets at Amortized Cost	-8,048,848.07	-755,702.55
Exchange Gains (Mark "-" for Loss)		
Profit of Net Exposure Hedging (Mark "-" for Loss)		
Incomes from changes in fair value (Mark "-" for loss)	79,576,958.11	-159,981,988.74
Credit Impairment Losses (Mark "-" for Loss)	-194,543,132.31	-214,225,008.79
Asset Impairment Losses (Mark "-" for Loss)	-43,153,204.66	-54,847,036.23
Asset Disposal Income (Mark "-" for Loss)	581,021.39	1,086,545.09
III. Operating Profit (Mark "-" for Loss)	2,867,851,478.48	1,826,192,620.11
Add: non-operating revenue	6,414,632.11	6,403,965.47
Less: non-operating expense	5,010,225.72	3,057,915.50
IV. Total Profit (Mark "-" for total Loss)	2,869,255,884.87	1,829,538,670.08
Less: Income Tax Expense	270,570,745.94	-33,838,461.10
V. Net Profit (Mark "-" for Net Loss)	2,598,685,138.93	1,863,377,131.18
(I) Classified by operation continuity		
1. Net Profit as a Going Concern (Mark "-" for Net Loss)	2,598,685,138.93	1,863,377,131.18
2. Net Profit of Discontinued Operation (Mark "-" for Net Loss)		
(II) Classified by the attribution of ownership		
1. Net Profit Attributable to Shareholders of Parent Company (Mark "-" for Net Loss)	2,475,566,750.61	1,809,589,445.46
2. Minority Shareholders' Profit and Loss (Mark "-" for Net Loss)	123,118,388.32	53,787,685.72
VI. Other Comprehensive Income, Net of Tax	28,285,767.16	7,219,753.97
Other comprehensive income, net of tax, attributable to the parent company owners	27,346,089.38	7,222,390.91
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Re-measure the variation of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to P/L under the equity method		
3. Changes in the fair value of investment in other equity		

instruments		
4. Changes in the fair value of the credit risk of the enterprise		
5. Others		
(II) Other comprehensive income that will be reclassified as P/L	27,346,089.38	7,222,390.91
1. Other comprehensive income that can be transferred to P/L under the equity method		
2. Changes in the fair value of other creditor's right investments		
3. Financial assets reclassified into other comprehensive income		
4. Provisions for the credit impairment of investment in other creditor's rights		
5. Cash flow hedge reserves		
6. Foreign Currency Financial Statement Conversion Difference	27,346,089.38	7,222,390.91
7. Others		
Net Amount of Other Comprehensive Incomes After Tax Attributable to Minority Shareholders	939,677.78	-2,636.94
VII. Total Comprehensive Income	2,626,970,906.09	1,870,596,885.15
Total comprehensive income attributable to the parent company's owners	2,502,912,839.99	1,816,811,836.37
Comprehensive income attributable to minority shareholders	124,058,066.10	53,785,048.78
VIII. Earnings per Share:		
(I) Basic Earnings per Share	0.76	0.56
(II) Diluted Earnings per Share	0.76	0.56

Legal representative: Fu Liquan

Person in charge of accounting work: Xu Qiaofen

Person in charge of the accounting institution: Zhu Zhuling

4. Income Statement of the Parent Company

Unit: RMB

Item	2025 Semi-Annual Report	2024 Semi-Annual Report (restated)
I. Operating Revenue	4,269,391,151.91	3,332,618,836.58
Less: Operating Cost	649,206,598.17	579,771,987.54
Taxes and Surcharges	64,148,103.97	52,833,473.57
Sales expenses	921,125,546.36	993,463,683.18
Administration expenses	288,423,327.35	288,777,899.34
Research and development expense	1,375,243,343.50	1,386,263,752.68
Financial expenses	-92,690,029.77	-159,912,332.30
Including: interest expenses	1,114,149.99	18,783,651.94
Interest income	98,803,243.31	139,821,641.18
Add: Other income	406,482,206.25	430,065,275.63
Investment Income (Mark "-" for Loss)	787,748,139.44	7,008,809.30

Including: investment income from joint ventures and joint ventures	-8,941,186.68	-11,449,222.10
Profits from Derecognition of Financial Assets at Amortized Cost (Mark "-" for Loss)	-1,014,593.28	-2,345,573.99
Profit of Net Exposure Hedging (Mark "-" for Loss)		
Incomes from changes in fair value (Mark "-" for loss)	79,882,653.25	-162,212,141.92
Credit Impairment Losses (Mark "-" for Loss)	-23,757,046.57	-19,022,388.30
Asset Impairment Losses (Mark "-" for Loss)	-1,263,528.38	-2,567,600.12
Asset Disposal Income (Mark "-" for Loss)	151,171.60	227,007.77
II. Operating Profit (Mark "-" for Loss)	2,313,177,857.92	444,919,334.93
Add: non-operating revenue	1,206,726.23	2,832,286.45
Less: non-operating expense	1,583,168.48	670,408.53
III. Total Profit (Mark "-" for Total Loss)	2,312,801,415.67	447,081,212.85
Less: Income Tax Expense	172,442,830.94	-330,729,679.05
IV. Net Profit (Mark "-" for Net Loss)	2,140,358,584.73	777,810,891.90
(I) Net Profit as a Going Concern (Mark "-" for Net Loss)	2,140,358,584.73	777,810,891.90
(II) Net Profit of Discontinued Operation (Mark "-" for Net Loss)		
V. Net Amount of Other Comprehensive Incomes After Tax		
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Re-measure the variation of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to P/L under the equity method		
3. Changes in the fair value of investment in other equity instruments		
4. Changes in the fair value of the credit risk of the enterprise		
5. Others		
(II) Other comprehensive income that will be reclassified as P/L		
1. Other comprehensive income that can be transferred to P/L under the equity method		
2. Changes in the fair value of other creditor's right investments		
3. Financial assets reclassified into other comprehensive income		
4. Provisions for the credit		

impairment of investment in other creditor's rights		
5. Cash flow hedge reserves		
6. Foreign Currency Financial Statement Conversion Difference		
7. Others		
VI. Total Comprehensive Income	2,140,358,584.73	777,810,891.90
VII. Earnings per Share:		
(I) Basic Earnings per Share	0.66	0.24
(II) Diluted Earnings per Share	0.66	0.24

5. Consolidated Cash Flow Statement

Unit: RMB

Item	2025 Semi-Annual Report	2024 Semi-Annual
I. Cash Flow Generated by Operational Activities:		
Cash from Sales of Merchandise and Provision of Services	17,413,245,510.57	15,999,801,747.36
Net increase in customer deposits and interbank deposits		
Net Increase in Borrowings from the Central Bank		
Net Increase in Borrowings from Other Financial Institutions		
Cash Arising from Receiving Premiums for the Original Insurance Contract		
Net Amount Arising from Reinsurance Business		
Net Increase in Deposits and Investments from Policyholders		
Cash Arising from Interests, Service Charges and Commissions		
Net Increase in Borrowings from Banks and Other Financial Institutions		
Net Increase in Repurchase Business Funds		
Net Amount of Cash Received from the Vicariously Traded Securities		
Tax Refund	507,911,753.41	487,693,658.24
Cash received from other operating activities	766,327,743.24	768,065,566.02
Subtotal of cash inflow from operating activities	18,687,485,007.22	17,255,560,971.62
Cash paid for goods and services	11,466,540,352.42	10,837,561,772.87
Net increase in customer loans and advances		
Net Increase in Deposits with Central Bank and Other Financial Institutions		

Cash Paid for Original Insurance Contract Claims		
Net increase of funds lent		
Cash Paid for Interests, Service Charges and Commissions		
Cash Paid for Policy Dividends		
Cash Paid to and for Employees	4,403,786,062.60	4,320,315,534.52
Taxes and fees paid	1,021,650,225.82	1,493,582,479.14
Pay cash for other operating activities	1,156,385,387.27	1,111,286,805.80
Total cash outflow from operating activities	18,048,362,028.11	17,762,746,592.33
Net cash flow generated by operating activities	639,122,979.11	-507,185,620.71
II. Cash Flow from Investment Activities:		
Cash Arising from Disposal of Investments	8,171,035,464.96	481,137,746.89
Cash received from investment income	8,808,463.02	12,084,508.88
Net cash recovered from disposal of fixed assets, intangible assets, and other long-term assets	1,203,271.90	334,216.87
Net cash received from disposal of subsidiaries and other business units	11,700,743.16	73,178,296.48
Cash received from other activities related to investing	4,715,470.28	23,793,990.04
Total cash inflow from investing activities	8,197,463,413.32	590,528,759.16
Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	338,555,957.22	478,507,303.15
Cash paid for investment activities	9,068,102,084.24	3,845,358,576.51
Net increase in pledge loans		
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units		
Cash paid for other investment activities	42,985,598.31	5,398,155.52
Total cash outflow from investing activities	9,449,643,639.77	4,329,264,035.18
Net amount of cash flow generated by investment activities	-1,252,180,226.45	-3,738,735,276.02
III. Cash Flow from Financing Activities:		
Cash Arising from Absorbing Investments	118,096,409.17	
Among them: cash received by subsidiaries from minority shareholder investments		
Cash Arising from Borrowings	701,579,505.58	1,119,437,200.00
Cash received from other financing activities		
Subtotal of cash inflow from financing activities	819,675,914.75	1,119,437,200.00

Cash paid for debt repayment	1,195,000,000.00	1,960,841,548.08
Cash paid for distribution of dividends, profits, or interest payments	1,495,537,757.94	1,256,629,266.40
Among them: dividends and profits paid by subsidiaries to minority shareholders		
Cash paid for other financing activities	356,819,410.68	133,019,499.80
Total cash outflow from financing activities	3,047,357,168.62	3,350,490,314.28
Net cash flow generated by financing activities	-2,227,681,253.87	-2,231,053,114.28
IV. Impact of Exchange Rate Fluctuations on Cash and Cash Equivalents	103,029,984.04	90,334,024.57
V. Net Increase in Cash and Cash Equivalents	-2,737,708,517.17	-6,386,639,986.44
Add: Beginning balance of cash and cash equivalents	11,061,530,816.28	15,880,659,594.95
VI. Ending Balance of Cash and Cash Equivalents	8,323,822,299.11	9,494,019,608.51

6. Cash Flow Statement of the Parent Company

Unit: RMB

Item	2025 Semi-Annual Report	2024 Semi-Annual
I. Cash Flow Generated by Operational Activities:		
Cash from Sales of Merchandise and Provision of Services	3,329,909,556.66	6,400,564,483.19
Tax Refund		
Cash received from other operating activities	494,557,156.96	596,191,681.83
Subtotal of cash inflow from operating activities	3,824,466,713.62	6,996,756,165.02
Cash paid for goods and services	785,693,404.04	333,875,102.97
Cash Paid to and for Employees	2,281,520,569.72	2,560,097,319.34
Taxes and fees paid	483,430,857.73	1,029,098,229.23
Pay cash for other operating activities	540,659,886.74	629,025,957.64
Total cash outflow from operating activities	4,091,304,718.23	4,552,096,609.18
Net cash flow generated by operating activities	-266,838,004.61	2,444,659,555.84
II. Cash Flow from Investment Activities:		
Cash Arising from Disposal of Investments	8,486,620,259.96	484,317,242.81
Cash received from investment income	105,126.25	39,647.97
Net cash recovered from disposal of fixed assets, intangible assets, and other long-term assets	2,626,116.67	13,312,131.73
Net cash received from disposal of subsidiaries and other business units		

Cash received from other activities related to investing		7,828,500.00
Total cash inflow from investing activities	8,489,351,502.88	505,497,522.51
Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	66,633,826.99	87,357,677.25
Cash paid for investment activities	8,756,686,741.78	2,833,198,571.53
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units		
Cash paid for other investment activities		
Total cash outflow from investing activities	8,823,320,568.77	2,920,556,248.78
Net amount of cash flow generated by investment activities	-333,969,065.89	-2,415,058,726.27
III. Cash Flow from Financing Activities:		
Cash Arising from Absorbing Investments	118,096,409.17	
Cash Arising from Borrowings	100,000,000.00	
Cash received from other financing activities	926,336,823.82	518,392,829.86
Subtotal of cash inflow from financing activities	1,144,433,232.99	518,392,829.86
Cash paid for debt repayment	100,000,000.00	1,250,000,000.00
Cash paid for distribution of dividends, profits, or interest payments	1,493,095,774.05	1,244,407,410.64
Cash paid for other financing activities	788,250,094.46	2,898,655,199.47
Total cash outflow from financing activities	2,381,345,868.51	5,393,062,610.11
Net cash flow generated by financing activities	-1,236,912,635.52	-4,874,669,780.25
IV. Impact of Exchange Rate Fluctuations on Cash and Cash Equivalents	-4,416,908.93	39,318,887.23
V. Net Increase in Cash and Cash Equivalents	-1,842,136,614.95	-4,805,750,063.45
Add: Beginning balance of cash and cash equivalents	5,843,167,456.41	9,581,289,905.32
VI. Ending Balance of Cash and Cash Equivalents	4,001,030,841.46	4,775,539,841.87

7. Consolidated Statement of Changes in Owners' Equity

Amount of this period

Unit: RMB

Item	2025 Semi-Annual Report														
	Equity attributable to the parent company owners													Minority shareholders' equity	Total owners' equity
	Share Capital	Other equity instruments			Capital Reserves	Less: treasury share	Other comprehensive income	Special reserve	Surplus Reserves	General risk reserve	Undistributed Profits	Others	Subtotal		
I. Balance at the End of Last Year	3,295,629,733.00				7,156,767,235.86	564,654,524.63	104,358,460.57		1,647,814,866.50		24,388,130,399.78		36,028,046,171.08	1,146,162,659.53	37,174,208,830.61
Add: Change in accounting policies															
Correction of Errors in the Previous Period															
Others															
II. Balance at the Start of This Year	3,295,629,733.00				7,156,767,235.86	564,654,524.63	104,358,460.57		1,647,814,866.50		24,388,130,399.78		36,028,046,171.08	1,146,162,659.53	37,174,208,830.61
III. Increases or Decreases in This Period (Mark "-" for Decreases)	-12,787,479.00				5,339,210.71	-41,282,209.36	27,346,089.38				1,005,989,030.66		1,067,169,061.11	-361,050,618.32	706,118,442.79
(I) Total comprehensive income							27,346,089.38				2,475,566,750.61		2,502,912,839.99	124,058,066.10	2,626,970,906.09
(II) Owner Contributions and Capital Reductions	-12,787,479.00				3,745,032.37	-41,282,209.36							32,239,762.73	15,736,440.75	47,976,203.48
1. Common stock invested by the owner	-12,787,479.00				-36,781,785.77	-41,282,209.36							-8,287,055.41		-8,287,055.41
2. Capital Invested by Holders of Other Equity Instruments															
3. Amount of Share-based Payments Recorded into Shareholders' Equity					40,526,818.14								40,526,818.14	15,736,440.75	56,263,258.89
4. Others															
(III) Profit Distribution											-1,469,577,719.95		-1,469,577,719.95		-1,469,577,719.95
1. Appropriation of Surplus Reserves															
2. Appropriation of General Risk Reserves															

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3. Distribution to Owners (or Shareholders)											-1,469,577,719.95		-1,469,577,719.95		-1,469,577,719.95
4. Others															
(IV) Internal Carry-forward of Shareholders' Equity															
1. Capital Reserves Transferred into Capital (or Share Capital)															
2. Surplus Reserves Transferred into Capital (or Share Capital)															
3. Surplus Reserves Covering Losses															
4. Carry-forward retained earnings of the variation of the defined benefit plan															
5. Other Carry-forward Retained Earnings of the Comprehensive Income															
6. Others															
(V) Special Reserves															
1. Withdrawal in this period															
2. Used in This Period															
(VI) Others					1,594,178.34								1,594,178.34	-500,845,125.17	-499,250,946.83
IV. Balance at the End of This Period	3,282,842,254.00				7,162,106,446.57	523,372,315.27	131,704,549.95		1,647,814,866.50		25,394,119,430.44		37,095,215,232.19	785,112,041.21	37,880,327,273.40

Amount of the previous year

Unit: RMB

Item	2024 Semi-Annual														
	Equity attributable to the parent company owners													Minority shareholders' equity	Total owners' equity
	Share Capital	Other equity instruments			Capital Reserves	Less: treasury share	Other comprehensive income	Special reserve	Surplus Reserves	General risk reserve	Undistributed Profits	Others	Subtotal		
Preferred Stocks		Perpetual Bonds	Others												
I. Balance at the End of Last Year	3,294,468,990.00				7,124,125,996.49	746,699,863.45	65,993,020.83		1,647,234,495.00		23,334,051,186.55		34,719,173,825.42	1,164,920,573.58	35,884,094,399.00
Add: Change in accounting policies															
Correction of Errors in the Previous Period															

Others															
II. Balance at the Start of This Year	3,294,468,990.00				7,124,125,996.49	746,699,863.45	65,993,020.83		1,647,234,495.00		23,334,051,186.55		34,719,173,825.42	1,164,920,573.58	35,884,094,399.00
III. Increases or Decreases in This Period (Mark "-" for Decreases)	-2,134,680.00				89,926,808.57	-31,830,926.97	7,222,390.91				560,665,330.54		687,510,776.99	27,886,351.97	715,397,128.96
(I) Total comprehensive income							7,222,390.91				1,809,589,445.46		1,816,811,836.37	53,785,048.78	1,870,596,885.15
(II) Owner Contributions and Capital Reductions	-2,134,680.00				89,723,701.68	-31,830,926.97							119,419,948.65	23,724,480.56	143,144,429.21
1. Common stock invested by the owner	-2,134,680.00				-15,284,308.80	-31,830,926.97							14,411,938.17		14,411,938.17
2. Capital Invested by Holders of Other Equity Instruments															
3. Amount of Share-based Payments Recorded into Shareholders' Equity					105,008,010.48								105,008,010.48	23,724,480.56	128,732,491.04
4. Others															
(III) Profit Distribution											-1,248,924,114.92		-1,248,924,114.92		-1,248,924,114.92
1. Appropriation of Surplus Reserves															
2. Appropriation of General Risk Reserves															
3. Distribution to Owners (or Shareholders)											-1,248,924,114.92		-1,248,924,114.92		-1,248,924,114.92
4. Others															
(IV) Internal Carry-forward of Shareholders' Equity															
1. Capital Reserves Transferred into Capital (or Share Capital)															
2. Surplus Reserves Transferred into Capital (or Share Capital)															
3. Surplus Reserves Covering Losses															
4. Carry-forward retained earnings of the variation of the defined benefit plan															
5. Other Carry-forward Retained Earnings of the Comprehensive															

Income															
6. Others															
(V) Special Reserves															
1. Withdrawal in this period															
2. Used in This Period															
(VI) Others					203,106.89							203,106.89	-49,623,177.37	-49,420,070.48	
IV. Balance at the End of This Period	3,292,334,310.00				7,214,052,805.06	714,868,936.48	73,215,411.74		1,647,234,495.00		23,894,716,517.09		35,406,684,602.41	1,192,806,925.55	36,599,491,527.96

8. Statement of Changes in Owners' Equity of the Parent Company

Amount of this period

Unit: RMB

Item	2025 Semi-Annual Report											
	Share Capital	Other equity instruments			Capital Reserves	Less: treasury share	Other comprehensive income	Special reserve	Surplus Reserves	Undistributed Profits	Others	Total owners' equity
		Preferred Stocks	Perpetual Bonds	Others								
I. Balance at the End of Last Year	3,295,629,733.00				6,888,762,462.22	564,654,524.63			1,647,814,866.50	24,156,989,231.15		35,424,541,768.24
Add: Change in accounting policies												
Correction of Errors in the Previous Period												
Others												
II. Balance at the Start of This Year	3,295,629,733.00				6,888,762,462.22	564,654,524.63			1,647,814,866.50	24,156,989,231.15		35,424,541,768.24
III. Increases or Decreases in This Period (Mark "-" for Decreases)	-12,787,479.00				-7,718,167.10	-41,282,209.36				670,780,864.78		691,557,428.04
(I) Total comprehensive income										2,140,358,584.73		2,140,358,584.73
(II) Owner Contributions and Capital Reductions	-12,787,479.00				-9,256,636.82	-41,282,209.36						19,238,093.54
1. Common stock invested by the owner	-12,787,479.00				-36,781,785.77	-41,282,209.36						-8,287,055.41
2. Capital Invested by Holders of Other Equity Instruments												
3. Amount of Share-					27,525,148.95							27,525,148.95

based Payments Recorded into Shareholders' Equity												
4. Others												
(III) Profit Distribution										-1,469,577,719.95		-1,469,577,719.95
1. Appropriation of Surplus Reserves												
2. Distribution to Owners (or Shareholders)										-1,469,577,719.95		-1,469,577,719.95
3. Others												
(IV) Internal Carry-forward of Shareholders' Equity												
1. Capital Reserves Transferred into Capital (or Share Capital)												
2. Surplus Reserves Transferred into Capital (or Share Capital)												
3. Surplus Reserves Covering Losses												
4. Carry-forward retained earnings of the variation of the defined benefit plan												
5. Other Carry-forward Retained Earnings of the Comprehensive Income												
6. Others												
(V) Special Reserves												
1. Withdrawal in this period												
2. Used in This Period												
(VI) Others					1,538,469.72							1,538,469.72
IV. Balance at the End of This Period	3,282,842,254.00				6,881,044,295.12	523,372,315.27			1,647,814,866.50	24,827,770,095.93		36,116,099,196.28

Amount of the previous year

Unit: RMB

Item	2024 Semi-Annual											
	Share Capital	Other equity instruments			Capital Reserves	Less: treasury share	Other comprehensive income	Special reserve	Surplus Reserves	Undistributed Profits	Others	Total owners' equity
		Preferred Stocks	Perpetual Bonds	Others								

I. Balance at the End of Last Year	3,294,468,990.00				6,881,563,679.88	746,699,863.45			1,647,234,495.00	24,448,835,337.15		35,525,402,638.58
Add: Change in accounting policies												
Correction of Errors in the Previous Period												
Others												
II. Balance at the Start of This Year	3,294,468,990.00				6,881,563,679.88	746,699,863.45			1,647,234,495.00	24,448,835,337.15		35,525,402,638.58
III. Increases or Decreases in This Period (Mark "-" for Decreases)	-2,134,680.00				86,422,226.31	-31,830,926.97				-471,113,223.02		-354,994,749.74
(I) Total comprehensive income										777,810,891.90		777,810,891.90
(II) Owner Contributions and Capital Reductions	-2,134,680.00				84,717,803.29	-31,830,926.97						114,414,050.26
1. Common stock invested by the owner	-2,134,680.00				-15,284,308.80	-31,830,926.97						14,411,938.17
2. Capital Invested by Holders of Other Equity Instruments												
3. Amount of Share-based Payments Recorded into Shareholders' Equity					100,002,112.09							100,002,112.09
4. Others												
(III) Profit Distribution										-1,248,924,114.92		-1,248,924,114.92
1. Appropriation of Surplus Reserves												
2. Distribution to Owners (or Shareholders)										-1,248,924,114.92		-1,248,924,114.92
3. Others												
(IV) Internal Carry-forward of Shareholders' Equity												
1. Capital Reserves Transferred into Capital (or Share Capital)												
2. Surplus Reserves Transferred into Capital (or Share Capital)												
3. Surplus Reserves Covering Losses												
4. Carry-forward												

retained earnings of the variation of the defined benefit plan												
5. Other Carry-forward Retained Earnings of the Comprehensive Income												
6. Others												
(V) Special Reserves												
1. Withdrawal in this period												
2. Used in This Period												
(VI) Others					1,704,423.02							1,704,423.02
IV. Balance at the End of This Period	3,292,334,310.00				6,967,985,906.19	714,868,936.48			1,647,234,495.00	23,977,722,114.13		35,170,407,888.84

III. Basic Information about the Company

Zhejiang Dahua Technology Co., Ltd. (hereinafter referred to as the "Company" or "this Company") was established as a joint-stock company in June 2002 with the approval of the Zhejiang Provincial People's Government Work Leading Group for Enterprise Listing under document Zhe Listing [2002] No. 18. It was formed through the overall restructuring of the original Hangzhou Dahua Information Technology Co., Ltd., jointly initiated by five natural persons: Fu Liquan, Chen Ailing, Zhu Jiangming, Liu Yunzhen, and Chen Jianfeng.

On April 22, 2008, the Company issued 16.8 million shares of common stock in RMB to the general public for the first time under the approval document No. 573 [2008] Securities Regulatory Issuance, issued by China Securities Regulatory Commission ("CSRC"). It was listed on Shenzhen Stock Exchange on May 20, 2008 with a registered capital of RMB 66.8 million and the change registration filed with Administration for Industry and Commerce was completed on May 23, 2008. The Company's unified social credit code is 91330000727215176K. The Company falls within the intelligent Internet of Things industry.

As of June 30, 2025, the company has issued a total share capital of 3,282,842,254 shares, with registered capital of RMB 3,282,842,254.00. The registered address is No. 1187, Bin'an Road, Binjiang District, Hangzhou, and the headquarters address is No. 1399, Bixing Road, Binjiang District, Hangzhou.

The main business activities of the Company are: research and development, production, and sales of AIoT products, and provision of video-centric AIoT solutions and operational services.

The actual controllers of the Company are Fu Liquan and Chen Ailing.

This financial statement has been approved and issued by the Board of Directors of the company on August 15, 2025.

IV. Basis for Preparing the Financial Statement

1. Basis for the Preparation

The Company prepares the financial statement, as a going concern, based on transactions and matters that have actually occurred, in accordance with the Accounting Standards for Business Enterprises - Basic Standards issued by the Ministry of Finance and all specific accounting standards, application guidelines for accounting standards for business enterprises, explanations on the accounting standards for business enterprises and other related regulations (hereinafter referred to as "Accounting Standards for Business Enterprises" collectively), and the disclosure provisions in the Preparation Rules for Information Disclosures by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports issued by the China Securities Regulatory Commission (CSRC).

2. Going Concern

This financial statement has been prepared based on the going concern.

The Company has the capability to continue as a going concern for at least 12 months as of the end of current reporting period, without any significant item affecting the capability for continuing as a going concern.

V. Significant Accounting Policies and Accounting Estimates

The Company follows the principle of materiality when preparing and disclosing this financial statement and determines the importance of the disclosed matters in terms of both nature and amount based on actual circumstances.

Notes to specific accounting policies and accounting estimates:

The following disclosures cover the specific accounting policies and accounting estimates formulated by the Company according to the characteristics of its production and operation.

1. Statement on Compliance with Accounting Standards for Business Enterprises

This financial statement complies with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and truthfully and completely reflects the consolidated and parent company financial position of the company as of June 30, 2025, as well as the consolidated and parent company operating result and cash flow for the first half of 2025.

2. Accounting Period

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

3. Operating Cycle

The Company's operating cycle is 12 months.

4. Functional Currency

The company's domestic operating units and overseas unit Dahua Technology (HK) Limited use RMB as the functional currency. The other overseas operating entities take the appropriate currency as the functional currency on the basis of the currency in the major economic environment in which they operate. This financial statement is presented in RMB.

5. Determination Method and Selection Basis of Importance Standard

☒Applicable ☐ Not applicable

Item	Importance standards
Accounts receivable with significant single provision for bad debt reserves	Individual accruals of 0.5% of total assets at the end of the period
Significant amount of recovered or reversed bad debt provision of accounts receivable in this period	Bad debts recovered or reversed of the individual receivables in the period in excess of 0.5% of the total assets at the end of the period
Write-off of important accounts receivable	Write-off of individual receivables in excess of 0.5 per cent of total assets at the end of the period
Important Projects under Construction	Project investment budget in excess of 0.5% of total assets
Significant prepayments aged over 1 year	Prepayments over 1 year in excess of 0.1% of total assets
Significant accounts payable aged over 1 year	Payables over 1 year in excess of 0.5% of total assets

Other significant payable aged over 1 year	Receivables over 1 year in excess of 0.5% of total assets
Significant contractual liabilities over 1 year	Contractual liabilities over 1 year in excess of 0.5% of total assets
Cash Flow from Significant Investment Activities	Projects with cash flow exceeding 5% of total assets
Significant overseas operating entities	Overseas operating entities with one of their total assets/total revenues/total profits exceeding 15% of the Group's
Important non-wholly owned subsidiaries	Non-wholly owned subsidiaries with one of their total assets/total revenues/total profits exceeding 15% of the Group's
Important joint ventures or associates	Income from investments in joint ventures or associates exceeding 10% of the latest audited net profit of the listed company

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

Business combinations under the same control: The assets and liabilities acquired by the merging party in a business combination (including goodwill incurred in the acquisition of the merged party by the ultimate controlling party) shall be measured at the book value of the assets and liabilities of the merged party in the consolidated financial statement of the ultimate controlling party on the date of combination. The difference between the book value of the net assets obtained and the book value of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to capital premium in capital reserve. Adjustments shall be made to retained earnings in the event that the share premiums in the capital reserves are not sufficient for write-down.

Business combinations not involving enterprises under common control: The cost of combination is the fair value of the assets paid, the liabilities incurred or assumed, and the equity securities issued by the acquirer to acquire the control of the acquiree on the acquisition date. Where the cost of combination is higher than the fair value of the identifiable net assets acquired from the merging party in business combination, such difference shall be recognized as goodwill; where the cost of combination is less than the fair value of the identifiable net assets acquired from the merging party in business combination, such difference shall be charged to the profit or loss for the period. The identifiable assets, liabilities and contingent liabilities of the acquiree obtained in the combination that satisfy the recognition criteria shall be measured by the fair value on the date of acquisition.

The fees which are directly related to the business combination shall be recognized as the profit or loss in the period when the costs are incurred; the transaction expenses of issuing equity securities or debt securities for business merger shall be initially capitalized for equity securities or debt securities.

7. Judgment Criteria for Control Preparation Method of Consolidated Financial Statements

(1) Criteria for Control Judgment

The scope of consolidation of the consolidated financial statement is determined based on control, and the consolidation scope includes the company and all its subsidiaries. Control means that the Company has the power with respect to the investee to obtain variable returns by engaging in relevant activities of the investee, and has the ability to influence the amount of its returns by applying its power with respect to the investee.

(2) Method of Preparing the Consolidated Financial Statement

The company regards the entire corporate group as a single accounting entity and prepares the consolidated financial statement in accordance with uniform accounting policies to reflect the overall financial position, operating result, and cash flow of the corporate group. The influence from the internal transactions between the Company and the subsidiaries or between different subsidiaries shall be eliminated. Internal transactions show that impairment loss of relevant assets shall be recognized as such loss in full. In preparing the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries, the financial statements of subsidiaries are adjusted in accordance with the accounting policies and accounting period of the Company.

The shares belonging to minority shareholders in owner's equity, the net profit or loss and the comprehensive income of the subsidiary of the current period are presented separately under the owners' equity in the consolidated balance sheet, the net profits, and the total comprehensive income in the consolidated income statement respectively. Where losses attributable to the minority shareholders of a subsidiary of the current period exceed the minority shareholders' interest entitled in the shareholders' equity of the subsidiary at the beginning of the period, the excess shall be offset against the equity of minority shareholders.

① Addition of Subsidiaries or Businesses

During the reporting period, if subsidiaries or businesses are added through business combinations under common control, the operating results and cash flows of the subsidiaries or businesses from the beginning of the current period to the end of the reporting period shall be included in the consolidated financial statement. At the same time, adjustments shall be made to the opening balances of the consolidated financial statement and the related items in the comparative statements, treating the combined reporting entity as having existed continuously from the time point when the ultimate controlling party began to exercise control.

In connection with imposing control over the investee under common control due to additional investment and other reasons, the equity investment held before gaining the control of the combined party is recognized as relevant profit or loss, other comprehensive income and changes in other net assets at the later of the date of acquisition of the original equity and the date when the combining and the merged parties are under common control, and shall be written down to the opening balance retained earnings or current profit or loss in the comparative reporting period.

Additional subsidiaries or business due to business combination involving entities not under common control during the reporting period will be included in the consolidated financial statements as of the date of acquisition on the basis of the fair value of the identifiable assets, liabilities or contingent liabilities determined on the date of acquisition.

In connection with imposing control over the investee not under common control due to additional investment and other reasons, the equity of acquiree held before acquisition date shall be remeasured at the fair value of such equity on the acquisition date and the difference between fair value and book value shall be recognized as investment income in current period. Other comprehensive income that may later be reclassified into profit or loss and changes in other owner's equity accounted by equity method contained in the acquiree's equity held before the acquisition date shall be transferred to current investment gains on the date of acquisition.

② Disposal of Subsidiaries or Businesses

a. General Handling Method

When control over the investee is lost due to disposal of part of the equity investment or other reasons, the remaining equity investment after disposal shall be remeasured at its fair value on the date control is lost. The sum of consideration received from disposal of equity investment and the fair value of the remaining equity investment, net of the difference between the sum of the Company's previous share of the subsidiary's net assets recorded from the acquisition date or combination date and the sum of goodwill, is recognized in investment income in the period in which control is lost. Other comprehensive income that may later be reclassified into profit or loss and changes in other owner's equity accounted by equity method in connection with the equity investment of the original subsidiaries shall be transferred to the current investment gains when the control is lost.

b. Stepwise Disposal of Subsidiaries

When equity investment in a subsidiary is disposed of step by step through multiple transactions until control is lost, and the terms, conditions, and economic effects of each transaction disposing of the equity investment in the subsidiary meet one or more of the following situations, it generally indicates that these multiple transactions constitute a package deal:

- These transactions are achieved at the same time or the mutual effects on each other are considered;
- A complete set of commercial results can be achieved with reference to the series of transactions as a whole;
- Occurrence of a transaction depends on the occurrence of at least one of the other transactions;
- One transaction recognized separately is not economical, but it is economical when considered together with other transactions.

If multiple transactions are recognized as a package deal, these transactions shall be subject to accounting treatment as a transaction to dispose of the subsidiaries and lose control. The differences between the price on each disposal and disposal of investment on the subsidiary's net assets shall be recognized in other comprehensive income in the consolidated financial statements, and included in profit or loss for the period when the control is lost.

If the transactions are not a package deal, accounting treatment for partial disposal of equity investments of the subsidiary without losing control shall be applied before control is lost. When the control is lost, general accounting treatment for disposal of a subsidiary shall be used.

② Purchase of minority equity in subsidiaries

The difference between the newly acquired long-term equity investment from the purchase of minority equity and the share of net assets of the subsidiary continuously calculated from the purchase date or consolidation date based on the increased shareholding ratio shall be adjusted in the stock premium under the capital reserve in the consolidated balance sheet. If the stock premium under the capital reserve is insufficient to offset, retained earnings shall be adjusted.

④ Partial disposal of equity investment in a subsidiary without loss of control

The difference between the disposal proceeds and the net asset share of the subsidiary continuously calculated from the purchase date or the merger date corresponding to the disposed long-term equity investment shall be used to

adjust the stock premium in the capital reserve of the consolidated balance sheet. If the stock premium in the capital reserve is insufficient for offset, retained earnings shall be adjusted.

8. Classification of Joint Venture Arrangement and Accounting Treatment Methods for Joint Operation

Joint venture arrangement is classified into joint operation and joint venture.

Joint operation means the joint venture arrangement in which the joint venture parties have the assets and assume the liabilities related to such arrangement.

The Company recognizes the following items related to the share of interests in the joint operation:

- (1) The assets separately held by the Company and assets jointly held as recognized by the share of the Company;
- (2) The liabilities separately assumed by the Company and liabilities jointly assumed as recognized by the share of the Company;
- (3) Income from selling the share of the Company in the output of the joint operation;
- (4) Income from joint operation of the sold output as recognized by the share of the Company;
- (5) The expenses separately incurred and expenses jointly incurred as recognized by the share of the Company.

The Company adopts the equity method for the investment of the joint venture. For details, refer to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 20. Long-term Equity Investment.

9. Recognition Criteria of Cash and Cash Equivalents

Cash means the cash on hand and deposits that are available for payment at any time of the Company.

Cash equivalents mean the investments held by the Company which are short-term, highly liquid, easy to be converted into known amounts of cash and have little risk of value change.

10. Conversion of Transactions And Financial Statements Denominated in Foreign Currencies

(1) Foreign Currency Business

Foreign currency business uses the spot exchange rate on the transaction date or a rate determined by a reasonable system method that approximates the spot exchange rate on the transaction date (hereinafter referred to as the approximate spot exchange rate) as the conversion rate to translate foreign currency amounts into functional currency amounts.

The balances of foreign currency monetary items on the balance sheet date are translated at the spot exchange rate on that date. The resulting exchange differences, except for those arising from foreign currency-specific borrowings

related to the acquisition and construction of assets meeting capitalization criteria—which are treated according to the borrowing cost capitalization principle—are all recognized in the current profit or loss.

(2) Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated using the spot exchange rate on the balance sheet date; equity items, except for the "undistributed profit" item, are translated using the spot exchange rate at the time of occurrence. Revenue and expense items in the income statement are translated at a spot exchange rate at the transaction occurrence date or the appropriate exchange rate of the spot exchange rate.

Cash flows in foreign currencies, as well as cash flows from foreign subsidiaries, are translated at the spot exchange rate on the day when the cash flows occur or the appropriate exchange rate of the spot exchange.

For disposal of overseas operation, the translation difference as stated in the foreign currency financial statements relating to overseas operation, is accounted for in the profit and loss account in the current period from owners' equity items.

11. Financial Instruments

A financial asset, financial liability or equity instrument is recognized when the Company becomes a party to the financial instrument contract.

(1) Classification of Financial Instruments

According to the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified at initial recognition as: financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value with changes recognized in other comprehensive income, and financial assets measured at fair value with changes recognized in profit or loss for the current period.

The financial assets which satisfy the following conditions, and are not designated as financial assets at fair value through profit or loss will be classified by the Company as financial assets at amortized cost:

- ① The business model aims to collect contractual cash flow;
- ② Contractual cash flow refers only to payments of principal and interest based on the outstanding principal amount.

The company shall classify financial assets (debt instruments) measured at fair value with changes recognized in other comprehensive income if they simultaneously meet the following conditions and are not designated as financial assets measured at fair value with changes recognized in profit or loss for the current period:

- ① The business model is both to collect contractual cash flow and to sell the financial asset;
- ② The contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

For non-trading investments in equity instruments, the Company may, at the time of initial recognition, irrevocably designate them as financial assets (equity instruments) at fair value through other comprehensive income. Such designation is based on the individual investments, and relevant investments fall within the definition of the equity instrument from the perspective of the issuer.

Except for the financial assets at amortized cost, and financial assets at fair value through other comprehensive income, all the remaining financial assets are classified as the financial assets at fair value through profit or loss. At the time of initial recognition, the financial assets which should have been classified as financial assets at amortized cost or financial assets at fair value through other comprehensive income can be irrevocably designated by the Company as financial assets at fair value through profit or loss if the accounting mismatch can be eliminated or significantly reduced.

The financial liabilities, when initially recognized, are classified as: financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

Financial liabilities which meet one of the following conditions will be, when initially measured, designated as financial liabilities at fair value through profit or loss:

- ① This designation can eliminate or significantly reduce accounting mismatch;
- ② The management and performance evaluation of the financial liability portfolio or the financial asset and financial liability portfolio are based on fair value according to the formally documented enterprise risk management or investment strategy, and reports are made internally to key management personnel on this basis;
- ③ The financial liability contains embedded derivatives that need to be separately separated.

(2) Recognition Basis and Measurement Methods of Financial Instruments

① Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, creditor's rights investments, etc. They are initially measured at fair value, with related transaction costs included in the initial recognition amount; accounts receivable without significant financing components and accounts receivable for which the company decides not to consider financing components not exceeding one year are initially measured at the contract transaction price.

The interest calculated by effective interest method during the holding period is recorded into the current profit and loss.

At the time of recovery or disposal, the difference between the price obtained and the book value shall be included in the current profit or loss.

② Financial assets (debt instruments) measured at fair value with changes included in other comprehensive income

Financial assets (debt instruments) measured at fair value with changes included in other comprehensive income include receivables financing, other creditor's right investments, etc., initially measured at fair value, with related

transaction costs included in the initial recognition amount. These financial assets are subsequently measured at fair value, and the change in fair value, other than the interest, the impairment loss or profit and the profit or loss on foreign exchange, shall be included in other comprehensive income.

Upon derecognition, the cumulative profits or losses previously included in other comprehensive income shall be removed from other comprehensive income and included in the profit or loss for the period.

③ Financial assets (equity instruments) measured at fair value with changes included in other comprehensive income

Financial assets (equity instruments) measured at fair value with changes included in other comprehensive income include other equity instrument investments and are initially measured at fair value, with related transaction costs included in the initial recognition amount. These financial assets are subsequently measured at fair value, and the change in fair value shall be included in other comprehensive income. The dividends obtained shall be included in the profit or loss for the period.

Upon derecognition, the cumulative profits or losses previously included in other comprehensive income shall be removed from other comprehensive income and included in the carry-forward retained earnings.

④ Financial assets measured at fair value with changes recognized in current profit or loss

Financial assets measured at fair value with changes recognized in current profit or loss include trading financial assets, derivative financial assets, and other non-current financial assets. They are initially measured at fair value, and related transaction costs are recognized in current profit or loss. These financial assets are subsequently measured at fair value, and the change in fair value shall be included in the profit or loss for the period.

⑤ Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include transactional financial liabilities, derivative financial liabilities, etc. They are initially measured at fair value, and related transaction costs are recognized in profit or loss for the current period. These financial liabilities are subsequently measured at fair value, and the change in fair value shall be included in the profit or loss for the period.

Upon derecognition, the difference between their book value and the consideration paid is included in the profit or loss for the period.

⑥ Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include short-term loans, notes payable, accounts payable, other payables, long-term debt, bonds payable, and long-term payables. They are initially measured at fair value, and related transaction costs are included in the initial recognition amount.

The interest calculated by effective interest method during the holding period is recorded into the current profit and loss.

Upon derecognition, the difference between the consideration paid and the book value of these financial liabilities is included in the current profit or loss.

(3) Derecognition and Transfer of Financial Assets

The company shall derecognize a financial asset when one of the following conditions is met:

- ① Termination of the contractual right to receive the cash flow of the financial asset;
- ② The financial asset has been transferred, and almost all the risks and rewards of ownership of the financial asset have been transferred to the transferee;
- ③ The financial asset has been transferred, although the company has neither transferred nor retained almost all the risks and rewards of ownership of the financial asset, control over the financial asset has not been retained.

If the Company modifies or renegotiates the contract with the counterparty, which constitutes a substantial modification, the original financial assets will be derecognised and a new financial asset will be recognized according to the modified terms.

The financial assets when transferred will not be derecognized if the Company has retained nearly all the risks and rewards related to the ownership of the financial assets.

The substance-over-form principle shall be adopted while making judgment on whether the transfer of financial assets satisfies the above conditions for termination of recognition.

The transfer of financial assets can be classified into entire transfer and partial transfer. If the transfer of an entire financial asset satisfies the conditions for termination of recognition, the difference between the two amounts below shall be recorded into profit or loss for the period:

- ① The book value of the transferred financial asset;
- ② The sum of the consideration received due to the transfer and the cumulative amount of fair value changes directly recognized in owners' equity (in cases where the transferred financial asset is a debt instrument measured at fair value with changes recognized in other comprehensive income).

If the partial transfer of financial assets satisfies the conditions for termination of recognition, the overall book value of the transferred financial asset shall be apportioned according to their respective relative fair value between the recognition terminated part and the remaining part, and the difference between the two amounts below shall be recorded into profit or loss for the current period:

- ① The book value of the derecognized portion;
- ② The consideration of the derecognized portion, plus the amount corresponding to the derecognized portion in the cumulative fair value changes originally directly recorded in owners' equity (involving transferred financial assets measured at fair value with changes included in other comprehensive income for financial assets (debt instruments)).

Financial assets will still be recognized if they fail to satisfy the conditions for termination of recognition, with the consideration received recognized as a financial liability.

(4) Derecognition of financial liabilities

If the present obligation of a financial liability is fully or partially discharged, the financial liability or the relevant part shall be derecognized; if the company enters into an agreement with the creditor to replace the existing financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the existing financial liability, the existing financial liability shall be derecognized, and the new financial liability shall be recognized simultaneously.

If all or part of the contract terms of the original financial liabilities are substantially amended, the recognition of the original financial liabilities will be terminated in full or in part, and the financial liabilities whose terms have been amended shall be recognized as a new financial liability.

When recognition of financial liabilities is terminated in full or in part, the difference between the book value of the financial liabilities terminated and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

Where the Company repurchases part of its financial liabilities, the book value of such financial liabilities will be allocated according to the relative fair value between the continued recognized part and terminated part on the repurchase date. The difference between the book value of the financial liabilities terminated and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

(5) Method for Determining the Fair Value of Financial Assets and Financial Liabilities

For financial instruments with active markets, their fair value is determined based on quotations in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. The Company uses the valuation technique when it is applicable under current conditions and there are enough available data and other information to support and the technique should maximize the use of relevant observable. It chooses the inputs which are consistent with the asset or liability's characteristics considered by market participants in the transaction of the relevant asset or liability and makes the maximum use of relevant observable inputs. Unobservable inputs are used under the circumstance that the relevant observable inputs cannot be obtained or not feasible.

(6) Methods for Testing Impairment of Financial Assets and Accounting Treatment

The company applies impairment accounting based on expected credit loss for financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value with changes recognized in other comprehensive income, and financial guarantee contracts.

Taking into the reasonable and well-grounded information including past matters, current situation and prediction of future economic conditions, the Company calculates the possibly weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking the risk of default as the weight, and recognizes the expected credit loss.

The Company will always measure the loss provision for the accounts receivable and contract assets arising from the transactions regulated by "Accounting Standard for Business Enterprises No.14 — Revenue", whether they contain material financing compositions or not, by the amount of the expected credit loss throughout the duration.

For the lease receivables resulting from transactions governed by "Accounting Standard for Business Enterprises No.21 — Leasing", the Company will always measure the loss provision for the accounts receivable, by the amount of the expected credit loss throughout the duration.

The Company assesses the changes in credit risk of other relevant financial instruments since initial recognition at each balance sheet date.

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Company determines the relative change in the risk of default over the expected life of financial instruments to assess whether the credit risk of financial instruments has increased significantly since initial recognition. If the financial instrument becomes overdue for more than 30 days, the Company believes that the credit risk of this financial instrument has been significantly increased, unless there are concrete evidence that the credit risk of this financial instrument has not been significantly increased upon initial recognition.

If the financial instrument carries low credit risk at the balance sheet date, the Company believes that the credit risk of this financial instrument is not significantly increased upon initial recognition.

If the credit risk of this financial instrument has been significantly increased upon initial recognition, the Company measures its loss provision in accordance with the amount equivalent to the expected credit loss of the financial instrument throughout the duration; if the credit risk of this financial instrument is not significantly increased upon initial recognition, the Company will measure the loss provision of this financial instrument by the amount of its expected credit loss in the 12 months to come. The increased or reversed amount of the loss provision resulting therefrom is included in the current profit or loss as the impairment loss or profit. For financial assets (debt instruments) at fair value through other comprehensive income, the loss provision is recognized in other comprehensive income, and the impairment loss or gain is included in current profits or losses, without reduction in the book value of the financial asset as stated in the balance sheet.

If there are objective evidences showing that a certain receivable has been subject to credit impairment, the Company will accrue impairment provision for the receivable on the individual asset basis.

Except for the above-mentioned accounts receivable for which an individual provision for bad debts has been made, the Company divides other financial instruments into several combinations based on their credit risk characteristics, and determines expected credit losses on the basis of the combinations. The Company's combination categories and determination basis of expected credit losses for notes receivable, accounts receivable, accounts receivable financing, other receivables, contract assets (including contract assets presented in other non-current assets) and long-term receivables (including long-term receivables due within one year presented in non-current assets due within one year) are as follows:

Item	Combination Categories	Determination Basis
Notes receivable	Type of Notes	The expected credit loss is calculated by default risk exposure and the expected credit loss rate for the entire extension, based on historical credit loss experience, in combination with current conditions and predictions of future economic conditions.
Receivables Financing		
Accounts receivable, other receivables	Aging combination	The expected credit loss is calculated by default risk exposure and the expected credit loss rate for the entire extension, based on historical credit loss experience, in combination with current conditions and predictions of future economic conditions.
Accounts receivable, other receivables	Affiliated combined	The expected credit loss is calculated by default risk exposure and the expected credit loss rate for the entire extension, based on historical credit loss experience, in combination with current conditions and predictions of future economic conditions.
Contract assets (including contract assets presented in other non-current assets)	Nature of the funds	The expected credit loss is calculated by default risk exposure and the expected credit loss rate for the entire extension, based on historical credit loss experience, in combination with current conditions and predictions of future economic conditions.
Long-term receivables (including long-term receivables due within one year presented in non-current assets due within one year)	Nature of the funds	The expected credit loss is calculated by default risk exposure and the expected credit loss rate for the entire extension, based on historical credit loss experience, in combination with current conditions and predictions of future economic conditions.

If the Company no longer reasonably expects that the cash flow of the financial asset contract can be recovered as a whole or in part, the book balance of such financial assets will be directly reduced.

12. Notes Receivable

Refer to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments

13. Accounts Receivable

Refer to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments

14. Receivables Financing

Refer to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments

15. Other Receivables

Refer to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments

16. Contract Assets

(1) Recognition Methods and Criteria for Contract Assets

The company presents contract assets or contractual liabilities in the balance sheet based on the relationship between the fulfillment of performance obligations and customer payments. Considerations that the Company has the right to collect for commodities transferred or services provided to customers (and such right depends on other factors than passing of time) are presented as contract assets. The contract assets and contract liabilities under the same contract are presented in net amount. The Company separately presents the right possessed to collect consideration from customers unconditionally (only depending on the passing of time) as accounts receivable.

(2) Determination Method and Accounting Treatment of Expected Credit Loss on Contract Assets

For details, please refer to this section of the financial report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments.

17. Inventory

(1) Classification of Inventory

Inventory is classified as: raw materials, work-in-progress, finished goods, contract performance cost, entrusted processing materials, etc.

The inventories are initially measured at cost, which comprises the cost of purchase, cost of conversion and other expenditure incurred in bringing the inventories to their present location and condition.

(2) Valuation method for issued inventory

Inventory is valued using the weighted average method when issued.

(3) Basis for Determining the Net Realizable Value of Inventories in Different Categories

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. When the cost of inventories is higher than their net realizable value, reserve for stock depreciation shall be accrued. The net realizable value means the amount after deducting the estimated cost of completion, estimated selling expenses and relevant taxes from the estimated selling price of inventories in the daily activities.

Net realizable value of held-for-sale commodity stocks, such as finished goods, goods-in-stock, and held-for-sale raw materials, during the normal course of production and operation, shall be determined by their estimated sales less the related selling expenses and taxes; the net realizable value of material inventories, which need to be processed, during the normal course of production and operation, shall be determined by the amount after deducting the estimated cost of completion, estimated selling expenses and relevant taxes from the estimated selling price of finished goods; the net realizable value of inventories held for execution of sales contracts or labor contracts shall be calculated on the ground of the contracted price. If an enterprise holds more inventories than the quantity stipulated in the sales contract, the net realizable value of the exceeding part shall be calculated on the ground of general selling price.

If the Company accrues the provision for impairment of inventories on a combination basis, the combination categories and determination basis as well as the basis for determination of the net realizable value of different types of inventory are as follows:

Combination Categories of Inventories	Determination Basis for Combination	Basis for the Determination of Net Realizable Value
Raw materials	Categories of Inventories	Estimated selling price of inventories - Estimated costs until completion - Estimated selling expenses - Related taxes
Work-in-progress	Categories of Inventories	
Finished goods	Categories of Inventories	
Contract Performance Costs	Categories of Inventories	

If the factors influencing the write-down of the inventory value have disappeared, resulting in higher net realizable value of inventories than their book value after the reserve for stock depreciation is accrued, a reversal shall apply in the amount of reserve for stock depreciation previously accrued, and the reserved amount shall be included in the current profit or loss.

(4) Inventory Counting System

The perpetual inventory system is adopted.

(5) Amortization Method of Low-Value Consumables and Packaging Materials

- ① Low-value consumables are amortized using the immediate write-off method;
- ② Packaging materials are amortized using the immediate write-off method.

18. Holding Assets for Sale

(1) Recognition Criteria and Accounting Treatment Methods

Assets classified as held for sale are primarily non-current assets or disposal groups whose book value is recovered mainly through sale (including non-monetary asset exchanges with commercial substance) rather than through continued use.

A non-current asset or disposed group is classified by the Company as holding for sale if it meets the following criteria at the same time:

- ① According to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under the current conditions;
- ② The sale is highly likely to occur, meaning the company has already made a resolution on a sale plan and obtained a definite purchase commitment, with the sale expected to be completed within one year. If required by relevant provisions that selling shall only be made after approved by the relevant competent authority or supervision department of the Company, such approval should have been obtained.

If the book value of the non-current assets (excluding financial assets, deferred income tax assets, and assets to constitute payroll payable) or disposal groups classified as holding-for-sale assets is higher than the net amount after deducting the selling expenses from the book value, the book value will be written down to the net amount after deducting the selling expenses from the fair value, and the amount written down will be recognized as the impairment loss of assets and included in the current profit or loss. At the same time, the impairment provision for holding-for-sale assets will be accrued.

(2) Criteria for the Recognition and Reporting Method of Discontinued Operation

A discontinued operation is a separately identifiable component that meets one of the following conditions and has been disposed of by the company or classified by the company as held for sale:

- ① This component represents an independent major business or a separate main place of business;
- ② This component is part of a related plan to dispose of an independent major business or a separate main place of business;
- ③ This component is a subsidiary acquired specifically for resale.

The profit or loss from going concern and the profit or loss from discontinued operation will be separately presented in the income statement. The operating profit or loss and the profit or loss from disposal, including impairment loss and reversed amount from discontinued operation, will be presented as the profit or loss from discontinued operation. For the discontinued operation presented in the current period, the Company will present the information previously presented as the profit or loss from going concern as the profit or loss from discontinued operation during the comparable accounting period.

19. Long-term Receivables

Refer to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments

20. Long-term Equity Investments**(1) Criteria for Joint Control and Significant Influence**

Joint control refers to shared control over an arrangement according to relevant agreements, where decisions on the arrangement's related activities require the unanimous consent of all parties sharing control. The Company together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, as the investee is joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company can exercise significant influence over the investee, the investee is an associate of the Company.

(2) Determination of Initial Investment Cost**① Long-term equity investment formed by enterprise mergers**

For long-term equity investments in subsidiaries formed by enterprise mergers under common control, the initial investment cost of the long-term equity investment on the merger date shall be based on the share of the book value of the acquired party's owners' equity in the consolidated financial statement of the ultimate controlling party. The share premium in the capital reserve shall be adjusted according to the difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid; if the share premium in the

capital reserve is insufficient to offset, the retained earnings shall be adjusted. In connection with imposing control over the investee under common control as a result of additional investment and other reasons, the share premium shall be adjusted according to the difference between the initial investment cost of the long-term equity investment as recognized by the above principle and the carrying value of the long-term equity investment before combination and the sum of carrying value of newly paid consideration for additional shares acquired on the date of combination. If the share premium is insufficient for write-down, the retained earnings shall be offset.

For the long-term equity investment in the subsidiaries arising from business combinations involving entities not under common control, the cost of the combination ascertained on the date of acquisition shall be taken as the initial investment cost of the long-term equity investment. In connection with imposing control over the investee not under common control as a result of additional investment and other reasons, the initial investment cost shall be the sum of the book value of the equity investment originally held and the newly increased initial investment cost.

② Long-term equity investments acquired by means other than business combinations

Long-term equity investments acquired by cash payment shall be recognized at the actual purchase price paid as the initial investment cost.

The initial cost of investment of a long-term equity investment obtained by means of issuance of equity securities shall be the fair value of the equity securities issued.

(3) Subsequent Measurement and Profit and Loss Recognition Methods

① Long-term equity investments accounted for using the cost method

The company's long-term equity investments in subsidiaries are accounted for using the cost method, unless the investments meet the criteria for held-for-sale classification. except for the actual consideration paid for the acquisition of investment or the declared but not yet distributed cash dividends or profits which are included in the consideration, investment gains are recognized as the Company' shares of the cash dividends or profits declared by the investee.

② Long-term equity investments accounted for using the equity method

Long-term equity investments in joint ventures and joint ventures are accounted for using the equity method. Where the initial investment cost of the long-term equity investment exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost; where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to the profit or loss for the current period. At the same time, the cost of the long-term equity investment shall be adjusted.

The Company recognizes the investment income and other comprehensive income according to the shares of net profit or loss and other comprehensive income realized by the investee which it shall be entitled or shared respectively, and simultaneously makes adjustment to the book value of long-term equity investment; The book value of long-term equity investment shall be reduced by attributable share of the profit or cash dividends for distribution declared by the investee. In relation to other changes in the owner's equity except for net profits and losses, other comprehensive

income and profit distributions of the investee (hereinafter referred to as "Changes in Other Owner's Equity"), the book value of the long-term equity investment shall be adjusted and included in owner's equity.

When determining the amount of proportion of net profit or loss, other comprehensive income and other changes in the owner's equity in the investee which it entitles, the fair value of each identifiable net assets of the investee at the time when the investment is obtained shall be used as basis, and according to the accounting policies and accounting period of the Company, adjustment shall be made to the net profit and other comprehensive income of the investee.

The unrealized profit or loss resulting from transactions between the Company and its associates or joint venture shall be eliminated in proportion to the investor's equity interest of investee, based on which investment income or loss shall be recognized, except for those assets invested or sold constituting a business. Any losses resulting from transactions, which are attributable to impairment of assets, shall be fully recognized.

The net loss incurred by the Company to the joint ventures or affiliates is capped when the carrying amount of long-term equity investment and the long-term equity that substantially constitutes the net investment in the joint ventures or affiliates have been written down to zero, except to the extent that the Company has an additional loss obligation. If the joint ventures or affiliates later realize net profit, the Company will resume recognition of the income share after the income share makes up the unrecognized loss share.

③ Disposal of long-term equity investments

The difference between the book value of the disposed long-term equity investment and the actual consideration received is recognized in the current period profit or loss.

If the remaining equity is still subject to the equity method in partial disposal of the long-term equity investment under the equity method, other comprehensive income recognized in the original equity investment shall be carried forward at the appropriate proportion on the same basis used by the investee for direct disposal of relevant assets or liabilities, and other changes in the owner's equity shall be carried forward into the current profit or loss at the appropriate proportion.

When losing the control or material influence over the investee due to disposal of the equity investment and other reasons, other comprehensive income recognized in the original equity investment due to adoption of the equity method shall be subject to accounting treatment on the same basis used by the investee for direct disposal of relevant assets or liabilities when ceasing to use the equity method, and other changes in the owner's equity shall be carried forward into the current profit or loss in full when ceasing to use the equity method.

If the control over the investee is lost due to partial disposal of the equity investment and other reasons, and if the remaining equities can exercise common control or material influence over the investee in preparing the individual financial statements, the remaining equities shall be accounted by the equity method and shall be adjusted as if such remaining equities have been accounted for under the equity method since they are obtained. Other comprehensive income recognized before the control over the investee is obtained shall be carried forward pro rata on the same basis used by the investee for direct disposal of relevant assets or liabilities, and other changes in the owner's equity recognized under the equity method shall be carried forward into the current profit or loss pro rata. The remaining equities which cannot exercise common control or material influence over the investee shall be recognized as financial

assets, and the difference between their fair value and book value on the date when the control is lost shall be included in the current profit or loss.

When disposing of equity investments in a subsidiary step by step through multiple transactions until control is lost, if these constitute a package deal, all transactions shall be accounted for as a single disposal of the equity investment in the subsidiary resulting in loss of control; before the loss of control, the difference between the disposal proceeds of each transaction and the book value of the corresponding long-term equity investment shall, in the individual financial statement, first be recognized as other comprehensive income and then transferred in full to the current profit or loss upon loss of control. If it is not a package deal, each transaction shall be subject to accounting treatment.

21. Investment Properties

Investment property refers to the real estate held to generate rental income or capital appreciation, or both, including leased land use rights, land use rights held for transfer after appreciation, and leased buildings (including buildings that are leased after completion of self-construction or development activities and buildings in construction or development that are used for rental in the future).

The Company adopts the cost mode to measure the existing investment property. The subsequent expenditure related to the investment property will be included in the cost of the investment property when relevant economic benefits are likely to flow in and costs can be measured reliably, or otherwise be included in the current profit or loss when occurred. Investment property measured at cost - buildings held for leasing shall adopt the same depreciation policy for fixed assets of the company, land use rights held for leasing shall adopt the same amortization policy for the intangible assets.

22. Fixed Assets

(1) Conditions of Recognition

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and have a service life of more than one fiscal year. Fixed asset is recognized when it meets the following conditions: ① It is probable that the economic benefits associated with the fixed asset will flow to the enterprise; ② Its cost can be reliably measured.

The fixed assets are initially measured at cost (with the impact of predicted discard expense taken into account).

The subsequent expenditure related to the fixed assets will be included in the cost of the fixed assets when the economic benefits in connection therewith are likely to flow in and costs can be measured reliably; the book value of the replaced part will be derecognized; all other subsequent expenditure will be included in the current profit or loss when occurred.

(2) Methods for Depreciation

Fixed assets are depreciated by categories using the straight-line method, and the annual depreciation rates are determined by categories based upon their estimated useful lives and their estimated residual values. Where the parts of a fixed asset have different useful lives or cause economic benefits for the enterprise in different ways, different depreciation rates or depreciation methods shall apply, and each part is depreciated separately.

The depreciation methods, depreciation periods, residual ratios, and annual depreciation rates of various types of fixed assets are as follows:

Category	Depreciation method	Useful lives of depreciation	Residual Ratio	Annual depreciation rate
Housing and building	Straight-line method	20	5%	4.75%
Machinery and equipment	Straight-line method	5-10	5%	19.00%-9.50%
Means of transport	Straight-line method	4-8	5%	23.75%-11.88%
Electronic and other equipment	Straight-line method	3-5	5%	31.67%-19.00%

(3) Disposal of Fixed Assets

When fixed assets are disposed of or when no economic benefits can be expected through use or disposal thereof, such fixed assets will be derecognized. The income from disposal of the fixed assets through sale, transfer, scrapping or damage with the book value thereof and relevant taxes deducted is included in the current profit or loss.

23. Construction in Progress

The projects under construction are measured at the actual cost. The actual cost comprises the building cost, installation cost, borrowing cost qualified for capitalization and other necessary expenditures incurred to bring the projects under construction to the conditions before they are made ready for the intended use. The projects under construction will be converted into fixed assets when they are ready for intended use and will be depreciated from the next month on. The standards and time points for conversing the Company's projects under construction into fixed assets are as follows:

Category	The standards and time points for conversing into fixed assets
Housing and building	The completion and fire inspection, and water and electricity supply are completed as well as the conditions for occupancy are met.
Machinery and equipment	The equipment installation and debugging is completed and is ready for use.
Electronic and other equipment	The equipment installation and debugging is completed and is ready for use.

24. Borrowing Costs

(1) Principles for the Capitalization of Borrowing Cost

Borrowing costs incurred by the company that can be directly attributed to the acquisition, construction, or production of qualifying assets shall be capitalized and included in the cost of the related assets; other borrowing costs shall be recognized as expenses when incurred and charged to the current profit or loss.

Assets qualified for capitalization are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

(2) Capitalization Period of Borrowing Cost

The capitalization period refers to the time point from when the borrowing cost begins to be capitalized to when the capitalization stops. Periods during which the borrowing cost capitalization is suspended are not included.

Borrowing costs begin to be capitalized when the following conditions are met simultaneously:

- ① Asset expenditures have already occurred. Asset expenditures include payments made in cash, transfers of non-cash assets, or the assumption of borrowing costs incurred for the purchase, construction, or production of assets that meet capitalization criteria;
- ② Borrowing costs have already been incurred;
- ③ The purchase, construction, or production activities necessary to bring the asset to its intended use or saleable condition have already commenced.

Capitalization of borrowing costs shall be suspended during periods in which the qualifying asset under acquisition and construction or production ready for the intended use or sale.

(3) Suspension Period of Capitalization

If a qualifying asset experiences an abnormal interruption during its acquisition or production process, and the interruption lasts continuously for more than 3 months, borrowing cost capitalization shall be suspended; if the interruption is due to necessary procedures for the acquired or produced qualifying asset to reach the predetermined usable or saleable status, borrowing cost capitalization shall continue. The borrowing costs incurred during such period shall be recognized as profits and losses of the current period. When the acquisition and construction or production of the asset resumes, the capitalization of borrowing costs commences.

(4) Calculation Method for Capitalization Rate and Capitalized Amount of Borrowing Cost

For specific borrowings incurred to purchase or produce assets that meet capitalization criteria, the capitalized amount of borrowing cost is determined by taking the actual borrowing cost incurred during the current period for the specific borrowings, minus the interest income earned from depositing the unused borrowed funds in banks or the investment income obtained from temporary investments.

General borrowings for the acquisition, construction or production of assets qualified for capitalization, the to-be-capitalized amount of interests on the general borrowing shall be calculated and determined by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specifically borrowed loans by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined according to the weighted average interest rate of the general borrowing.

During the capitalization, the difference between the principal and interest of special borrowings in foreign currency shall be capitalized and included in the cost of assets qualified for capitalization. The difference between the principal and interest of the borrowings in foreign currency other than the special borrowings in foreign currency shall be included in the current profit or loss.

25. Intangible Assets

(1) Service Life, Determination Basis, Estimation, Amortization Method or Review Procedures

- ① Valuation method of intangible assets

a. The company initially measures intangible assets at cost upon acquisition

The cost of purchased intangible assets includes the purchase price, related taxes, and other expenditures directly attributable to bringing the asset to its intended use.

B. Subsequent measurement

Analyze and determine the service life when acquiring intangible assets.

As for intangible assets with a finite service life, they are amortized using the straight-line method over the term in which economic benefits are brought to the firm; If the term in which economic benefits are brought to the firm by an intangible asset cannot be estimated, the intangible asset shall be taken as an intangible asset with indefinite service life, and shall not be amortized.

② Estimation of service life of the intangible assets with limited service life

Item	Estimated useful lives	Basis
Land use rights	40 or 50 years	Land use certificate
Non-patented technology	5–10 years	Expected benefited period
Software	2 to 5 years	Expected benefited period
Trademark rights	6 years	Expected benefited period
Software copyright	10 years	Expected benefited period

At the end of each fiscal year, review the service life and amortization method of intangible assets with limited service life.

Upon review, service life and amortization method for the intangible assets are the same with the previous estimate at the end of this period.

③ Judgment basis for intangible assets with uncertain service life and procedures for reviewing their service life

As of the balance sheet date, the company has no intangible assets with uncertain service life.

(2) The scope of R&D Expenditure Collection and Related Accounting Treatment Methods

① Scope of R&D Expenditure Collection

The expenses incurred by the company during the research and development process include related employee compensation for personnel engaged in R&D activities, consumed materials, related depreciation and amortization expenses, and other related costs.

② Specific criteria for dividing the research phase and the development phase

The company's internal research and development project expenditures are divided into research phase expenditures and development phase expenditures.

Research phase: Scheduled innovative investigations and research activities to obtain and understand scientific or technological knowledge.

Development phase: Apply the research outcomes or other knowledge to a plan or design prior to a commercial production or use in order to produce new or essentially-improved materials, devices, products, etc.

③ Specific conditions for capitalization of development stage expenditures

Expenditures during the research stage are recognized in the current period profit or loss as incurred. The expenses in the development phase are recognized as intangible assets if the following conditions are fulfilled, and are included in the current profit or loss if following conditions are not fulfilled:

- a. Complete the intangible asset to make it technically feasible for use or sale;
- b. Have the intention to complete the intangible asset and use or sell it;
- c. The way the intangible asset generates economic benefits, including the ability to demonstrate the existence of a market for products produced using the intangible asset or a market for the intangible asset itself; for intangible assets intended for internal use, the ability to demonstrate their usefulness;
- d. Have sufficient technical, financial, and other resources to support the completion of the intangible asset's development and the capability to use or sell the intangible asset;
- e. Expenditures attributable to the development phase of the intangible asset can be reliably measured.

If the expenses in the research phase and expenses in the development phase cannot be distinguished, all the expenses incurred for R&D are included in the current profit or loss.

26. Impairment of Long-term Assets

Long-term assets, such as long-term equity investment, investment properties that are measured at cost, fixed assets, construction in progress, intangible assets with limited service life and oil and gas assets are tested for impairment if there is any indication that an asset may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its book value, a provision for impairment and an impairment loss are recognized for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs to is determined. A group of assets is the smallest group of assets that is able to generate cash inflows independently.

For the goodwill arising from business combination, intangible assets with uncertain service life, and intangible assets which are not ready for intended use, impairment test shall be conducted at least at the end of each year, regardless of whether there are signs of impairment or not.

When the Company carry out impairment test to goodwill, the Company shall, as of the purchasing day, allocate on a reasonable basis the book value of the goodwill formed by merger of enterprises to the relevant asset groups, or if there is a difficulty in allocation, to allocate it to the sets of asset groups. Relevant asset groups or the sets of asset groups mean those can benefit from the synergy of business combination.

For the purpose of impairment test on the relevant asset groups or the sets of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or sets of asset groups related to goodwill is possible, an impairment test will be made first on the asset groups or sets of asset groups not containing goodwill, thus calculating the recoverable amount and comparing it with the relevant book value so as to recognize the corresponding impairment loss. An impairment test will be made on the asset groups or sets of asset groups containing goodwill to compare the book value of these asset groups or sets of asset groups with the recoverable amount. Where the recoverable amount is lower than the book value, the amount of impairment loss shall set off and be apportioned to the book value of the goodwill in the asset groups or sets of asset groups, and then set off the book value of other assets pro rata according to the proportion of the book value of other assets other than the goodwill in the asset groups or sets of asset groups.

Once the above asset impairment loss is recognized, it will not be reversed in the subsequent accounting periods.

27. Long-term Deferred Expenses

Long-term deferred expenses are expenses which have occurred but will benefit over 1 year and shall be amortized over the current period and subsequent periods.

The amortization period and amortization method of various expenses are:

Item	Amortization method	Amortization period
Improvement expenditure of fixed assets leased by operating lease	Straight-line method	By period of benefit
Renovation Cost	Straight-line method	By period of benefit

28. Contract Liabilities

The Company lists contract assets or contract liabilities in the balance sheet according to the relationship between performance obligations and customer payments. The Company lists the obligation to transfer commodities or offer services to customers for the consideration received or receivable from customers as contract liabilities. The contract assets and contract liabilities under the same contract are presented in net amount.

29. Employee Compensation

(1) Accountant Treatment of Short-term Remuneration

During the accounting period when the staff provides service, the Company will recognize the short-term remuneration actually incurred as liabilities, and the liabilities would be charged into current profits and loss or costs of assets.

The Company will pay social insurance and housing funds, and will make provision of trade union funds and staff education costs in accordance with the requirements. During the accounting period when the staff provides service,

the Company will determine the relevant amount of employee benefits in accordance with the required provision basis and provision ratios.

Employee compensation actually incurred by the Company will be included in the current profit or loss or relevant asset costs when actually incurred, in which non-monetary benefits will be measured at the fair value.

(2) Accountant Treatment of Retirement Benefit Plan

① Set the contribution plan

The company pays basic pension insurance and unemployment insurance for employees in accordance with the relevant local government regulations. During the accounting period in which employees provide services to the company, the payable amount is calculated based on the local prescribed contribution base and rate, recognized as a liability, and included in the current period's profit or loss or related asset costs.

② Defined benefit plan

The company allocates the benefit obligations arising from defined benefit plans to the periods of employee service based on the formula determined by the projected unit credit method and recognizes them in the current profit or loss or the cost of related assets.

(3) Accountant Treatment of Termination Benefits

For the dismissal welfare provided to employees, the employee compensation liabilities arising from the dismissal welfare shall be determined at the earliest of the following two, and included in the current profits and losses: (1) When the Company cannot unilaterally withdraw the dismissal welfare provided due to the termination of labor relations plan or layoff proposal; (2) When the Company determines the costs or expenses associated with the restructuring involving the payment of dismissal welfare.

30. Estimated Liabilities

The Company shall recognize the obligations related to contingencies as estimated liabilities, when all of the following conditions are satisfied:

- (1) The obligation is a current obligation of the Company;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

Estimated liabilities shall be initially measured at the best estimate of the expenditure required to settle the related present obligation.

Factors pertaining to a contingency such as risk, uncertainties, and time value of money shall be taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, the best estimate shall be determined by discounting the related future cash outflow.

The expenses required have a successive range, in which the possibilities of occurrence of each result are the same, and the best estimate should be determined as the middle value for the range; in other circumstances, the best estimate will be handled as follows, respectively:

- (1) For contingent matters involving a single item, determine based on the most likely amount;
- (2) For contingent matters involving multiple items, determine based on the calculation of various possible outcomes and their related probabilities.

Where some or all of the expenditure required to settle an estimated liability is expected to be reimbursed by a third party, the reimbursement is separately recognized as an asset when it is virtually certain that the reimbursement will be received. The amount recognized for the reimbursement is limited to the book value of the estimated liability.

The Company will review the book value of the estimated liabilities on the balance sheet date, and if there are concrete evidences that such book value cannot reflect the current best estimate, the book value will be adjusted according to the current best estimate.

31. Share-based Payment

The Company's share-based payment refers to a transaction in which an enterprise determines the liabilities on the basis of equity instruments granting or bearing for the acquisition of service from its employees or other parties. The Company's share-based payment is equity-settled.

As to an equity-settled share-based payment in return for services of employees, calculation will be based on the fair value of the equity instrument granted to the employees. The share-based payment transactions vested immediately after the date of grant will be included in the relevant cost or expense based on the fair value of the equity instrument on the date of grant, and the capital reserve will be increased accordingly. For the services within the waiting period or the share-based payment transactions that may only be vested when the specified performance conditions are met after the date of grant, the Company will include the services obtained in the current period in relevant cost or expense and increase the capital reserve at the fair value on the date of grant according to the best estimate of the number of the exercisable equity instruments on each balance sheet date in the waiting period.

If the terms of the equity-settled share-based payment are amended, the Company shall recognize the services received at least based on the situation before the amendment was made. In addition, any amendment resulting in the increase of the fair value of the equity instrument granted or changes that are beneficial to the staff on the amendment date, will be recognized as an increase in the service received.

If the equity instruments vested are canceled during the waiting period, the Company will take the vested equity instruments canceled as accelerated exercise, and immediately include the amount to be recognized during the waiting period in the current profit or loss. At the same time, the capital reserve will be recognized. However, if new equity instruments are vested and they are verified at the vesting date of new equity instrument as alternatives vested to canceled equity instruments, the treatment on the new equity instrument is in conformity with the modified treatment on disposal of equity instrument.

32. Income

(1) Accounting Policies for Revenue Recognition and Measurement

The company recognizes revenue upon fulfilling the performance obligations in the contract, that is, when the customer obtains control of the related goods or services. Acquisition of control over relevant commodities or services means gaining the ability to direct the use of such commodities or services and obtain nearly all the economic benefits therefrom.

If the contract contains two or more performance obligations, the Company shall apportion the transaction price to each individual performance obligation on the contract commencement date according to the relative proportion of the individual selling price of the commodities or services promised by each individual performance obligation. The Company measures the revenue according to the transaction price apportioned to each individual performance obligation.

The transaction price refers to the amount of consideration that the Company is expected to be entitled to collect due to the transfer of commodities or services to customers, excluding the payments collected on behalf of third parties and the payments expected to be returned to customers. The Company will determine the transaction price according to the contract provisions and its past practices, and may take into account the impact from the variable consideration, the major financing components in the contract, the non-cash consideration, the payable customer consideration and other factors when determining the transaction price. The Company shall determine the transaction price containing the variable consideration according to the amount not exceeding the amount by which the accumulative recognized revenue is much more unlikely to be significantly reversed when relevant uncertainties are eliminated. If there are major financing components in the contract, the Company shall determine the transaction price according to the amount due assumed to be paid in cash when the customer acquires the control over the commodities or services, and shall amortize the difference between such transaction price and the contract consideration using the effective interest rate method during the contract period.

When one of the following conditions is met, it belongs to the performance obligation within a certain period of time, or otherwise it belongs to the performance obligation at a certain point of time:

- ① The customer obtains and consumes the economic benefit brought by the company's performance simultaneously with the company's fulfillment of the contract;
- ② The customer is able to control the goods under construction during the company's performance process;
- ③ The goods produced during the company's performance process have irreplaceable uses, and the company has the right to collect payment for the cumulative completed performance portion throughout the entire contract period.

For the performance obligations performed within a certain period of time, the Company shall recognize the revenue according to the performance progress within that period of time, except that the performance progress cannot be reasonably determined. The Company will determine the performance progress through the output or input method by taking into account the nature of commodities or services. If the performance progress cannot be reasonably recognized and the costs incurred are expected to be compensated, the Company will recognize the revenue according to the amount of costs incurred until the performance progress can be reasonably recognized.

For the performance obligations performed at a certain point of time, the Company will recognize the revenue when the customer acquires the right of control over relevant commodities or services. While determining whether the customer has acquired the control over the commodities or services, the Company shall take the following into consideration:

- ① The company has the current right to receive payment for the goods or services, meaning the customer has an existing payment obligation for the goods or services;
- ② The company has transferred the legal title of the goods to the customer, meaning the customer has obtained the legal title of the goods;
- ③ The company has physically transferred the goods to the customer, meaning the customer has physical possession of the goods;
- ④ The company has transferred the major risks and rewards of ownership of the goods to the customer, meaning the customer has obtained the major risks and rewards of ownership of the goods;
- ⑤ The customer has accepted the goods or services.

The Company determines whether it is a principal or agent when engaging in transactions based on its control over the goods or services before transferring them to the customer. The Company is a principal and recognizes its revenue based on the total amount of consideration received or receivable if it can control the goods or services before transferring them to the customer; otherwise, the Company is an agent and recognizes its revenue based on the amount of commissions or fees it expects to be entitled to.

(2) Disclosure of specific revenue recognition methods and measurement approaches by business type

- ① Principles for recognizing sales revenue of standard products for domestic sales: The company sells standard products to contractors, distributors, and other customers through a combination of direct selling and distributors. That is, the company signs sales contracts with customers and delivers goods to customers according to the delivery terms stipulated in the sales contracts, or customers pick up the goods themselves. The company recognizes sales revenue after the customer receives the goods;
- ② Principles for recognizing revenue from overseas sales of standard products: For direct exports by domestic companies, sales revenue is mainly recognized under FOB and CIF terms after the work-in-progress is declared for customs export. For overseas subsidiaries' sales abroad, revenue is recognized after the goods are delivered to the customer according to the agreed delivery method or after the customer picks up the goods and receives them;
- ③ Principles for recognizing sales revenue from system integration: sales of the company's system integration products include providing customers with solution design, supporting products, installation, commissioning, and pilot run services, with sales revenue recognized after acceptance and qualification;
- ④ Principles for recognizing revenue from labor services: revenue is recognized at the time the labor service is provided.

33. Contract Costs

The contract costs comprise the contract performance cost and the cost to obtain a contract.

The costs incurred by the Company for contract performance which fall outside the scope of the enterprise accounting standards such as inventories, fixed assets or intangible assets will be identified as an asset of the contract performance costs upon satisfying all of the following conditions:

- (1) The costs are directly related to one existing contract or one contract that is expected to be obtained;
- (2) The costs enrich the Company's resources for future contract performance;
- (3) The costs are estimated to be recovered.

The incremental costs which are incurred by the Company to obtain the contract and are expected to be recovered will be identified as an asset of the costs to obtain a contract.

The assets related to the contract costs will be amortized on the same basis for recognition of the income from commodities or services related to the assets; but if the amortization period of the costs to obtain the contract is no more than 1 year, the Company will include such costs in the current profit or loss once occurred.

In case that the book value of assets related to contract costs is higher than the difference between the two items below, the Company will accrue the impairment provision for the extra part, and recognize that part as impairment loss:

- (1) The remaining consideration expected to be obtained from the transfer of goods or services related to the asset;
- (2) The estimated costs to be incurred for transferring the related goods or services.

If the factors for impairment in the previous periods are subsequently changed, making the aforesaid difference higher than the book value of the assets, the Company will reverse the accrued impairment provision and include it in the current profit or loss, provided that the book value of the reversed assets does not exceed the book value of the assets without impairment provision accrued on such date of reversal.

34. Government Subsidies

(1) Type

Government grants are monetary assets and non-monetary assets obtained by the company from the government without compensation. Government grants are classified into government grants related to assets and government grants related to revenue.

Government grants related to assets refer to government grants acquired by the Company for the purpose of purchasing or constructing or otherwise forming long-term assets. Government grants related to revenue refer to the government grants other than those related to assets.

(2) Recognition time point

Government grants are recognized when the company meets the attached conditions and is able to receive them.

(3) Accounting treatment

Government grants related to assets are used to offset the book value of the related assets or recognized as deferred income. Deferred income is recognized and amortized into current profit or loss over the service life of the related assets using a reasonable and systematic method (if related to the company's daily activities, it is included in other income; if unrelated to the company's daily activities, it is included in non-operating revenue);

Government grants related to income that are used to compensate for relevant costs, expenses, or losses in future periods are recognized as deferred income and included in current profit or loss during the periods when the related costs, expenses, or losses are recognized (if related to the company's daily activities, included in other income; if unrelated to the company's daily activities, included in non-operating revenue) or offset against the related costs, expenses, or losses; government grants used to compensate for relevant costs, expenses, or losses already incurred by the company are directly included in current profit or loss (if related to the company's daily activities, included in other income; if unrelated to the company's daily activities, included in non-operating revenue) or offset against the related costs, expenses, or losses.

The policy-oriented concessional loan discount interests obtained by the Company will be subject to accounting treatment in the following two circumstances:

- ① When the finance department allocates discount interest funds to the lending bank, and the lending bank provides loans to the company at a preferential interest rate under policy, the company shall use the actual loan amount received as the entry value of the borrowing and calculate the related borrowing cost based on the principal and the preferential interest rate;
- ② When the finance department allocates discount interest funds directly to the company, the company shall offset the corresponding discount interest against the related borrowing cost.

35. Deferred Income Tax Assets/Deferred Income Tax Liabilities

Income tax comprises current income tax and deferred income tax. Except for the income taxes arising from the business combination and the transactions or matters that are directly included in the owner's equity (including other comprehensive income), the Company will include the current income tax and deferred income tax into the current profit or loss.

Deferred income tax assets and deferred income tax liabilities will be calculated and recognized according to the difference (temporary difference) between the tax basis and the book value of assets and liabilities.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which deductible temporary differences can be utilized. For deductible losses and tax credits that can be reversed in the future period, deferred income tax assets shall be recognized to the extent that it is probable that taxable income will be available in the future to offset the deductible losses and tax credits.

Save as the exceptions, deferred income tax liabilities shall be recognized for the taxable temporary difference.

The exceptions where deferred income tax assets and liabilities are not recognized include:

(1) Initial recognition of goodwill;

(2) Transactions or events that are neither business combinations nor affect accounting profit and taxable income (or deductible losses) at the time of occurrence.

Taxable temporary difference related to investment in the subsidiaries, affiliates and joint ventures will be recognized as deferred income tax liabilities, unless the Company can control the time to reverse such temporary difference and such temporary difference is much more unlikely to be reversed in the predictable future. Deductible temporary difference related to investment in the subsidiaries, affiliates and joint ventures will be recognized as deferred income tax assets when such temporary difference is much more likely to be reversed in the predictable future and is much more likely to be obtained to deduct the taxable income of the deductible temporary difference.

On the balance sheet date, the deferred income tax assets and the deferred income tax liabilities will be measured at the tax rate applicable during the recovery of relevant assets or payment of relevant liabilities as expected according to the provisions of the tax law.

On the balance sheet date, the Company will review the book value of the deferred income tax assets. If no sufficient taxable income is likely to be obtained to offset the benefits of deferred income tax assets in the future, the book value of deferred income tax assets shall be written down. The amount written down shall be reversed when it is likely to obtain sufficient taxable income.

After granted the legal rights of net settlement and with the intention to use net settlement or obtain assets and repay debt at the same time, the net amount after offsetting its current income tax assets and current income tax liabilities shall be recorded.

On the balance sheet date, the deferred income tax assets and the deferred income tax liabilities will be presented by the net amount after offsetting when the following conditions are fulfilled:

(1) The taxpayer has the legal right to net settlement of current income tax assets and current income tax liabilities;

(2) Deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxpayer, or related to different taxpayers, but during each future period in which the deferred income tax assets and liabilities of material significance are reversed, the involved taxpayers intend to net settle the current income tax assets and liabilities or simultaneously realize the assets and settle the liabilities.

36. Lease

Lease means the contract by which the lessor transfers the right to use the assets to the lessee for a given period to obtain the consideration. On the commencement of the contract, the Company will assess whether the contract is a lease or contains the lease. If a party to the contract conveys the right to control the use of one or more identified assets for a given period to obtain a consideration, this contract is a lease or contains the lease.

If a contract contains several individual leases, the Company will split the contract and conduct accounting treatment of each individual lease separately. If a contract contains both lease and non-lease, the lessee and the lessor will split the lease and non-lease parts.

If all the following conditions are met, the Company will simplify all the lease options without assessing whether the lease is changed or reassessing the lease classification:

- (1) The consideration of the lease after the concession is reduced or remains basically unchanged compared to before the concession, where the lease consideration may be undiscounted or discounted using the discount rate before the concession;
- (2) After comprehensively considering qualitative and quantitative factors, it is determined that there are no significant changes in other terms and conditions of the lease.

(1) Accounting Treatment of Leases as a Lessee

① Right-of-use asset

On the lease term commencement date, the company recognizes right-of-use assets for leases other than short-term leases and low-value asset leases. The right-to-use assets are initially measured at cost, which includes:

- A. The initial measurement amount of the lease liability;
- b. Lease payments made on or before the lease term commencement date, less any lease incentives received;
- c. Initial direct costs incurred by the company;
- d. Costs expected to be incurred by the company for dismantling and removing the leased asset, restoring the site where the leased asset is located, or restoring the leased asset to the condition required by the lease terms, excluding costs incurred for producing inventory.

The company subsequently uses the straight-line method to accrue depreciation on the right-of-use asset. If it can be reasonably recognized that the title of the leased asset is acquired at the expiration of the lease term, the Company shall accrue depreciation within the remaining service life of the leased asset; or otherwise, the leased asset shall be depreciated within the shorter of the lease term and the remaining service life of the leased asset.

The Company will determine whether the right-of-use assets are impaired and conduct accounting treatment over the identified impairment loss according to the principles set out in this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 26. Impairment of Long-term Assets.

② Lease liability

On the lease term commencement date, the company recognizes lease liabilities for leases other than short-term leases and low-value asset leases. Lease liabilities shall be initially measured at the present value of the unpaid lease payments. Lease payments include:

- a. Fixed payment (including actual fixed payment), and if there are lease incentives, the relevant amount of lease incentives shall be deducted;
- b. Variable lease payment depending on the index or ratio;
- c. Predicted payment on the basis of the guaranteed residual value provided by the Company;

- d. Exercise price of the call option, provided that the Company will exercise such option, as reasonably determined;
- e. Payment for exercise of the lease termination option, provided that the lease term reflects the Company's future exercise of the lease termination option.

The interest rate implicit in lease is applied by the Company as the discount rate. If the interest rate implicit in lease cannot be reasonably determined, the Company's interest rate on incremental borrowings is applied as the discount rate.

The Company shall calculate the interest expense of the lease liabilities during each period of the lease term at a fixed periodic interest rate and include it in the current profit or loss or relevant asset cost.

The variable lease payment which is not included in the measurement of lease liabilities shall be included in the current profit or loss or relevant asset cost when actually incurred.

If any of the following circumstances happens on commencement of the lease term, the Company will remeasure the lease liabilities and adjust the corresponding right-of-use assets, and if the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the difference shall be included in the current profit or loss:

A. When the assessment results of the purchase option, renewal option, or termination option change, or when the actual exercise of the aforementioned options is inconsistent with the original assessment results, the company shall remeasure the lease liability at the present value calculated using the changed lease payment and the revised discount rate;

b. When the substantive fixed payment changes, the expected payable amount of the guaranteed residual value changes, or the index or rate used to determine the lease payment changes, the company shall remeasure the lease liability at the present value calculated using the changed lease payment and the original discount rate. If the change in the lease payment originates from the change in the floating interest rate, the present value will be calculated using the revised discount rate.

③ Short-term leases and low-value asset leases

The company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases, and the related lease payments are recognized on a straight-line basis over the lease term in the current period's profit or loss or the cost of the related assets. Short-term lease means the lease of no more than 12 months and excluding the call option on the commencement of the lease term. Low-value asset lease means a lease of lower value when the single leased asset is brand-new. If the Company sublets or is expected to sublet the leased assets, the original lease is not a low-value asset lease.

④ Lease Modification

If a lease modification occurs and simultaneously meets the following conditions, the company will account for the lease modification as a separate lease:

- a. The lease modification expands the lease scope by adding the right to use one or more leased assets;

b. The increased consideration is equivalent to the standalone price of the expanded lease scope portion, adjusted according to the contract conditions.

If the lease change is not taken as a separate lease for accounting treatment, on the effective date of the lease change, the Company will re-apportion the consideration of the changed contract, re-determine the lease term, and remeasure the lease liabilities at the present value worked out according to the changed lease payment and the revised discount rate.

If the lease change results in narrower scope of lease or shorter lease term, the Company will reduce the book value of the right-of-use assets accordingly, and will include relevant gain or loss from partial or full termination of the lease in the current profit or loss. If other lease changes result in re-measurement of the lease liabilities, the Company will adjust the book value of the right-to-use assets accordingly.

(2) Accounting Treatment of Leases as a Lessor

On commencement of the lease term, the Company will divide the lease into financial lease and operating lease. Financial lease means the lease that has substantially transferred almost all the risks and rewards related to the title of the leased assets, whether or not the title will be finally transferred. Operating lease means any lease other than financial lease. When the Company serves as a lessor of the sublease, the sublease will be classified on the basis of the right-to-use assets resulting from the original lease.

① Operating Lease Accounting Treatment

Rental income from operating leases is recognized on a straight-line basis over the lease term. The initial direct fee related to the operating lease to be incurred by the Company will be capitalized and will be apportioned and included in the current profit or loss on the same basis as that for recognition of the rental income in the lease term. The variable lease payments that are not included in the lease receipts shall be included in the current profit or loss when they actually occur. In case of a change to the operating lease, the Company will conduct accounting treatment with respect to the changed operating lease as a new lease as of the effective date of the change, and the lease payments received in advance or receivable with respect to the lease before the change will be taken as the lease receipts for the new lease.

② Finance Lease Accounting Treatment

On the lease commencement date, the company recognizes the finance lease receivable and derecognizes the leased asset. The Company will take the net lease investment as the entry value of the financial lease receivables when initially measuring the financial lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the unreceived lease receipts discounted according to the interest rate implicit in lease on the commencement of the lease term.

The Company will calculate and recognize the interest income during each period of the lease term at a fixed periodic interest rate. The derecognition and impairment of the financial lease receivables will be subject to accounting treatment according to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments.

The variable lease payments that are not included in the measurement of the net lease investment shall be included in the current profit or loss when they actually occur.

If the financial lease is changed and meets all of the following conditions, the Company will conduct accounting treatment with respect to such change as a single lease:

- A. This change expands the lease scope by adding the right to use one or more leased assets;
- b. The increased consideration is equivalent to the adjusted amount of the standalone price for the expanded lease scope under the contract conditions.

If the change in the financial lease is not subject to accounting treatment as a single lease, the Company will treat the changed lease in the following circumstances:

- a. If the change takes effect on commencement of the lease term and the lease is classified as operating lease, the Company will conduct accounting treatment with respect to such lease as a new lease as of the effective date of the lease change, and will take the net lease investment before the effective date of the lease change as the book value of the leased asset;
- b. If the change takes effect on the commencement date of the lease, and such lease is classified as the financial lease, the Company will conduct accounting treatment according to the policy regarding modification or re-negotiation of the contract in this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments.

(3) Sale and Leaseback Transaction

The Company evaluates and determines whether the asset transfer in the sale and leaseback transaction belongs to a sale in accordance with the provisions of this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 32. Income.

① As the lessee

If the asset transfer in a sale and leaseback transaction qualifies as a sale, the company, as the lessee, measures the right-of-use asset arising from the sale and leaseback based on the portion of the original asset's book value related to the right obtained through the leaseback, and recognizes only the gain or loss related to the rights transferred to the lessor; if the asset transfer in the sale and leaseback transaction does not qualify as a sale, the company, as the lessee, continues to recognize the transferred asset and simultaneously recognizes a financial liability equal to the transfer proceeds. For accounting treatment of the financial liabilities, refer to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments.

② As the lessor

If the asset transfer in a sale and leaseback transaction qualifies as a sale, the company, as the lessor, accounts for the asset purchase and applies the accounting treatment for asset leasing in accordance with the aforementioned policy under "(2) Accounting treatment for leasing as the lessor." If the asset transfer in a sale and leaseback transaction does not qualify as a sale, the company, as the lessor, does not recognize the transferred asset but

recognizes a financial asset equal to the transfer proceeds. For accounting treatment of the financial assets, refer to this section Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments.

37. Other Significant Accounting Policies and Accounting Estimates

(1) Repurchase of the Company's Shares

When the company repurchases its shares for reasons such as reducing registered capital or rewarding employees, the actual amount paid shall be treated as treasury shares, and the repurchase shall be registered for record. If the repurchased shares are canceled, the difference between the total nominal value calculated by the nominal value of the canceled shares and the number of canceled shares and the actual amount paid for the repurchase shall be offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be offset; if the repurchased shares are granted to the company's employees as share-based payment settled in equity, when employees exercise the right to purchase the company's shares and pay the consideration, the cost of treasury shares delivered to employees and the accumulated amount of capital reserve (other capital reserve) during the waiting period shall be written off, and at the same time, the capital reserve (stock premium) shall be adjusted according to their difference.

(2) Debt Restructuring

① The Company as a Creditor

The Company terminates the recognition of the creditor's rights when the contractual right to receive the creditor's cash flow is terminated. In case of debt restructuring by paying off the debt with assets or converting into equity instruments, the Company will recognize relevant assets when they meet their definition and conditions of recognition.

In case of debt restructuring by paying off the debt with assets, the Company initially recognizes the transferred non-financial asset at cost. The cost of inventory includes the fair value of the relinquished claim as well as taxes, transportation fees, handling fees and insurance fees and other costs directly attributed to the asset that occur to bring the asset to its current location and condition. The cost of investment in an associate or joint venture includes the fair value of relinquished claim and taxes and other costs directly attributed to the asset. The cost of investment property includes the fair value of relinquished claim and other costs directly attributed to the asset. The cost of fixed assets includes the fair value of relinquished claim as well as taxes, transportation fees, handling fees, installation fees, service fees for professionals and other costs directly attributed to the asset that occur to bring the asset to its intended usable condition. The cost of biological assets includes the fair value of relinquished claim as well as taxes, transportation fees, insurance fees and other costs directly attributed to the asset. The cost of intangible assets includes the fair value of relinquished rights and taxes and other costs that are incurred to bring the asset to its intended use. In case that the debt restructuring by converting debt into equity instruments results in the creditor converting its creditor's rights into an equity investment in an associate or joint venture, the Company shall measure its initial investment cost based on the fair value of the relinquished claim and taxes and other costs directly attributable to the asset. The difference between the fair value of relinquished claim and the book value shall be included in the current profit or loss.

In case of debt restructuring by modifying other clauses, the Company recognizes and measures the restructured creditor's rights according to the Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments

In case of debt restructuring by paying off debts with multiple assets or combining them, the Company first recognizes and measures the transferred financial assets and restructured creditor's rights according to Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments in this section, and then allocates the fair value of the relinquished claims to the net amount after deducting the recognized amounts of the transferred financial assets and the restructured claims in proportion to the fair value of each of the assets other than the transferred financial assets and, based on that, determines the costs of the assets separately by the method described in the preceding paragraph. The difference between the fair value of relinquished claim and the book value shall be included in the current profit or loss.

② As the debtor,

the company derecognizes the debt when the present obligation of the debt is discharged.

In the case of debt restructuring by paying off debts with assets, the Company derecognizes the relevant assets and the debts when they meet the conditions for derecognition, and the difference between the book value of the debts paid off and that of the transferred assets is included in the current profits and losses.

In case of debt restructuring by transferring the debt into equity instruments, the Company will derecognize the debt paid off when it meets the conditions of recognition. The Company initially recognizes equity instruments at their fair value, and at the fair value of the debt paid off if it is not reliable to measure at the fair value of the equity instrument. The difference between the book value of the debt paid off and the amount recognized for the equity instrument shall be included in current profits and losses.

In case of debt restructuring by modifying other clauses, the Company recognizes and measures the restructured creditor's rights according to the Financial Report - V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments.

In case of debt restructuring by paying off debts with multiple assets or combining them, the Company recognizes and measures equity instruments and restructured debts according to the above methods, and the difference between the book value of the debt paid off and the book value of the transferred assets as well as the difference between the equity instruments and the amount recognized of the restructured debts shall be included in current profits and losses.

38. Changes in Significant Accounting Policies and Accounting Estimates

(1) Changes in Significant Accounting Policies

☐ Applicable ☒ Not applicable

(2) Changes in Significant Accounting Estimates

☐ Applicable ☒ Not applicable

(3) Adjustment of relevant items in the financial statement at the beginning of the year for the first-time adoption of new accounting standards starting in 2025

☐ Applicable ☒ Not applicable

VI. Taxes

1. Major Categories of Taxes and Tax Rates

Tax Type	Taxation basis	Tax rate
VAT	According to the provisions of the tax law, the sales tax shall be calculated on the basis of the income by selling goods and taxable services. After deducting the input tax that is allowed to be deducted from the sales tax in the current period, the difference shall be the value added tax	13%, 9%, 6%, simple collection rate of 5%, simple collection rate of 3%, 0% and tax-free
Urban Maintenance and Construction Tax	Actually paid turnover tax	7%, 5%
Enterprise Income Tax	Taxable income	15%, 16.5%, 20%, 25%
Education surcharges	Actually paid turnover tax	3%
Local Education Surcharges	Actually paid turnover tax	2%

If there are multiple taxpayers with different enterprise income tax rates, specify the situation

Name of taxpayer	Income tax rate
Zhejiang Dahua Technology Co., Ltd.	15%
Zhejiang Dahua System Engineering Co., Ltd.	15%
Zhejiang HuaRay Technology Co., Ltd.	15%
Zhejiang Huaxiao Technology Co., Ltd.	15%
Zhejiang Huafei Intelligent Technology CO., LTD.	15%
Zhejiang Huaruijie Technology Co., Ltd.	15%
Zhejiang Huayixin Technology Co., Ltd.	15%
Zhejiang Dahua Intelligent IoT Operation Service Co., Ltd.	15%
Zhejiang Huajian Technology Co., Ltd.	15%
Hangzhou Huacheng Software Co., Ltd.	15%
Zhejiang Pixfra Technology Co., Ltd.	15%
Jiangsu Huaruipin Technology Co. Ltd.	15%
Inner Mongolia Dahua Zhimeng Information Technology Co., Ltd.	15%
Guangxi Dahua Zhicheng Co., Ltd.	15%
Guangxi Huacheng Technology Co., Ltd.	15%
Guizhou Meitan Dahua Information Technology Co., Ltd.	20%
Zhejiang Dahua Ju'an Technology Co., Ltd.	20%
Guangxi Dahua Technology Co., Ltd.	20%
Zhejiang Huakong Software Co., Ltd.	20%
Dahua Technology (HK) Limited	16.50%
Hangzhou Xiaohua Technology CO., LTD.	20%
Chengdu Zhichuang Yunshu Technology Co., Ltd.	20%
Chengdu Huishan Smart Network Technology Co., Ltd.	20%
Guizhou Huayi Shixin Technology Co., Ltd.	20%
Zhejiang Zhoushan Digital Development Operation Co. Ltd.	20%

Tianjin Dahua Information Technology Co., Ltd.	20%
Chengdu Huazhiwei Technology Co., Ltd.	20%
Chengdu Dahua Wisdom Information Technology Co., Ltd.	20%
Nanyang Dahua Intelligent Information Technology Co., Ltd.	20%
Xi'an IMOU Zhilian Technology Co., Ltd.	20%
Guangdong Huaxiyue Intelligent Technology Co., Ltd.	20%
Guangxi Dahua Yunlian Information Technology Co., Ltd.	20%
Zhejiang Huajie New Energy Operation Service Co., Ltd.	20%
Shanghai Huashang Chengyue Information Technology Service Co., Ltd.	20%
Tianjin Huajian Technology Co., Ltd.	20%
Qingdao Dahua Ruifa Intelligent Internet of Things Technology Co., Ltd.	20%
Shandong Dahua Digital Intelligence Technology Co., Ltd.	20%
Yiwu Huaxi Technology Co., Ltd.	20%
Fujian Dahua Qingchuang Digital Technology Co., Ltd.	20%
Zhejiang HJ Technology Co., Ltd.	20%
Zhejiang Shuhang Intelligent Technology Co., Ltd.	20%
Jilin Dahua Zhilian Technology Co., Ltd.	20%
Zhengzhou Airport Economy Zone Huao Technology Co., Ltd.	20%
Hainan Dahua Huizhi Technology Co., Ltd.	20%
Other domestic companies	25%
Other overseas companies	Applicable to local tax rate

2. Preferential Tax Rate

(1) According to the Notice on the Filing and Publicity of High-tech Enterprises Certified by the Certification Body of Zhejiang Province in 2023 issued by the Office for the Administration of the Certification of National High-tech Enterprises on December 28, 2023, our subsidiaries Zhejiang Huaruijie Technology Co., Ltd., Zhejiang Huajian Technology Co., Ltd., Hangzhou Huacheng Software Co., Ltd. and Zhejiang Dahua System Engineering Co., Ltd. were certified as high-tech enterprises, with validity for 3 years. The corporate income tax for this year was paid at a reduced rate of 15%.

(2) According to the "Announcement on the Filing of High-tech Enterprises Recognized by Certification Agencies in Zhejiang Province in 2024" issued by the Office for the Administration of the Certification of National High-tech Enterprises on December 26, 2024, the subsidiaries Zhejiang HuaRay Technology Co., Ltd., Zhejiang Huaxiao Technology Co., Ltd., Zhejiang Huayixin Technology Co., Ltd., and Zhejiang Dahua Intelligent IoT Operation Service Co., Ltd. have been recognized as high-tech enterprises. The validity period of the certification is 3 years, and the corporate income tax for this year is calculated and paid at a reduced tax rate of 15%.

(3) According to the Announcement on the Filing of the First Batch of High-tech Enterprises of Zhejiang Province Certified and Filed in 2023 issued by the Office for the Administration of the Certification of National High-tech Enterprises on Thursday, December 28, 2023, our subsidiaries Zhejiang Huafei Intelligent Technology Co., Ltd. and Zhejiang Pixfra Technology Co., Ltd. were certified as high-tech enterprises, validity for 3 years. The corporate income tax for this year was paid at a reduced rate of 15%.

(4) According to the "Notice on the Filing of High-tech Enterprises Recognized in Zhejiang Province in 2022" issued by the Office for the Administration of the Certification of National High-tech Enterprises on December 24, 2022, the

subsidiaries Zhejiang Huaruijie Technology Co., Ltd., Zhejiang Huajian Technology Co., Ltd., Hangzhou Huacheng Software Co., Ltd., and Zhejiang Dahua System Engineering Co., Ltd. have been recognized as high-tech enterprises. The validity period of the certification is three years, and the corporate income tax for this year is calculated and paid at a reduced tax rate of 15%.

(5) According to the Notice on the Filing and Publicity of High-tech Enterprises Certified by the Certification Body of Jiangsu Province in 2023 issued by the Office for the Administration of the Certification of National High-tech Enterprises on Thursday, January 4, 2024, our subsidiaries Jiangsu Huaruipin Technology Co., Ltd. was certified as high-tech enterprises, with validity for 3 years. The corporate income tax for this year was paid at a reduced rate of 15%.

(6) According to the Ministry of Finance and the State Taxation Administration's "Announcement on Further Supporting Tax and Fee Policies for the Development of Small Low-Profit Enterprises and Individual Industrial and Commercial Households" (Ministry of Finance and State Taxation Administration Announcement No. 12, 2023) and the "Announcement on Preferential Income Tax Policies for Small Low-Profit Enterprises and Individual Industrial and Commercial Households" (Ministry of Finance and State Taxation Administration Announcement [2023] No. 6), the subsidiaries Zhejiang Dahua Ju'an Technology Co., Ltd., Guangxi Dahua Technology Co., Ltd., Zhejiang Huakong Software Co., Ltd., Hangzhou Xiaohua Technology Co., Ltd., Chengdu Zhichuang Yunshu Technology Co., Ltd., Chengdu Huishan Smart Network Technology Co., Ltd., Guizhou Huayi Shixin Technology Co., Ltd., Zhejiang Zhoushan Digital Development Operation Co. Ltd., Tianjin Dahua Information Technology Co., Ltd., Chengdu Huazhiwei Technology Co., Ltd., Chengdu Dahua Wisdom Information Technology Co., Ltd., Nanyang Dahua Intelligent Information Technology Co., Ltd., Xi'an IMOU Zhilian Technology Co., Ltd., Guangdong Huaxiyue Intelligent Technology Co., Ltd., Guangxi Dahua Yunlian Information Technology Co., Ltd., Zhejiang Huajie New Energy Operation Service Co., Ltd., Shanghai Huashang Chengyue Information Technology Service Co., Ltd., Tianjin Huajian Technology Co., Ltd., Qingdao Dahua Ruifa Intelligent Internet of Things Technology Co., Ltd., Shandong Dahua Digital Intelligence Technology Co., Ltd., Guizhou Meitan Dahua Information Technology Co., Ltd., Yiwu Huaxi Technology Co., Ltd., Fujian Dahua Qingchuang Digital Technology Co., Ltd., Zhejiang HJ Technology Co., Ltd., Zhejiang Shuhang Intelligent Technology Co., Ltd., Jilin Dahua Zhilian Technology Co., Ltd., Zhengzhou Aviation Port Area Hua'ao Technology Co., Ltd., and Hainan Dahua Huizhi Technology Co., Ltd. shall apply a 25% reduction to the portion of their annual taxable income not exceeding RMB 3 million, and pay corporate income tax at a tax rate of 20%.

(7) According to the Notice of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on Tax Policy Issues concerning Further Implementing the Western China Development Strategy (C.S.H.G. [2011] No. 58) and the Announcement of the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on the Continuation of the Western China Development Corporate Income Tax Policy (Announcement of the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission [2020] No. 23), the subsidiaries Inner Mongolia Dahua Zhimeng Information Technology Co., Ltd., Guangxi Dahua Zhicheng Co., Ltd., and Guangxi Huacheng Technology Co., Ltd. are eligible for Western China Development tax preferential policies from 2011 to 2030. Therefore, the corporate income tax for this year is calculated and paid at a reduced tax rate of 15%.

(8) According to the Notice on Value-added Tax Policies for Software Products (C.S.H.G. [2011] No.100) by the Ministry of Finance and the State Administration of Taxation, the sales of software products independently developed by Zhejiang Dahua Technology Co., Ltd., Zhejiang Dahua System Engineering Co., Ltd., Hangzhou Xiaohua Technology Co., Ltd., Zhejiang Huafei Intelligent Technology Co., Ltd. (Huafei Intelligent), Jiangsu Huaruipin

Technology Co., Ltd., Zhejiang Huaruijie Technology Co., Ltd., Zhejiang Huaxiao Technology Co., Ltd. (Wisualarm Technology), Zhejiang PixFra Technology Co., Ltd., Hangzhou Huacheng Software Co., Ltd., and Zhejiang HuaRay Technology Co., Ltd. shall be subject to a value-added tax at the rate of 13% first, and the actual tax burden of more than 3% will be refunded after being reviewed and approved by the competent tax authorities.

(9) According to the Ministry of Finance and the State Administration of Taxation's Announcement on the Additional Value-Added Tax ("VAT") Credit Policy for Advanced Manufacturing Enterprises (Announcement No. 43 [2023]), from January 1, 2023, to December 31, 2027, advanced manufacturing enterprises are allowed to deduct an additional 5% of the value-added tax payable based on the deductible input tax in the current period. Zhejiang Huajian Technology Co., Ltd., Jiangsu Huaruipin Technology Co., Ltd., Zhejiang Huaruijie Technology Co., Ltd., Zhejiang PixFra Technology Co., Ltd., and Zhejiang HuaRay Technology Co., Ltd. are entitled to the preferential tax policy for advanced manufacturing industries during the period in compliance with the provisions of the additional VAT credit policy for advanced manufacturing industries.

VII. Notes to the Items in the Consolidated Financial Statements

1. Cash and Bank Balances

Unit: RMB

Item	Closing Balance	Opening Balance
Cash on Hand	2,772.70	2,584.78
Bank Balance	8,222,322,901.12	10,946,929,688.16
Other Cash and Bank Balances	223,658,913.88	234,871,150.89
Total	8,445,984,587.70	11,181,803,423.83
Including: Total Amount Deposited in Overseas Banks	1,035,601,799.31	1,423,057,560.40

The details of monetary fund subject to usage restrictions due to mortgage, pledge, or freeze, as well as those restricted due to centralized management of funds and monetary fund held overseas with repatriation limitations are as follows:

Unit: RMB

Item	Closing Balance	Balance at the end of the previous year
Bid/performance bond	74,154,820.50	75,635,853.99
Frozen funds	33,722,034.78	31,940,849.28
Security deposit for bills	66,196.00	
Total	107,943,051.28	107,576,703.27

2. Trading Financial Assets

Unit: RMB

Item	Closing Balance	Opening Balance
Financial assets at fair value through profit or loss in this period	108,022,303.02	229,927,529.28
Among them:		
Financial products	81,445,103.02	80,200,959.64
Stock	26,577,200.00	149,726,569.64
Total	108,022,303.02	229,927,529.28

3. Notes Receivable

(1) Disclosure of Notes Receivable

Unit: RMB

Item	Closing Balance	Opening Balance
Bank Acceptance Notes	531,219,747.79	636,567,044.09
Commercial Acceptance Notes	148,211,447.15	141,183,216.00
Total	679,431,194.94	777,750,260.09

(2) Disclosure by Bad Debt Accrual Method

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrued proportion		Amount	Proportion	Amount	Accrued proportion	
Notes Receivable with the Bad Debt Provision Accrued Based on Combinations	719,176,146.08	100.00%	39,744,951.14	5.53%	679,431,194.94	797,002,021.69	100.00%	19,251,761.60	2.42%	777,750,260.09
Among them:										
Bank Acceptance Notes	537,298,206.01	74.71%	6,078,458.22	1.13%	531,219,747.79	643,969,978.30	80.80%	7,402,934.21	1.15%	636,567,044.09
Commercial Acceptance Notes	181,877,940.07	25.29%	33,666,492.92	18.51%	148,211,447.15	153,032,043.39	19.20%	11,848,827.39	7.74%	141,183,216.00
Total	719,176,146.08	100.00%	39,744,951.14		679,431,194.94	797,002,021.69	100.00%	19,251,761.60		777,750,260.09

Accrual of bad debt provisions by category name: bank and commercial acceptance notes

Unit: RMB

Name	Closing Balance		
	Book balance	Bad debt provision	Accrued proportion
Bank Acceptance Notes	537,298,206.01	6,078,458.22	1.13%
Commercial Acceptance Notes	181,877,940.07	33,666,492.92	18.51%
Total	719,176,146.08	39,744,951.14	

If the bad debt provisions of notes receivable are made according to the general model of expected credit losses:

☐ Applicable ☒ Not applicable

(3) Provision for Bad Debts Accrued, Recovered Or Reversed in This Period

Provision for bad debts in the current period:

Unit: RMB

Category	Opening Balance	Amount of Changes in the Current Period				Closing Balance
		Accrued	Recovered or Reversed	Written Off	Others	
Bank Acceptance Notes	7,402,934.21		1,318,106.79		-6,369.20	6,078,458.22
Commercial Acceptance Notes	11,848,827.39	21,817,665.53				33,666,492.92
Total	19,251,761.60	21,817,665.53	1,318,106.79		-6,369.20	39,744,951.14

Significant amount of recovered or reversed bad debt provision in this period:

☐ Applicable ☒ Not applicable

(4) Notes Receivable that the Company has pledged at the End of the Period

Unit: RMB

Item	Pledged amount by the end of period
Bank Acceptance Notes	364,241,496.31
Total	364,241,496.31

(5) Notes receivable that the Company has endorsed or discounted at the end of the period and that have not yet expired on the balance sheet date

Unit: RMB

Item	Derecognised amount at the end of period	Not derecognised amount at the end of period
Bank Acceptance Notes		37,489,800.91
Total		37,489,800.91

4. Accounts Receivable

(1) Disclosure by Aging

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	13,807,187,837.02	15,089,860,120.54
1 to 2 years	1,791,968,271.42	1,830,327,585.83
2 to 3 years	933,582,848.30	934,561,606.86

3 years or above	2,613,342,051.58	2,452,808,503.88
3 to 4 years	658,408,299.69	646,840,898.86
4 to 5 years	585,061,445.73	507,603,962.50
5 years or above	1,369,872,306.16	1,298,363,642.52
Total	19,146,081,008.32	20,307,557,817.11

(2) Disclosure by Bad Debt Accrual Method

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrued proportion		Amount	Proportion	Amount	Accrued proportion	
Accounts receivables with the bad debt provision accrued based on single item	279,902,616.07	1.46%	253,571,714.05	90.59%	26,330,902.02	180,133,348.24	0.89%	169,137,414.11	93.90%	10,995,934.13
Among them:										
Accounts receivable with insignificant single amount but accrued for separate provision of bad debt	279,902,616.07	1.46%	253,571,714.05	90.59%	26,330,902.02	180,133,348.24	0.89%	169,137,414.11	93.90%	10,995,934.13
Accounts receivables with the bad debt provision accrued based on combinations	18,866,178,392.25	98.54%	3,101,873,055.10	16.44%	15,764,305,337.15	20,127,424,468.87	99.11%	3,092,325,884.21	15.36%	17,035,098,584.66
Among them:										
Aging Analysis Portfolio	18,866,178,392.25	98.54%	3,101,873,055.10	16.44%	15,764,305,337.15	20,127,424,468.87	99.11%	3,092,325,884.21	15.36%	17,035,098,584.66
Total	19,146,081,008.32	100.00%	3,355,444,769.15		15,790,636,239.17	20,307,557,817.11	100.00%	3,261,463,298.32		17,046,094,518.79

By category of accrual for bad debt provision on individual items: accounts receivable with individually accrued bad debt provisions where the individual amount is not material

Unit: RMB

Name	Opening Balance		Closing Balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrued proportion	Reason for making bad debt provision
Customer 1	20,596,426.50	20,596,426.50	20,596,426.50	20,596,426.50	100.00%	Expected to be unable to recover
Customer 2			24,805,633.21	15,805,633.21	63.72%	Expected to be partially unrecoverable
Customer 3	36,676,477.42	36,676,477.42	36,676,477.42	36,676,477.42	100.00%	Expected to be unable to recover
Customer 4	49,001,963.55	49,001,963.55	48,810,663.55	48,810,663.55	100.00%	Expected to be unable to recover
Other sporadic	73,858,480.77	62,862,546.64	149,013,415.39	131,682,513.37	88.37%	Expected to be

customers						partially unrecoverable
Total	180,133,348.24	169,137,414.11	279,902,616.07	253,571,714.05		

Provision for bad debts by category name based on combination: aging analysis method combination

Unit: RMB

Name	Closing Balance		
	Book balance	Bad debt provision	Accrued proportion
Within 1 year (including 1 year)	13,805,872,855.75	690,415,751.37	5.00%
1 to 2 years	1,773,109,024.87	177,310,902.49	10.00%
2 to 3 years	895,267,685.64	268,580,305.69	30.00%
3 to 4 years	643,412,506.87	321,706,253.43	50.00%
4 to 5 years	523,282,385.00	418,625,908.00	80.00%
5 years or above	1,225,233,934.12	1,225,233,934.12	100.00%
Total	18,866,178,392.25	3,101,873,055.10	

If the bad debt provisions of accounts receivable are made according to the general model of expected credit losses:

☐ Applicable ☒ Not applicable

(3) Provision for Bad Debts Accrued, Recovered Or Reversed in This Period

Provision for bad debts in the current period:

Unit: RMB

Category	Opening Balance	Amount of Changes in the Current Period				Closing Balance
		Accrued	Recovered or Reversed	Written Off	Others	
Bad debt provision	3,261,463,298.32	158,178,036.29	6,589,549.25	6,190,747.01	-51,416,269.20	3,355,444,769.15
Total	3,261,463,298.32	158,178,036.29	6,589,549.25	6,190,747.01	-51,416,269.20	3,355,444,769.15

Significant amount of recovered or reversed bad debt provision in this period:

None

(4) Accounts Receivable Actually Written Off in This Period

Unit: RMB

Item	Write-off amount
Accounts receivable actually written off	6,190,747.01

Write-off of important accounts receivable:

None

(5) Accounts Receivable and Contract Assets of the Top Five Closing Balances Collected by Debtors

Unit: RMB

Name of Unit	Accounts receivable closing balance	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	As a percentage of accounts receivables and total ending balance	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Customer 1	582,467,307.95		582,467,307.95	3.02%	29,123,365.40
Customer 2	428,390,316.39		428,390,316.39	2.22%	21,419,515.82
Customer 3	409,176,173.26	3,675,609.05	412,851,782.31	2.14%	97,938,675.49
Customer 4	358,063,590.33		358,063,590.33	1.85%	17,903,179.52
Customer 5	307,189,195.82		307,189,195.82	1.59%	18,468,890.96
Total	2,085,286,583.75	3,675,609.05	2,088,962,192.80	10.82%	184,853,627.19

5. Contract Assets

(1) Contract Assets

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Completed but unsettled assets	15,846,349.38	162,528.83	15,683,820.55	25,290,931.34	361,398.92	24,929,532.42
O&M service	22,118,960.32	224,569.61	21,894,390.71	7,456,278.33	75,407.79	7,380,870.54
Quality guarantee deposit	53,906,246.72	8,379,436.03	45,526,810.69	66,497,257.70	11,410,143.57	55,087,114.13
Total	91,871,556.42	8,766,534.47	83,105,021.95	99,244,467.37	11,846,950.28	87,397,517.09

(2) Disclosure by Bad Debt Accrual Method

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrued proportion		Amount	Proportion	Amount	Accrued proportion	
Provision of bad debts based on combination	91,871,556.42	100.00%	8,766,534.47	9.54%	83,105,021.95	99,244,467.37	100.00%	11,846,950.28	11.94%	87,397,517.09
Among them:										
Combination of nature of the funds	91,871,556.42	100.00%	8,766,534.47	9.54%	83,105,021.95	99,244,467.37	100.00%	11,846,950.28	11.94%	87,397,517.09
Total	91,871,556.42	100.00%	8,766,534.47	9.54%	83,105,021.95	99,244,467.37	100.00%	11,846,950.28	11.94%	87,397,517.09

Provision for Bad Debt by Category Name of Accrual Combination: Nature of Fund Combination

Unit: RMB

Name	Closing Balance		
	Book balance	Bad debt provision	Accrued proportion
Combination of nature of the funds	91,871,556.42	8,766,534.47	9.54%
Total	91,871,556.42	8,766,534.47	

Provision for bad debts based on general model of expected credit losses

☐ Applicable ☒ Not applicable**(3) Provision for Bad Debts Accrued, Recovered Or Reversed in This Period**

Unit: RMB

Item	Provisions of this period	Recovered or reversed during the period	Write-off in this period	Others	Reason
Completed but unsettled assets		198,870.09			
O&M service	149,161.82				
Quality guarantee deposit		3,024,676.16		-6,031.38	
Total	149,161.82	3,223,546.25		-6,031.38	

Significant amount of recovered or reversed bad debt provision in this period:

None

6. Receivables Financing**(1) Disclosure of Receivables Financing**

Unit: RMB

Item	Closing Balance	Opening Balance
Bank Acceptance Notes	774,019,955.88	841,815,267.43
Total	774,019,955.88	841,815,267.43

(2) Financing of Accounts Receivable Pledged by the Company at the End of The Period

Unit: RMB

Item	Pledged amount by the end of period
Bank Acceptance Notes	501,166,960.99
Total	501,166,960.99

(3) Financing of accounts receivable that the Company has endorsed or discounted at the end of the period and that have not yet expired on the balance sheet date

Unit: RMB

Item	Derecognised amount at the end of period	Not derecognised amount at the end of period
Bank Acceptance Notes	165,783,795.40	
Total	165,783,795.40	

7. Other Receivables

Unit: RMB

Item	Closing Balance	Opening Balance
Interest Receivable	669,535.47	
Other Receivables	578,496,093.60	293,728,850.42
Total	579,165,629.07	293,728,850.42

(1) Interest Receivable

1) Classification of Interest Receivable

Unit: RMB

Item	Closing Balance	Opening Balance
Demand deposit	669,535.47	
Total	669,535.47	

(2) Other Receivables

1) Other Receivables Categorized by the Nature of the Funds

Unit: RMB

Nature of the funds	Closing balance	Opening balance
Equity Transfer Fund	372,227,799.10	31,149,666.32
Deposits	137,886,865.97	151,154,514.69
Prepaid or advance expense	108,957,765.47	122,639,225.03
Employee home loan	71,663,993.00	78,949,911.00
Others	348,334.66	6,034,131.37
Export tax rebate		106,247.36
Total	691,084,758.20	390,033,695.77

2) Disclosure by Aging

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	512,049,512.27	191,651,180.73
1 to 2 years	45,042,779.72	41,084,974.35
2 to 3 years	46,678,108.32	72,462,850.86
3 years or above	87,314,357.89	84,834,689.83
3 to 4 years	26,915,461.92	39,666,543.22
4 to 5 years	26,890,742.07	20,632,422.94
5 years or above	33,508,153.90	24,535,723.67
Total	691,084,758.20	390,033,695.77

3) Disclosure by Bad Debt Accrual Method

☒ Applicable ☐ Not applicable

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrued proportion		Amount	Proportion	Amount	Accrued proportion	
Provision of bad debts based on combination	691,084,758.20	100.00%	112,588,664.60	16.29%	578,496,093.60	390,033,695.77	100.00%	96,304,845.35	24.69%	293,728,850.42
Among them:										
Aging Analysis Portfolio	691,084,758.20	100.00%	112,588,664.60	16.29%	578,496,093.60	390,033,695.77	100.00%	96,304,845.35	24.69%	293,728,850.42
Total	691,084,758.20	100.00%	112,588,664.60	16.29%	578,496,093.60	390,033,695.77	100.00%	96,304,845.35	24.69%	293,728,850.42

Provision for bad debts by category name based on combination: aging analysis method combination

Unit: RMB

Name	Closing Balance		
	Book balance	Bad debt provision	Accrued proportion
Within 1 year (including 1 year)	512,049,512.27	25,602,475.61	5.00%
1 to 2 years	45,042,779.72	4,504,277.97	10.00%
2 to 3 years	46,678,108.32	14,003,432.50	30.00%
3 to 4 years	26,915,461.92	13,457,730.96	50.00%
4 to 5 years	26,890,742.07	21,512,593.66	80.00%
5 years or above	33,508,153.90	33,508,153.90	100.00%
Total	691,084,758.20	112,588,664.60	

Provision for bad debts based on general model of expected credit losses:

Unit: RMB

Bad debt provision	Phase One	Phase Two	Phase Three	Total
	Expected credit losses in the next 12 months	Expected credit losses for the entire extension (without credit impairment)	Expected credit losses for the entire extension (with credit impairment)	
Balance as of January 1, 2025	44,105,647.95	49,487,990.46	2,711,206.94	96,304,845.35
Balance as of January 1, 2025, in this period				
--Transfer to phase two	-649,729.79	649,729.79		
--Transfer to phase three	-71,746.85	-54,910.17	126,657.02	
Provisions of this period	12,277,800.76	7,764,259.15	138,582.10	20,180,642.01
Write off in this period	55,505.83	251,760.79	95,158.43	402,425.05
Other Variations	-1,827,446.16	-1,623,951.55	-43,000.00	-3,494,397.71
Balance as of June 30, 2025	53,779,020.08	55,971,356.89	2,838,287.63	112,588,664.60

Book balance changes with significant changes in loss provision in the current period

☐ Applicable ☒ Not applicable

4) Provision for Bad Debts Accrued, Recovered Or Reversed in This Period

Provision for bad debts in the current period:

Unit: RMB

Category	Opening Balance	Amount of Changes in the Current Period				Closing Balance
		Accrued	Recovered or Reversed	Resale or write-off	Others	
Bad debt provision	96,304,845.35	20,180,642.01		402,425.05	-3,494,397.71	112,588,664.60
Total	96,304,845.35	20,180,642.01		402,425.05	-3,494,397.71	112,588,664.60

Significant amount of recovered or reversed bad debt provision in this period:

None

5) Accounts Receivable Actually Written Off in This Period

Unit: RMB

Item	Write-off amount
Other accounts receivable actually written off	402,425.05

Write-off of other important receivables:

None

6) Other Receivables of the Top Five Closing Balances Collected by Debtors

Unit: RMB

Name of Unit	Nature of the funds	Closing Balance	Aging	As a percentage of total other receivables at the end of the period	Bad debt provision at the end of the period
Company 1	Equity Transfer Fund	351,248,137.00	Within 1 year	50.83%	17,562,406.85
Company 2	Equity Transfer Fund	16,149,662.10	2-3 years	2.34%	4,844,898.63
Company 3	Deposits	11,832,000.00	4 to 5 years	1.71%	9,465,600.00
Company 4	Prepaid or advance expense	5,500,000.00	4-5 years RMB 500,000.00, over 5 years RMB 5,000,000.00	0.80%	5,400,000.00
Company 5	Equity Transfer Fund	4,830,000.00	1-2 years	0.70%	483,000.00
Total		389,559,799.10		56.38%	37,755,905.48

8. Prepayments

(1) Aging Analysis of Prepayments is as Follows

Unit: RMB

Aging	Closing Balance		Opening Balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	297,706,244.09	91.86%	276,949,733.43	89.17%
1 to 2 years	9,188,764.81	2.84%	15,277,764.29	4.92%
2 to 3 years	7,655,246.33	2.36%	9,380,618.43	3.02%
3 years or above	9,530,567.90	2.94%	8,966,750.94	2.89%
Total	324,080,823.13		310,574,867.09	

(2) Advance Payment of the Top Five Closing Balances by Prepayment Parties

The total closing balance of the top five prepaid items aggregated by concentration of prepaid objects is RMB 197,197,914.73, accounting for 60.85% of the total closing balance of prepaid items.

9. Inventory

Does the company need to comply with disclosure requirements in the real estate industry?

No

(1) Categories of Inventories

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book balance	Provision for Impairment of Inventories or Provision for Impairment of Performance Cost	Book value	Book balance	Provision for Impairment of Inventories or Provision for Impairment of Performance Cost	Book value
Raw materials	2,052,529,674.06	80,699,375.08	1,971,830,298.98	1,775,556,159.22	75,056,394.19	1,700,499,765.03
Work-in-progress	565,954,851.87	11,580,657.14	554,374,194.73	460,827,771.31	11,280,157.80	449,547,613.51
Finished goods	2,334,013,140.48	92,369,724.00	2,241,643,416.48	2,309,288,663.59	78,001,025.54	2,231,287,638.05
Contract Performance Costs	612,420,503.34	18,049,049.88	594,371,453.46	623,434,238.29	19,687,088.95	603,747,149.34
Outsourced work-in-progress	187,618,107.28		187,618,107.28	218,478,605.32		218,478,605.32
Total	5,752,536,277.03	202,698,806.10	5,549,837,470.93	5,387,585,437.73	184,024,666.48	5,203,560,771.25

(2) Provision for Impairment of Inventories and Provision for Impairment of Contract Performance Cost

Unit: RMB

Item	Opening Balance	Increase amount for this period		Decreased in the Current Period		Closing Balance
		Accrued	Others	Reversals or write-offs	Others	
Raw materials	75,056,394.19	15,779,788.21		7,076,137.41	3,060,669.91	80,699,375.08
Work-in-progress	11,280,157.80	3,719,018.02		2,132,166.32	1,286,352.36	11,580,657.14
Finished goods	78,001,025.54	26,018,257.29		5,926,739.39	5,722,819.44	92,369,724.00
Contract Performance Costs	19,687,088.95	312,588.82		1,950,627.89		18,049,049.88
Total	184,024,666.48	45,829,652.34		17,085,671.01	10,069,841.71	202,698,806.10

10. Non-current Assets Due within 1 Year

Unit: RMB

Item	Closing Balance	Opening Balance
Long-term accounts receivables due within 1 year	191,608,698.44	237,608,641.30
Large-denomination certificates of deposit maturing within one year	171,760,536.53	
Total	363,369,234.97	237,608,641.30

11. Other Current Assets

Unit: RMB

Item	Closing Balance	Opening Balance
Input tax pending deduction	484,651,575.89	404,856,368.72
Prepaid enterprise income tax	28,469,981.11	36,722,593.44
Return cost receivable	17,201,538.38	12,991,543.19
National debt reverse repurchase	63,672,636.72	530,974,219.56
Large-denomination certificates of deposit from banks (maturing within one year)		50,257,291.67
Total	593,995,732.10	1,035,802,016.58

12. Long-term Receivables

(1) Long-term Receivables

Unit: RMB

Item	Closing Balance			Opening Balance			Range of discount rate
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Installment Payment for Selling Products	694,364,970.00	7,650,120.31	686,714,849.69	752,811,851.80	8,399,299.80	744,412,552.00	
Including: Unrealized Financing Income	70,647,060.52		70,647,060.52	87,118,128.29		87,118,128.29	3.69%-5.88%
Total	694,364,970.00	7,650,120.31	686,714,849.69	752,811,851.80	8,399,299.80	744,412,552.00	

(2) Disclosure by Bad Debt Accrual Method

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrued proportion		Amount	Proportion	Amount	Accrued proportion	
Provision of bad debts based on combination	765,012,030.52	100.00%	7,650,120.31	1.00%	757,361,910.21	839,929,980.09	100.00%	8,399,299.80	1.00%	831,530,680.29
Among them:										
Combination of nature of the funds	765,012,030.52	100.00%	7,650,120.31	1.00%	757,361,910.21	839,929,980.09	100.00%	8,399,299.80	1.00%	831,530,680.29
Total	765,012,030.52	100.00%	7,650,120.31	1.00%	757,361,910.21	839,929,980.09	100.00%	8,399,299.80	1.00%	831,530,680.29

Provision for Bad Debt by Category Name of Accrual Combination: Nature of Fund Combination

Unit: RMB

Name	Closing Balance		
	Book balance	Bad debt provision	Accrued proportion
Combination of nature of the funds	765,012,030.52	7,650,120.31	1.00%
Total	765,012,030.52	7,650,120.31	

(3) Provision for Bad Debts Accrued, Recovered Or Reversed in This Period

Unit: RMB

Category	Opening Balance	Amount of Changes in the Current Period				Closing Balance
		Accrued	Recovered or Reversed	Resale or write-off	Others	
Bad debt provision	8,399,299.80		749,179.49			7,650,120.31
Total	8,399,299.80		749,179.49			7,650,120.31

Significant amount of recovered or reversed bad debt provision in this period:

None

13. Long-term Equity Investments

Unit: RMB

The invested entity	Opening balance (book value)	Opening balance of provision for impairment	Decrease/Increase in the current period								Closing balance (book value)	Closing balance of provision for decline in value
			Investments increased	Investment decreased	Investment profit and loss recognized under the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends or profit declared to distribute	Provision for impairment accrued	Others		
I . Joint Ventures												
II. Joint Venture												
Intelbras S.A.	506,921,406.57				20,781,664.38			8,215,836.77		21,639,388.06	541,126,622.24	
Ruicity Digital Technology Co., Ltd.	52,803,494.38				-5,188,896.11						47,614,598.27	
Guangdong Zhishi Digital Technology Co., Ltd.					-270,680.40					270,680.40		
Ningbo Huayan Chuangxi Venture Capital Investment Partnership (Limited Partnership)	67,626,764.60				663,296.52						68,290,061.12	
Dezhou Shuzhi Information Technology Co., Ltd.	3,598,959.67				22,114.93						3,621,074.60	
Sichuan Hengji Anhua Internet of Things Technology Co., Ltd.	960,255.07				-147,032.33						813,222.74	
Guangxi FTZ Huaqin Wisdom Park Technology Research Institute Co., Ltd.	689,082.81				-68,455.55						620,627.26	
Ningbo Cida Yongshun Intelligent Technology Co., Ltd.	1,139,404.79				-477,468.00						661,936.79	
Zhejiang Huachuang Vision Technology Co., Ltd.	88,502,200.68				-4,290,669.69		1,538,469.72				85,750,000.71	
Shenzhen Aohua Urban Operation and Development Co., Ltd.					-33,590.18					33,590.18		
Rudong Jintianhua Security Technology Co., Ltd.			900,000.00		5,272.10						905,272.10	
Huahongchang Intelligent Technology (Jiangsu) Co., Ltd.					-197,176.13					197,176.13		
Subtotal	722,241,568.57		900,000.00		10,798,379.54		1,538,469.72	8,215,836.77		22,140,834.77	749,403,415.83	
Total	722,241,568.57		900,000.00		10,798,379.54		1,538,469.72	8,215,836.77		22,140,834.77	749,403,415.83	

The recoverable amount is determined as the net of fair value less costs of disposal.

☐ Applicable ☒ Not applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐ Applicable ☒ Not applicable

14. Other Non-current Financial Assets

Unit: RMB

Item	Closing Balance	Opening Balance
Investment in equity instruments	38,563,656.86	42,303,530.71
Investment in financial products	1,420,493,589.47	1,232,393,960.16
Total	1,459,057,246.33	1,274,697,490.87

15. Investment Properties

(1) Investment Properties Measured by Cost Method

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Buildings and constructions	Total
I . Original Book Value		
1. Opening Balance	193,163,818.23	193,163,818.23
2. Increased in the Current Period	10,376,916.54	10,376,916.54
(1) Purchase	10,316,916.54	10,316,916.54
(2) Transfer of Fixed Assets\Intangible Assets	60,000.00	60,000.00
3. Decreased in the Current Period		
(1) Disposal		
(2) Other Transfer-out		
4. Closing Balance	203,540,734.77	203,540,734.77
II. Accumulated Depreciation and Accumulated Amortization		
1. Opening Balance	53,883,231.97	53,883,231.97
2. Increased in the Current Period	4,634,172.36	4,634,172.36
(1) Accrual or Amortization	4,629,422.36	4,629,422.36
(2) Transfer of Fixed Assets\Intangible Assets	4,750.00	4,750.00
3. Decreased in the Current Period		
(1) Disposal		
(2) Other Transfer-out		
4. Closing Balance	58,517,404.33	58,517,404.33
III. Impairment Provision		
1. Opening Balance		
2. Increased in the Current Period		
(1) Accrual		
3. Decreased in the Current Period		
(1) Disposal		
(2) Other Transfer-out		
4. Closing Balance		
IV. Book Value		
1. Closing Balance on Book Value	145,023,330.44	145,023,330.44
2. Opening Balance on Book Value	139,280,586.26	139,280,586.26

(2) Investment Properties Measured at Fair Value

☐ Applicable ☒ Not applicable

(3) Investment Property With Certificate of Title Not Yet Completed

Unit: RMB

Item	Book value	Reasons for Certificates of Title not Granted
Donghe Xingcheng Commercial	10,276,078.74	In the process of obtaining the real estate certificates

16. Fixed Assets

Unit: RMB

Item	Closing Balance	Opening Balance
Fixed Assets	5,331,558,518.85	4,973,953,628.05
Total	5,331,558,518.85	4,973,953,628.05

(1) Fixed Assets

Unit: RMB

Item	Housing and building	Machinery and equipment	Means of transport	Electronic and other equipment	Total
I . Original Book Value:					
1. Opening Balance	4,803,607,377.19	642,845,153.13	30,163,801.91	2,363,589,952.65	7,840,206,284.88
2. Increased in the Current Period	589,445,930.72	85,515,543.29	1,390,122.95	70,491,692.34	746,843,289.30
(1) Purchase	4,705,862.83	66,949,171.61	1,390,122.95	70,491,692.34	143,536,849.73
(2) Transferred From Construction in Progress	584,740,067.89	18,566,371.68			603,306,439.57
(3) Acquisition					
(4) Transfer of Investment Properties					
3. Decreased in the Current Period	56,967,202.75	22,307,403.13	1,274,953.87	61,760,851.36	142,310,411.11
(1) Disposal or Scrapping	56,243.40	4,892,687.29	1,182,409.05	27,355,220.66	33,486,560.40
(2) Transfer to Investment Real Estate	60,000.00				60,000.00
(3) Disposal of Subsidiaries	56,850,959.35	17,414,715.84	92,544.82	34,405,630.70	108,763,850.71
4. Currency Translation Difference	419,816.56	213,876.88	432,229.30	3,886,903.98	4,952,826.72
5. Closing Balance	5,336,505,921.72	706,267,170.17	30,711,200.29	2,376,207,697.61	8,449,691,989.79

II. Accumulated Depreciation					
1. Opening Balance	968,032,057.78	262,293,553.77	23,251,818.41	1,612,675,226.87	2,866,252,656.83
2. Increased in the Current Period	124,316,006.29	32,305,205.85	1,533,091.99	145,461,944.81	303,616,248.94
(1) Accrual	124,316,006.29	32,305,205.85	1,533,091.99	145,461,944.81	303,616,248.94
(2) Transfer of Investment Properties					
3. Decreased in the Current Period	3,734,439.14	6,228,753.49	1,143,436.37	44,181,910.56	55,288,539.56
(1) Disposal or Scrapping	57.81	4,787,623.64	1,123,288.55	24,285,647.13	30,196,617.13
(2) Transfer to Investment Real Estate	4,750.00				4,750.00
(3) Disposal of Subsidiaries	3,729,631.33	1,441,129.85	20,147.82	19,896,263.43	25,087,172.43
4. Currency Translation Difference	125,829.63	213,905.63	365,312.87	2,848,056.60	3,553,104.73
5. Closing Balance	1,088,739,454.56	288,583,911.76	24,006,786.90	1,716,803,317.72	3,118,133,470.94
III. Impairment Provision					
1. Opening Balance					
2. Increased in the Current Period					
(1) Accrual					
3. Decreased in the Current Period					
(1) Disposal or Scrapping					
4. Closing Balance					
IV. Book Value					
1. Closing Balance on Book Value	4,247,766,467.16	417,683,258.41	6,704,413.39	659,404,379.89	5,331,558,518.85
2. Opening Balance on Book Value	3,835,575,319.41	380,551,599.36	6,911,983.50	750,914,725.78	4,973,953,628.05

(2) Fixed assets Rent Out Under Operating Leases

Unit: RMB

Item	Book Value at the End of the Period
Buildings and constructions	871,055,677.66
Electronic and other equipment	33,451,296.14

(3) Fixed Assets with Certificates of Title Not Granted

Unit: RMB

Item	Book value	Reasons for certificates of title not granted
Chengdu R&D center	351,218,402.58	In the process of obtaining the real estate certificates
Zhengzhou Park	194,045,126.84	In the process of obtaining the real estate certificates
Wuzhou Building in Guangxi	36,373,361.04	In the process of obtaining the real estate certificates

(4) Impairment Test of Fixed Assets
☐ Applicable ☒ Not applicable
17. Construction in Progress

Unit: RMB

Item	Closing Balance	Opening Balance
Projects under Construction	850,146,152.40	1,254,554,187.36
Total	850,146,152.40	1,254,554,187.36

(1) Construction in Progress

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
New project of Southwest R&D Center of Dahua Co., Ltd.				322,402,380.64		322,402,380.64
New projects of Southwestern China Operation Center of Dahua	389,174,412.74		389,174,412.74	386,439,622.10		386,439,622.10
Henan Smart IoT base of Dahua				168,946,600.69		168,946,600.69
Construction project of Dahua intelligent	443,624,987.89		443,624,987.89	341,740,284.37		341,740,284.37

products manufacturing base						
Others	17,346,751.77		17,346,751.77	35,025,299.56		35,025,299.56
Total	850,146,152.40		850,146,152.40	1,254,554,187.36		1,254,554,187.36

(2) Changes in Significant Construction in Progress

Unit: RMB

Item Name	Budget	Opening Balance	Increase amount for this period	Amount of fixed assets transferred in the current period	Other amounts decreased in current period	Closing Balance	Project accumulative investment as a percentage of the budget	Project Progress	Accumulated capitalized interest amount	Including: capitalized interest amount in the current period	Capitalization rate of the interest in the current period	Capital Source
New project of Southwest R&D Center of Dahua Co., Ltd.	RMB 417 million	322,402,380.64	35,907,573.09	358,309,953.73			93.59%	100.00%				Equity funds/raised funds
New projects of Southwestern China Operation Center of Dahua	RMB 396 million	386,439,622.10	2,734,790.64			389,174,412.74	107.01%	99.00%				Equity fund
Construction project of Dahua intelligent products manufacturing base	RMB 600 million	341,740,284.37	101,884,703.52			443,624,987.89	80.59%	80.59%				Equity fund
Total		1,050,582,287.11	140,527,067.25	358,309,953.73		832,799,400.63						

(3) Impairment Test of Construction in Progress

☐ Applicable ☒ Not applicable

18. Right-of-use Assets

(1) Right-of-use Assets

Unit: RMB

Item	Buildings and constructions	Machinery and equipment	Total
I . Original Book Value			
1. Opening Balance	515,887,254.07	8,996,601.81	524,883,855.88
2. Increased in the Current Period	77,853,660.22		77,853,660.22
(1) Leased During this Period	77,853,660.22		77,853,660.22
3. Decreased in the Current Period	149,700,808.51		149,700,808.51
(1) Expiration or Early Termination of Lease Contracts	138,836,058.97		138,836,058.97
(2) Disposal of Subsidiaries	10,864,749.54		10,864,749.54
4. Currency Translation Difference	12,588,190.42		12,588,190.42
5. Closing Balance	456,628,296.20	8,996,601.81	465,624,898.01

II. Accumulated Depreciation			
1. Opening Balance	289,890,128.13	2,869,449.89	292,759,578.02
2. Increased in the Current Period	74,353,866.96	472,222.32	74,826,089.28
(1) Accrual	74,353,866.96	472,222.32	74,826,089.28
3. Decreased in the Current Period	133,355,293.06		133,355,293.06
(1) Expiration or Early Termination of Lease Contracts	125,307,264.54		125,307,264.54
(2) Disposal of Subsidiaries	8,048,028.52		8,048,028.52
4. Currency Translation Difference	5,232,827.41		5,232,827.41
5. Closing Balance	236,121,529.44	3,341,672.21	239,463,201.65
III. Impairment Provision			
1. Opening Balance			
2. Increased in the Current Period			
(1) Accrual			
3. Decreased in the Current Period			
(1) Disposal			
4. Closing Balance			
IV. Book Value			
1. Closing Balance on Book Value	220,506,766.76	5,654,929.60	226,161,696.36
2. Opening Balance on Book Value	225,997,125.94	6,127,151.92	232,124,277.86

(2) Impairment Test of Right-to-use Assets

☐ Applicable ☒ Not applicable

19. Intangible Assets

(1) Details of Intangible Assets

Unit: RMB

Item	Land use rights	Non-patented technology	Software	Software copyright	Total
I . Original Book Value					
1. Opening Balance	629,977,655.56	68,560,225.68	191,930,081.04	4,000,000.00	894,467,962.28
2. Increased in the Current Period	96,503.06	2,075,305.20	8,367,132.58		10,538,940.84
(1) Purchase	96,503.06	2,075,305.20	5,682,019.38		7,853,827.64
(2) Internal Research And Development					
(3) Acquisition					
(4) Construction in Progress Transferred in			2,685,113.20		2,685,113.20
(5) Transfer of Investment Properties					
3. Decreased in the Current Period		240,000.00	25,921,250.57		26,161,250.57

(1) Disposal		240,000.00	19,933,908.11		20,173,908.11
(2) Transfer to Investment Real Estate					
(3) Disposal of Subsidiaries			5,987,342.46		5,987,342.46
4. Currency Translation Difference	43,835.00		71,577.87		115,412.87
5. Closing Balance	630,117,993.62	70,395,530.88	174,447,540.92	4,000,000.00	878,961,065.42
II. Cumulative Amortization					
1. Opening Balance	84,725,147.08	62,737,857.37	164,969,519.24	4,000,000.00	316,432,523.69
2. Increased in the Current Period	7,034,364.36	575,785.71	11,381,645.94		18,991,796.01
(1) Accrual	7,034,364.36	575,785.71	11,381,645.94		18,991,796.01
(2) Transfer of Investment Properties					
3. Decreased in the Current Period		89,461.56	22,130,088.68		22,219,550.24
(1) Disposal		89,461.56	19,930,061.96		20,019,523.52
(2) Transfer to Investment Real Estate					
(3) Disposal of Subsidiaries			2,200,026.72		2,200,026.72
4. Currency Translation Difference			74,050.95		74,050.95
5. Closing Balance	91,759,511.44	63,224,181.52	154,295,127.45	4,000,000.00	313,278,820.41
III. Impairment Provision					
1. Opening Balance					
2. Increased in the Current Period					
(1) Accrual					
3. Decreased in the Current Period					
(1) Disposal					
4. Closing Balance					
IV. Book Value					
1. Closing Balance on Book Value	538,358,482.18	7,171,349.36	20,152,413.47		565,682,245.01
2. Opening Balance on Book Value	545,252,508.48	5,822,368.31	26,960,561.80		578,035,438.59

Intangible assets formed through in-house research and development at the end of the period are 0.00% of intangible assets balance.

(2) No Land Use Right Without the Certificate of Title at the End of the Period

(3) Impairment Test of Intangible Assets

☐ Applicable ☒ Not applicable

20. Goodwill

(1) Original Book Value of Goodwill

Unit: RMB

The invested entity or matters which formed goodwill	Opening Balance	Increased in the current period		Decreased in the current period		Closing Balance
		Generated from business combination		Disposal		
Dahua Technology Italy S.R.L.	6,615,294.18					6,615,294.18
Total	6,615,294.18					6,615,294.18

(2) Impairment Provision for Goodwill

Unit: RMB

The invested entity or matters which formed goodwill	Opening Balance	Increased in the current period		Decreased in the current period		Closing Balance
		Accrued		Disposal		
Dahua Technology Italy S.R.L.	0.00					0.00
Total	0.00					0.00

(3) Information about the Asset Group Or Asset Group Combination Where the Goodwill Is Located

Name	Composition and basis of the asset group or its combination	Operational subsection and basis	Is it consistent with the previous year?
Dahua Technology Italy S.R.L.	The asset group related to the goodwill arising from the acquisition of Dahua Technology Italy S.R.L. refers to the various long-term asset groups of Dahua Technology Italy S.R.L. as of June 30, 2025, including fixed assets, intangible assets, and others.	Recognition is based on whether the main cash inflow generated is independent of other asset groups or their combinations.	Yes

(4) Determination Method of Recoverable Amount

The recoverable amount is determined as the net of fair value less costs of disposal.

☐ Applicable ☒ Not applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Book value	Recoverable amount	Impairment amount	Number of years of the forecast period	Key parameters of the forecast period	Key parameters of the steady period	Determination basis of key parameters in the steady period
Dahua Technology Italy S.R.L.	142,189,100.94	201,508,685.05		2025-2029	Revenue growth rate of 8%-10% over the forecast period; discount rate of 15.60%	Revenue growth rate of 0% over the steady period; discount rate of 15.60%	Predict cautiously as the income will not increase in the steady period.
Total	142,189,100.94	201,508,685.05					

21. Long-term Deferred Expenses

Unit: RMB

Item	Opening Balance	Increase amount for this period	Prepaid Expenses in This Period	Other Amounts Decreased	Closing Balance
Improvement expenditure of fixed assets leased by operating lease	45,238,803.07	9,931,226.40	21,757,442.56	-1,413,103.47	34,825,690.38
Renovation Cost	54,171,602.35	4,106,734.74	11,849,276.41	22,898.36	46,406,162.32
Total	99,410,405.42	14,037,961.14	33,606,718.97	-1,390,205.11	81,231,852.70

22. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred Income Tax Assets Not Written Off

Unit: RMB

Item	Closing Balance		Opening Balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for Impairment of Assets	3,104,870,769.92	577,036,831.56	3,025,825,450.60	562,296,401.85
Unrealized Profit from Internal Transactions	652,284,056.29	137,896,324.84	541,607,785.16	111,639,987.98
Deductible Losses	849,507,760.38	133,063,159.89	1,920,226,766.23	291,618,935.89
Expected Liabilities	231,032,170.83	41,128,183.10	213,777,948.61	36,535,893.26
Payroll payable	249,012,406.78	40,783,261.04	252,223,316.91	41,492,918.94
Costs from Tax Increase Due to Absence of Invoice	517,465,330.77	100,890,776.92	583,649,029.08	112,966,247.86
Changes in fair value gains and losses	3,733,125.73	559,968.86	3,733,125.73	559,968.86
Book-tax difference of lease liabilities	95,660,116.91	16,794,412.70	144,796,421.88	27,085,343.71

Investments in non-monetary assets	439,655,489.45	65,948,323.42	466,573,172.48	69,985,975.87
Others	97,913,946.20	15,394,993.71	113,506,566.35	18,209,927.86
Total	6,241,135,173.26	1,129,496,236.04	7,265,919,583.03	1,272,391,602.08

(2) Non-offset Deferred Income Tax Liabilities

Unit: RMB

Item	Closing Balance		Opening Balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
The gross profit of sales by installments	49,594,199.37	8,572,770.91	52,101,542.99	8,882,673.02
Changes in fair value gains and losses	415,032,006.00	62,254,800.90	335,149,352.80	50,272,402.92
Book-tax difference of right-of-use assets	89,762,227.71	15,740,865.36	139,677,335.23	26,194,630.77
Investments in non-monetary assets	215,410,998.78	32,311,649.82	323,116,498.20	48,467,474.73
Others	12,745,618.82	1,911,842.82	12,316,682.73	1,847,502.41
Total	782,545,050.68	120,791,929.81	862,361,411.95	135,664,683.85

(3) Deferred Income Tax Assets or Liabilities Listed by Net Amount after Offset

Unit: RMB

Item	Amount of Deferred Income Tax Assets Offset against Liabilities at the End of the Period	Balance of Deferred Income Tax Assets or Liabilities after Offset at the End of the Period	Amount of Deferred Income Tax Assets Offset against Liabilities at the Start of the Period	Balance of Deferred Income Tax Assets or Liabilities after Offset at the Start of the Period
Deferred income tax assets	120,791,929.81	1,008,704,306.23	135,645,521.63	1,136,746,080.45
Deferred income tax liabilities	120,791,929.81		135,645,521.63	19,162.22

(4) Deferred Income Tax Assets Or Liabilities Listed by Net Amount After Offset

Unit: RMB

Item	Closing Balance	Opening Balance
Deductible temporary difference	686,680,439.64	601,482,814.06
Deductible Losses	2,003,705,230.52	2,023,883,256.99
Total	2,690,385,670.16	2,625,366,071.05

(5) Details of Unrecognized Deferred Income Tax Assets

Unit: RMB

Year	Closing Balance	Opening Balance	Notes
2025	186,067,751.77	213,836,146.31	
2026	342,703,663.91	348,424,975.65	
2027	383,914,759.08	498,989,378.85	

2028	408,341,579.04	449,525,076.81	
2029	95,737,908.59	116,634,608.22	
The year 2030 and beyond	586,939,568.13	396,473,071.15	
Total	2,003,705,230.52	2,023,883,256.99	

23. Other Non-current Assets

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Large-denomination certificates of deposit from banks	5,508,581,233.05		5,508,581,233.05	4,203,178,761.72		4,203,178,761.72
Contract assets	66,745,616.06	5,878,746.96	60,866,869.10	83,145,926.80	5,446,542.16	77,699,384.64
Prepayments for purchase of engineering equipments	28,344,288.53		28,344,288.53	37,521,356.48		37,521,356.48
Contract Acquisition Costs	7,137,938.66		7,137,938.66	7,585,925.51		7,585,925.51
Prepayments for acquisition of real estate	14,034,559.00		14,034,559.00	1,791,480.71		1,791,480.71
Others	119,066.42		119,066.42			
Total	5,624,962,701.72	5,878,746.96	5,619,083,954.76	4,333,223,451.22	5,446,542.16	4,327,776,909.06

24. Assets whose Ownership or Rights to Use is Restricted

Unit: RMB

Item	Book Value at the End of the Period	Opening Balance on Book Value	Type of Restriction	Restrictions
Cash and bank balances	107,943,051.28	107,576,703.27	Guarantee letter security deposit and other restricted funds	Restricted use
Notes receivable and receivables financing	898,323,101.98	987,102,426.21	Pledged notes used for issuing banker's acceptance, endorsed or discounted but not yet matured or terminated and recognized	Restricted use
Accounts receivable	1,461,555.02		Financial discount and factoring not derecognised in the supply chain	Restricted use
Fixed Assets	904,506,973.80	787,890,801.32	Fixed assets rented out under operating leases	Restricted use
Total	1,912,234,682.08	1,882,569,930.80		

25. Short-term Loans

(1) Categories of Short-term Loan

Unit: RMB

Item	Closing Balance	Opening Balance
Pledged loans	500,000,000.00	995,000,000.00
Factoring loans in the supply chain finance	1,579,505.58	
Total	501,579,505.58	995,000,000.00

Description of the categories of short-term loan:

The secured borrowings refer to the acceptance bill and letters of credit issued between the affiliates within the scope of consolidation, and are discounted and listed as a short-term loan at the level of the consolidated statement.

(2) At the end of this period, the Group had no overdue short-term loans.

26. Trading Financial Liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Transactional financial liabilities	3,784,147.07	4,268,603.52
Among them:		
Derivative financial liability	586,892.89	1,058,039.73
Contingent consideration	3,197,254.18	3,210,563.79
Total	3,784,147.07	4,268,603.52

27. Notes Payable

Unit: RMB

Types	Closing Balance	Opening Balance
Commercial acceptance bill	1,695,629,406.26	2,189,843,859.93
Bank acceptance bill	1,155,387,510.59	1,410,130,382.09
Total	2,851,016,916.85	3,599,974,242.02

28. Accounts Payable

(1) Details of Accounts Payable

Unit: RMB

Item	Closing Balance	Opening Balance
Payment for purchase of materials	5,015,650,461.52	5,514,821,691.83
Payment for engineering equipments	303,179,317.99	363,155,169.30
Total	5,318,829,779.51	5,877,976,861.13

(2) Significant Accounts Payable Aged Over 1 Year Or Overdue

No significant accounts payable aged over 1 year or overdue.

29. Other Payables

Unit: RMB

Item	Closing Balance	Opening Balance
Dividends Payable		22,951,560.23
Other payables	440,276,175.28	614,061,999.82
Total	440,276,175.28	637,013,560.05

(1) Dividends Payable

Unit: RMB

Item	Closing Balance	Opening Balance
Equity Incentive Restricted Stock Dividend		22,951,560.23
Total		22,951,560.23

(2) Other Payables**1) Other Payables Listed by Nature Of Funds**

Unit: RMB

Item	Closing Balance	Opening Balance
Temporarily borrowed and advance payments	275,282,051.88	316,774,319.18
Deposits	120,832,454.75	130,208,683.89
Others	44,161,668.65	22,383,683.39
Restricted share repurchase obligations		144,695,313.36
Total	440,276,175.28	614,061,999.82

2) Other Significant Accounts Payable with Aging Over 1 Year Or Overdue

No significant other payables with aging over 1 year or overdue

30. Contract Liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Payments for sales of goods	280,179,657.35	367,888,058.92
Pre-payments from construction projects	504,104,282.56	512,577,027.01
Sales of points	22,044,936.16	29,975,336.23
Service expense collected in advance	62,666.23	371,763,926.59
Total	806,391,542.30	1,282,204,348.75

31. Payroll Payable

(1) Details of Payroll Payable

Unit: RMB

Item	Opening Balance	Increased in the current period	Decreased in the current period	Closing Balance
I . Short-Term Remuneration	1,801,465,071.64	3,160,299,424.83	4,075,807,698.31	885,956,798.16
II. Post-Employment Benefits – Establishment of Contribution Plan	7,193,487.63	283,741,056.68	281,857,236.53	9,077,307.78
III. Dismissal Welfare	2,394,649.65	43,746,015.83	46,121,127.76	19,537.72
Total	1,811,053,208.92	3,487,786,497.34	4,403,786,062.60	895,053,643.66

(2) Details of Short-term Remuneration

Unit: RMB

Item	Opening Balance	Increased in the current period	Decreased in the current period	Closing Balance
1. Wages or Salaries, Bonuses, Allowances and Subsidies	1,504,317,660.94	2,680,038,171.40	3,615,775,292.61	568,580,539.73
2. Staff Welfare		56,184,693.83	56,184,693.83	
3. Social Insurance Contributions	2,268,494.56	158,431,527.04	157,731,925.45	2,968,096.15
Including: medical insurance	2,144,762.22	150,653,773.47	150,233,890.07	2,564,645.62
Work injury insurance premium	111,462.72	7,069,394.17	6,780,887.86	399,969.03
Maternity insurance fee	12,269.62	708,359.40	717,147.52	3,481.50
4. Housing Funds	1,681,808.82	221,907,972.94	223,441,769.69	148,012.07
5. Labor Union and Education Funds	293,197,107.32	43,737,059.62	22,674,016.73	314,260,150.21
Total	1,801,465,071.64	3,160,299,424.83	4,075,807,698.31	885,956,798.16

(3) Details of Defined Contribution Plans

Unit: RMB

Item	Opening Balance	Increased in the current period	Decreased in the current period	Closing Balance
1. Basic Pension Insurance	6,511,573.90	271,457,250.91	269,792,206.86	8,176,617.95
2. Unemployment Insurance	681,913.73	12,283,805.77	12,065,029.67	900,689.83
Total	7,193,487.63	283,741,056.68	281,857,236.53	9,077,307.78

32. Taxes and Fees Payable

Unit: RMB

Item	Closing Balance	Opening Balance
VAT	197,677,558.13	196,774,063.10
Enterprise Income Tax	121,899,263.93	108,441,794.06
Personal income tax	19,960,619.49	37,096,806.99
Urban Maintenance and Construction Tax	10,860,896.57	12,215,258.91
Education surcharges (including local education surcharges)	7,712,368.93	8,733,186.86
Property tax	17,944,062.77	30,548,302.26
Stamp duty	5,985,264.72	6,307,924.45
Others	16,434,340.89	5,742,985.00
Total	398,474,375.43	405,860,321.63

33. Non-current Liabilities Due Within One Year

Unit: RMB

Item	Closing Balance	Opening Balance
Lease liabilities due within 1 year	93,778,798.09	117,227,812.08
Total	93,778,798.09	117,227,812.08

34. Other Current Liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
To-be-transferred sales taxes in installments	22,852,831.26	28,016,863.95
To-be-transferred sales taxes of contract liabilities	79,484,042.21	90,175,362.12
Notes not derecognised	37,489,800.91	41,959,304.16
Total	139,826,674.38	160,151,530.23

35. Lease Liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
Lease payments	238,780,346.78	245,019,254.27
Deduct: Unrecognized financing costs	16,359,966.25	13,477,634.78
Lease liabilities due within 1 year	93,778,798.09	117,227,812.08
Total	128,641,582.44	114,313,807.41

36. Estimated Liabilities

Unit: RMB

Item	Closing Balance	Opening Balance	Causes
Pending litigation	68,097,548.13	64,828,324.97	Pending litigation
Others	1,871,191.06	2,674,923.66	Loss-making contract
Expected after-sales maintenance cost	197,836,134.63	180,635,396.82	After-sales maintenance
Expected return amount after the period	25,909,521.01	20,056,045.79	Expected sales return
Total	293,714,394.83	268,194,691.24	

37. Deferred Income

Unit: RMB

Item	Opening Balance	Increased in the current period	Decreased in the current period	Closing Balance	Causes
Government subsidies	181,225,246.29	2,360,166.00	8,635,219.36	174,950,192.93	Received government subsidies related to assets
Government subsidies	4,955,766.70	1,371,100.00	6,326,866.70		Received government subsidies related to income
Total	186,181,012.99	3,731,266.00	14,962,086.06	174,950,192.93	

38. Other Non-current Liabilities

Unit: RMB

Item	Closing Balance	Opening Balance
To-be-transferred sales taxes in installments	81,013,656.30	88,891,691.43
Others	13,372,397.59	13,372,397.59
Total	94,386,053.89	102,264,089.02

39. Share Capital

Unit: RMB

	Opening Balance	Increased or decreased amount in this period (+/-)					Closing Balance
		Shares newly issued	Bonus shares	Shares converted from capital reserves	Others	Subtotal	
Total shares	3,295,629,733.00	7,757,481.00			-20,544,960.00	-12,787,479.00	3,282,842,254.00

Other notes:

(1) Pursuant to the resolution of the 11th Meeting of the Eighth Board of Directors held on March 28, 2025, and the amended Articles of Association, as approved by the 2024 Annual General Meeting, the Company repurchased 20,544,960 restricted shares previously granted to ineligible incentive recipients (due to unmet performance-based conditions for releasing from restricted sale and the departure of incentive recipients). This resulted in a reduction of registered capital by RMB 20,544,960.00. The registered capital after the change is RMB 3,271,789,350.00. The above capital reduction has been verified by Verification Report Lixin Accounting Report [2025] No. ZF11079 issued by BDO China Shu Lun Pan CPAs (special general partnership). The registration filed with Administration for Industry and Commerce was completed in June 2025 by the Company.

(2) According to the resolution on the "Stock Option and Restricted Share Incentive Plan (Draft Revised) for 2022 and its summary" approved at the 44th meeting of the seventh Board of Directors on June 16, 2023, the exercise conditions for the second exercise period of the company's 2022 Stock Option and Restricted Share Incentive Plan have been met. As of June 30, 2025, employees have voluntarily exercised a total of 11,052,904 shares, including 7,757,481 shares exercised from January to June 2025, resulting in an increase in registered capital of RMB 11,052,904.00. The revised registered capital is RMB 3,282,842,254.00. Among these shares, 2,250,192 underwent industrial and commercial registration changes in June 2025, while the remaining 8,802,712 shares are pending such registration.

40. Capital Reserve

Unit: RMB

Item	Opening Balance	Increased in the current period	Decreased in the current period	Closing Balance
Capital premium (capital share premium)	6,929,139,615.49	133,753,550.17	153,644,857.04	6,909,248,308.62
Other capital reserves	227,627,620.37	57,801,728.61	32,571,211.03	252,858,137.95
Total	7,156,767,235.86	191,555,278.78	186,216,068.07	7,162,106,446.57

Other notes, including increases or decreases in this period and their reasons:

(1) The company recognized employee service amounts of RMB 56,149,578.87 in this period through share-based payment, increasing capital reserve (other capital reserve) by RMB 56,149,578.87; the portion of share-based payment settled in equity attributable to minority shareholders was RMB 15,736,440.75, which decreased capital reserve (other capital reserve) by RMB 9,212,297.65 and decreased capital reserve (stock premium) by RMB 6,524,143.10.

(2) Share-based payments of RMB 23,358,913.38 arising from employees of the Company and subsidiaries acquiring equity in Huacheng Network via capital increases or direct/indirect share transfers. Following the Company's disposal of its equity interest in Huacheng Network during the period, this amount was reclassified from capital reserve (other capital reserves) to capital reserve (stock premium).

(3) During this period, the company repurchased and canceled 20,544,960 restricted shares held by equity incentive recipients that had been granted but not yet unlocked, reducing the share capital by RMB 20,544,960.00 and decreasing the capital reserve (stock premium) by RMB 147,101,913.60.

(4) The company's stock option and restricted share incentive plan for 2022 reached the exercise conditions for the second exercise period. From January to June 2025, employees voluntarily exercised a total of 7,757,481 shares, increasing the capital reserve (stock premium) by RMB 110,338,928.17.

(5) During this period, under the equity method, the company's share of changes in other owners' equity of joint ventures increased other capital reserve by RMB 1,538,469.72.

(6) Transaction costs of RMB 18,800.34 related to the Company's share repurchases and employee option exercises during the period, decreasing capital reserve (stock premium) by RMB 18,800.34.

(7) Some employees of the company indirectly acquired part of the equity of Zhejiang Huanuokang Technology Co., Ltd., which is controlled by the actual controller, involving share-based payment. The related share-based payment expenses are recorded as capital investment and included in the capital reserve (other capital reserve) in the amount of RMB 113,680.02.

(8) During this period, the minority shareholders of subsidiaries reduced capital and withdrew shares, resulting in a total increase of capital reserve (stock premium) of RMB 55,708.62.

41. Treasury Share

Unit: RMB

Item	Opening Balance	Increased in the current period	Decreased in the current period	Closing Balance
Restricted shares	144,695,313.36	22,951,560.24	167,646,873.60	
Share repurchase	419,959,211.27	103,413,104.00		523,372,315.27
Total	564,654,524.63	126,364,664.24	167,646,873.60	523,372,315.27

Other notes, including increases or decreases in this period and their reasons:

(1) During this period, the company repurchased 20,544,960 granted but unvested restricted shares, reducing share capital by RMB 20,544,960.00, reducing capital reserve (stock premium) by RMB 147,101,913.60, and simultaneously reducing the corresponding treasury share amount by RMB 167,646,873.60.

(2) During this period, the company repurchased granted but unlocked restricted shares. The escrowed cash dividends corresponding to the unlocked portion were recovered, increasing the treasury share balance by RMB 22,951,560.24.

(3) The company repurchased 6,652,200 shares during this period, with a total repurchase cost of RMB 103,424,006.73 (including transaction fees of RMB 10,902.73), increasing treasury shares by RMB 103,413,104.00.

42. Other Comprehensive Incomes

Unit: RMB

Item	Opening Balance	Amount Occurred in the Current Period						Closing Balance
		Before tax balance in this period	Less: recorded into other comprehensive incomes in previous period and transferred to P/L in current period	Less: Recorded into other comprehensive incomes in previous period and transferred to retained income in current period	Less: Income Tax Expense	Attributable to the Company after tax	Attributable to the minority shareholders after tax	
Other Comprehensive Income That Will Be Reclassified into P/L	104,358,460.57	26,714,704.30	-1,571,062.86			27,346,089.38	939,677.78	131,704,549.95
Including: Foreign currency financial statement translation difference	104,358,460.57	26,714,704.30	-1,571,062.86			27,346,089.38	939,677.78	131,704,549.95
Other comprehensive income, total	104,358,460.57	26,714,704.30	-1,571,062.86			27,346,089.38	939,677.78	131,704,549.95

43. Surplus Reserves

Unit: RMB

Item	Opening Balance	Increased in the current period	Decreased in the current period	Closing Balance
Statutory surplus reserve	1,647,814,866.50			1,647,814,866.50
Total	1,647,814,866.50			1,647,814,866.50

44. Undistributed Profits

Unit: RMB

Item	Current Period	Previous Period
Undistributed Profit before Adjustment at the End of Previous Period	24,388,130,399.78	23,334,051,186.55
Undistributed Profit after Adjustment at the Start of the Period	24,388,130,399.78	23,334,051,186.55
Add: net profit attributable to parent company's owner in current period	2,475,566,750.61	1,809,589,445.46
Less: Payable Dividends on Ordinary Shares	1,492,529,280.19	1,250,916,066.59
Add: Common stock dividends corresponding to repurchase and cancellation of restricted stocks	22,951,560.24	1,991,951.67
Undistributed Profit at the End of the Period	25,394,119,430.44	23,894,716,517.09

45. Operating Revenue and Operating Cost

(1) Operating Revenue and Operating Cost

Unit: RMB

Item	Amount Occurred in the Current Period		Amount for the previous period (restated)	
	Income	Cost	Income	Cost
Main Business	14,968,260,816.53	8,715,558,661.71	14,675,102,571.72	8,651,658,032.03
Other businesses	213,068,834.60	148,966,856.98	191,519,998.09	131,063,986.64
Total	15,181,329,651.13	8,864,525,518.69	14,866,622,569.81	8,782,722,018.67

(2) Information Related to Operating Revenue and Operating Cost (by product)

Unit: RMB

Item	Amount Occurred in the Current Period	
	Income	Cost
Smart IoT products and solutions	11,740,932,998.53	6,589,674,115.39
Including: software business	767,210,890.41	252,290,758.12
Innovated businesses	3,022,964,624.87	1,919,520,426.76
Others	417,432,027.73	355,330,976.54
Total	15,181,329,651.13	8,864,525,518.69

(3) Information Related to Operating Revenue and Operating Cost (by Region)

Unit: RMB

Item	Amount Occurred in the Current Period	
	Income	Cost
Domestic	7,553,259,609.99	4,866,160,607.15
Overseas	7,628,070,041.14	3,998,364,911.54
Total	15,181,329,651.13	8,864,525,518.69

Information about performance of obligations:

The Company fulfills its performance obligations in a timely manner as agreed in the contract and recognizes the related income when the customer obtains control of the relevant goods, which is mainly divided into fulfilling the performance obligations at a certain point in time and fulfilling the performance obligations within a certain period of time.

The Company recognizes income from the sales of goods when control of the goods passes, i.e., when the goods are delivered to the counterparty's designated location, or to the counterparty's designated carrier, or when they are delivered to the counterparty for acceptance.

The Company identifies part of the business as a performance obligation to be fulfilled within a certain period of time according to the nature of the business. The Company shall recognize the income according to the performance progress within that period of time, except where the performance progress cannot be reasonably recognized. The Company employs the output method or input method to determine the performance progress. If the performance

progress cannot be reasonably recognized and the costs incurred are expected to be compensated, the income shall be recognized according to the amount of costs incurred until the performance progress can be reasonably recognized.

46. Taxes and Surcharges

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Urban Maintenance and Construction Tax	41,025,980.71	34,216,090.98
Education surcharges (including local education surcharges)	29,259,041.46	24,448,111.04
Property tax	26,572,371.68	24,162,703.22
Land usage tax	4,019,420.15	3,996,864.82
Vehicle and vessel use tax	17,981.42	15,824.33
Stamp duty	10,981,169.68	10,090,486.54
Others	1,962,755.18	3,198,951.94
Total	113,838,720.28	100,129,032.87

47. Administrative Expenses

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Labor cost	361,296,116.54	310,623,600.96
Depreciation cost and asset amortization	72,114,240.90	75,634,078.38
Administrative expenses	38,716,283.75	41,738,913.30
Consumables and service fees	16,280,910.24	14,240,718.82
Knowledge resource fee	33,019,620.16	35,685,104.17
Transportation and vehicle expenses	1,806,573.99	1,794,847.11
Traveling expense	5,974,900.96	7,459,433.57
Business entertainment	8,020,335.93	8,780,555.32
Others	17,453,221.10	15,524,270.68
Total	554,682,203.57	511,481,522.31

48. Sales Expenses

Unit: RMB

Item	Amount Occurred in the Current Period	Amount for the previous period (restated)
Labor cost	1,377,377,320.10	1,383,654,857.01
Consumables and service fees	113,720,833.10	137,607,948.55
Transportation and vehicle expenses	23,888,020.91	24,464,085.01
Marketing expense	194,071,106.82	182,436,171.43
Administrative expenses	86,075,868.80	79,562,552.00
Traveling expense	122,407,779.64	124,821,718.90
Business entertainment	84,748,855.54	113,613,780.43
Taxation and insurance expense	19,954,025.51	27,288,783.48
Communication expense	14,296,073.07	11,837,005.99

Knowledge resource fee	21,281,671.69	23,119,819.74
Depreciation cost and asset amortization	86,258,462.48	89,988,383.91
Others	19,402,091.77	18,545,009.52
Total	2,163,482,109.43	2,216,940,115.97

49. R&D Expenses

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Labor cost	1,733,489,686.05	1,678,439,697.04
Research consumables and service fees	86,978,618.70	80,309,482.62
Depreciation cost and asset amortization	82,602,799.06	72,770,371.24
Traveling expense	23,404,093.89	24,015,489.48
Administrative expenses	20,292,959.24	18,949,458.84
Communication expense	29,202,308.18	16,874,102.17
Others	8,434,957.98	9,971,559.51
Total	1,984,405,423.10	1,901,330,160.90

50. Financial Expenses

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Interest expense	-15,628,113.44	28,989,823.89
Including: Interest expenses on lease liability	5,334,929.02	6,617,980.91
Less: interest income	153,226,904.60	236,240,691.12
Exchange gains and losses	-251,654,553.85	-53,117,693.40
Others	12,224,138.97	10,556,921.90
Total	-408,285,432.92	-249,811,638.73

51. Other Incomes

Unit: RMB

Sources of other incomes	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Government subsidies	506,967,550.43	498,234,879.66
Input tax credits	1,175,207.66	5,067,660.66
Handling fee for withholding tax of personal income	8,875,210.60	6,894,163.10
Others	1,885,107.24	16,150.00
Total	518,903,075.93	510,212,853.42

52. Income from Changes in Fair Value

Unit: RMB

Source of the income from changes in fair value	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Trading financial assets	-106,293,552.37	-61,522,549.01
Including: gains from changes at fair value of derivative financial instruments		384,471.06
Transactional financial liabilities	471,146.84	1,845,682.12
Other Non-current Financial Assets	185,399,363.64	-100,305,121.85
Total	79,576,958.11	-159,981,988.74

53. Investment Income

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Long-term equity investment income measured by equity method	10,798,379.54	16,910,626.79
Investment income from disposal of long-term equity investment	484,487,619.90	104,164,254.70
Investment income from trading financial assets during the holding period	45,000.00	1,243,275.00
Investment income from disposal of trading financial assets	109,943,346.54	18,218,788.90
Gain on debt restructuring	-7,664,077.54	-70,000.00
Investment income of other non-current financial assets during the holding period	-49,372.45	26,592.41
Investment income from national debt reverse repurchase	1,203,179.63	308,062.29
Profits from recognition termination of financial assets	-958,424.58	-685,702.55
Total	597,805,651.04	140,115,897.54

54. Credit Impairment Loss

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Bad debt losses of notes receivable	-20,499,558.74	7,372,316.14
Bad debt losses of accounts receivable	-155,091,122.96	-217,728,284.41
Bad debt losses of other receivables	-20,180,642.01	-5,651,673.92
Bad debt losses of long-term receivables	1,228,191.40	1,782,633.40
Total	-194,543,132.31	-214,225,008.79

55. Asset Impairment Losses

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
I. Loss from impairment of inventories and impairment of performance cost	-45,787,863.18	-56,827,215.84
II. Impairment Losses on Contract Assets	2,634,658.52	1,980,179.61
Total	-43,153,204.66	-54,847,036.23

56. Asset Disposal Income

Unit: RMB

Sources of the asset disposal income	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Income from disposal of fixed assets	-188,828.42	647,996.83
Income from the disposal of right-of-use assets	769,849.81	438,548.26
Total	581,021.39	1,086,545.09

57. Non-operating Revenue

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period	Amount recorded into non-recurring profit and loss in current period
Gains and losses of non-current asset retirement	1,218,663.35	1,393,292.31	1,218,663.35
Others	5,195,968.76	5,010,673.16	5,195,968.76
Total	6,414,632.11	6,403,965.47	6,414,632.11

58. Non-operating Expenditures

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period	Amount recorded into non-recurring profit and loss in current period
Gains and losses of non-current asset retirement	922,191.16	1,754,193.37	922,191.16
Donations	1,617,531.25	478,287.26	1,617,531.25
Water conservancy fund	297,125.47	286,144.98	
Others	2,173,377.84	539,289.89	2,173,377.84
Total	5,010,225.72	3,057,915.50	4,713,100.25

59. Income Tax Expense**(1) Income Tax Expense Statement**

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Current income tax expense	156,792,890.96	-121,751,030.82
Deferred income tax expense	113,777,854.98	87,912,569.72
Total	270,570,745.94	-33,838,461.10

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

Unit: RMB

Item	Amount Occurred in the Current Period
Total Profit	2,869,255,884.87
Income tax expense calculated at statutory/applicable tax rate	430,388,382.73
Impact by applying different tax rates to subsidiaries	15,085,748.15
Impact of income tax before adjustment in this period	5,348,364.62
Impact of Non-taxable Revenue	2,495,589.41
Impact of the non-deductible costs, expenses and losses	16,501,064.88
Impact of Deductible Losses from Unrecognized Deferred Income Tax Assets in the Previous Period	-4,808,491.46
Impact of Deductible Temporary Difference or Deductible Losses from Unrecognized Deferred Income Tax Assets in the Current Period	53,962,436.16
Impact of additional deduction of the research and development expenses	-261,950,073.93
Others	13,547,725.38
Income tax expense	270,570,745.94

60. Other Comprehensive Incomes

See Note 42 for details

61. Items of Cash Flow Statement

(1) Cash Relating to Operating Activities

Other cash receipts relating to operating activities

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Interest income	69,481,743.35	199,590,797.33
Government subsidies	522,070,630.37	496,784,769.49
Deposits	92,407,811.47	17,649,724.47
Incomings and outgoings and advances	33,070,002.00	
House rent	34,020,762.37	43,724,182.75
Others	15,276,793.68	10,316,091.98
Total	766,327,743.24	768,065,566.02

Other cash payments relating to operating activities

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Administrative expenses	185,056,377.42	178,852,211.19
Communication expense	46,116,351.64	39,942,196.27
Business entertainment	91,177,331.88	118,487,887.89
Traveling expense	154,481,450.46	164,300,108.89
Marketing expense	208,035,252.34	209,186,545.09
Transportation and vehicle expenses	38,393,909.71	32,067,105.82
Knowledge resource fee	72,023,450.87	77,707,893.01
Research and development consumption and external inspection fee	45,306,759.18	40,064,926.81
Taxation and insurance expense	23,432,241.72	26,894,680.80
Deposits	103,892,122.95	22,640,806.33
Incomings and outgoings and advances	9,496,891.77	34,343,604.95
Consumables and service fees	155,159,472.69	142,226,682.97
Others	23,813,774.64	24,572,155.78
Total	1,156,385,387.27	1,111,286,805.80

(2) Cash Relating to Investing Activities

Other cash receipts relating to investing activities

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Receipts of cash from forward exchange contracts	4,715,470.28	10,722,864.17
Recovered frozen funds relating to the investment		5,307,995.26
Net cash paid for acquisition of subsidiaries		7,763,130.61
Total	4,715,470.28	23,793,990.04

Significant cash received related to investing activities:

None

Other cash payments related to investing activities

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Cash paid for forward exchange contracts	11,985,885.00	429,000.00
Paid frozen funds relating to the investment		4,969,155.52
Net cash paid for disposal of subsidiaries	30,999,713.31	
Total	42,985,598.31	5,398,155.52

Significant cash payments related to investing activities

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Investment income from national debt reverse repurchase.	7,466,430,095.92	11,318,040.40
Purchase of large-denomination certificates of deposit	1,575,729,577.19	3,813,937,125.38
Total	9,042,159,673.11	3,825,255,165.78

(3) Cash Relating to Financing Activities

Other cash receipts related to financing activities

None

Other cash payments related to financing activities

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Leasing fees paid	85,662,950.34	75,803,609.32
Listing fees	79,829.52	400,000.00
Cash paid for purchasing minority equity		39,396,901.68
Repurchase of restricted shares	167,646,873.60	17,418,988.80
Repurchase of outstanding shares	103,424,006.73	
Others	5,750.49	
Total	356,819,410.68	133,019,499.80

Changes in liabilities arising from financing activities

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Opening Balance	Increased in the current period		Decreased in the current period		Closing Balance
		Changes in cash	Non-cash changes	Changes in cash	Non-cash changes	
Short-term loan	995,000,000.00	701,579,505.58		1,195,000,000.00		501,579,505.58
Dividends Payable	22,951,560.23		1,492,529,280.19	1,492,529,280.19	22,951,560.23	
Lease liability (including lease liabilities due within one year)	231,541,619.49		72,797,968.24	81,919,207.20		222,420,380.53
Other payables (restricted share repurchase obligations)	144,695,313.36		22,951,560.24	167,646,873.60		
Total	1,394,188,493.08	701,579,505.58	1,588,278,808.67	2,937,095,360.99	22,951,560.23	723,999,886.11

62. Supplementary Information on Cash Flow Statement

(1) Supplementary Information about the Cash Flow Statement

Unit: RMB

Supplementary information	Amount of this period	Amount of Previous Period
1. Reconciliation of net profit to cash flows from operational activities:		
Net Profit	2,598,685,138.93	1,863,377,131.18
Add: provision for impairment of assets	237,696,336.97	269,072,045.02
Depreciation of fixed assets, oil and gas assets, productive biological assets	308,245,671.30	302,933,957.40
Depreciation of Right-of-use Assets	74,826,089.28	74,358,048.95
Amortization of Intangible Assets	18,991,796.01	22,159,273.95
Long-term deferred expense amortization	33,606,718.97	33,099,276.14
Losses on disposal of fixed assets, intangible assets and other long-term assets (mark "-" for incomes)	-581,021.39	-1,086,545.09
Losses on scrapping of fixed assets (mark "-" for incomes)	-296,472.19	360,901.06
Losses on fair value changes (mark "-" for incomes)	-79,576,958.11	159,981,988.74
Financial expenses (mark "-")	-240,948,767.29	-24,127,869.51

for incomes)		
Losses on investment (mark "-" for incomes)	-606,428,153.16	-140,871,600.09
Decrease on deferred income tax assets (mark "-" for increases)	128,041,774.22	96,812,204.14
Increase on deferred income tax liabilities (mark "-" for decreases)	-19,162.22	-70,924.28
Decrease on inventories (mark "-" for increases)	-364,950,839.30	-400,532,393.69
Decrease on operational receivables (mark "-" for increases)	1,225,697,765.19	-281,980,571.10
Increase on operational payables (mark "-" for decreases)	-2,750,130,196.99	-2,616,509,787.99
Others	56,263,258.89	135,839,244.46
Net cash flow generated by operating activities	639,122,979.11	-507,185,620.71
2. Major investing and financing activities not involving cash receipts and payment:		
Conversion of Debt into Capital		
Convertible corporate bonds maturing within one year		
Fixed Assets under Finance Lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	8,323,822,299.11	9,494,019,608.51
Less: opening balance of cash	11,061,530,816.28	15,880,659,594.95
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-2,737,708,517.17	-6,386,639,986.44

(2) Net Cash Paid for Disposal of Subsidiaries in the Current Period

Unit: RMB

	Amount
Cash or cash equivalents paid for disposal of subsidiaries in the current period	365,584,795.00
Among them:	
Hangzhou Huacheng Network Technology Co., Ltd. and its controlled subsidiaries	365,584,795.00
Deduct: Cash and cash equivalents held by subsidiaries on the day of loss of control	396,584,508.31
Among them:	
Hangzhou Huacheng Network Technology Co., Ltd. and its controlled subsidiaries	396,584,508.31

Add: Cash or cash equivalents received from disposal of subsidiaries in previous periods in this period	11,700,743.16
Among them:	
Lorex corporation, LorexTechnology UK Limited, Lorex Technology Inc.	11,700,743.16
Net cash paid for disposal of subsidiaries	-19,298,970.15

Other notes:

The consideration received from the disposal of Hangzhou Huacheng Network Technology Co., Ltd. and its controlled subsidiaries, net of the cash and cash equivalents held by the subsidiaries as of the date of deconsolidation (-RMB 30,999,713.31), is presented under "Other cash payments related to investing activities". The cash and cash equivalents of RMB 11,700,743.16 received from previously disposed subsidiaries are presented under "Net cash paid for disposal of subsidiaries."

(3) Composition of Cash and Cash Equivalents

Unit: RMB

Item	Closing Balance	Opening Balance
I . Cash	8,323,822,299.11	11,061,530,816.28
Including: cash on hand	2,772.70	2,584.78
Bank deposit for payment at any time	8,174,381,629.03	10,902,292,934.60
Other monetary funds available for payment at any time	149,437,897.38	159,235,296.90
II. Balance of Cash and Cash Equivalents at the End of the Period	8,323,822,299.11	11,061,530,816.28

(4) Monetary Funds That Are Not Cash and Cash Equivalents

Unit: RMB

Item	Amount of this period	Amount of Previous Period	Reasons for not being cash and cash equivalents
Other Cash and Bank Balances	74,221,016.50	75,635,853.99	Letter of guarantee/bill security deposit, usage restricted
Bank Balance	33,722,034.78	31,940,849.28	Frozen funds, restricted use
Bank Balance	14,219,237.31	12,695,904.28	Unexpired bank deposit interest is shown in monetary funds
Total	122,162,288.59	120,272,607.55	

63. Monetary Items in Foreign Currencies

(1) Monetary Items in Foreign Currencies

Unit: RMB

Item	Closing balance in foreign currencies	Exchange rate for conversion	Closing Balance Converted into RMB
Cash and bank balances			
Including: USD	333,470,925.36	7.1586	2,387,184,966.28
EUR	39,299,985.71	8.4024	330,214,199.93
HKD	143,016,682.68	0.9120	130,424,223.87
INR	1,639,178,305.36	0.0838	137,314,631.20
THB	194,031,895.71	0.2197	42,625,636.14
PLN	20,537,013.74	1.9826	40,717,299.55
Total amount of other currencies			274,817,366.02
Accounts receivable			
Including: USD	416,434,883.11	7.1586	2,981,090,754.23
EUR	108,429,729.64	8.4024	911,069,960.33
HKD	7,293,599.46	0.9120	6,651,406.19
INR	6,294,197,172.13	0.0838	527,267,448.93
AED	138,416,543.09	1.9509	270,034,065.58
PLN	102,961,686.91	1.9826	204,134,929.32
Total amount of other currencies			610,726,228.33
Long-term loan			
Including: USD			
EUR			
HKD			
Accounts Payable			
Including: USD	110,724,882.88	7.1586	792,635,146.58
INR	1,041,678,898.29	0.0838	87,261,863.63
EUR	1,930,903.71	8.4024	16,224,225.33
HUF	310,900,182.93	0.0211	6,548,561.97
MXN	6,391,612.80	0.3809	2,434,436.41
BRL	1,744,969.29	1.3067	2,280,221.17
Total amount of other currencies			16,001,988.01

(2) Notes on overseas business entities, including that for the important overseas business entities, the overseas main premises, functional currency and selection basis shall be disclosed. If there are changes on its functional currency, the causes for the changes shall be disclosed as well.

☒ Applicable ☐ Not applicable

Among the company's overseas operating entities, Dahua Technology (HK) Limited does not have autonomy over its activities; the activities conducted by this overseas operation are an extension of the company's operating activities and constitute a component of the enterprise's business operations, with RMB as the functional currency. HuaRay

Singapore primarily settles transactions with counterparties in USD. To more objectively and fairly reflect the relevant financial position and operating result, and in consideration of HuaRay Singapore's actual business conditions and future development plans, the functional currency has been changed to USD. This change in functional currency is accounted for using the prospective application method, requiring no retrospective adjustment. The other overseas operating entities take the appropriate currency as the functional currency on the basis of the currency in the major economic environment in which they operate.

64. Lease

(1) The Company as a Lessee

☒Applicable ☐ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐ Applicable ☒Not applicable

Simplified rental expenses for short-term leases or low-value asset leases

☒Applicable ☐ Not applicable

Unit: RMB

Item	Amount of this period	Amount of Previous Period
Interest expenses on lease liabilities	5,334,929.02	6,617,980.91
Simplified rental expenses for short-term leases or low-value asset leases included in the cost of related assets or current profit or loss	37,252,067.33	35,631,536.76
Total cash outflows relating to leases	122,915,017.67	110,875,543.12

Sale and leaseback transaction

None

(2) The Company as the Lessor

As the lessor in operating leases

☒Applicable ☐ Not applicable

Unit: RMB

Item	Rental income	Income from the variable lease payments that are not included in the lease receivables.
House leasing	47,966,979.18	
Equipment leasing	28,181,829.02	
Total	76,148,808.20	

As the lessor in financial leases

☐ Applicable ☒Not applicable

Undiscounted lease receipts for each of the next five years

☐ Applicable ☒Not applicable

Reconciliation of undiscounted lease receipts to net lease investment

(3) Recognition of Profits and Losses On Sales Under Finance Leases as A Manufacturer Or Distributor

☐ Applicable ☒ Not applicable

VIII. R&D Expenditures

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Labor cost	1,733,489,686.05	1,678,439,697.04
Research consumables and service fees	86,978,618.70	80,309,482.62
Depreciation cost and asset amortization	82,602,799.06	72,770,371.24
Traveling expense	23,404,093.89	24,015,489.48
Administrative expenses	20,292,959.24	18,949,458.84
Communication expense	29,202,308.18	16,874,102.17
Others	8,434,957.98	9,971,559.51
Total	1,984,405,423.10	1,901,330,160.90
Including: Expenses for R&D expenditures	1,984,405,423.10	1,901,330,160.90

IX. Changes in the Scope of Consolidation**1. No Business Consolidation Not Under Common Control in The Current Period****2. No Business Consolidation Under Common Control During this Period****3. Disposal of Subsidiaries**

Are there any transactions or events that lose control of subsidiaries in the current period?

☒ Yes ☐ No

Unit: RMB

Name of Subsidiaries	Disposal price at time point of loss of control	Proportion of disposals at time point of loss of control	Disposal method at time point of loss of control	Time point of loss of control	Basis for determining the time point of loss of control	The difference between the disposal price and the share of the net assets of the subsidiary enjoyed at the consolidated financial statement level corresponding to the disposal of investment	The proportion of remaining equity on the day control is lost	The book value of the remaining equity at the consolidated financial statement level on the day of loss of control	The fair value of remaining equity at the consolidated financial statement level on the day of loss of control	Gain or loss from re-measurement of residual equity at fair value	Determination method and main assumptions of the fair value of remaining equity at the consolidated financial statement level on the day of loss of control	The amount of other comprehensive income related to equity investments in subsidiary companies and transferred to investment profit or loss or retained earnings
Hangzhou Huacheng Network Technology Co., Ltd. and its subsidiaries	716,832,932.00	32.7321%	Equity transfer	June 20, 2025	Signed the equity transfer agreement and completed the property rights delivery	485,120,623.52	0.00%	0.00	0.00	0.00		-575,032.31

Is there a situation where control over a subsidiary was lost during this period due to multiple transactions involving step-by-step disposal of the investment in the subsidiary?

☐ Yes ☒ No

4. Others Changes in the Scope of Consolidation Due to Reasons

The Company's subsidiary, IMOU NETWORK TECHNOLOGY AUSTRALIA PTY LTD, was dissolved during the current period and has been excluded from the consolidation scope effective from the dissolution date.

X. Equity in Other Entities

1. Equity in Subsidiaries

(1) Composition of the Enterprise Group

Name of Subsidiaries	Registered Capital	Main Place of Business	Registered Address	Business Nature	Shareholding Percentage		Acquisition Method
					Direct	Indirect	
Dahua System Engineering	RMB 500 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information	100.00%		Establishment
Dahua Vision Technology	RMB 1,306.81 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information	100.00%		Establishment
Dahua Security Network	RMB 100 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information	100.00%		Establishment
Dahua Ju'an	RMB 10 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information	51.00%		Establishment
Guangxi Dahua Information	RMB 66.80 million	Youjiang District, Baise	Youjiang District, Baise	Electronics and information	100.00%		Establishment
Guangxi Yunlian	RMB 20 million	Qingxiu District, Nanning	Qingxiu District, Nanning	Service	100.00%		Establishment
Hangzhou Xiaohua	RMB 10 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information	78.00%		Establishment
Dahua Zhilian	RMB 1,885.80 million	Fuyang District, Hangzhou	Fuyang District, Hangzhou	Electronics and information	100.00%		Establishment
Dahua investment management	RMB 300 million	Fuyang District, Hangzhou	Fuyang District, Hangzhou	Investment & investment management	100.00%		Establishment
Guangxi Zhicheng	RMB 109.5429 million	Youjiang District, Baise	Youjiang District, Baise	Electronics and information	65.00%		Establishment
HuaRay Technology	RMB 78.264756 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Sci-tech popularization and application services industry	32.58%		Establishment
Fuyang Hua'ao	RMB 10 million	Fuyang District, Hangzhou	Fuyang District, Hangzhou	Electronics and information	51.00%		Establishment
Huafei Intelligent	RMB 50 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information		100.00%	Establishment
Guizhou Huayi	RMB 22.5 million	Guanshanhu District, Guiyang	Guanshanhu District, Guiyang	Electronics and information	100.00%		Establishment
Guangxi Huacheng	RMB 35.80 million	Wuzhou, Guangxi	Wuzhou, Guangxi	Electronics and		90.00%	Establishment

				information			
Meitan Dahua Technology	RMB 10 million	Zunyi, Guizhou	Zunyi, Guizhou	Electronics and information		100.00%	Establishment
Inner Mongolia Zhimeng	RMB 20 million	New District, Bai County, Chahar Right Wing Back Banner	New District, Bai County, Chahar Right Wing Back Banner	Electronics and information		95.00%	Establishment
Tianjin Dahua	RMB 36 million	Hexi District, Tianjin	Hexi District, Tianjin	Electronics and information		100.00%	Establishment
Dahua Zhilong	RMB 39.48 million	Shuangpai County, Yongzhou City	Shuangpai County, Yongzhou City	Electronics and information		90.00%	Establishment
Vision Technology	RMB 10 million	Fuyang District, Hangzhou City, Zhejiang Province	Fuyang District, Hangzhou City, Zhejiang Province	Electronics and information	100.00%		Establishment
Huaxiao Technology	RMB 70 million	Fuyang District, Hangzhou City, Zhejiang Province	Fuyang District, Hangzhou City, Zhejiang Province	Electronics and information	51.00%		Establishment
Xi'an Dahua	RMB 989.60 million	Xi'an City, Shaanxi Province	Xi'an City, Shaanxi Province	Electronics and information	100.00%		Establishment
Huaruipin	25.5 million RMB	Wuxi City, Jiangsu Province	Wuxi City, Jiangsu Province	Electronics and information	100.00%		Establishment
Beijing Huayue	RMB 10 million	Fengtai District, Beijing	Fengtai District, Beijing	Electronics and information	100.00%		Establishment
Shanghai Huashang	RMB 1 million	Putuo District, Shanghai	Putuo District, Shanghai	Electronics and information	100.00%		Establishment
Dahua Jinzhi	RMB 60 million	Wucheng District, Jinhua City, Zhejiang Province	Wucheng District, Jinhua City, Zhejiang Province	Electronics and information	100.00%		Establishment
Zhoushan Operation	RMB 100 million	Zhoushan City, Zhejiang Province	Zhoushan City, Zhejiang Province	Electronics and information	62.40%		Establishment
Guangxi Dahua Technology	RMB 100 million	Liuzhou City, Guangxi Zhuang Autonomous Region	Liuzhou City, Guangxi Zhuang Autonomous Region	Electronics and information	100.00%		Establishment
Huayixin	RMB 80 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information	51.00%		Establishment
Huaruijie	RMB 150 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Automotive electronics	51.00%		Establishment
Chengdu Zhilian	RMB 600 million	Longquanyi District, Chengdu	Longquanyi District, Chengdu	Electronics and information	100.00%		Establishment
Chengdu Zhian	RMB 554.70 million	Longquanyi District, Chengdu	Longquanyi District, Chengdu	Electronics and information	100.00%		Establishment
Chengdu Zhishu	RMB 50 million	Longquanyi District, Chengdu	Longquanyi District, Chengdu	Electronics and information	100.00%		Establishment

Chengdu Zhichuang	RMB 15 million	Longquanyi District, Chengdu	Longquanyi District, Chengdu	Electronics and information	100.00%		Establishment
Chengdu Smart Network	RMB 50 million	Dayi County, Chengdu	Dayi County, Chengdu	Electronics and information	90.00%		Establishment
Huakong Software	RMB 50 million	Wuyi County, Jinhua City	Wuyi County, Jinhua City	Electronics and information	100.00%		Establishment
Henan Dahua	RMB 30 million	Zhengzhou, Henan	Zhengzhou, Henan	Electronics and information	100.00%		Establishment
Huajian	RMB 50 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information	45.00% (Note 1)		Establishment
Zhengzhou Dahua Zhian	RMB 30 million	Zhengzhou, Henan	Zhengzhou, Henan	Electronics and information	100.00%		Establishment
Dahua International	RMB 1 million	Singapore	Singapore	Electronics and information	100.00%		Establishment
Anhui Zhilian	RMB 30 million	Hefei, Anhui	Hefei, Anhui	Electronics and information	100.00%		Establishment
Anhui Zhishu	RMB 30 million	Hefei, Anhui	Hefei, Anhui	Electronics and information	100.00%		Establishment
Changsha Dahua	RMB 100 million	Changsha, Hunan	Changsha, Hunan	Electronics and information	100.00%		Establishment
Tianjin Huajian	RMB 30 million	Hexi District, Tianjin	Hexi District, Tianjin	Electronics and information		100.00%	Establishment
Zhejiang Pixfra	RMB 442.140448 million	Xiaoshan District, Hangzhou	Xiaoshan District, Hangzhou	Electronics and information	75.11%		Establishment
Yiwu Huaxi	RMB 10 million	Yiwu City, Zhejiang Province	Yiwu City, Zhejiang Province	Electronics and information		100.00%	Establishment
Dahua Operation	RMB 100 million	Xiaoshan District, Hangzhou	Xiaoshan District, Hangzhou	Electronics and information	100.00%		Establishment
Nanyang Intelligent	RMB 10 million	Nanyang City, Henan Province	Nanyang City, Henan Province	Electronics and information	100.00%		Establishment
Yibin Huahui	RMB 20 million	Yibin City, Sichuan Province	Yibin City, Sichuan Province	Electronics and information	100.00%		Establishment
Chengdu Huazhiwei	RMB 10 million	Chengdu City, Sichuan Province	Chengdu City, Sichuan Province	Electronics and information	100.00%		Establishment
Luoyang Zhiyu	RMB 10 million	Luoyang City, Henan Province	Luoyang City, Henan Province	Electronics and information	100.00%		Establishment
Huaqi Intelligence	RMB 100 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information		100.00%	Establishment
Chengdu Information	RMB 20 million	Chongzhou City, Chengdu City	Chongzhou City, Chengdu City	Electronics and information	100.00%		Establishment
HJ Technology	RMB 20 million	Binjiang District, Hangzhou	Binjiang District, Hangzhou	Electronics and information		100.00%	Business combination not under common control

Shuhang Intelligent	RMB 10 million	Xiaoshan District, Hangzhou	Xiaoshan District, Hangzhou	Electronics and information		100.00%	Establishment
Huaxiyue	RMB 10 million	Haizhu District, Guangzhou	Haizhu District, Guangzhou	Electronics and information	100.00%		Establishment
Huajie Operation	RMB 50 million	Xiaoshan District, Hangzhou	Xiaoshan District, Hangzhou	New energy operations		100.00%	Establishment
Qingdao Ruifa	RMB 7 million	Qingdao, Shandong	Qingdao, Shandong	Electronics and information		100.00%	Establishment
Shandong Digital Intelligence	RMB 10 million	Jinan, Shandong	Jinan, Shandong	Electronics and information		100.00%	Establishment
Fujian Qingchuang	RMB 10 million	Qingliu County, Fujian	Qingliu County, Fujian	Electronics and information		100.00%	Establishment
Jilin Zhilian	RMB 10 million	Changchun, Jilin Province	Changchun, Jilin Province	Electronics and information		100.00%	Establishment
Zhengzhou Huao	RMB 10 million	Zhengzhou, Henan	Zhengzhou, Henan	Electronics and information		100.00%	Establishment
Hainan Huizhi	RMB 10 million	Hainan Province	Hainan Province	Electronics and information		100.00%	Establishment
Dahua Hong Kong	RMB 669.687347 million	Hong Kong	Hong Kong	Electronics and information	100.00%		Establishment
Dahua Europe	EUR 200,000	Netherlands	Netherlands	Electronics and information		100.00%	Establishment
Dahua Middle East	AED 1 million	United Arab Emirates	United Arab Emirates	Electronics and information		100.00%	Establishment
Dahua Mexico	MXN 90 million	Mexico	Mexico	Electronics and information		100.00%	Establishment
Dahua Chile	CLP 360 million	Chile	Chile	Electronics and information		100.00%	Establishment
Dahua Colombia	COP 4616.709016 million	Columbia	Columbia	Electronics and information		100.00%	Establishment
Dahua Australia	AUD 150,000	Australia	Australia	Electronics and information		100.00%	Establishment
Dahua Singapore	USD 220,000	Singapore	Singapore	Electronics and information		100.00%	Establishment
Dahua South Africa	ZAR 5 million	South Africa	South Africa	Electronics and information		100.00%	Establishment
Dahua Peru	PEN 2.2 million	Peru	Peru	Electronics and information		100.00%	Establishment
Dahua Brazil	BRL 41.334811 million	Brazil	Brazil	Electronics and information		100.00%	Establishment
Dahua Russia	RUB 30 million	Russia	Russia	Electronics and information		100.00%	Establishment
Dahua Canada	CAD 250,000	Canada	Canada	Electronics and information		100.00%	Establishment

Dahua Panama	USD 10,000	Panama	Panama	Electronics and information		100.00%	Establishment
Dahua Hungary	HUF 303 million	Hungary	Hungary	Electronics and information		100.00%	Establishment
Dahua Poland	PLN 2.2 million	Poland	Poland	Electronics and information		100.00%	Establishment
Dahua Tunisia	USD 89,000	Tunisia	Tunisia	Electronics and information		100.00%	Establishment
Dahua Kenya	KES 15 million	Kenya	Kenya	Electronics and information		100.00%	Establishment
Dahua UK	GBP 100,000	UK	UK	Electronics and information		100.00%	Establishment
Dahua Bulgaria	BGN 350,000	Bulgaria	Bulgaria	Electronics and information		100.00%	Establishment
Dahua Serbia	RSD 23 million	Serbia	Serbia	Electronics and information		100.00%	Establishment
Dahua Germany	EUR 150,000	Germany	Germany	Electronics and information		100.00%	Establishment
Dahua Malaysia	1,000,000 Malaysian Ringgit	Malaysia	Malaysia	Electronics and information		100.00%	Establishment
Dahua Korea	KRW 1,500 million	South Korea	South Korea	Electronics and information		100.00%	Establishment
Dahua Indonesia	IDR 2,600 million	Indonesia	Indonesia	Electronics and information		100.00%	Establishment
Dahua India	INR 234 million	India	India	Electronics and information		100.00%	Establishment
Dahua Turkey	TRY 840,000	Turkey	Turkey	Electronics and information		100.00%	Establishment
Dahua Czech	CZK 5.4 million	Czech Republic	Czech Republic	Electronics and information		100.00%	Establishment
Dahua Argentina	ARS 49.686361 million	Argentina	Argentina	Electronics and information		100.00%	Establishment
Dahua Spain	EUR 150,000	Spain	Spain	Electronics and information		100.00%	Establishment
Dahua Kazakhstan	KZT 23 million	Kazakhstan	Kazakhstan	Electronics and information		100.00%	Establishment
Dahua Denmark	DKK 1.5 million	Denmark	Denmark	Electronics and information		100.00%	Establishment
Dahua France	EUR 100,000	France	France	Electronics and information		100.00%	Establishment
Dahua Technology Holdings	HKD 500,000	Hong Kong	Hong Kong	Electronics and information	100.00%		Establishment
Dahua Morocco	AED 500,000	Morocco	Morocco	Electronics and		100.00%	Establishment

				information			
Dahua Italy	EUR 12,000	Italy	Italy	Electronics and information		100.00%	Business combination not under common control
Dahua Uzbekistan	UZS 3.2 billion	Uzbekistan	Uzbekistan	Electronics and information		100.00%	Establishment
Dahua Netherlands	EUR 10,000	Netherlands	Netherlands	Electronics and information		100.00%	Establishment
Dahua Sri Lanka	LKR 48 million	Sri Lanka	Sri Lanka	Electronics and information		100.00%	Establishment
Dahua Pakistan	PKR 20 million	Pakistan	Pakistan	Electronics and information		100.00%	Establishment
Dahua New Zealand	NZD 300,000	New Zealand	New Zealand	Electronics and information		100.00%	Establishment
Dahua Thailand	THB 25 million	Thailand	Thailand	Electronics and information		99.98%	Establishment
Dahua Romania	RON 1 million	Romania	Romania	Electronics and information		100.00%	Establishment
Dahua Nigeria	NGN 100 million	Nigeria	Nigeria	Electronics and information		100.00%	Establishment
Dahua Israel	USD 300,000	Israel	Israel	Electronics and information		100.00%	Establishment
Dahua Mexico Service	1,000.00 Mexican pesos	Mexico	Mexico	Electronics and information		100.00%	Establishment
Dahua Japan	JPY 6 million	Japan	Japan	Electronics and information		100.00%	Establishment
Dahua Qatar	QAR 2.184 million	Qatar	Qatar	Electronics and information		100.00%	Establishment
Dahua Pacific	USD 10,000	Panama	Panama	Electronics and information		100.00%	Establishment
Dahua Saudi Arabia	SAR 500,000	Saudi Arabia	Saudi Arabia	Electronics and information		100.00%	Establishment
Dahua Bengal	BDT 5 million	Bangladesh	Bangladesh	Electronics and information		100.00%	Establishment
HuaRay Singapore	USD 100,000	Singapore	Singapore	Electronics and information		100.00%	Establishment
HuaRay Korea	KRW 100 million	South Korea	South Korea	Electronics and information		100.00%	Establishment
HuaRay Germany	EUR 25,000	Germany	Germany	Electronics and information		100.00%	Establishment
Dahua Belgium Co.	EUR 100,000	Belgium	Belgium	Electronics and information		100.00%	Establishment
Dahua Saudi Arabia Co.	SAR 750,000	Saudi Arabia	Saudi Arabia	Electronics and		100.00%	Establishment

				information			
Dahua Argentina Co.	USD 200,000	Azerbaijan	Azerbaijan	Electronics and information		100.00%	Establishment
Dahua Vietnam Co., Ltd.	VND 2,363.6 million	Vietnam	Vietnam	Electronics and information		100.00%	Establishment
Dahua Angola	AOA 176.303 million	Angola	Angola	Electronics and information		100.00%	Establishment
Hirige Malaysia	2,000.00 Malaysian Ringgit	Malaysia	Malaysia	Electronics and information		100.00%	Establishment
Dahua Egypt	USD 100,000	Egypt	Egypt	Electronics and information		100.00%	Establishment
DAHUA Abu Dhabi	AED 100,000	Abu Dhabi	Abu Dhabi	Electronics and information		100.00%	Establishment

Explanations on the fact that the proportion of the shares held by a subsidiary differs from that of voting rights:

In May 2025, Ningbo Huaying Venture Capital Partnership (Limited Partnership) transferred its entire 35% equity stake in Zhejiang Huajian Technology Co., Ltd. to Ms. Chen Ailing. The company directly holds a 45% equity interest in Huajian Technology, and according to the agreement, Chen Ailing has granted the company the right to exercise 35% of the voting right she holds. The company actually holds 80% of the voting right of Huajian Technology, constituting actual control and including it within the consolidation scope.

Basis for holding half or fewer voting rights but still controlling the investee, as well as holding more than half of the voting rights but not controlling the investee:

As of June 30, 2025, the company holds a 32.58% shareholding ratio in Zhejiang HuaRay Technology Co., Ltd. The company is the largest shareholder of HuaRay Technology, while the shareholding ratios of other shareholders are relatively low and dispersed. Therefore, HuaRay Technology remains the company's controlled subsidiary and is included within the company's consolidated scope.

2. The transactions that lead to changes in the shareholder's equity in the subsidiaries while still has working control over the subsidiary

(1) Explanation of the Changes in the Shareholder's Equity in the Subsidiaries

Pursuant to the April 2025 resolution of the shareholders meeting of the Company's subsidiary Jiangsu Huaruipin Technology Co., Ltd., Huaruipin's registered capital was reduced from RMB 50 million to RMB 25.5 million. The Company originally held a 51.00% stake in Huaruipin and did not reduce its shareholding in this capital reduction. Post-reduction, the Company's ownership in Huaruipin passively increased to 100.00%, making Huaruipin a wholly-owned subsidiary of the Company.

(2) The effect of the transactions on the equity of the minority shareholders and the shareholder's equity attributable to the parent company

Unit: RMB

	Jiangsu Huarupin Technology Co. Ltd.
Purchase cost/Disposal consideration	25,750,435.51
-- Cash	25,750,435.51
-- Fair value of non-cash assets	
Purchase cost/ Total disposal consideration	25,750,435.51
Less: the share of net assets of the subsidiary calculated based on the ratio of equity obtained/disposed	25,806,144.13
Difference	-55,708.62
Among them: adjust the capital reserve	55,708.62
Adjusted surplus reserve	
Adjusted undistributed profits	

3. Equity in Joint Ventures or Joint Ventures

(1) Financial Summary of Non-essential Joint Ventures and Affiliates

Unit: RMB

	Closing balance / current period amount	Opening balance / amount occurred in the previous period
Joint ventures:		
The total count of the following items based on the shareholding ratios		
Affiliates:		
Total book value of investments	749,403,415.83	722,241,568.57
The total count of the following items based on the shareholding ratios		
--Net profit	10,798,379.54	16,910,626.79
--Other comprehensive income	21,639,388.06	-4,166,343.69
--Total comprehensive income	32,437,767.60	12,744,283.10

XI. Government Subsidies

1. Government Grants Recognized as Accounts Receivable at The End Of the Reporting Period

☐ Applicable ☒ Not applicable

Reasons for failure to receive the estimated amount of government subsidy at the estimated time point

☐ Applicable ☒ Not applicable

2. Projects Related to Government Subsidies

☒Applicable ☐ Not applicable

Unit: RMB

Accounting Accounts	Opening Balance	The amount of new subsidies in this period	Amount recorded as non-operating revenue in this period	Amounts transferred to other gains in the current period	Other changes in the current period	Closing Balance	Related to assets/earnings
Deferred income	181,225,246.29	2,360,166.00		8,635,219.36		174,950,192.93	Related to assets
Deferred income	4,955,766.70	1,371,100.00		6,326,866.70			Related to income

3. Government Subsidies Recorded Into Current Profits and Losses

☒Applicable ☐ Not applicable

Unit: RMB

Subsidy items	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Value-added tax refund upon collection	339,011,008.11	416,765,198.95
Special grants	194,290,442.32	81,469,680.71

XII. Risks Relating to Financial Instruments

1. Various Risks Arising from Financial Instruments

The company faces various financial risks in its operations: credit risk, liquidity risk, and market risk (including exchange rate risk, interest rate risk, and other price risks).

The overall objective of the Company's risk management is to formulate risk management policies that can minimize risks without affecting the Company's competitiveness and adaptability to changes too much.

(I) Credit risk

Credit risk refers to the risk of financial loss to the company resulting from a counterparty's failure to fulfill contractual obligations. The Company is mainly facing with the customer credit risk arising from sales on account. Before signing a new contract, the Company will assess the new customer's credit risk, including external credit rating and the credibility letter from a bank under some circumstances (if such information is available). The Company has set a credit limit for sales on account for each customer. Such limit shall be the maximum amount with no additional approval needed.

The Company ensures that the overall credit risk is within the controllable range through quarterly monitoring of credit ratings of existing customers, and monthly review of aging analysis on accounts receivable. When monitoring customers' credit risk, the Company groups them according to their credit characteristics. Customers rated as "high

risk" will be placed on the restricted customer list. The Company can provide them with O/A in the future period only when additional approval is obtained. Otherwise they must make relevant payment in advance.

For overseas customers, the Company mainly uses wire transfer as a payment method. According to the credit evaluation of each customer, the Company gives different credit lines and credit account periods, and agrees on the payment method and account period in the commodity procurement contract between the two parties. After the sales of products, the Company has a dedicated person responsible for tracking, reconciliation, and payment reminding. In addition, the Company introduced export credit insurance to ensure that the return risk from overseas customers is within controllable range.

(II) Liquidity Risk

Liquidity risk refers to the risk that an enterprise will experience a shortage of funds when fulfilling obligations settled by delivering cash or other financial assets.

The Company's policy is to ensure that there is sufficient cash to repay the liabilities due. The liquidity risk is under the concentrated control of the Company's Financial Department. Through monitoring the balance of cash and securities cashable at any time and rolling forecasting the cash flow in the next 12 months, the Financial Department ensures that the Company has sufficient funds to repay its debts under all reasonable predictions.

The financial liabilities of the Company are listed as follows based on the undiscounted contractual cash flow:

Unit: RMB

Item	June 30, 2025		
	Within 1 year	1 years or above	Total
Short-term loan	501,579,505.58		501,579,505.58
Notes Payable	2,851,016,916.85		2,851,016,916.85
Accounts Payable	5,318,829,779.51		5,318,829,779.51
Other payables	440,276,175.28		440,276,175.28
Non-current Liabilities Due within 1 Year	101,055,003.41		101,055,003.41
Lease liabilities		137,725,343.37	137,725,343.37
Total	9,212,757,380.63	137,725,343.37	9,350,482,724.00

Item	December 31, 2024		
	Within 1 year	1 years or above	Total
Short-term loan	995,000,000.00		995,000,000.00
Notes Payable	3,599,974,242.02		3,599,974,242.02
Accounts Payable	5,877,976,861.13		5,877,976,861.13
Other payables	637,013,560.05		637,013,560.05
Non-current Liabilities Due within 1 Year	124,348,757.02		124,348,757.02
Lease liabilities		120,670,497.25	120,670,497.25
Total	11,234,313,420.22	120,670,497.25	11,354,983,917.47

(III) Market Risk

Market risk of financial instruments refers to the risk that the fair value or future cash flow of financial instruments fluctuates due to changes in market prices, including exchange rate risk, interest rate risk, and other price risks.

1. Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The interest rate risk faced with by the Company is mainly from bank loans. The Company's assets and liabilities relating to interest rate are respectively bank deposits and short-term loans, whose interest rate risk is low.

2. Exchange Rate Risk

Exchange rate risk refers to the risk that the fair value of a financial instrument or its future cash flow will fluctuate due to changes in foreign exchange rates. The Company will try its best to match the revenues with the expenses in foreign currency, to lower the exchange rate risk. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risks.

The exchange rate risk faced with by the Company is mainly from financial assets and liabilities in USD. The amounts of assets and liabilities in foreign currencies and converted into RMB are listed as below:

Item	Closing Balance			Opening Balance		
	USD	Other foreign currencies	Total	USD	Other foreign currencies	Total
Cash and bank balances	2,387,184,966.28	956,113,356.71	3,343,298,322.99	2,177,690,323.36	1,222,643,014.06	3,400,333,337.42
Accounts receivable	2,981,090,754.23	2,529,884,038.68	5,510,974,792.91	4,082,571,616.81	2,667,735,918.53	6,750,307,535.34
Accounts Payable	792,635,146.58	130,751,296.52	923,386,443.10	831,712,779.40	276,142,582.65	1,107,855,362.05
Total	6,160,910,867.09	3,616,748,691.91	9,777,659,559.00	7,091,974,719.57	4,166,521,515.24	11,258,496,234.81

XIII. Disclosure of Fair Value

1. Fair Values of The Assets and Liabilities at the End of The Period

Unit: RMB

Item	Fair values at period-end			
	Level 1 fair value measurement	Second level measurement at fair value	Third level measurement at fair value	Total
I. Constant Measurement at Fair Value	--	--	--	--
(I) Trading Financial Assets	26,577,200.00	81,445,103.02		108,022,303.02
1. Financial assets at fair value through profit or loss in this	26,577,200.00	81,445,103.02		108,022,303.02

period				
(1) Investment in Equity Instruments	26,577,200.00			26,577,200.00
(2) Others		81,445,103.02		81,445,103.02
(II) Receivables Financing		774,019,955.88		774,019,955.88
(III) Other Non-current Financial Assets		1,420,493,589.47	38,563,656.86	1,459,057,246.33
1. Financial assets at fair value through profit or loss in this period		1,420,493,589.47	38,563,656.86	1,459,057,246.33
(1) Investment in Equity Instruments			38,563,656.86	38,563,656.86
(2) Others		1,420,493,589.47		1,420,493,589.47
Total assets constantly measured at fair value	26,577,200.00	2,275,958,648.37	38,563,656.86	2,341,099,505.23
(IV) Transactional Financial Liabilities		586,892.89	3,197,254.18	3,784,147.07
Derivative Financial Liabilities		586,892.89		586,892.89
Others			3,197,254.18	3,197,254.18
Total amount of liabilities constantly measured at their fair values		586,892.89	3,197,254.18	3,784,147.07

2. Basis for determining the market value of continuous and non-continuous third-level fair value measurement items

The company determines the fair value based on the unadjusted quoted prices of the same assets or liabilities that are available at the measurement date in the active market.

3. For the continuous and non-continuous second-level fair value measurement items, the valuation techniques adopted and the qualitative and quantitative information of important parameters

Derivative financial assets/derivative financial liabilities are basically measured and recognized at fair value with reference to different parameters based on market conditions at the time, as well as the remaining term and duration of the transaction.

Due to the short remaining term of the receivables financing, the book value is close to the fair value, and the nominal amount is used as the fair value.

Other non-current financial assets are valued on the basis of quotations provided by financial institutions.

The valuation of trading financial assets is indirectly measured according to the product description.

4. For the continuous and non-continuous third-level fair value measurement items, the valuation techniques adopted and the qualitative and quantitative information of important parameters

Evaluate the value and net book assets based on the income method and asset-based method.

5. The Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

The fair value of financial assets and financial liabilities measured by the Company at amortized cost is equivalent to the book value.

XIV. Related Parties and Related-party Transactions

1. The Company's Parent Company

Name of parent company	Registered Address	Business Nature	Registered Capital	Shareholding ratio of the parent company	Proportion of voting rights of the parent company
Fu Liquan		Controlling shareholder, actual controller		31.19%	31.44%
Chen Ailing		Actual controller		2.17%	2.19%

The final controllers of the Company are Mr. Fu Liquan and Ms. Chen Ailing.

2. Information about the Company's Subsidiaries

For details of subsidiaries of the Company, see Note "X. Equity in Other Entities".

3. Information about the Company's Joint Ventures and Affiliates

For details of important associates or joint ventures of the Company, see Note "X. Equity in Other Entities".

Here is the information about other joint ventures and affiliates that have related-party transactions with the Company in the current period or have balance from related-party transactions with the Company in the previous period:

Names of joint ventures and affiliates	Relationship with the Company
Intelbras S.A.	Affiliate
Guangdong Zhishi Digital Technology Co., Ltd.	Affiliate
Ruicity Digital Technology Co., Ltd. And its subsidiaries	Affiliate
Dezhou Shuzhi Information Technology Co., Ltd.	Affiliate
Rudong Jintianhua Security Technology Co., Ltd.	Affiliate
Zhejiang Huachuang Vision Technology Co., Ltd.	Affiliate
Ningbo Cida Yongshun Intelligent Technology Co., Ltd.	Affiliate
Huahongchang Intelligent Technology (Jiangsu) Co., Ltd.	Affiliate
Guangxi FTZ Huaqin Wisdom Park Technology Research Institute Co., Ltd.	Affiliate
Ningbo Huayan Chuangxi Venture Capital Investment Partnership (Limited Partnership)	Affiliate

4. Information About Other Related Parties

Names of other related parties	Relationship between the Company and other related parties
Zhejiang Huanuokang Technology Co., Ltd. and its subsidiaries	Enterprise controlled by the actual controller
Huayan Capital (Hangzhou) Private Equity Fund Management Co., Ltd.	Enterprise controlled by the actual controller
Zhejiang Hyxi Technology Co., Ltd.	Enterprise controlled by the actual controller
Ningbo Hualing Venture Capital Investment Partnership (Limited Partnership)	Enterprise controlled by the actual controller
Hangzhou Ruipin Enterprise Management Partnership (Limited Partnership)	Enterprise controlled by the actual controller
Zhejiang Huashi Investment Management Co., Ltd.	Enterprise controlled by the actual controller
Hangzhou Xianmai Technology Co., Ltd.	Enterprises controlled by relatives of the actual controller
Zhejiang Lancable Technology Co., Ltd.	Enterprises where the actual controller has significant influence
Zhejiang Leapmotor Technology Co., Ltd. and its affiliates (Note 1)	Enterprises where the actual controller has significant influence
China Mobile Communications Group Co., Ltd. and its affiliates	Shareholders holding more than 5% of the shares
Beijing Haitian Ruisheng Science Technology Ltd.	Enterprises where the Company's supervisors serve as directors
Company A and other companies under its control	Related parties
Hangzhou Huacheng Network Technology Co., Ltd. and its subsidiaries	Enterprises where the Company's directors and senior management served as directors within the preceding 12 months (Note 2)

Other instructions

Note 1: "Zhejiang Leapmotor Technology Co., Ltd. and its affiliated companies" include twelve companies involved in related-party transactions with the Company: Zhejiang Leapmotor Technology Co., Ltd., Zhejiang Leapmotor New Energy Automotive Parts Technology Co., Ltd., Leapmotor Automobile Co., Ltd., Leapmotor Automobile Co., Ltd. Hangzhou Branch, Zhejiang Leapmotor Automobile Sales Service Co., Ltd., Jinhua Leapmotor New Energy Automotive Parts Technology Co., Ltd., Zhejiang Lingsheng Technology Co., Ltd., Jinhua Lingsheng Technology Co., Ltd., Tianjin Lingzhi Automobile Sales Service Co., Ltd., Zhejiang Lingxiao Energy Technology Co., Ltd., Lingxiao Energy Technology (Wuyi) Co., Ltd., and Zhejiang Youchong New Energy Technology Co., Ltd.

Note 2: The Company's former subsidiary, Hangzhou Huacheng Network Technology Co., Ltd., was transferred during the current period. Consequently, Hangzhou Huacheng Network Technology Co., Ltd. and its controlled subsidiaries have been excluded from the consolidation scope effective from the transfer date.

5. Information About Related-party Transactions

(1) Related-party Transactions Involving Purchase and Selling of Merchandise and Provision and Acceptance of Labor Services

Merchandise purchase and acceptance of labor services

Unit: RMB

Related parties	Content of the related - party transaction	Amount Occurred in the Current Period	Approved transaction limit	Over the transaction limit or not	Amount Occurred in the Previous Period
Company A and other companies under its control	Purchase of materials	117,414,040.94		No	165,464,165.81
China Mobile Communications Group Co., Ltd. and its affiliates	Material procurement, acceptance of services	44,743,923.39		No	29,810,955.52
Zhejiang Huachuang Vision Technology Co., Ltd.	Purchase of materials	19,463,649.53		No	19,013,656.35
Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	Material procurement, acceptance of services	8,328,138.03		No	2,849,413.00
Zhejiang Huanuokang Technology Co., Ltd. and its subsidiaries	Material procurement, acceptance of services	540,088.56		No	639,822.86
Zhejiang Lancable Technology Co., Ltd.	Purchase of materials	15,938.19		No	1,061.95
Ruicity Digital Technology Co., Ltd. And its subsidiaries	Purchase of materials			No	8,517,077.21
Beijing Haitian Ruisheng Science Technology Ltd.	Acceptance of services			No	80,371.70

Sales of merchandise and provision of services

Unit: RMB

Related parties	Content of the related - party transaction	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Intelbras S.A.	Sales of merchandise	434,956,295.51	143,079,215.80
Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	Sales of goods and provision of services	251,054,040.14	126,434,708.54
China Mobile Communications	Sales of goods and	135,432,781.93	86,084,408.42

Group Co., Ltd. and its affiliates	provision of services		
Rudong Jintianhua Security Technology Co., Ltd.	Sales of merchandise	2,633,161.97	
Ningbo Cida Yongshun Intelligent Technology Co., Ltd.	Sales of goods and provision of services	2,048,545.54	2,167,340.82
Dezhou Shuzhi Information Technology Co., Ltd.	Sales of goods and provision of services	1,998,783.61	5,488,111.52
Zhejiang Hyxi Technology Co., Ltd.	Sales of goods and provision of services	1,754,519.64	47,478.63
Zhejiang Huanuokang Technology Co., Ltd. and its subsidiaries	Sales of merchandise	1,641,592.68	400,278.51
Guangdong Zhishi Digital Technology Co., Ltd.	Sales of merchandise	1,005,860.55	891,772.36
Zhejiang Huachuang Vision Technology Co., Ltd.	Sales of goods and provision of services	304,646.93	380,435.50
Huahongchang Intelligent Technology (Jiangsu) Co., Ltd.	Sales of merchandise	10,442.48	
Hangzhou Xianmai Technology Co., Ltd.	Sales of merchandise	4,335.40	
Guangxi FTZ Huaqin Wisdom Park Technology Research Institute Co., Ltd.	Sales of merchandise	26.55	386,548.68
Ruicity Digital Technology Co., Ltd. And its subsidiaries	Sales of merchandise	-101,145.95	5,920,590.17
Zhejiang Lancable Technology Co., Ltd.	Sales of merchandise		-10,619.47

(2) Related Leasing

The Company being the lessor:

Unit: RMB

Name of the lessee	Type of the leased assets	Rental income confirmed in this period	Rental income confirmed in the previous period
Zhejiang Hyxi Technology Co., Ltd.	Buildings and constructions	1,486,256.16	818,706.26
Zhejiang Huanuokang Technology Co., Ltd. and its subsidiaries	Buildings and constructions	896,278.64	876,922.77
Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	Buildings and constructions	70,716.55	134,487.97
Huayan Capital (Hangzhou) Private Equity Fund Management Co., Ltd.	Buildings and constructions	46,744.80	46,467.27
Zhejiang Huachuang Vision Technology Co., Ltd.	Buildings and constructions	10,045.86	10,045.86
Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	Device	61,373.45	

The Company being the lessee:

Unit: RMB

Name of the lessor	Type of the leased assets	Simplified rental expenses for short-term leases and low-value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expense on lease liabilities borne		Increased right-of-use assets	
		Amount Occurred in the Current Period	Amount Occurred in the Previous Period	Amount Occurred in the Current Period	Amount Occurred in the Previous Period	Amount Occurred in the Current Period	Amount Occurred in the Previous Period	Amount Occurred in the Current Period	Amount Occurred in the Previous Period	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	Machinery and equipment					1,034,915.00	1,034,915.00	95,943.04	109,364.41		

(3) Related Guarantee

The Company being the guarantor:

Unit: RMB

Secured parties	Guarantee amount	Starting date	Maturity date	Guarantee fulfilled completely or not
Zhejiang Dahua Vision Technology Co., Ltd.	220,000,000.00	October 13, 2017	Two years after the maturity of the debts in the master contract	No
Zhejiang Dahua Vision Technology Co., Ltd. (guaranteed currency: USD)	40,000,000.00	September 21, 2018	Two years after the maturity of the debts in the master contract	No
Zhejiang Dahua Vision Technology Co., Ltd.	300,000,000.00	September 01, 2020	Five years upon expiration of debt period of master contract	No
Zhejiang Dahua Vision Technology Co., Ltd.	200,000,000.00	July 22, 2022	Three years after the maturity of the debts in the master contract	No
Zhejiang Dahua Vision Technology Co., Ltd.	400,000,000.00	July 24, 2023	From the date of expiration of the performance period of each debt in the master contract until three years after the date of expiration of the performance period of the last due master debt under all master contracts	No
Zhejiang Dahua Vision Technology Co., Ltd.	900,000,000.00	September 26, 2023	From the date of signing the master contract for a single credit transaction until three years after the debtor's debt performance period under the master contract expires	No
Zhejiang Dahua Vision Technology Co., Ltd.	330,000,000.00	September 26, 2023	Three years from the expiration date of the debtor's performance period as agreed in the master claim contract	No
Zhejiang Dahua Vision Technology Co., Ltd.	1,000,000,000.00	March 01, 2024	Three years from the next day after the expiry date of each type of financing business under the master contract	No
Zhejiang Dahua Vision Technology Co., Ltd.	530,000,000.00	April 01, 2024	Two years from the expiration date of the debtor's performance period as agreed in the master contract	No

Zhejiang Dahua Vision Technology Co., Ltd.	400,000,000.00	June 07, 2024	From the effective date of the Commitment Letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the accounts receivable claims granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance within the credit extension period	Yes
Zhejiang Dahua Vision Technology Co., Ltd.	495,000,000.00	July 25, 2024	Three years from the expiration date of the debtor's performance period as agreed in each specific financing contract	No
Zhejiang Dahua Vision Technology Co., Ltd.	500,000,000.00	August 16, 2024	The guarantee period is three years from the effective date of the Maximum Amount Guarantee Contract until the expiration date of the performance period of each debt under the Credit Business Agreement.	No
Zhejiang Dahua Vision Technology Co., Ltd.	680,000,000.00	September 19, 2024	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No
Zhejiang Dahua Vision Technology Co., Ltd.	200,000,000.00	December 13, 2024	Three years from the expiration date of the debtor's performance period as agreed in the master contract.	No
Zhejiang Dahua Vision Technology Co., Ltd.	400,000,000.00	June 10, 2025	From the effective date of the Commitment Letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the accounts receivable claims granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance within the credit extension period	No
Zhejiang Dahua Zhilian Co., Ltd.	200,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Dahua Zhilian Co., Ltd.	300,000,000.00	March 29, 2024	Two years from the expiration date of the debtor's performance period as agreed in the master contract	No
Zhejiang Dahua Zhilian Co., Ltd.	160,000,000.00	June 07, 2024	From the effective date of the Commitment Letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the accounts receivable claims granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance within the credit extension period	Yes
Zhejiang Dahua Zhilian Co., Ltd.	600,000,000.00	July 25, 2024	The guarantee period starts from the expiration date of the performance period of each principal debt under the master contract and ends three years after the expiration date of the performance period of the last due principal debt under all master contracts.	No

Zhejiang Dahua Zhilian Co., Ltd.	165,000,000.00	July 25, 2024	Three years from the expiration date of the debtor's performance period as agreed in each specific financing contract	No
Zhejiang Dahua Zhilian Co., Ltd.	150,000,000.00	September 19, 2024	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No
Zhejiang Dahua Zhilian Co., Ltd.	100,000,000.00	September 26, 2024	Three years from the expiration date of the debtor's performance period as agreed in the master contract.	No
Zhejiang Dahua Zhilian Co., Ltd.	160,000,000.00	June 10, 2025	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance.	No
Zhejiang Dahua Zhilian Co., Ltd.	10,000,000.00	January 02, 2025	One year commencing upon the expiration of Zhejiang Dahua Zhilian Co., Ltd.'s debt performance period.	No
Zhejiang Dahua Zhilian Co., Ltd.	200,000,000.00	May 09, 2025	August 24, 2025	No
Zhejiang Dahua System Engineering Co., Ltd.	5,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Dahua System Engineering Co., Ltd.	40,000,000.00	June 10, 2024	From the effective date of the Commitment Letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the accounts receivable claims granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance within the credit extension period	Yes
Zhejiang Dahua System Engineering Co., Ltd.	50,000,000.00	August 16, 2024	The guarantee period is three years from the effective date of the Maximum Amount Guarantee Contract until the expiration date of the performance period of each debt under the Credit Business Agreement.	No
Zhejiang Dahua System Engineering Co., Ltd.	10,000,000.00	September 03, 2024	The guarantee period is two years from the expiration date of the debtor's debt performance period stipulated in the master contract.	No
Zhejiang Dahua System Engineering Co., Ltd.	40,000,000.00	June 10, 2025	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance.	No
Zhejiang Dahua System Engineering Co., Ltd.	5,000,000.00	May 09, 2025	August 24, 2025	No
Dahua Technology (HK) Limited (guaranteed currency: USD)	3,000,000.00	April 22, 2024	April 22, 2025	Yes

Dahua Technology (HK) Limited (guaranteed currency: USD)	3,000,000.00	April 22, 2025	April 21, 2026	No
Dahua Technology (HK) Limited (guaranteed currency: USD)	20,000,000.00	January 15, 2025	January 14, 2026	No
DAHUA TECHNOLOGY MEXICO S.A. DE C.V (guaranteed currency: USD)	1,000,000.00	October 18, 2024	October 17, 2025	No
DAHUA TECHNOLOGY MEXICO S.A. DE C.V (guaranteed currency: USD)	2,000,000.00	January 15, 2025	Three years commencing from the day following the expiration of the loan term under the main agreement.	No
Dahua Technology UK Limited (guaranteed currency: GBP)	1,160,000.00	August 12, 2020	Sign the Termination Notice Letter	No
Dahua Technology UK Limited (guarantee currency: USD)	1,000,000.00	March 04, 2024	March 03, 2025	Yes
Dahua Technology UK Limited (guarantee currency: USD)	1,000,000.00	March 04, 2025	March 3, 2026	No
Zhejiang Huayixin Technology Co., Ltd.	10,000,000.00	April 29, 2022	Three years after the maturity of the debts in the master contract	Yes
Zhejiang Huayixin Technology Co., Ltd.	2,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Huayixin Technology Co., Ltd.	10,000,000.00	September 26, 2024	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Hangzhou Branch of China Merchants Bank or the advance date of each advance.	No
Zhejiang Huayixin Technology Co., Ltd.	10,000,000.00	May 09, 2025	The guarantee period shall be three years starting from the day after the expiration of the debtor's performance period as stipulated in each specific financing contract.	No
Zhejiang Huayixin Technology Co., Ltd.	2,000,000.00	May 09, 2025	August 24, 2025	No
Zhejiang Fengshi Technology Co., Ltd.	100,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Fengshi Technology Co., Ltd.	30,000,000.00	September 03, 2024	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Hangzhou Branch of China Merchants Bank or the advances date of each advance;	No
Zhejiang Fengshi Technology Co., Ltd.	15,000,000.00	September 19, 2024	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No
Zhejiang Fengshi Technology Co., Ltd.	100,000,000.00	May 09, 2025	August 24, 2025	No
Jiangsu Huaruipin Technology Co. Ltd.	8,000,000.00	September 28, 2024	May 8, 2025	Yes

Jiangsu Huaruipin Technology Co. Ltd.	15,000,000.00	September 19, 2024	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No
Jiangsu Huaruipin Technology Co. Ltd.	8,000,000.00	May 09, 2025	August 24, 2025	No
Zhejiang Huaxiao Technology Co., Ltd.	2,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Huaxiao Technology Co., Ltd.	20,000,000.00	June 27, 2025	The debtor's debt performance period stipulated in the master contract shall expire two years from the due date.	No
Zhejiang Huaxiao Technology Co., Ltd.	2,000,000.00	May 09, 2025	August 24, 2025	No
Xi'an Dahua Zhilian Technology Co., Ltd.	20,000,000.00	September 19, 2024	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No
Xi'an Dahua Zhilian Technology Co., Ltd.	100,000,000.00	September 28, 2024	May 8, 2025	Yes
Xi'an Dahua Zhilian Technology Co., Ltd.	30,000,000.00	December 06, 2024	From the effective date of the commitment letter to three years after the maturity date of each loan or other financing under the Credit Agreement or of the creditor's rights granted by the Xi'an Branch of China Merchants Bank or the advance date of each advance within the credit extension period;	No
Xi'an Dahua Zhilian Technology Co., Ltd.	100,000,000.00	May 09, 2025	August 24, 2025	No
Zhengzhou Dahua Zhian Information Technology Co., Ltd.	30,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhengzhou Dahua Zhian Information Technology Co., Ltd.	50,000,000.00	July 16, 2024	June 09, 2025	Yes
Zhengzhou Dahua Zhian Information Technology Co., Ltd.	30,000,000.00	May 09, 2025	August 24, 2025	No
Zhengzhou Dahua Zhian Information Technology Co., Ltd.	50,000,000.00	February 20, 2025	June 09, 2025	Yes
Zhengzhou Dahua Zhian Information Technology Co., Ltd.	50,000,000.00	June 10, 2025	June 9, 2026	No
Chengdu Dahua Zhian Information Technology Service Co., Ltd.	80,000,000.00	July 16, 2024	February 20, 2025	Yes
Chengdu Dahua Zhian Information Technology Service Co., Ltd.	100,000,000.00	February 20, 2025	June 09, 2025	Yes
Chengdu Dahua Zhian Information Technology Service Co., Ltd.	100,000,000.00	June 09, 2025	June 9, 2026	No
Changsha Dahua Technology Co., Ltd.	50,000,000.00	September 28, 2024	May 8, 2025	Yes

Changsha Dahua Technology Co., Ltd.	20,000,000.00	September 19, 2024	The guarantee period is from the effective date of the specific business credit contract to three years after the expiration of the debt performance period stipulated in the specific business credit contract (including early maturity of the debt).	No
Changsha Dahua Technology Co., Ltd.	50,000,000.00	May 09, 2025	August 24, 2025	No
Zhejiang Pixfra Technology Co., Ltd.	5,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Pixfra Technology Co., Ltd.	20,000,000.00	February 21, 2025	The warranty period shall commence from the effective date of this contract and continue until three years after the expiration date of the debt performance period under the specific credit granted in the master contract.	No
Zhejiang Pixfra Technology Co., Ltd.	5,000,000.00	May 09, 2025	August 24, 2025	No
Zhejiang Huafei Intelligent Technology CO., LTD.	2,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Huafei Intelligent Technology CO., LTD.	10,000,000.00	May 09, 2025	August 24, 2025	No
Zhejiang Huafei Intelligent Technology CO., LTD.	15,000,000.00	June 27, 2025	The debtor's debt performance period stipulated in the master contract shall expire two years from the due date.	No
Zhejiang Huajian Technology Co., Ltd.	2,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Huajian Technology Co., Ltd.	2,000,000.00	May 09, 2025	August 24, 2025	No
Hangzhou Xiaohua Technology CO., LTD.	2,000,000.00	September 28, 2024	May 8, 2025	Yes
Hangzhou Xiaohua Technology CO., LTD.	2,000,000.00	May 09, 2025	August 24, 2025	No
Zhejiang Dahua Security Network Operation Service Co., Ltd.	5,000,000.00	September 28, 2024	May 8, 2025	Yes
Zhejiang Dahua Security Network Operation Service Co., Ltd.	5,000,000.00	May 09, 2025	August 24, 2025	No
Dahua Technology France SAS (guarantee currency: EUR)	145,700.00	December 07, 2023	August 31, 2029	No
DAHUA EUROPE B.V. (guarantee currency: USD)	1,500,000.00	March 04, 2024	March 03, 2025	Yes
DAHUA EUROPE B.V. (guarantee currency: USD)	2,500,000.00	March 04, 2025	March 3, 2026	No
Dahua Technology Italy S.R.L. (guarantee currency: USD)	500,000.00	March 04, 2024	March 03, 2025	Yes
Dahua Technology Italy S.R.L. (guarantee currency: USD)	500,000.00	March 04, 2025	March 3, 2026	No
Zhejiang Huaruijie Technology Co., Ltd.	2,000,000.00	May 09, 2025	August 24, 2025	No

Zhejiang Huaruijie Technology Co., Ltd.	15,000,000.00	June 27, 2025	The debtor's debt performance period stipulated in the master contract shall expire two years from the due date.	No
Zhejiang Huaruijie Technology Co., Ltd.	10,000,000.00	June 27, 2025	From the effective date of this commitment letter until the maturity date of each loan or other financing under the Credit Agreement, or the maturity date of the accounts receivable creditor's right assigned to China Merchants Bank Hangzhou Branch, or three years after the date of each advance, whichever is later.	No
Yibin Huahui Information Technology Co., Ltd.	4,754,237.19	January 02, 2025	December 31, 2025	No
Dahua Technology Singapore Pte. Ltd. (guarantee currency: SGD)	164,177.83	April 30, 2025	January 30, 2028	No

(4) Asset Transfer and Debt Restructuring of Related Parties

Unit: RMB

Related parties	Content of the related - party transaction	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
China Mobile Communications Group Co., Ltd. and its affiliates	Procurement of fixed assets	149,912.39	
Zhejiang Huachuang Vision Technology Co., Ltd.	Procurement of fixed assets	22,212.39	2,654.86

(5) Remuneration to Key Management Personnel

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Salary of key management personnel	8,260,691.89	8,958,819.43

(6) Other Related-party Transactions

During the reporting period, pursuant to a resolution of the shareholders meeting of the Company's subsidiary Jiangsu Huaruipin Technology Co., Ltd., Huaruipin's registered capital was reduced from RMB 50 million to RMB 25.5 million. Related parties Zhejiang Huashi Investment Management Co., Ltd. and Hangzhou Ruipin Enterprise Management Partnership (Limited Partnership) exited their shareholdings in this capital reduction and no longer hold equity in Huaruipin.

6. Receivables and Payables of the Related Parties

(1) Receivables

Unit: RMB

Item Name	Related parties	Closing Balance		Opening Balance	
		Book balance	Bad debt	Book balance	Bad debt

			provision		provision
Accounts receivable	Intelbras S.A.	358,063,590.33	17,903,179.52	591,354,065.58	29,567,703.28
Accounts receivable	Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	246,348,583.12	12,445,803.60	264,675,710.56	13,357,368.51
Accounts receivable	China Mobile Communications Group Co., Ltd. and its affiliates	165,378,398.74	22,333,129.49	153,789,928.68	21,308,153.74
Accounts receivable	Ruicity Digital Technology Co., Ltd. And its subsidiaries	17,586,693.64	2,987,576.42	17,669,453.04	1,408,576.57
Accounts receivable	Guangdong Zhishi Digital Technology Co., Ltd.	5,316,685.81	265,834.29	7,550,832.13	2,958,999.91
Accounts receivable	Zhejiang Hyxi Technology Co., Ltd.	4,035,347.39	201,767.37	2,049,201.90	102,460.10
Accounts receivable	Ningbo Cida Yongshun Intelligent Technology Co., Ltd.	3,650,710.01	206,557.10	2,642,556.01	132,127.80
Accounts receivable	Hangzhou Huacheng Network Technology Co., Ltd. and its subsidiaries	3,566,436.02	178,322.42		
Accounts receivable	Dezhou Shuzhi Information Technology Co., Ltd.	2,591,724.80	145,187.49	6,231,962.01	311,598.10
Accounts receivable	Zhejiang Huachuang Vision Technology Co., Ltd.	2,055,084.77	319,558.57	2,602,776.37	201,453.69
Accounts receivable	Rudong Jintianhua Security Technology Co., Ltd.	1,854,982.60	92,749.13		
Accounts receivable	Zhejiang Huanuokang Technology Co., Ltd. and its subsidiaries	486,665.79	24,333.29	291,210.78	14,560.54
Accounts receivable	Company A and other companies under its control	315,750.18	315,506.97	315,750.18	252,847.40
Accounts	Guangxi FTZ			31,170.00	1,558.50

receivable	Huaqin Wisdom Park Technology Research Institute Co., Ltd.				
Prepayments	Hangzhou Huacheng Network Technology Co., Ltd. and its subsidiaries	599,970.36			
Prepayments	Company A and other companies under its control	294,536.66		747,840.52	
Prepayments	China Mobile Communications Group Co., Ltd. and its affiliates	52,527.59		376,505.05	
Contract assets	China Mobile Communications Group Co., Ltd. and its affiliates	4,974,576.83	876,942.44	5,745,492.32	747,625.61
Contract assets	Ruicity Digital Technology Co., Ltd. And its subsidiaries	157,708.00	44,920.20	155,050.00	44,122.80
Contract assets	Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	57,000.00	2,850.00		
Contract assets	Zhejiang Hyxi Technology Co., Ltd.	90,160.20	4,508.01	90,160.20	4,508.01
Other Receivables	China Mobile Communications Group Co., Ltd. and its affiliates	5,207,268.69	523,088.56	3,199,859.09	573,371.54
Other Receivables	Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	44,850.00	4,485.00	244,850.00	14,485.00

(2) Payables

Unit: RMB

Item Name	Related parties	Closing balance	Opening balance
Accounts Payable	Hangzhou Huacheng Network Technology Co., Ltd. and its subsidiaries	95,434,744.57	
Accounts Payable	China Mobile Communications Group Co., Ltd. and its affiliates	36,541,772.37	36,039,551.28
Accounts Payable	Zhejiang Huachuang Vision Technology Co., Ltd.	5,470,181.81	9,010,272.07
Accounts Payable	Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	3,825,665.36	1,735,191.79
Accounts Payable	Ruicity Digital Technology Co., Ltd. And its subsidiaries	2,324,793.29	2,324,793.29
Accounts Payable	Zhejiang Huanuokang Technology Co., Ltd. and its subsidiaries	51,600.00	107,500.00
Contract liabilities	China Mobile Communications Group Co., Ltd. and its affiliates	12,987,661.21	9,457,312.09
Contract liabilities	Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	1,129,417.36	2,375,139.56
Contract liabilities	Intelbras S.A.	591,311.56	3,033,496.96
Contract liabilities	Hangzhou Huacheng Network Technology Co., Ltd. and its subsidiaries	448,389.32	
Contract liabilities	Huayan Capital (Hangzhou) Private Equity Fund Management Co., Ltd.	107.10	107.09
Other payables	China Mobile Communications Group Co., Ltd. and its affiliates	18,453,361.89	10,647,937.20
Other payables	Zhejiang Huashi Investment Management Co., Ltd.	17,867,649.13	
Other payables	Ningbo Hualing Venture Capital Investment Partnership (Limited Partnership)	13,727,591.82	13,727,591.82
Other payables	Hangzhou Ruipin Enterprise Management Partnership (Limited Partnership)	6,043,469.56	
Other payables	Ningbo Huayan Chuangxi Venture Capital Investment Partnership (Limited Partnership)	4,683,641.32	4,683,641.32
Other payables	Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	300,000.00	300,000.00
Other payables	Zhejiang Huachuang Vision Technology Co., Ltd.		200,816.89
Other payables	Zhejiang Huanuokang Technology Co., Ltd. and its subsidiaries		63,070.00
Lease liabilities	Zhejiang Leapmotor Technology Co., Ltd. and its affiliates	5,611,414.10	6,550,386.06

XV. Share-based Payment

1. Overview of Share-based Payment

☒ Applicable ☐ Not applicable

Unit: RMB

Category of granted recipients	Granted in the current period		Exercising in the current period		Unlocked in the current period		Lapsed in the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Senior management, other management, and key business personnel			7,757,481.00	15,127,087.95			41,022,267.00	224,914,368.45
Total			7,757,481.00	15,127,087.95			41,022,267.00	224,914,368.45

Stock options or other equity instruments outstanding at the end of the period

☒ Applicable ☐ Not applicable

Category of granted recipients	The stock options outstanding at the end of the period		Other equity instruments outstanding at the end of the period	
	Range of exercise prices	Remaining term of contract	Range of exercise prices	Remaining term of contract
Senior management, other management, and key business personnel	RMB 15.015 /share	10 days		

Other instructions

(1) The company and its subsidiaries' employees hold equity in the subsidiary HuaRay Technology through capital increase or direct or indirect equity transfer. Based on the fair value of HuaRay Technology's recently introduced investors on the grant date, share-based payment expenses of RMB 35,942,155.72 were recognized in this period.

(2) The company and its subsidiaries' employees hold equity in the subsidiary Huacheng Network through capital increase or direct or indirect equity transfer. Based on the fair value of Huacheng Network recently introduced investors on the grant date, share-based payment expenses of RMB 10,838,268.39 were recognized in this period.

(3) The company and its subsidiaries' employees hold equity in the subsidiary Pixfra Technology through capital increase or direct or indirect equity transfer. Based on the fair value of Pixfra Technology recently introduced investors on the grant date, share-based payment expenses of RMB 9,369,154.76 were recognized in this period.

2. Situation of Equity-settled Share-based Payment☒Applicable ☐ Not applicable

Unit: RMB

The method for determining the fair value of equity instruments on the day of granting	The fair value of the restricted stocks shall be determined based on the stock price and the grant cost of the stocks or stock price of the most recent external investor entry as at the grant date, while the fair value of the stock options shall be determined under the Black-Scholes Model
The basis for determining the amount of exercisable equity instruments	Estimated according to equity instruments held by the employees
Reason for the significant difference between the estimation of current period and the previous period	None
The accumulated amount of equity-settled share-based payment counted into the capital reserve	212,027,209.86
Amount of equity-settled share-based payment confirmed in current period	56,149,578.87

3. Situation of Cash-settled Share-based Payment☐ Applicable ☒Not applicable**4. Share-based Payments in The Current Period**☒Applicable ☐ Not applicable

Unit: RMB

Category of granted recipients	Equity-settled share-based payments	Cash-settled share-based payments
Senior management, other management, and key business personnel	56,149,578.87	
Total	56,149,578.87	

5. Modification and Termination of Share-Based Payment

None

XVI. Commitments and Contingencies**1. Significant Commitments**

Important commitments on the balance sheet day

As of June 30, 2025, the company's pledge matters are as follows:

(1) On May 30, 2025, the company renewed the Guarantee Contract for Pledge of Asset Pool numbered (33100000) Zheshang Asset Pool Pledge (2025) No. 06877 with Zheshang Bank Co., Ltd. Hangzhou Branch (contract term from May 30, 2025, to May 30, 2026). This contract provides a guarantee for the Asset Pool Business Cooperation

Agreement jointly signed by the company and its subsidiaries Zhejiang Dahua Vision Technology Co., Ltd., Zhejiang Dahua System Engineering Co., Ltd., Zhejiang Fengshi Technology Co., Ltd., Zhejiang Dahua Zhilian Co., Ltd., and Zhesang Bank Co., Ltd. Hangzhou Branch. The maximum financing quota of the pledged asset pool shall not exceed RMB 2.5 billion.

Under this notes receivable pool business, as of June 30, 2025, the company has RMB 5,210,123.71 of notes receivable not yet due; the subsidiary Zhejiang Dahua Vision Technology Co., Ltd. has RMB 675,245,252.98 of notes receivable not yet due (of which RMB 200,206,003.81 are notes receivable from related parties within the consolidated scope); the subsidiary Zhejiang Dahua System Engineering Co., Ltd. has RMB 950,222.20 of notes receivable not yet due; and the subsidiary Zhejiang Dahua Zhilian Co., Ltd. has RMB 455,611,407.66 of notes receivable not yet due (of which RMB 250,293,856.42 are notes receivable from related parties within the consolidated scope).

Under this pledge matter, the company issued banker's acceptance notes totaling RMB 9,213,178.57; the subsidiary Zhejiang Dahua Vision Technology Co., Ltd. issued banker's acceptance notes totaling RMB 130,316,943.14; the subsidiary Zhejiang Dahua Zhilian Co., Ltd. issued banker's acceptance notes totaling RMB 215,789,222.35; and the subsidiary Zhejiang Fengshi Technology Co., Ltd. issued banker's acceptance notes totaling RMB 149,396,619.69.

(2) On March 18, 2025, the company signed the Credit Agreement for Notes Pool Business with China Merchants Bank Co., Ltd. Hangzhou Branch, contract number 571XY250318T000009 (contract term from March 19, 2025, to March 18, 2028), agreeing on a special notes pool quota of RMB 1.5 billion. The quota is simultaneously allocated to the subsidiaries Zhejiang Dahua Vision Technology Co., Ltd., Zhejiang Dahua System Engineering Co., Ltd., Zhejiang Fengshi Technology Co., Ltd., Zhejiang Huafei Intelligent Technology Co., Ltd., Zhejiang Huayixin Technology Co., Ltd., Zhejiang Huaxiao Technology Co., Ltd., Zhejiang Huajian Technology Co., Ltd., Xi'an Dahua Zhilian Technology Co., Ltd., Zhejiang Dahua Intelligent IoT Operation Service Co., Ltd., and Zhejiang Dahua Zhilian Co., Ltd.

Under this notes receivable pool business, as of June 30, 2025, the company has RMB 209,452,863.80 of notes receivable not yet due (of which RMB 200,000,000.00 are notes receivable from related parties within the consolidated scope). The subsidiary Zhejiang Dahua Vision Technology Co., Ltd. has RMB 162,437,882.30 of notes receivable not yet due (of which RMB 128,000,000.00 are notes receivable from related parties within the consolidated scope), and the subsidiary Zhejiang Dahua System Engineering Co., Ltd. has RMB 1,732,973.00 of notes receivable not yet due.

Under this pledge matter, the banker's acceptance issued by the subsidiary Zhejiang Dahua System Engineering Co., Ltd. amounts to RMB 220,192.49; the banker's acceptance issued by the subsidiary Zhejiang Fengshi Technology Co., Ltd. amounts to RMB 110,369,954.71; the banker's acceptance issued by the subsidiary Zhejiang Huajian Technology Co., Ltd. amounts to RMB 467,649.77; and the banker's acceptance issued by the subsidiary Zhejiang Huaxiao Technology Co., Ltd. amounts to RMB 175,522.90.

(3) On May 17, 2024, the subsidiary Zhejiang Dahua Vision Technology Co., Ltd. and Bank of Hangzhou Co., Ltd. entered into the "Supplemental Agreement to the Asset Steward Pledge Contract" (No. E-C-B-18-2), and extended the term of "Pledge Contract for Maximum Amount of Individual Asset Management" to May 16, 2027, agreeing on providing a guarantee for the "Asset Management Service Agreement" signed by the subsidiary Zhejiang Dahua Vision Technology Co., Ltd. and Hangzhou Bank Co., Ltd. The credit limit of the notes pool cannot be more than RMB 0.2 billion.

Under this notes pool business, as of June 30, 2025, the subsidiary Zhejiang Dahua Vision Technology Co., Ltd. has RMB 36,853,836.94 of unexpired notes receivable pledged for issuing acceptance bills.

Under the pledge, the subsidiary Zhejiang Dahua Vision Technology Co., Ltd. issued the bank acceptance bills in the amount of RMB 0.

(4) Under the Asset Pool Charge-off Agreement No. PPHJQZCZ 20240726-001 (the contract term is from August 20, 2024 to August 19, 2025) made by and between the Company and Ping An Bank Co., Ltd. Hangzhou Branch on August 20, 2024, a special credit quota of RMB 1 billion in note pool was granted and was also allocated to the subsidiary Zhejiang Dahua Vision Technology Co., Ltd., the subsidiary Jiangsu Huaruipin Technology Co., Ltd., the subsidiary Zhejiang PixFra Technology Co., Ltd. and the subsidiary Changsha Dahua Technology Co., Ltd.

Under this notes receivable pool business, as of June 30, 2025, the company has RMB 413,611,700.86 of notes receivable not yet matured (of which RMB 400,000,000.00 are notes from related parties within the consolidated scope). The subsidiary Zhejiang Dahua Vision Technology Co., Ltd. has RMB 205,386,822.39 of notes receivable not yet matured (of which RMB 162,000,000.00 are notes from related parties within the consolidated scope). The subsidiary Changsha Dahua Technology Co., Ltd. has RMB 13,634,252.74 of notes receivable not yet matured, and the subsidiary Zhejiang PixFra Technology Co., Ltd. has RMB 1,529,767.50 of notes receivable not yet matured pledged for issuing banker's acceptance.

Under this pledge matter, the company issued banker's acceptance drafts totaling RMB 2,886,755.49; the subsidiary Zhejiang Dahua Vision Technology Co., Ltd. issued banker's acceptance drafts totaling RMB 420,426,404.52; the subsidiary Jiangsu Huaruipin Technology Co., Ltd. issued banker's acceptance drafts totaling RMB 3,313,918.22; the subsidiary Zhejiang PixFra Technology Co., Ltd. issued banker's acceptance drafts totaling RMB 320,417.17; and the subsidiary Changsha Dahua Technology Co., Ltd. issued banker's acceptance drafts totaling RMB 5,917,854.07.

(5) The subsidiary Zhejiang HuaRay Technology Co., Ltd. signed the Credit Agreement for Notes Pool Business with the Hangzhou Branch of China Merchants Bank Co., Ltd., agreeing on a quota of 200 million RMB for the notes pool business credit line. Under this notes pool business, as of June 30, 2025, the subsidiary Zhejiang HuaRay Technology Co., Ltd. has RMB 21,287,711.65 of notes receivable not yet matured pledged for issuing acceptance bills. Under this pledge matter, the subsidiary Zhejiang HuaRay Technology Co., Ltd. issued a banker's acceptance in the amount of RMB 19,381,124.81.

(6) The subsidiary Zhejiang HuaRay Technology Co., Ltd. signed the "Maximum Pledge Contract for Asset Pool Business" with the Hangzhou Branch of CITIC Bank, agreeing on a quota of RMB 290 million for the bill pool business. Under this notes pool business, as of June 30, 2025, the subsidiary Zhejiang HuaRay Technology Co., Ltd. has RMB 2,963,499.80 of notes receivable not yet matured pledged for issuing acceptance bills. Under this pledge matter, the subsidiary Zhejiang HuaRay Technology Co., Ltd. issued a banker's acceptance in the amount of RMB 2,963,499.80.

2. Contingencies

(1) The company has no significant contingent matters that need to be disclosed and should also state this.

No important contingent matter to be disclosed by the Company.

XVII. Events after the Balance Sheet Date

1. Other Events after the Balance Sheet Date

The company held the 14th meeting of the 8th Board of Directors and the 10th meeting of the 8th Board of Supervisors on July 15, 2025, and reviewed and approved the "Proposal on Adjusting the Listing of the Controlling Subsidiary to Overseas Markets." Approved the adjustment of the proposed listing venue for the controlling subsidiary Zhejiang HuaRay Technology Co., Ltd. (hereinafter "HuaRay Technology") from a domestic stock exchange to The Stock Exchange of Hong Kong Limited (hereinafter "SEHK").

XVIII. Other Significant Events

1. Subsection Information

(1) Basis for Determining the Reporting Subsection and the Accounting Policy

The Company determines the operation subsection based on internal organization structure, management requirements, internal reporting system, etc. The Company has only one operational subsection, namely the R&D, production, and sales of intelligent IoT products. The accounting policy of the reporting subsection is consistent with that of the Company.

(2) Financial Information of the Reporting Subsection

Regional subsection

Unit: RMB

Item	Operating revenue	Operating cost
Domestic	7,553,259,609.99	4,866,160,607.15
Overseas	7,628,070,041.14	3,998,364,911.54
Total	15,181,329,651.13	8,864,525,518.69

Product subsection

Unit: RMB

Item	Operating revenue	Operating cost
Smart IoT products and solutions	11,740,932,998.53	6,589,674,115.39
Including: software business	767,210,890.41	252,290,758.12
Innovated businesses	3,022,964,624.87	1,919,520,426.76
Others	417,432,027.73	355,330,976.54
Total	15,181,329,651.13	8,864,525,518.69

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

1. Accounts Receivable

(1) Disclosure by Aging

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	4,239,930,965.68	3,626,113,282.05
1 to 2 years	264,216,289.02	278,227,149.44
2 to 3 years	142,671,410.95	118,907,668.74
3 years or above	327,178,630.02	327,790,735.16
3 to 4 years	136,828,678.77	156,150,890.29
4 to 5 years	119,820,566.09	104,733,137.94
5 years or above	70,529,385.16	66,906,706.93
Total	4,973,997,295.67	4,351,038,835.39

(2) Disclosure by Bad Debt Accrual Method

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrued proportion		Amount	Proportion	Amount	Accrued proportion	
Accounts receivables with the bad debt provision accrued based on single item	39,617,555.25	0.80%	39,617,555.25	100.00%		37,472,879.25	0.86%	37,472,879.25	100.00%	
Among them:										
Accounts receivable with insignificant single amount but accrued for separate provision of bad debt	39,617,555.25	0.80%	39,617,555.25	100.00%		37,472,879.25	0.86%	37,472,879.25	100.00%	
Accounts receivables with the bad debt provision accrued based on combinations	4,934,379,740.42	99.20%	177,591,954.99	3.60%	4,756,787,785.43	4,313,565,956.14	99.14%	174,068,692.58	4.04%	4,139,497,263.56
Among them:										
Portfolio 1: Consolidated related party portfolio	3,673,604,574.17	73.86%			3,673,604,574.17	3,137,038,601.58	72.10%			3,137,038,601.58
Portfolio 2: Aging Analysis Method Portfolio	1,260,775,166.25	25.35%	177,591,954.99	14.09%	1,083,183,211.26	1,176,527,354.56	27.04%	174,068,692.58	14.80%	1,002,458,661.98
Total	4,973,997,295.67	100.00%	217,209,510.24		4,756,787,785.43	4,351,038,835.39	100.00%	211,541,571.83		4,139,497,263.56

By category of accrual for bad debt provision on individual items: accounts receivable with individually accrued bad debt provisions where the individual amount is not material

Unit: RMB

Name	Opening Balance		Closing Balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrued proportion	Reason for making bad debt provision
Customer 1	36,675,477.42	36,675,477.42	36,675,477.42	36,675,477.42	100.00%	Expected to be unable to recover
Other sporadic customers	797,401.83	797,401.83	2,942,077.83	2,942,077.83	100.00%	Expected to be unable to recover
Total	37,472,879.25	37,472,879.25	39,617,555.25	39,617,555.25		

Provision for bad debts by category name based on combination: aging analysis method combination

Unit: RMB

Name	Closing Balance		
	Book balance	Bad debt provision	Accrued proportion
Within 1 Year	850,248,898.02	42,512,444.89	5.00%
1 to 2 years	166,598,705.67	16,659,870.57	10.00%
2 to 3 years	115,151,822.12	34,545,546.63	30.00%
3 to 4 years	73,710,191.93	36,855,095.97	50.00%
4 to 5 years	40,232,757.92	32,186,206.34	80.00%
5 years or above	14,832,790.59	14,832,790.59	100.00%
Total	1,260,775,166.25	177,591,954.99	

If the bad debt provisions of accounts receivable are made according to the general model of expected credit losses:

☐ Applicable ☒ Not applicable

(3) Provision for Bad Debts Accrued, Recovered Or Reversed in This Period

Provision for bad debts in the current period:

Unit: RMB

Category	Opening Balance	Amount of Changes in the Current Period				Closing Balance
		Accrued	Recovered or Reversed	Written Off	Others	
Bad debt provision	211,541,571.83	5,869,807.10		201,868.69		217,209,510.24
Total	211,541,571.83	5,869,807.10		201,868.69		217,209,510.24

Significant amount of recovered or reversed bad debt provision in this period:

None

(4) Accounts Receivable Actually Written Off in This Period

Unit: RMB

Item	Write-off amount
Accounts receivable actually written off	201,868.69

Write-off of important accounts receivable:

None

(5) Accounts Receivable and Contract Assets of the Top Five Closing Balances Collected by Debtors

Unit: RMB

Name of Unit	Accounts receivable closing balance	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	As a percentage of accounts receivables and total ending balance	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Customer 1	2,973,101,560.83		2,973,101,560.83	59.27%	
Customer 2	249,054,234.45		249,054,234.45	4.97%	
Customer 3	178,990,016.40	3,675,609.05	182,665,625.45	3.64%	28,342,422.26
Customer 4	123,687,013.39		123,687,013.39	2.47%	
Customer 5	117,566,297.60	3,498,608.75	121,064,906.35	2.41%	12,334,616.61
Total	3,642,399,122.67	7,174,217.80	3,649,573,340.47	72.76%	40,677,038.87

2. Other Accounts Receivable

Unit: RMB

Item	Closing Balance	Opening Balance
Interest Receivable	669,535.47	
Other Receivables	13,498,578,854.66	13,384,626,871.41
Total	13,499,248,390.13	13,384,626,871.41

(1) Interest Receivable**1) Classification of Interest Receivable**

Unit: RMB

Item	Closing Balance	Opening Balance
Demand deposit	669,535.47	
Total	669,535.47	

(2) Other Receivables**1) Other Receivables Categorized by the Nature of the Funds**

Unit: RMB

Nature of the funds	Closing balance	Opening balance
Incomings and outgoings	13,059,281,403.40	13,273,651,357.52
Equity Transfer Fund	356,078,137.00	
Employee home loan	47,593,739.00	50,462,191.00
Prepaid or advance expense	47,400,892.20	47,488,662.92
Deposits	44,204,646.37	45,415,624.12
Others	346,005.46	5,892,194.26
Total	13,554,904,823.43	13,422,910,029.82

2) Disclosure by Aging

Unit: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	12,856,068,351.88	12,984,563,624.75
1 to 2 years	337,653,566.75	97,135,520.98
2 to 3 years	64,263,088.65	57,731,188.49
3 years or above	296,919,816.15	283,479,695.60
3 to 4 years	52,246,096.31	40,037,678.96
4 to 5 years	21,772,461.66	63,092,431.82
5 years or above	222,901,258.18	180,349,584.82
Total	13,554,904,823.43	13,422,910,029.82

3) Disclosure by Bad Debt Accrual Method

Unit: RMB

Category	Closing Balance					Opening Balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrued proportion		Amount	Proportion	Amount	Accrued proportion	
Provision of bad debts based on combination	13,554,904,823.43	100.00%	56,325,968.77	0.42%	13,498,578,854.66	13,422,910,029.82	100.00%	38,283,158.41	0.29%	13,384,626,871.41
Among them:										
Portfolio 1: Related Parties Portfolio	13,059,281,403.40	96.34%			13,059,281,403.40	13,273,651,357.52	98.89%			13,273,651,357.52
Portfolio 2: Aging Analysis Portfolio	495,623,420.03	3.66%	56,325,968.77	11.36%	439,297,451.26	149,258,672.30	1.11%	38,283,158.41	25.65%	110,975,513.89
Total	13,554,904,823.43	100.00%	56,325,968.77		13,498,578,854.66	13,422,910,029.82	100.00%	38,283,158.41		13,384,626,871.41

Provision for bad debts by category name based on combination: aging analysis method combination

Unit: RMB

Name	Closing Balance		
	Book balance	Bad debt provision	Accrued proportion
Within 1 year (including 1 year)	418,958,791.05	20,947,939.55	5.00%

1 to 2 years	24,621,725.36	2,462,172.54	10.00%
2 to 3 years	15,639,577.24	4,691,873.17	30.00%
3 to 4 years	13,691,760.63	6,845,880.32	50.00%
4 to 5 years	6,667,312.78	5,333,850.22	80.00%
5 years or above	16,044,252.97	16,044,252.97	100.00%
Total	495,623,420.03	56,325,968.77	

Provision for bad debts based on general model of expected credit losses:

Unit: RMB

Bad debt provision	Phase One	Phase Two	Phase Three	Total
	Expected credit losses in the next 12 months	Expected credit losses for the entire extension (without credit impairment)	Expected credit losses for the entire extension (with credit impairment)	
Balance as of January 1, 2025	20,520,608.03	15,465,394.99	2,297,155.39	38,283,158.41
Balance as of January 1, 2025, in this period				
--Transfer to phase two	-372,794.22	372,794.22		
--Transfer to phase three	-24,456.39	-9,683.00	34,139.39	
Provisions of this period	16,549,657.19	1,190,792.27	322,352.00	18,062,801.46
Write off in this period		12,601.10	7,390.00	19,991.10
Balance as of June 30, 2025	36,673,014.61	17,006,697.38	2,646,256.78	56,325,968.77

Book balance changes with significant changes in loss provision in the current period

☐ Applicable ☒ Not applicable

4) Provision for Bad Debts Accrued, Recovered Or Reversed in This Period

Provision for bad debts in the current period:

Unit: RMB

Category	Opening Balance	Amount of Changes in the Current Period				Closing Balance
		Accrued	Recovered or Reversed	Resale or write-off	Others	
Bad debt provision	38,283,158.41	18,062,801.46		19,991.10		56,325,968.77
Total	38,283,158.41	18,062,801.46		19,991.10		56,325,968.77

Significant amount of recovered or reversed bad debt provision in this period:

None

5) Accounts Receivable Actually Written Off in This Period

Unit: RMB

Item	Write-off amount
Other accounts receivable actually written off	19,991.10

Write-off of other important receivables:

None

6) Other Receivables of the Top Five Closing Balances Collected by Debtors

Unit: RMB

Name of Unit	Nature of the funds	Closing Balance	Aging	As a percentage of total other receivables at the end of the period	Bad debt provision at the end of the period
Company 1	Incomings and outgoings	8,870,027,742.54	Within 1 year: RMB 8,869,636,800.15; 1–2 years: RMB 8,473.50; 2–3 years: RMB 219.61; 3–4 years: RMB 381,077.49; Over 5 years: RMB 1,171.79	65.44%	
Company 2	Incomings and outgoings	2,310,822,551.22	Within 1 year	17.05%	
Company 3	Incomings and outgoings	688,970,175.25	Within 1 year: RMB 606,839,706.88, 1–2 years: RMB 34,681,653.77, 2–3 years: RMB 2,900,000.00, 3–4 years: RMB 4,700,400.00, 4–5 years: RMB 5,901,013.50, over 5 years: RMB 33,947,401.10	5.08%	
Company 4	Equity Transfer Fund	351,248,137.00	Within 1 year	2.59%	17,562,406.85
Company 5	Incomings and outgoings	326,607,203.77	Within 1 year	2.41%	
Total		12,547,675,809.78		92.57%	17,562,406.85

3. Long-term Equity Investment

Unit: RMB

Item	Closing Balance			Opening Balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	7,970,195,949.26		7,970,195,949.26	8,006,238,280.28		8,006,238,280.28
Investment in affiliates and joint ventures	148,637,856.51		148,637,856.51	156,040,573.47		156,040,573.47
Total	8,118,833,805.77		8,118,833,805.77	8,162,278,853.75		8,162,278,853.75

(1) Investment in Subsidiaries

Unit: RMB

The invested entity	Opening balance (book value)	Opening balance of provision for impairment	Decrease/Increase in the current period				Closing balance (book value)	Closing balance of provision for decline in value
			Investments increased	Investment decreased	Provision for impairment accrued	Others		
Zhejiang Dahua System Engineering Co., Ltd.	540,661,946.58						540,661,946.58	
Zhejiang Dahua Security Network Operation Service Co., Ltd.	102,204,947.57						102,204,947.57	
Zhejiang Dahua Ju'an Technology Co., Ltd.	5,100,000.00						5,100,000.00	
Guangxi Dahua Information Technology Co., Ltd.	6,202,355.68						6,202,355.68	
Dahua Technology (HK) Limited	669,687,347.00						669,687,347.00	
Zhejiang Dahua Vision Technology Co., Ltd.	1,300,743,888.63						1,300,743,888.63	
Guangxi Dahua Yunlian Information Technology Co., Ltd.	20,002,580.76						20,002,580.76	
Hangzhou Xiaohua Technology CO., LTD.	9,318,750.13						9,318,750.13	
Zhejiang Dahua Zhilian Co., Ltd.	1,888,395,709.21						1,888,395,709.21	
Zhejiang Dahua Investment Management Co., Ltd.	85,284,000.00						85,284,000.00	
Guangxi Dahua Zhicheng Co., Ltd.	71,316,248.90						71,316,248.90	
Hangzhou Huacheng Network Technology Co., Ltd.	32,361,160.53			32,361,160.53				
Zhejiang HuaRay Technology Co., Ltd.	40,849,216.39						40,849,216.39	
Hangzhou Fuyang Hua'ao Technology Co., Ltd.	5,124,669.78						5,124,669.78	
Zhejiang Huafei Intelligent Technology CO., LTD.	2,731,123.94						2,731,123.94	
Guizhou Huayi Shixin Technology Co., Ltd.	1,800,000.00						1,800,000.00	
Zhejiang Fengshi Technology Co., Ltd.	9,060,723.93						9,060,723.93	
Dahua Technology Holdings Limited	405,100.00						405,100.00	
Zhejiang Huaxiao Technology Co., Ltd.	39,108,952.26						39,108,952.26	
Xi'an Dahua Zhilian Technology Co., Ltd.	991,047,555.55						991,047,555.55	
Jiangsu Huaruipin Technology Co. Ltd.	18,020,674.13						18,020,674.13	
Beijing Huayue Shangcheng Information Technology Service Co., Ltd.	10,874,903.02						10,874,903.02	
Zhejiang Dahua Jinzhi Technology Co., Ltd.	60,000,000.00						60,000,000.00	
Shanghai Huashang Chengyue Information Technology Service Co., Ltd.	2,381,088.27						2,381,088.27	
Zhejiang Zhoushan Digital Development Operation Co. Ltd.	18,679,176.00						18,679,176.00	
Guangxi Dahua Technology Co., Ltd.	30,000,000.00						30,000,000.00	
Zhejiang Huayixin Technology Co., Ltd.	41,052,281.89						41,052,281.89	
Zhejiang Huaruijie Technology Co., Ltd.	53,826,622.38						53,826,622.38	
Chengdu Dahua Zhilian Information Technology Co., Ltd.	600,690,562.51						600,690,562.51	
Chengdu Dahua Zhian Information Technology Service Co., Ltd.	554,700,000.00						554,700,000.00	

Chengdu Huishan Smart Network Technology Co., Ltd.	5,800,000.00						5,800,000.00	
Zhejiang Huajian Technology Co., Ltd.	24,718,313.82						24,718,313.82	
Guangxi Huacheng Technology Co., Ltd.	162,313.73						162,313.73	
Hangzhou Huacheng Software Co., Ltd.	3,643,145.79			3,643,145.79				
Dahua Technology Canada Inc.	72,864.00						72,864.00	
Chengdu Dahua Zhishu Information Technology Service Co., Ltd.	10,000,000.00						10,000,000.00	
Zhengzhou Dahua Zhian Information Technology Co., Ltd.	30,000,000.00						30,000,000.00	
Dahua Technology International Pte. Ltd.	1,000,000.00						1,000,000.00	
Changsha Dahua Technology Co., Ltd.	100,023,115.80						100,023,115.80	
Zhejiang Pixfra Technology Co., Ltd.	592,904,907.42						592,904,907.42	
Zhejiang Dahua Intelligent IoT Operation Service Co., Ltd.	15,869,118.53						15,869,118.53	
Henan Dahua Zhilian Information Technology Co., Ltd.	127,933.88						127,933.88	
Yibin Huahui Information Technology Co., Ltd.	23,018.81						23,018.81	
Luoyang Dahua Zhiyu Information Technology Co., Ltd.	10,000,000.00						10,000,000.00	
Xi'an IMOU Zhilian Technology Co., Ltd.	38,024.70			38,024.70				
Guangdong Huaxiyue Intelligent Technology Co., Ltd.	221,883.68						221,883.68	
Total amount of other companies	2,055.08						2,055.08	
Total	8,006,238,280.28			36,042,331.02			7,970,195,949.26	

(2) Investment in Affiliates and Joint Ventures

Unit: RMB

Name of Investees	Opening balance (book value)	Opening balance of provision for impairment	Decrease/Increase in the current period								Closing balance (book value)	Closing balance of provision for decline in value
			Investment s increased	Investme nt decreased	Investment profit and loss recognized under the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividend s or profit declared to distribut e	Provision for impairme nt accrued	Other s		
I . Joint Ventures												
II. Joint Venture												
Ruicity Digital Technology Co., Ltd.	52,803,494.38				- 5,188,896.11						47,614,598.27	
Ningbo Huayan Chuangxi Venture Capital Investment Partnership (Limited Partnership)	67,626,764.60				663,296.52						68,290,061.12	
Dezhou Shuzhi Information Technology Co., Ltd.	3,598,959.67				22,114.93						3,621,074.60	
Sichuan Hengji Anhua Internet of	960,255.07				-147,032.33						813,222.74	

Things Technology Co., Ltd.												
Zhejiang Huachuang Vision Technology Co., Ltd.	31,051,099.75				4,290,669.69		1,538,469.72				28,298,899.78	
Subtotal	156,040,573.47				8,941,186.68		1,538,469.72				148,637,856.51	
Total	156,040,573.47				8,941,186.68		1,538,469.72				148,637,856.51	

The recoverable amount is determined as the net of fair value less costs of disposal.

☐ Applicable ☒ Not applicable

The recoverable amount is determined as the present value of the expected future cash flows.

☐ Applicable ☒ Not applicable

4. Operating Revenue and Operating Cost

Unit: RMB

Item	Amount Occurred in the Current Period		Amount for the previous period (restated)	
	Income	Cost	Income	Cost
Main Business	4,231,497,910.03	630,547,896.06	3,299,871,504.63	562,701,515.21
Other businesses	37,893,241.88	18,658,702.11	32,747,331.95	17,070,472.33
Total	4,269,391,151.91	649,206,598.17	3,332,618,836.58	579,771,987.54

5. Investment Income

Unit: RMB

Item	Amount Occurred in the Current Period	Amount Occurred in the Previous Period
Long-term equity investment income measured by equity method	-8,941,186.68	-11,449,222.10
Investment income from disposal of long-term equity investment	680,790,600.98	6,812,806.50
Investment income from trading financial assets during the holding period	45,000.00	1,243,275.00
Investment income from disposal of trading financial assets	117,213,761.26	15,753,424.73
Investment income on other non-current financial assets during the holding period	-49,372.45	26,592.41
Investment income from national debt reverse repurchase	1,203,179.63	308,062.29
Profits from recognition termination of financial assets	-2,513,843.30	-5,686,129.53
Total	787,748,139.44	7,008,809.30

XX. Supplementary Information

1. Breakdown of Non-recurring Gains and Losses for This Period

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Note
Gains and losses on disposal of non-current assets	485,365,113.48	
The government subsidies included in the current profits and losses (excluding the government subsidies closely related to regular businesses of the Company, in line with national policies, entitled to according to the established standard, and continuously impacting the Company's profits and losses)	194,290,442.32	
Profits and losses resulting from the changes in fair value for financial assets and financial liabilities held by non-financial enterprises, and from disposal of financial assets and liabilities, excluding the effective hedging businesses related to the regular business operation of the Company	416,914.56	
Gains or losses from investment or asset management entrusted to others	189,343,772.69	
Reversal of the receivables depreciation reserves for separate impairment test	3,036,913.33	
Profits and losses on debt restructuring	-7,664,077.54	
Non-Operating Revenue and expenses other than the above	1,405,059.67	
Other gains and losses items that fit the definition of non-recurring gains and losses	-7,787,446.32	
Less: Impact of income tax	170,642,154.85	
Impact of minority equity (after tax)	8,131,198.43	
Total	679,633,338.91	--

Other gains or losses that fit the definition of non-recurring gains or losses:

☐ Applicable ☒ Not applicable

The Company has no other gains or losses that fit the definition of non-recurring gains or losses.

Note for the definition of non-recurring gains and losses listed in the No. 1 Explanatory Announcement on Information Disclosure for Companies Issuance Their Securities to the Public - Non-recurring gains and losses, as recurring gains and losses.

☐ Applicable ☒ Not applicable

2. Return on Net Assets and Earnings Per Share

Profit for the reporting period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profit attributable to common shareholders of the Company	6.72%	0.76	0.76
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	4.88%	0.55	0.55

3. Differences in Accounting Data Between Domestic and Overseas Accounting Standards

(1) Differences of net profits and net assets in the financial reports disclosed according to the international accounting standards and Chinese accounting standards

☐ Applicable ☒ Not applicable

(2) Differences of net profits and net assets in the financial reports disclosed according to the overseas accounting standards and Chinese accounting standards

☐ Applicable ☒ Not applicable

(3) For explanation of differences in accounting data between domestic and overseas accounting standards, the name of the overseas accounting firm shall be indicated if the audited data by an overseas accounting firm has been adjusted for difference.

☐ Applicable ☒ Not applicable

Section IX Other Submitted Data

I. Other Major Social Security Issues

Whether the listed company or its subsidiaries are involved in other material social stability risks

☐ Yes ☐ No ☒ Not applicable

Whether subjected to administrative penalties during the reporting period

☐ Yes ☒ No ☐ Not applicable

II. Registration Form for Research, Communication, and Interview Activities During the Reporting Period

☒ Applicable ☐ Not applicable

Reception Time	Reception location	Reception Method	Reception target type	Reception objects	Main content of the discussion and the information provided	Index of the basic information of research
February 28, 2025	Company	Field Investigation	Institution	13 institutions, including Zhong Ou Asset Management and Minsheng Securities	Held discussions centered on the Company's large models and cloud services	Juchao Information Network "Investor Relations Activity Record Form from March 05, 2025"
March 29, 2025	Company	Telephone communication	Others	109 institutions (including Bosera, Topsperity Securities) and 5 individual investors	2024 performance briefing session	Juchao Information Network "Investor Relations Activity Record Form from March 29, 2025"
April 21, 2025	Company	Field Investigation	Others	5 institutions (including Guosheng Securities) and 6 individual investors	Q1 2025 performance communication session	Juchao Information Network "Investor Relations Activity Record Form from April 22, 2025"

III. Capital Transactions Between the Listed Company and Controlling Shareholders/Other Related Parties

☒ Applicable ☐ Not applicable

For details, please refer to the "Summary of Non-operational Capital Occupancy and Other Related Fund Transactions for the Interim Period" disclosed on the same date.

Zhejiang Dahua Technology Co., Ltd.

Legal representative: Fu Liquan

August 16, 2025