

Stock Code: 688007**Stock Short Name: Appotronics**

Appotronics Corporation Limited

Annual Report 2024

April 2025

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

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

Keep Forging Ahead with Determination

Dear all shareholders of Appotronics:

As the world ushered in great challenges at the beginning of 2025, it is my honor to have this opportunity to communicate with you again at this moment. The year 2024 is a crucial year for insisting on our strategy for Appotronics. We achieved continuous breakthroughs in upstream core technologies, and maintained leading advantages and won the recognition of international leading customers in new business fields. During this process, besides the hard work of the management and employees, I am especially grateful for the companionship and support from all shareholders.

With the firm belief in the power of persistence when facing various internal and external challenges, last year, Appotronics achieved an operating revenue of RMB 2.419 billion, where the automotive business contributed an operating revenue of over RMB 600 million. By now, we have acquired a total of 13 automotive nominations, covering, among others, automobile-grade giant screens and headlight modules. Instead of seeking orders in vicious competition by combating a price war, we achieved joint development with customers relying on our in-depth technical accumulation and professional supply guarantees.

I am even more gratified by and proud of the abundant achievements we made in the cutting-edge layout. We continued our R&D investments to promote the integration between laser and AI, to explore more application scenarios, and to continuously expand to more fields like AR glasses, robots, *etc.* We provided ALPD® modules for “Xiaowei”, the first household service robot released by Midea Group. These ALPD® modules empower the robots with “visual expression” to reconstruct the scenario and achieve innovative human-machine interaction. Before that, we developed the world’s first AR optical module with a PPI of over 10,000; by now, we have shipped sample modules to several leading listed companies in the AR industry chain for preliminary research and preliminary product development, which provides a solid ground for our development in the AR field.

In my messages to shareholders in the past years, I stated that “in the coming years, we will strive to build a smart supply chain, transforming a small workshop into novel smart manufacturing. We will move to a new production base to solidify the foundations, including research and development, supply chain, and platform capabilities”. This year, we have fulfilled our commitments: Appotronics achieved two major milestones - the global headquarters building built by Appotronics in Shenzhen and the Appotronics

Innovation and Intelligence Valley Industrial Park have been put into use officially. As our “R&D headquarters” and the “advanced manufacturing base of optical devices and optical modules”, the completion of the two projects reflects the close combination between our in-depth R&D efforts and advanced process manufacturing and a closed loop from scientific research to manufacturing, which greatly accelerates technological innovation, further strengthens our technical leading advantages, and promotes our technological innovation to a new stage.

Despite the difficulties we encountered in the first quarter, we keep our clear objectives in mind and have the strategic determination to move on. The trend of integration between the rapidly developing new technologies, such as AI, AR, and robots, and laser technologies remains unchanged, which will create more application scenarios for semiconductor laser. Appotronics will insist on the development strategy of “core technologies + core components + application scenarios” and improve our competitiveness in three aspects:

In the future, we will focus on ensuring resources for the upstream strategy;

In the future, we will make use of organizational transformation to promote the implementation of our strategies and improve operating quality; and

In the future, we will explore new major racetracks and create a more open ecology relying on our upstream advantages.

Facing the turbulent changes in the external environment, we insist on our original intention of creating a better life for people with technology. Therefore, I would like to close my message with my statement last year: “I believe in the confidence and power of Appotronics as a technology enterprise to seize the opportunity and create more growth space in the trend of the era. Meanwhile, we are also aware that enterprise operation is a process of wavy development, in which we will meet obstacles instead of moving straight ahead. We are firmly confident that we can forge ahead with strategic persistence and strategic patience.”

Last but not least, I would like to thank all shareholders and friends who have been caring for Appotronics!

Time tells everything!

LI Yi

April 2025

Important Note

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

II. The Company did not make profits at the time of getting listed, and has not made any profits by now

☐ Yes ☒ No

III. Alert of significant risks

The Company has described in detail the risks that may exist in the production and operation of the Company. See “Section III Discussion and Analysis of Business Situations - IV. Risk factors” for the relevant risks.

IV. All directors of the Company attended the meeting of the Board of Directors.

V. Pan-China Certified Public Accountants (Special General Partnership) issued a standard unqualified auditor’s report to the Company.

VI. LI Yi, Principal of the Company, WANG Yingxia, Person in Charge of the Accounting Work, and WANG Yingxia, Person in Charge of the Accounting Body (Chief Accountant), hereby represent that the financial statements contained in this Annual Report are true, accurate and complete.

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

As audited by Pan-China Certified Public Accountants (Special General Partnership), in 2024, Appotronics realized the net profit attributable to shareholders of the listed company of RMB 27,953,093.89, the parent company realized the net profit of RMB 182,867,195.75, and the total distributable profit of the parent company was RMB 771,783,201.44. The Company proposed to distribute to all shareholders a cash dividend of RMB 0.25 (tax inclusive) for every 10 shares. As of the disclosure date of this Report, the Company has a total of 459,291,145 shares. With the 2,451,192 shares in the special securities account for repurchase excluded, the cash dividend calculated to be distributed was RMB 11,420,998.83 (tax inclusive), accounting for 40.86% of the net profit attributable to shareholders of the listed company in 2024. The Company would neither capitalize its capital reserve nor grant bonus shares this year.

In accordance with the relevant provisions of the *Rules for Repurchase of Shares by Listed Companies*, the shares repurchased by a listed company with cash in the manner of offer and call auction shall be considered as cash dividends of the listed company, and shall be included in calculating the relevant ratios for cash dividends. In 2024, we repurchased shares in the amount of RMB 119,432,441.36 in cash through a call auction (including transaction fees such as stamp duty and transaction commissions), which shall be considered as the amount of cash dividend made by the

Company; meanwhile, we also realized return of interests to investors by means of repurchase; The amount of cash dividend and repurchase in 2024 calculated in the manner above is RMB 130,853,440.19, accounting 468.12% of the net profit attributable to shareholders of the listed company as presented in the consolidated financial statements of 2024.

In 2024, the Company repurchased and de-registered shares in the amount of RMB 108,917,776.63 in cash through a call auction, leading to the total amount of RMB 120,338,775.46 for the cash dividend and the amount of shares repurchased and de-registered, accounting for 430.50% of the net profit attributable to shareholders of the listed company as presented in the consolidated financial statements of 2024.

This proposal has been reviewed and passed at the 7th meeting of the third Board of Directors and the 3rd meeting of the third Board of Supervisors, and is subject to deliberation at the general meeting of the Company.

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

☐ Applicable ☒ N/A

IX. Risk statement regarding forward-looking statements

☒ Applicable ☐ N/A

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

X. Is there any non-operating occupation of funds by the controlling shareholder or its affiliates?

No

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

No

XII. Are the majority of the directors unable to guarantee the truthfulness, accuracy and completeness of the Annual Report disclosed by the Company?

No

XIII. Others

☐ Applicable ☒ N/A

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List of Documents Available for Inspection	Financial Statements with seals and signatures of the Principal of the Company, the Person in Charge of the Accounting Work, and the Person in Charge of the Accounting Body (Chief Accountant)
	Original Auditor's Report with seals of the accounting firm and seals and signatures of the certified public accountants
	All original documents and announcements publicly disclosed during the reporting period

Section I. Definitions

I. Definitions

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

Terms		
Company or Appotronics	means	Appotronics Corporation Limited
Appotronics Ltd.	means	Appotronics Corporation Limited, the former name of the Company
CINEAPPO	means	CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.
Formovie, Chongqing Formovie	means	Formovie (Chongqing) Innovative Technology Co., Ltd.
Appotronics HK	means	Appotronics Hong Kong Limited
Appotronics Daye	means	Shenzhen Appotronics Daye Investment Partnership (LP)
Appotronics Deye	means	Shenzhen Appotronics Deye Consulting Partnership (LP)
Appotronics Hongye	means	Shenzhen Appotronics Hongye Investment Partnership (LP)
Appotronics Chengye	means	Shenzhen Appotronics Chengye Consulting Partnership (LP)
Jinleijing	means	Shenzhen Jinleijing Investment Limited Partnership (LP)
Blackpine	means	Blackpine Investment Corp. Ltd.
GDC BVI	means	GDC Technology Limited (British Virgin Islands)
GDC Cayman	means	GDC Technology Limited (Cayman Islands)
SSE	means	Shanghai Stock Exchange
Delta Electronics, Delta	means	Delta Electronics, Inc.
AI	means	Artificial Intelligence
AR	means	Augmented Reality
DLP	means	Digital Light Processing
LCOS	means	Liquid Crystal on Silicon, a new reflective display technology that organically combines LCD and CMOS integrated circuits
LCD	means	Liquid Crystal Display
LED	means	Light Emitting Diode, a common light-emitting device
MicroLed	means	Micro light-emitting diode display, a self-luminous display technology based on miniaturized LED units
4K	means	A screen resolution of digital products, representing the screen resolution of 4096×2160, which is an ultra-high-definition resolution
ADB	means	Adaptive Driving Beam
HUD	means	Head-up display

Section II. Company Profile and Financial Highlights

I. Company profile

Chinese name	深圳光峰科技股份有限公司
Short name in Chinese	光峰科技
English name	Appotronics Corporation Limited
Short name in English	Appotronics
Legal representative	LI Yi
Registered address	20-22/F, Hi-tech Zone Union Tower, No. 63 Xuefu Road, Yuehai Street, Nanshan District, Shenzhen
Historical changes of the Company's registered address	1. October 24, 2006, Room 10, 14/F, Fangda Building, Keji South 12th Road, South Area, High-tech Industrial Zone, Nanshan District, Shenzhen 2. September 6, 2007, Room 03, 17/F, Overseas Chinese High-tech Venture Building, South Area, High-tech Industrial Zone, Nanshan District, Shenzhen 3. June 7, 2011, Area A, 1/F, Building 13, Xili Wenguang Industrial Zone, Nanshan District, Shenzhen 4. October 24, 2012, No. 401, Shenzhen IC Design and Application Industrial Park, South of Chaguang Road, Xili Township, Nanshan District, Shenzhen 5. December 14, 2017, 21-22/F, Hi-tech Zone Union Tower, No. 63 Xuefu Road, Yuehai Street, Nanshan District, Shenzhen 6. August 1, 2018, 20-22/F, Hi-tech Zone Union Tower, No. 63 Xuefu Road, Yuehai Street, Nanshan District, Shenzhen
Office address	Appotronics Headquarters Building, 8 Xiandong Road, Xili Subdistrict, Nanshan District, Shenzhen
Postal code of office address	518055
Website	http://www.appotronics.com
Email	ir@appotronics.com

II. Contact person and contact information

	Board Secretary	Securities affairs representative
Name	CHEN Yasha	WANG Weiqi
Address	Appotronics Headquarters Building, 8 Xiandong Road, Xili Subdistrict, Nanshan District, Shenzhen	
Telephone	0755-32950536	
Email	ir@appotronics.com	

III. Media for information disclosure and place for keeping the annual reports

Name and website of the media on which the Company discloses its annual report	China Securities Journal (https://www.cs.com.cn) Shanghai Securities News (https://www.cnstock.com) Securities Times (http://www.stcn.com) Securities Daily (http://www.zqrb.cn)
Website of the securities exchange on which the Company discloses its annual report	Shanghai Stock Exchange website (http://www.sse.com.cn)
Place for keeping the annual reports	Office of the Board of Directors

IV. Stock and depository receipts of the Company

(I) Stock of the Company

√ Applicable □ N/A

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

(II) Depository receipts of the Company

□ Applicable √ N/A

V. Other related information

Accounting firm engaged by the Company (domestic)	Name	Pan-China Certified Public Accountants (Special General Partnership)
	Office address	6/F, No. 128 Xixi Road, Xihu District, Hangzhou, Zhejiang
	Accountants signing the report	Mr. WEI Biaowen, Mr. NIU Chunjun

VI. Main accounting data and financial highlights in the past three years

(I) Main accounting data

In RMB

Main accounting data	2024	2023	% Change (2024 v 2023)	2022
Operating revenue	2,418,574,391.82	2,213,356,977.95	9.27	2,541,144,635.15
Net profit attributable to shareholders of the listed company	27,953,093.89	103,186,743.57	-72.91	119,440,773.77
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	32,133,597.05	41,664,497.37	-22.88	66,321,454.45
Net cash flow from operating activities	87,220,645.17	364,082,055.08	-76.04	177,350,715.69
	End of 2024	End of 2023	% Change (2024 v 2023) (%)	End of 2022
Net assets attributable to shareholders of the listed company	2,740,047,895.12	2,818,869,452.99	-2.80	2,647,663,487.59
Total assets	4,255,663,351.00	4,220,570,891.16	0.83	4,333,350,260.15

(II) Financial highlights

Financial highlights	2024	2023	% Change (2024 v 2023)	2022
Basic earnings per share (RMB/share)	0.06	0.23	-73.91	0.26
Diluted earnings per share (RMB/share)	0.06	0.22	-72.73	0.26
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.07	0.09	-22.22	0.15
Weighted average return on net assets (%)	1.01	3.81	-2.8 percentage points	4.73
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	1.16	1.54	-0.38 percentage points	2.63
Proportion of R&D investments to operating revenue (%)	10.24	12.69	-2.45 percentage points	10.31

Explanation about the main accounting data and financial highlights in the past three years

√ Applicable □ N/A

1. During the reporting period, the automotive optics business, which entered the stage of intense delivery, achieved an operating revenue of RMB 638 million;

2. During the reporting period, the net profit attributable to shareholders of the listed company and the net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss decreased by 72.91% and 22.88% year on year, respectively; the basic earnings per share, diluted earnings per share, and basic earnings per share after deduction of non-recurring profit or loss decreased by 73.91%, 72.73%, and 22.22%, respectively year on year, primarily due to the following reasons:

(1) During the reporting period, we took the initiative to adjust the policy for consumer business operation and accelerated the pace of clearing the inventory of complete consumer products, which led to the decrease in both the ratio and gross profit margin of incomes from the consumer business, while our automotive business entered the intense delivery period and increased its ratio among the businesses. The difference in the product portfolio led to a decrease in the overall gross profit margin by 6.85 percentage points;

(2) The non-recurring profit or loss in 2024 decreased compared with last year, primarily due to the decrease in the government grants recognized in profit or loss for the current period by RMB 27.9557 million year on year, and the recognized investment losses of RMB 37.8059 million because the participating company was transferred to other non-current financial assets measured at fair value.

3. During the reporting period, the net cash flow from operating activities decreased by 76.04% year on year, which was primarily due to the increase in the operating capital required in response to the growth in our automotive business, and the increase in restricted monetary funds (for details, see “Encumbrances on major assets as of the end of the reporting period” in Section III Discussion and Analysis of the Management). The net cash flow from operating activities, without the impact of restricted monetary funds from Appotronics HK, was RMB 247.2198 million.

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

(I) Differences in net profit and net assets attributable to shareholders of the listed company disclosed on the financial statements according to the international accounting standards and the Chinese accounting standards

☐ Applicable ☒ N/A

(II) Differences in net profit and net assets attributable to shareholders of the listed company disclosed on the financial statements according to the overseas accounting standards and the Chinese accounting standards

☐ Applicable ☒ N/A

(III) Explanation about the difference between overseas and Chinese accounting standards

☐ Applicable ☒ N/A

VIII. Financial highlights in 2024 by quarter

In RMB

	1 st quarter (Jan. - Mar.)	2 nd quarter (Apr. - Jun.)	3 rd quarter (Jul. - Sep.)	4 th quarter (Oct. - Dec.)
Operating revenue	445,039,193.21	636,370,307.00	638,189,703.62	698,975,187.99
Net profit attributable to shareholders of the listed company	44,543,331.11	-33,633,717.67	32,036,983.19	-14,993,502.74
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	622,945.86	12,856,341.65	26,127,282.79	-7,472,973.25
Net cash flow from operating activities	12,224,792.96	-91,371,463.19	150,669,868.02	15,697,447.38

Explanation about the difference between quarterly data and the data disclosed in regular reports

☐ Applicable ☒ N/A

IX. Items and amounts of non-recurring profit or loss

☒ Applicable ☐ N/A

In RMB

Item of non-recurring profit or loss	2024	Note (if applicable)	2023	2022
Gain or loss on disposal of non-current assets, including write-off of provision for asset impairment	-40,059,802.75	VII.68, VII.74, and VII.75 of Section X	-2,047,603.22	-5,668,573.43
Government grants recognized in profit or loss for the current period (excluding government grants that are closely related to the business of the Company and are provided in accordance with established standards with continuous effects)	9,369,178.91	XI of Section X	37,324,883.93	38,211,496.91

on the profit or loss of the Company according to the provisions of national policies)				
Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on the disposal of financial assets and financial liabilities, other than those used in the effective hedging activities related to normal operating business of the Company	5,096,964.49	VII.70 Section X	of 197,000.00	-3,120,000.00
Profit or loss on entrusted investments or assets management	16,403,394.26	VII.68 Section X	of 12,504,132.08	12,637,561.73
Reversal of impairment loss on receivables tested for impairment individually	518,247.41		701,851.05	837,824.59
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of business combination involving entities under common control	13,795,087.49		28,971,469.98	27,765,106.19
Profit or loss on debt restructuring				-912,618.35
Other non-operating revenue and expenses	1,253,095.40		-4,752,629.59	-679,415.19
Other profits or losses meeting the definition of non-recurring profit or loss	-3,214,287.11			-2,080.00
Less: Effect of income taxes	6,906,700.68		5,157,172.94	4,337,471.38
Effects attributable to minority interests (net of tax)	435,680.58		6,219,685.09	11,612,511.75
Total	-4,180,503.16		61,522,246.20	53,119,319.32

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

☐ Applicable ☒ N/A

X. Financial indicators not set forth in the *Accounting Standards for Business Enterprises*

☐ Applicable ☒ N/A

XI. Items at fair value

☒ Applicable ☐ N/A

In RMB

Project	Opening balance	Closing balance	Change	Effect on profit for the current period
Held-for-trading financial assets	514,010,000.00	179,936,739.21	-334,073,260.79	37,683,864.37
Receivables financing	11,387,400.00	12,552,177.09	1,164,777.09	0
Investment in other equity instruments	7,075,419.38	7,075,419.38	0	0
Other non-current financial assets	0.00	84,000,000.04	84,000,000.04	-16,183,505.62
Total	532,472,819.38	283,564,335.72	-248,908,483.66	21,500,358.75

XII. Information disclosure postponed or exempted due to national secrets, trade secrets, etc.

√ Applicable □ N/A

Since the relevant information about the Company's suppliers, customers, and key technical staff is commercially sensitive information, the disclosure of which may result in unfair competition to the detriment of the Company and shareholders, the Company anonymized the names of suppliers and customers, and exempted the disclosure of the specific remuneration of the key technical staff.

Section III. Discussion and Analysis of the Management

I. Discussion and Analysis of Business Situations

(I) Analysis of business operations during the reporting period

In 2024, adhering to the development strategy of “core technologies + core components + application scenarios”, we achieved an operating revenue of RMB 2.419 billion, up by 9.27% year on year, presenting a stable growth trend. The automotive optics business, which entered the stage of intense delivery in 2024, achieved an operating revenue of RMB 638 million.

In recent years, we have continuously enhanced R&D investments in cutting-edge fields to expand our application scenarios to emerging racetracks such as AR glasses and robots, and to promote the effective integration between AI and innovative application scenarios like automotive optics; we have also achieved interim results in such fields. In 2025, while continuously making breakthroughs in the upstream in the laser industry to build core components, we further increased investments in cutting-edge fields, so that the breakthroughs in the upstream drove the innovation of the downstream scenarios to implement upstream core components in new racetracks and large racetracks, especially focusing on new scenarios created by new AI technologies.

1. Promoted innovation of downstream scenarios by breakthroughs in the upstream, focusing on new scenarios created by new AI technologies

As a global leader in laser technologies, we have the R&D strength built on a profound foundation; in recent years, we enhanced R&D investments in upstream core components to achieve integration of upstream and downstream of the industry and localization of core components. Meanwhile, we followed and maintained our R&D efforts for cutting-edge fields to promote in-depth integration between laser technologies with large racetracks like AI, AR, robots, and have achieved interim results in such fields.

In terms of core components, we implemented innovation for laser light engines in aspects of technologies, product forms, application scenarios, *etc.*, and released a split-type optical fiber light engine, which is the first of its kind in the industry. Unlike conventional light engines, the split-type optical fiber light engine is equipped with a light source and an image modulation module separated from and connected to each other with an optical fiber, which greatly reduces the product size and achieves unprecedented flexibility. Customers can combine light sources with image modulation modules freely to create projection products in various forms with rich functions, so that the projectors can be flexibly used for smart terminals (smart wearables, smart homes, and other products), robots, vehicles, medical equipment, special equipment, and various displays.

The split-type optical fiber light engine we released not only provides strong display functions in the application fields above, but also makes it possible to implement high-speed communication between devices. Through the optical fiber connection, terminal devices can coordinate with each other seamlessly to achieve more flexible, complex, and efficient scenario-based control.

With respect to AR glasses, we mainly explored two parts - the light engine and the waveguide lens, and prepared multiple technical routes, including LCOS, DLP, MicroLed, laser scanning, *etc.* The light engine and the waveguide lens can be combined into a solution as the core module at the display end of

such products, or be shipped in small batches separately. During the reporting period, we developed an ultra-small full-color AR light engine solution with a volume of only 0.8cc, featuring a high cost-performance ratio, low power consumption, and outstanding display effects, which can meet the lightweight requirements of AR glasses. At present, we are cooperating with customers for full-color AR light engine project development to provide an efficient solution for the innovative development of the AR glasses industry.

From environmental perception to motion coordination, and from fundamental research and development to application in complex scenarios, the innovation in optical technologies is transforming the capability boundaries of humanoid robots. Thanks to the characteristics of the small size, low power consumption, and high brightness, *etc.* of the ALPD® laser display modules, we can provide suitable solutions for robots in household, commercial, industrial, and other scenarios, empowering the robots with “visual expression”. In addition, we are capable of embedding a laser projection light engine in the robot body to project images at various portions of the robot, or embed the light emitting outlet at any portion of the robot to achieve more flexible display, hence providing the robot with the capabilities emotion perception and expression for interaction with human beings. Given the implementation of robots in various application scenarios and the expansion of the market size, our ALPD® semiconductor laser light source modules are expected to become a key link in the robot industry chain.

2. Deepened diversified layout of automotive products and customers to continuously improve the level of internationalization of automotive optics business

As AITO M9, our first nomination automobile model, entered the stage of intense delivery in March 2024, the automotive business started to generate revenues. During the reporting period, we recognized the income of RMB 638 million from the automotive optics business during the delivery period, indicating a successful strategic transformation of the Company.

Since we entered the automotive business, we have made continuous efforts to promote technological upgrades, innovative breakthroughs, and differentiated development of automotive products, and expanded the product matrix to meet the requirements of automobile manufacturers. By now, we have acquired a total of 13 automotive nominations, covering, among others, automobile-grade giant screen systems and laser projection headlights. In March 2025, we acquired the nomination for smart cockpits from an internationally leading automobile manufacturer, which indicates that our quality system and supply chain level have reached international standards and we can meet the demands for smart cockpits on the global market. While focusing on product diversification, we explored opportunities for global cooperation to achieve customer diversification, hence facilitating the continuous expansion of the automotive business to the global market.

In March to April 2025, Seres released a new AITO model equipped with a new generation of our automotive projection technologies - the smart laser projection giant screen system 2.0, which greatly improved the brightness and definition and achieved the function of floating windows for the first time, i.e., the one-quarter mode to display lyrics, time, and other information. Meanwhile, the floating window function may also be associated with the safety system of the vehicle to improve driving safety.

3. Continuously explored “cinema+” and other types of integrated operations to meet the diversified and differentiated operating requirements of customers

In recent years, keeping the requirements of cinemas and audience in mind, we explored integrated operations such as “cinema+” by releasing cinema screens of different sizes and different technical paths, which helped cinemas continuously develop and improve new cinema consumption modes, gradually break through the limits of the conventional profit mode, and enrich the consumption scenarios and operating types of cinemas. In 2024, with an operating revenue of nearly RMB 570 million, our cinema business developed in a generally stable way.

During the reporting period, we took active measures to promote the ALPD® laser light source projection solution and the VLED LED Cinema projection solution, to meet the diversified and differentiated operating requirements of cinema customers. With respect to VLED LED cinema screens, with a total of 34 LED screens installed and used in 30 cities, we held a leading position in the industry in terms of the market share of new screens, and our cinema business has become a new point for performance growth by now. Thanks to the recovery of film-watching demands and the diversified cinema application scenarios, we continuously maintained our leading position in the cinema industry thanks to our technological advantages and market layout.

4. Created a new scene of cultural development featuring “technology + cultural tourism” to expand the dedicated display business to the world

During the reporting period, we achieved a significant technology breakthrough of “projection + AI” in the dedicated display field, which helped create a new scene for the development of the cultural tourism industry. In 2024, we facilitated cultural dissemination and technology implementation with benchmark projects by successfully implementing over 30 key projects throughout China. During the reporting period, we achieved an operating revenue of RMB 392 million from the dedicated display business, including an operating revenue of nearly RMB 140 million from overseas markets, up by 60.47% year on year.

In the World Expo 2025 (Expo 2025) in Osaka that started in April 2025, relying on our profound technology accumulation and outstanding innovation capabilities, we successfully helped the pavilions of China, Cambodia, and Gabon to create extremely shocking and attractive visual effects. Nearly a hundred of laser large venue projectors broke through the boundaries of physical exhibition and implemented tens of light and shadow presentation tasks, which facilitate the presentation of the culture of the countries in a more vivid manner by making use of technologies. With respect to laser lighting, we worked actively to meet the requirements of the 15th National Games of China by using high-power full-color laser lighting at the closing ceremony for the first time, which expanded the application of “AI + laser lighting” to the sports scenario and contributed the power of technology to China’s sports under rapid development.

Analysis of changes in performance measured not under the *Accounting Standards for Business Enterprises* and prospect thereof

☐ Applicable ☒ N/A

II. Main business, business model, status of industry and R&D activities during the reporting period

(I) Main business and main products or services

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

(II) Main business model

Based on industry policies, industry characteristics, upstream and downstream development, and customer demands, with reference to the Company's development strategy, competitive advantages, service experience, and other factors, we have built mature business models with an independent and complete R&D, procurement, production, and sales system.

1. R&D mode

We insist on the driving force of innovation to continuously improve the R&D system featuring independent R&D, and separate technology R&D from product R&D in terms of organizational structure, development process, *etc.* In terms of technology development, the Company focuses on the continuous innovation and mastery of core technologies and key technologies, pays attention to user needs, and introduces product development after the technology is mature, so as to maintain the Company's core competitiveness in technology and leading position in the industry; in terms of product development, according to the differentiated needs of different market segments, the Company sets up product lines and teams for product planning, and divides it into feasibility \EVT\DVT\PVT\MP and other stages to achieve rapid response to market demand.

2. Procurement mode

The Company maintains long-term and in-depth cooperation with many suppliers, constantly strengthens supply chain management and quality management, and always adopts diversified procurement. The procurement mode consists of front-end procurement services such as supplier selection, determination of purchase price, cooperative business system, and establishment of supplier platform, as well as back-end business such as purchase order execution and delivery.

3. Production mode

The Company implements the model of "independent production as the mainstay, supplemented by outsourced production" with an independent production system. In addition, to achieve the criteria for the production of upstream core components, we have independently built a supply chain system meeting the production standards of semiconductor enterprises.

4. Sales mode

(1) Product sales mode

The Company's marketing service network is laid out well, matching various application market

segments. It adopts the product sales model combining “direct sales, distribution and agent sales”, and achieves mutual penetration and coordinated development both online and offline to respond to customer needs in a timely and rapid manner.

(2) Mode of cinema projection services

The Company provides laser cinema projection services for downstream cinema customers, and charges service fees according to the length of use of light source by the cinemas (the fees are charged by the hour or a certain period of time), while the cinemas do not need to purchase light source equipment, thereby effectively easing their capital pressure and reducing their labor and maintenance costs.

(3) Business cooperation mode for automotive optics

According to the needs of car companies and the design of their own production lines, the Company designs and develops automotive optical products, and accepts the audit and certification of car companies at all stages until it receives mass production confirmation. The Company’s specific supply process is as follows:

Before the mass production of the project, the Company obtains the project nomination and signs relevant sales contracts with the car company, stipulating the rights and obligations of both parties.

The nomination contract usually uses the project usage within the procurement period as a reference to determine the purchased products, model specifications, supply terms, *etc.*, and the nomination supplier supplies and provides services according to the contract provisions, and settles and pays regularly. Regarding the Company’s products, the mode of synchronous research and development with car companies is adopted, so the project progress after signing the nomination contract is closely related to the development progress of customer models.

After the mass production of the project, the car company requires the Company to conduct mass production, and puts forward specific delivery arrangements, and after the car company confirms the receipt, it will pay the Company according to the price agreed by both parties.

(III) Industry in which the Company operates

1. Development stage, basic characteristics and main technical barriers of the industry

(1) Development stage of the industry

From the perspective of the laser industry development, China’s laser industry is developing under the following trends: (1) localized production has been gradually achieved for core components such as semiconductor laser chips and semiconductor laser; (2) the scope of application is expanding as the application of laser is extending from conventional fields to new racetracks and large racetracks such as AI, AR, and robots; and (3) the demands for photoelectric elements equipped with high-power lasers are further increasing. With the support of national and industry policies, more and more domestic enterprises and scientific research institutions enter the upstream and downstream fields of the laser industry chain, strengthen the industrial chain, and actively develop and iterate technology.

(2) Basic characteristics of the industry

In terms of application, in addition to mature applications such as cinema, large venue, and education, emerging industries such as smart cockpits, laser headlights, robots, AR, and AI are booming, and gradually become a new application development focus of the laser industry, and the overall scale of the industry continues to expand, which is expected to help to broaden the application scenarios of laser technologies.

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

(3) Main technical barriers

We are committed to the breakthroughs, innovations, expansion of application scenarios, and industrialization of the semiconductor laser light source technologies; in particular, we have profound accumulation in light source technologies, optical engine and imaging technologies, screen technologies, *etc.*, and have created technology reserves and patent portfolios covering the whole technology chain of laser display technology from key system architecture, core components to key algorithm.

Laser display technologies, as an important direction for the development of the laser industry, have the feature of high technical barriers. In the laser light source technology, a laser beam is used to transmit through images; optical engine and imaging devices include optical imaging devices, optical engine and drive circuits, for which precision manufacturing and integration are the key to achieving high-quality display effects; the screen technology ensures image quality and color accuracy.

2. Analysis of the position of the Company in the industry and changes therein

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

As the inventor of the ALPD® semiconductor laser light source technology and the leader in the laser display industry, we have built a patent moat around the underlying technical architecture of ALPD® semiconductor laser light source technology, and created the technology accumulation and patent layout covering the whole technology chain of laser display from key system architecture and core components to key algorithms. In addition, we are committed to the breakthroughs, innovations, expansion of application scenarios, and industrialization of the semiconductor laser light source technology. Thanks to the core competitive advantages consisting of “patent moat + technical barriers”, the Company continuously holds a key position at the upstream core component stage.

3. Development of new technologies, new industries, new types of operation and new modes during the reporting period, and the future trend

(1) Further accelerated localization of the laser industry

With the in-depth implementation of China's economic transition and high-quality development, the semiconductor industry, as a key link that supports emerging technologies and future industries, is facing an unprecedented development opportunity. By now, the upstream of the laser industry chain, including semiconductor epitaxial wafers, semiconductor lasers, display chips, and other significant elements, has achieved breakthroughs, which further improves the localization rate of core components and greatly increases China's independence in laser display.

The *Guiding Opinions on Promoting the Innovative Development of Future Industries* promulgated in January 2024 by seven authorities, including the Ministry of Industry and Information Technology, put forward the strategy of promoting the innovative development of future industries, which raised the requirements on making breakthroughs in key core technologies, especially on accelerating efforts for breakthroughs in cutting-edge technologies and disruptive technologies. As semiconductor is one of the core supports for the future manufacturing and information fields, policies are released to promote the development of the semiconductor industry towards higher-end and more complex technologies.

With the support of national and industry policies, more and more domestic enterprises and scientific research institutions enter the upstream and downstream fields of the laser industry chain, concentrate on the R&D and iteration of technologies, strengthen the industrial chain, and actively develop and iterate technology. In recent years, while being committed to making breakthroughs in the upstream in the laser industry to build core components, we achieved breakthroughs in the upstream to drive the innovation of the downstream scenarios to implement upstream core components in new racetracks and large racetracks.

(2) Given the resonance between policy dividends and technology iterations, robots have become a core racetrack for future industries

According to the *World Robotics 2024* released by the International Federation of Robotics (IFR), it is expected that the market size of robots will exceed USD 90.0 billion in 2025. Service robots will dominate the market, with the expected market size of USD 73.01 billion in 2029; and humanoid robots will experience rapid market growth, where the industry size is expected to reach USD 5.3 billion in 2025 and USD 20.6 billion in 2028.

The year 2025 is the first year for both the mass production and the commercial implementation of humanoid robots. By now, leading complete robot manufacturers have maintained rapid iteration of technologies. As policies are promulgated in China to accelerate the transition of the industry from 0 to 1 and expansion from 1 to 100, embodied intelligence is expected to become a new engine for the growth of the national economy. With the strong drive of government policies and the rapid development of the robot industry, the process of localization will be accelerated, and relevant enterprises will have more market opportunities in fields such as the manufacture of core components.

Thanks to the characteristics of the small size, low power consumption, and high brightness, *etc.* of the ALPD® laser display modules, we can provide suitable solutions for robots in household, commercial, industrial, and other scenarios, and empower humanoid robots with “visual expression”. In addition, we are capable of embedding a laser projection light engine in the robot body to project images at various

portions of the robot, or embed the light emitting outlet at any portion of the robot to achieve more flexible display, hence providing the robot with the capabilities emotion perception and expression for interaction with human beings. Given the implementation of robots in various application scenarios and the expansion of the market size, our ALPD® semiconductor laser light source modules are expected to become a key link in the robot industry chain.

(3) The integration between AR glasses and new technologies, such as AI large models, has created a new development stage for products

At present, AR glasses are promoting the transition of virtual-real synthesis technologies from concept verification to large-scale industrial application. Global technology giants and innovative enterprises are eager to make a layout to strive for breakthroughs in fundamental technologies, such as optical display and human-machine interaction, hence achieving iteration and upgrade of AR equipment towards lightweight, immersive experience, scenario adaptation, *etc.*

In the rapid development of AI technologies, open-source large models featuring “low cost, high performance, and strong reasoning”, such as DeepSeek, come out one after the other, which created an inevitable trend for the industry to connect various application terminals to AI large models; as a result, AR glasses will become one of the important terminals for the implementation of AI technologies. According to Wellsenn, the global shipment of AI smart glasses is expected to reach 80.00 million in 2030, and the market penetration rate will increase to about 4.3%.

In the field of AR glasses, we mainly explored two parts - the light engine and the waveguide lens, and prepared multiple technical routes, including LCOS, DLP, MicroLed, laser scanning, *etc.* During the reporting period, we developed an ultra-small full-color AR light engine solution with a volume of only 0.8cc, featuring a high cost-performance ratio, low power consumption, and outstanding display effects, which can meet the lightweight requirements of AR glasses.

(4) Intelligence has opened up new space for the automotive value and continuously improved human-vehicle interaction

In the wave of the continuous transformation and upgrade of the automotive industry, intelligence has become a core driver for the development of the automotive industry. Given the in-depth integration among generative AI, large model technologies, and vehicles, smart cockpits have evolved from a pure information display platform into a “third life space” capable of smart interaction. This transformation empowers the cockpit with new functions of human-machine interaction for software, hardware, and systems of the cockpit, including automotive projection giant screens, HUD, and automotive entertainment information system.

By now, we have released a new generation of automotive projection technologies - the smart laser projection giant screen system 2.0. This automobile-grade projection giant screen system not only greatly improves the brightness and definition, but also enables more flexible designing, more abundant functions, and improved vehicle safety. Our version 3.0 solution under development will integrate AI technologies, to greatly improve the human-vehicle interaction.

Automotive intelligence also enables personalized headlight display and expands the potential for

scenario-based interaction, and the headlights embedded with the display function will lead to more human-vehicle interaction. We have caught the major trend of integration between lighting and display - our original ALL-in-ONE universal laser headlight can achieve the functions of “accurate lighting + accurate display” with one module. By now, we have acquired a total of 13 automotive nominations, covering, among others, automobile-grade giant screen systems, laser projection headlights, headlight modules, dynamic headlights, and static headlights.

(IV) Core technologies and progress in R&D of technologies

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

While being committed to making breakthroughs in the upstream in the laser industry to build core components, we achieved breakthroughs in the upstream to drive the innovation of the downstream scenarios to implement upstream core components in new racetracks and large racetracks. In recent years, we have enhanced R&D investments and technology accumulation in upstream core components to achieve integration of upstream and downstream of the industry and localization of core components. Meanwhile, we followed and maintained our R&D efforts for cutting-edge fields to promote in-depth integration between laser technologies with large racetracks like AI, AR, robots, and have achieved interim results in such fields.

The ALPD® semiconductor laser light source technology is our original core technology developed by the Company in the laser display field in 2007, which is of great significance in the display industry. We used rare earth phosphor in laser light sources for the first time, and to improve the stability of the rare earth phosphor after being excited by lasers, we explored a unique impulse mode and created a unique impulse architecture, which is under strict patent protection. Thanks to the multiple tuning modes, the ALPD® semiconductor laser light source technology is flexible enough to meet the requirements under various scenarios. Subject to the high cost of red and green lasers, it was hard to make breakthroughs in the industrialization of laser light sources. However, the ALPD® semiconductor laser light source technology, based on independently developed core components and China’s rich rare earth resources, greatly promoted the process of commercialization and industrialization of lasers in the display industry.

National scientific and technology awards

☐ Applicable ☒ N/A

Qualification of national “little giant” enterprises in specialized, refinement, differential, and innovation, and “leading enterprise” in the manufacturing industry

☐ Applicable ☒ N/A

2. R&D achievements during the reporting period

(1) Core components

➤ Split-type optical fiber light engine

During the reporting period, we developed a split-type optical fiber light engine, the first of its kind in the industry, which was officially released at the International Consumer Electronics Show (CES 2025). This light engine is equipped with a light source and an image modulation module separated from and connected to each other with an optical fiber, which significantly improves the heat radiation efficiency and greatly reduces the size, so that the projectors can be flexibly used for terminals (smart wearables, smart homes, and other products), robots, vehicles, medical, special equipment, and various displays. Unlike conventional light engines, the split-type optical fiber light engine is unprecedentedly flexible, so that designers can combine light sources with image modulation modules freely based on different application requirements and scenarios, so as to create projection products in various forms with rich functions. Meanwhile, the optical fiber technology has a promising prospect for application in fields such as smart terminals, robots, automotive, and display.

The split-type optical fiber light engine we released not only provides strong display functions in the application fields above, but also makes it possible to implement high-speed communication between devices. Through the optical fiber connection, terminal devices can coordinate with each other seamlessly to achieve more flexible, complex, and efficient scenario-based control. It is expected that this solution may become a core solution in fields such as smart terminals, robots, vehicle-mounted equipment, medical devices, and displays in the future.

➤ **ALL-in-ONE universal laser headlights**

With respect to smart headlights, we released the world's first ALL-in-ONE universal laser headlight at the Beijing International Automotive Exhibition 2024, which is the only headlight capable of colorful display in the market at present. Unlike conventional headlights with only the lighting function, the ALL-in-ONE all-purpose laser headlight can achieve the effects of “accurate lighting + accurate display” with one headlight module to provide users with comprehensive functions of lighting, colorful display, front fog light, ADB, *etc.* By greatly reducing the power consumption and volume of the entire headlight system, this allows automotive manufacturers to upgrade functions.

➤ **Automobile-grade projection giant screen system**

As the pioneer of automobile-grade projection giant screen systems, we have successfully applied the products in multiple automobile models, including AITO M9, which is the implementation of a major innovative application for cockpit display. By now, we have released a new generation of automotive projection technologies - the smart laser projection giant screen system 2.0. This automobile-grade projection giant screen system not only greatly improves the brightness and definition, but also enables more flexible designing thanks to the concealed projection light engine. In terms of functions, the smart laser projection giant screen system 2.0 has the function of floating windows, which is the first of its kind, i.e., the one-quarter mode to display lyrics, time, and other information. Meanwhile, the floating window function may also be associated with the safety system of the vehicle, so that it can promptly remind rear-seat passengers when the door is opened and a risk is detected, hence improving the driving safety.

(2) Branded complete equipment

➤ **Dedicated display field**

During the reporting period, we released a flagship new product - the S Pro series large venue projector, which is the first large venue projector of over 10,000 lumens and 4K resolution in China. It fills the gap of domestic large venue projectors in the range of 15,000-20,000 lumens. As the first application of ALPD® 5.0 super panchromatic laser technology in the field of large venue projection, the S Pro series large venue projector equipped with the latest DLP imaging technology with upgraded light source technology architecture, presentation of image colors, and lens, is ideal for such application scenarios like exhibition, cultural tourism, outdoor landscape, stage performance, *etc.*

(3) Cutting-edge technologies

➤ **AR display modules**

During the reporting period, we paid close attention to the market of smart glasses and continuously made investments in the R&D of core optical components for smart AR glasses in pursuit of the R&D and implementation of small-sized AR display modules.

With respect to AR micro light engines, we made continuous technology iterations and patent layouts around the technical routes of LCOS, DLP, LBS, Micro LED, *etc.*, so as to continuously optimize our production capabilities. During the reporting period, we developed an ultra-small full-color AR light engine solution with a volume of only 0.8cc, featuring a high cost-performance ratio, low power consumption, and outstanding display effects, which can meet the lightweight requirements of AR glasses. At present, we are cooperating with customers for full-color AR light engine project development to provide an efficient solution for the innovative development of the AR glasses industry.

With respect to display waveguides, we made continuous efforts to improve the simulation efficiency and template process capabilities of our independently developed waveguide designing tool and continuously optimized the process and manufacturing capabilities. We have completed the development of the nondestructive test technology with high-throughput light grating parameters, in which the measurement precision of key light gating structural parameters can meet the template process requirements. This technology has been used in the waveguide development by now. Meanwhile, we completed multiple rounds of architecture iteration and sample fabrication for large-area high-efficiency diffractive waveguides. Based on high-level process development, the display performance of our independently developed waveguide has been greatly improved. On the basis of the technology accumulation in the micro/nano optics field, we continuously explore the applications of flexible waveguides, new waveguide forms, and micro/nano optics devices, *etc.*

➤ **Algorithm system**

During the reporting period, based on the differentiated advantages of projection display in non-planar scenarios, we combined the research results in the fields of 3D visual algorithms, rendering, and AI content generation to develop a high-precision automatic integration system for multiple projectors and complex surfaces and an AI image generation system that automatically adapts to the shape of the projection surface. This system can reduce the time of adjustment by multiple projectors in non-planar application scenarios, generate contents for presentation matching with the current scenario

on a complex 3D surface at a low cost, and allocate display images to each projector by means of real-time rendering. The algorithm system above can be used in such fields as outdoor cultural and tourism lighting and automotive to improve the authenticity and flexibility of application scenarios, and enhance the immersive experience of users and atmosphere for interaction.

List of intellectual property rights acquired during the reporting period

	Newly added in the current year		Total	
	Applications (pcs)	Granted (pcs)	Applications (pcs)	Granted (pcs)
Patent for invention	68	109	1,772	1,189
Patent for utility model	114	118	962	859
Patent for design	7	11	244	239
Software copyright	13	11	155	153
Others	27	66	1,176	1,117
Total	229	315	4,309	3,557

Note: 1. "Others" in the table above refer to trademarks of the Company; 2. During the reporting period, the Company filed a total of 15 valid PCT international patent applications.

3. R&D investments

In RMB

	Current year	Last year	% Change
R&D investments expensed	247,712,822.82	280,932,800.35	-11.82
R&D investments capitalized	0	0	-
Total R&D investments	247,712,822.82	280,932,800.35	-11.82
Proportion of R&D investments to operating revenue (%)	10.24	12.69	-2.45 percentage points
Proportion of R&D investments capitalized (%)	0	0	

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

4. R&D projects

☒ Applicable ☐ N/A

In RMB 0'000

No.	Project	Estimated total investment	Investment in the current	Aggregate investment	Progress or interim results	Goals	Technological level	Application scenario
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			period					
1	Innovative optical application	34,991.00	11,524.35	24,728.89	Mass production	Develop upstream laser technologies, and develop innovative applications for AR optical modules and automotive optics.	Leading in the industry	Innovative scenarios such as AR and automotive.
2	Core component light source and light engine project	16,257.00	2,830.64	11,184.22	Mass production	Continuously develop the semiconductor or laser light source technology to achieve light sources and light engines with lower cost, wider color gamut, higher brightness, and higher energy efficiency.	Leading in the industry	Continuous development of core technologies and core components for use in various fields.
3	Cinema products	21,167.00	3,168.78	14,716.98	Mass production	DCI-compliant LED cinema screens and servers for cinema projection halls.	Leading in the industry	Cinema projection halls, etc.
4	Dedicated display products	15,452.00	2,437.63	10,033.52	Mass production	Multiple laser large venue projectors with high brightness, education projectors, and business projectors with high cost-effectiveness will be researched and developed for meeting different user needs.	Leading in the industry	Large venue projector, business education projector and other fields.

5	Household products	39,047.00	4,809.89	31,769.70	Mass production	In terms of smart mini projector products, engage in the research and development of high-performance and high-cost-effectiveness products, and make breakthroughs in technological innovation, product form innovation, and quality upgrade. In terms of laser TVs, engage in the research and development of products with advantageous performance such as high brightness and eye-friendliness to meet various user requirements.	Leading in the industry	Smart mini projector and household laser TV.
Total	-	126,914.00	24,771.28	92,433.31	-	-	-	-

Explanation

None

5. R&D staff

In RMB 0'000

Basic information		
	Current period	Previous period
Number of R&D staff (persons)	505	428
Proportion of R&D staff to total employees of the Company (%)	35.09	30.16
Total compensation of R&D staff	16,822.52	18,847.54
Average compensation of R&D staff	33.31	44.04

Academic structure of the R&D staff	
Academic category	Person in the academic category
Master and above	132
Bachelor and below	373
Age structure of the R&D staff	
Age category	Person in the age category
Below 30 (exclusive)	158
30-40 (including 30, excluding 40)	237
40 and above	110

Reason for material changes in the composition of the R&D staff, and impact on the future development of the Company

☐ Applicable ☒ N/A

6. Other information

☐ Applicable ☒ N/A

III. Analysis of core competitiveness during the reporting period

(I) Analysis of core competitiveness

☒ Applicable ☐ N/A

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

The Company stays innovation-driven, continues to increase R&D investment in forward-looking technology arrangements and product technology development. Having operated in the laser industry for years, we have established a leading R&D team in the optical field, and have been developing and innovating laser display technologies for many years, thus having accumulated profound R&D technical strength and gained a deep understanding and judgment of the industry's cutting-edge technology and development trend.

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

2. Build a patent moat around the underlying technical architecture

We take the underlying technical architecture patent of the original semiconductor laser light source technology as the center and build a solid and interconnected intellectual property patent system. As of December 31, 2024, we had a total of 2,993 patents filed and granted throughout the world, including 2,287 patents granted throughout the world, including 1,189 patents for invention. With respect to

patents related to AR and AI technologies, our R&D teams have achieved over 80 additional patents related to AR and AI granted or filed during the reporting period. As of December 31, 2024, we had a total of 241 patents filed and granted in the AR and AI fields, indicating an increase of 36.16% year on year. In terms of technology patents for automotive core components, we had 92 new patents granted and filed for automotive optics technologies during the reporting period; as of December 31, 2024, we had a total of 264 patents for automobile technologies granted and filed, an increase of 26.32% year on year.

In terms of technology leadership, the Company's original semiconductor laser light source technology has become the mainstream technology in the current laser display field, and as the underlying key architecture technology, it has been used more than 686 times by leading companies in the same industry, such as Philips of the Netherlands, Osram of Germany, and Epson of Japan.

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

We continuously made breakthroughs towards the upstream of the laser industry to build core components for the laser industry, and drive the innovation of downstream application scenarios with the breakthroughs in core components. Meanwhile, given the rapid development of AI, AR, and smart robot technologies, and the continuous expansion of the product form and application boundaries in the laser industry, we will promote the upgrade and transformation of the laser industry pattern. We will insist on reasonable investment for the automotive, cinema, and dedicated display scenarios to continuously create new growth points; meanwhile, we will implement innovative application for core components in new fields and new racetracks to expand to the AI, AR, robot, and other fields, hence continuously improving the long-lasting value of core components and expand the space of growth.

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

☐ Applicable ☒ N/A

IV. Risk factors

(I) Risk of not making a profit

☐ Applicable ☒ N/A

(II) Risk of a significant decrease in operating performance or loss

☐ Applicable ☒ N/A

(III) Risk related to core competitiveness

☒ Applicable ☐ N/A

1. Risk of the technological innovation falling short of expectations

We need to accurately understand the development trend of technologies and applications in the industry and continuously develop and optimize our technology competence to provide services and products meeting market demands and customers' standards. If we fail to effectively identify the direction of technological innovation, or fail to continuously achieve technological innovation, or fail to make effective R&D investments due to limited funds, or experience risks of technology leakage, we

may face the adverse effects of weakened competitiveness.

We will make continuous efforts to promptly and accurately explore the technology development trend in the laser industry, further enhance technology advantages and technology development, and increase R&D investments, so as to solidify our position in the industry and improve our product competitiveness while maintaining the existing technology advantages.

(IV) Operating risk

☐ Applicable ☒ N/A

(V) Financial risk

☒ Applicable ☐ N/A

1. Risk of impairment of accounts receivable

As of the end of the reporting period, the book value of our accounts receivable was RMB 310.1953 million, accounting for 7.29% of our total assets. Our automotive business has entered the stage of intense delivery, leading to the continuous increase in the ratio of this business - the closing balance of the accounts receivable increased by 72.05% year on year, where customers made payments according to the payment term set forth in contracts. In case of any material adverse change in the business condition of our customers, we may be unable to recover certain accounts receivable, which may have an adverse effect on our operating performance in the future.

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

2. Risk of impairment of inventories

As of the end of the reporting period, the book value of our inventories was RMB 595.5192 million, accounting for 13.99% of our assets. Our inventories mainly comprise raw materials and goods on hand. In the event of any significant change in the competition pattern of the industry, and material innovation in laser display technology and products, the recoverable amount of the inventories will be lower than their book value. The impairment of inventories will have a negative effect on our earnings. The Company will pay close attention to the changes in supply and demand of the industrial chain, and promptly carry out production and marketing coordination according to the market and production conditions to reduce product inventory risks.

3. Risk of impairment of fixed assets

As of the end of the reporting period, the book value of our fixed assets was RMB 272.1018 million, accounting for 6.39% of our assets. Our fixed assets mainly consist of production equipment and cinema projector light sources for lease, where the cinema projector light sources account for 60.74%. If force majeure factors result in a shutdown of cinemas, the cinema projector light sources may be idle, causing the risk of impairing fixed assets and having adverse effects on the operation of the Company. In order to cope with the above risks, the Company will pay close attention to the status of fixed assets, strengthen communication with business departments, improve the efficiency of asset use, and reduce

the risk of impairment. In the meantime, for assets that show signs of impairment, the Company will measure the recoverable amount and make an impairment provision for fixed assets based on the difference between the recoverable amount and the carrying value.

4. Risk of currency movement

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

(VI) Industrial risk

☒ Applicable ☐ N/A

1. Risk of cyclical fluctuation in the consumer electronics industry

At present, people are more prudent in consumption, which slows down the demand in the consumer electronics market. As optional consumption products, smart projection products are facing more significant cyclical fluctuations. If the consumer electronics industry remains depressed or experiences material changes under the comprehensive impact of the domestic economic environment, international trade, significant sudden events, and various other factors, the operating revenues and profits of our business sectors related to household projection may be adversely affected.

We will closely follow the development trend of the consumer electronics industry, conduct in-depth research into the demands of domestic and overseas markets, constantly enhance efforts for product R&D and technology investment, improve our R&D and product designing competence, assess risks rapidly, and take initiative to make relevant business adjustments, hence improving the risk tolerance of the Company.

2. Risk of intensified competition in the automotive smart cockpit industry

The development of automotive intelligence attracted more and more enterprises to the industry of automotive smart cockpits, which intensified market competition. As a result, our automotive cockpit business faces certain risks of market competition. Meanwhile, the shortening cycle of technology upgrade and iteration for automotive products leads to higher requirements on automobile manufacturers and consumers for the speed of product technology iteration and capabilities of technology R&D. As a leader in the automotive smart cockpit industry, we will maintain our advantages in products, technology R&D, brand reputation, *etc.*, continuously improve our R&D and designing capabilities, market development level and production capabilities, and promote cooperation with domestic and overseas players to achieve breakthroughs in leading automobile manufacturers on overseas markets.

(VII) Risk of macro-environment

☒ Applicable ☐ N/A

At present, given that the global economy is experiencing cyclical fluctuations, both domestic and overseas economies are complex and prone to changes, and the economic pattern is restructuring at an accelerated pace. If the economy remains low both at home and abroad, our operation may be subject to adverse effects, which may affect the profitability of the Company.

We will continue to enhance the efforts for the study of macro-economic conditions, pay close attention to changes in the politics, economy, international trade environment and customs duties in major countries, rapidly assess risks and actively adjust relevant businesses to reduce the adverse effects caused by changes in the international trade environment.

(VIII) Risk related to depository receipts

☐ Applicable ☒ N/A

(IX) Other significant risks

☒ Applicable ☐ N/A

1. Risks in the arbitration with relevant parties of the participating company GDC BVI

At present, the Company is in the process of arbitration and counter-arbitration with relevant parties of GDC. Given that the case is under trial at present, the impact of such case on the profit or loss of the Company cannot be determined at present; the eventual actual impact depends on the award of the arbitration tribunal. The Company has engaged a professional attorney team and taken relevant legal measures to safeguard the legitimate rights and interests of the Company and all shareholders in accordance with law, and will promptly fulfill the information disclosure obligations in accordance with relevant provisions.

V. Main business activities during the reporting period

In 2024, adhering to the development strategy of “core technologies + core components + application scenarios”, we achieved an operating revenue of RMB 2.419 billion, up by 9.27% year on year, presenting a stable growth trend. The automotive optics business, which entered the stage of intense delivery in 2024, achieved an operating revenue of RMB 638 million. During the reporting period, we achieved the net profit attributable to shareholders of the listed company of RMB 27.9531 million, and the net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss of RMB 32.1336 million. At the end of the period, the total assets of the Company were RMB 4.256 billion, and the net assets attributable to shareholders of the listed company were RMB 2.740 billion.

(I) Analysis of main business

1. Analysis of changes in the income statement and the cash flow statement

In RMB

Item	Current period	Prior period	% Change
Operating revenue	2,418,574,391.82	2,213,356,977.95	9.27
Operating costs	1,733,837,423.57	1,435,201,005.16	20.81
Selling expenses	186,516,285.46	277,237,296.91	-32.72
Administrative expenses	163,191,057.84	157,092,724.49	3.88
Financial expenses	-10,207,841.54	-19,449,983.65	N/A

R&D expenses	247,712,822.82	280,932,800.35	-11.82
Net cash flow from operating activities	87,220,645.17	364,082,055.08	-76.04
Net cash flow from investment activities	235,313,663.36	-328,864,633.65	N/A
Net cash flow from financing activities	-295,510,117.47	1,797,013.72	-16,544.51

Description of reasons for changes in the selling expenses: The selling expenses decreased by 32.72% year on year, primarily due to the decrease in the employee benefits and marketing expenses during the reporting period year on year;

Description of reasons for changes in the financial expenses: The financial expenses decreased by RMB 9.2421 million year on year, primarily due to the year-on-year decrease in interest incomes and foreign exchange gains;

Description of reasons for changes in the net cash flows from operating activities: The net cash flow from operating activities decreased by 76.04% year on year, which was primarily due to the increase in the operating capital required in response to the growth in our automotive business, and the increase in restricted monetary funds;

Description of reasons for changes in the net cash flows from investment activities: The net cash flow from investment activities increased by RMB 564.1783 million year on year, primarily due to the recovery of mature wealth management products;

Description of reasons for changes in the net cash flow from financing activities: The net cash flow from financing activities decreased by RMB 297.3071 million year on year, primarily due to the decrease in borrowings compared with last year and the repurchase of the Company's shares.

Detailed description of major changes in the business types, profit composition or profit sources of the Company

☐ Applicable ☒ N/A

2. Analysis of revenue and costs

☒ Applicable ☐ N/A

During the reporting period, our operating revenue was RMB 2.419 billion, increased by 9.27% year on year.

(1). Main business by sector, product, region, and sales mode

In RMB 0'000

Main business by sector						
Sector	Operating revenue	Operating costs	Gross margin (%)	% Change in operating revenue	% Change in operating cost	% Change in gross margin
Laser display	241,857.44	173,383.74	28.31	9.27	20.81	-6.85 percentage points

Main business by product						
Product	Operating revenue	Operating costs	Gross margin (%)	% Change in operating revenue	% Change in operating cost	% Change in gross margin
Core components and complete equipment	223,961.39	157,130.11	29.84	11.48	24.76	-7.47 percentage points
Other products and businesses	17,896.05	16,253.63	9.18	-12.46	-7.53	-4.85 percentage points
Main business by region						
Region	Operating revenue	Operating costs	Gross margin (%)	% Change in operating revenue	% Change in operating cost	% Change in gross margin
Domestic	214,130.34	156,869.54	26.74	14.93	27.46	-7.2 percentage points
Overseas	27,727.10	16,514.20	40.44	-20.81	-19.23	-1.17 percentage points
Main business by sales mode						
Sales mode	Operating revenue	Operating costs	Gross margin (%)	% Change in operating revenue	% Change in operating cost	% Change in gross margin
Direct sales	199,399.67	141,237.74	29.17	27.59	44.90	-8.46 percentage points
Distribution	42,387.32	32,073.65	24.33	-34.82	-30.32	-4.89 percentage points
Commissioned sales	70.45	72.34	-2.68	-239.05	419.56	-35.67 percentage points

Description of main business by sector, product, region, and sales mode

1. Description by product: Our main businesses are the core component business and complete projectors. During the reporting period, the main businesses achieved the revenue of RMB 2.419 billion, increased by 9.27% year on year, where the revenue from the core component and complete equipment business was RMB 2.240 billion, increased by 11.48% year on year, primarily due to the increase in the revenue because the automotive optics business entered the stage of mass production.

2. Description by region: During the reporting period, our revenue from overseas operations was RMB 277.2710 million, decreased by 20.81% year on year, which was mainly due to the reduction in the overseas sales of light sources.

3. Description by sales mode: Our sales were achieved mainly through direct sales and distribution sales, supplemented by commissioned sales.

(2). Analysis of output and sales volume

√ Applicable □ N/A

Main products	Unit	Output	Sales volume	Stock	% Change in output	% Change in sales volume	% Change in stock
Core components and complete equipment	Set	677,600.00	639,490.00	154,048.00	44.28	25.88	32.87

Explanation about output and sales volume

During the reporting period, both our production and sales increased year on year, primarily due to the increase in our automotive business.

(3). Performance of significant procurement contracts and significant sales contracts

□ Applicable √ N/A

(4). Analysis of costs

In RMB 0'000

Costs by sector							
Sector	Components of cost	Amount for the current period	Ratio in total costs for the current period (%)	Amount of the prior period	Ratio in total costs for the prior period (%)	% Change in amount	Situation Description
Laser display		173,383.74	100	143,520.10	100	20.81	
Costs by product							
Product	Components of cost	Amount for the current period	Ratio in total costs for the current period (%)	Amount of the prior period	Ratio in total costs for the prior period (%)	% Change in amount	Situation Description
Core components and complete equipment	Direct materials	139,022.25	88.48	111,755.55	88.74	24.40	
	Direct labor	4,734.28	3.01	3,815.48	3.03	24.08	
	Indirect expenses	13,373.58	8.51	10,371.20	8.23	28.95	
	Subtotal	157,130.11	100	125,943.51	100	24.76	
Other products and businesses		16,253.63	100	17,576.59	100	-7.53	
Total		173,383.74	100	143,520.10	100	20.81	

Explanation about cost analysis

The costs of the core component and complete equipment business mainly comprise direct materials, direct labor and indirect expenses, of which the costs of direct materials account for 88.48%. Compared with the prior period, the ratio of various cost items increased primarily due to the change in the product portfolios of the core component and complete equipment business.

(5). Change in the scope of consolidation due to changes in equity interests held in major subsidiaries during the reporting period

☐ Applicable ☒ N/A

(6). Significant changes in or adjustments to the businesses, products, or services of the Company during the reporting period

☐ Applicable ☒ N/A

(7). Main customers and main suppliers

A. The Company's main customers

☒ Applicable ☐ N/A

The sales to top 5 customers were RMB 1,038.6062 million, representing 42.94% of the total annual sales, including the sales to related parties amounting to RMB 156.2787 million, representing 6.46% of the total annual sales.

Top 5 customers

☒ Applicable ☐ N/A

In RMB 0'000

No.	Customer	Sales	% of total annual sales	Related to the listed company or not
1	Customer 1	60,463.04	25.00	No
2	Customer 2	15,627.87	6.46	Yes
3	Customer 3	11,763.12	4.86	No
4	Customer 4	8,123.16	3.36	No
5	Customer 5	7,883.43	3.26	No
Total	-	103,860.62	42.94	-

Description of sales to a single customer accounting for over 50% of the total sales value, new customer in the top 5 customers, or serious dependence on a small number of customers during the reporting period

☒ Applicable ☐ N/A

Customer 1 was newly counted among the top 5 customers.

B. Information on major suppliers of the Company

☒ Applicable ☐ N/A

The amount of purchases from top 5 suppliers was RMB 572.7649 million, representing 30.48% of the total annual purchase cost, of which the amount of purchases from related parties was RMB 0 million, representing 0% of the total annual purchase cost.

Top 5 suppliers

☒ Applicable ☐ N/A

In RMB 0'000

No.	Supplier	Purchase cost	% of total annual purchase cost	Related to the listed company or not
1	Supplier 1	24,183.43	12.87	No
2	Supplier 2	10,980.89	5.84	No
3	Supplier 3	10,338.96	5.50	No

4	Supplier 4	6,234.05	3.32	No
5	Supplier 5	5,539.17	2.95	No
Total	-	57,276.49	30.48	-

Description of purchase from a single supplier accounting for over 50% of the total purchase value, new supplier in the top 5 suppliers, or serious dependence on a small number of suppliers during the reporting period

☐ Applicable ☒ N/A

3. Expenses

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period	% Change
Selling expenses	186,516,285.46	277,237,296.91	-32.72
Administrative expenses	163,191,057.84	157,092,724.49	3.88
Financial expenses	-10,207,841.54	-19,449,983.65	N/A
R&D expenses	247,712,822.82	280,932,800.35	-11.82

(1) The selling expenses decreased by 32.72% year on year, primarily due to the decrease in employee benefits and marketing expenses during the reporting period year on year;

(2) The financial expenses decreased by RMB 9.2421 million year on year, primarily due to the year-on-year decrease in interest incomes and foreign exchange gains.

4. Cash flow

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period	% Change
Net cash flow from operating activities	87,220,645.17	364,082,055.08	-76.04
Net cash flow from investment activities	235,313,663.36	-328,864,633.65	N/A
Net cash flow from financing activities	-295,510,117.47	1,797,013.72	-16,544.51

(1) The net cash flow from operating activities decreased by 76.04% year on year, which was primarily due to the increase in the operating capital required in response to the growth in our automotive business, and the increase in restricted monetary funds of the subsidiary Appotronics HK;

(2) The net cash flow from investment activities increased by RMB 564.1783 million year on year, primarily due to the recovery of mature wealth management products;

(3) The net cash flow from financing activities decreased by RMB 297.3071 million year on year, primarily due to the decrease in borrowings compared with last year and the repurchase of the Company's shares.

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

☐ Applicable ☒ N/A

(III) Analysis of assets and liabilities

√ Applicable □ N/A

1. Status of assets and liabilities

In RMB

Project	Balance at the end of the current period	% of total assets at the end of the current period	Balance at the end of the prior period	% of total assets at the end of the prior period	% Change in amount	Remark
Held-for-trading financial assets	179,936,739.21	4.23	514,010,000.00	12.18	-64.99	Primarily due to the redemption of mature bank structural deposits at the end of the year
Notes receivable	4,749,524.13	0.11	8,951,308.71	0.21	-46.94	Primarily due to the decrease in commercial acceptance bills received during the period
Accounts receivable	310,195,322.17	7.29	180,290,007.90	4.27	72.05	Primarily due to the increase in receivables from the automotive business during the period
Other receivables	45,104,401.76	1.06	30,698,687.55	0.73	46.93	Primarily due to the increase in property rental deposits and deposits for product quality warranties
Non-current assets due within one year	54,729,347.74	1.29	41,997,218.73	1.00	30.32	Primarily due to the increase in the long-term receivables due within 1 year as of the end of the reporting period
Other current assets	65,416,667.70	1.54	48,417,270.11	1.15	35.11	Primarily due to the increase in the input VAT to be deducted during the reporting period
Long-term receivables	37,190,876.33	0.87	26,000,543.13	0.62	43.04	Primarily due to the increase in the business of installment receipts in the current period
Long-term equity	6,242,039.74	0.15	144,726,776.43	3.43	-95.69	Primarily due to the adjustment of

investment						equity interests in the participating company GDC BVI from long-term equity investment to other non-current financial assets
Right-of-use assets	108,676,133.66	2.55	40,016,903.67	0.95	171.58	Primarily due to the increase in property leases during the reporting period
Long-term prepaid expenses	1,638,295.71	0.04	6,318,145.33	0.15	-74.07	Primarily due to the amortization to costs and expenses
Other non-current assets	14,404,981.14	0.34	29,348,748.27	0.70	-50.92	Primarily due to the decrease in advance payment for mold expenses
Notes payable	184,786,728.04	4.34	76,001,079.07	1.80	143.14	Primarily due to the increase in the proportion of settlement by notes during the reporting period
Accounts payable	351,760,010.32	8.27	247,318,466.10	5.86	42.23	Primarily due to the increase in purchases during the reporting period
Taxes payable	25,262,217.19	0.59	6,142,704.23	0.15	311.26	Primarily due to the increase in the provision for income taxes and VAT during the reporting period
Other payables	73,987,139.27	1.74	54,142,509.17	1.28	36.65	Primarily due to the increase in technical service fees payable
Other current liabilities	63,559,833.08	1.49	18,441,685.83	0.44	244.65	Primarily due to the newly added CCB E Infocomm settlement business during the reporting period
Lease liabilities	71,996,166.91	1.69	15,548,985.71	0.37	363.03	Primarily due to the increase in property leases during the reporting period
Provisions	30,299,456.94	0.71	58,180,985.08	1.38	-47.92	Primarily due to the reclassification of the provision made for sales

						repair during the reporting period
Deferred income	2,245,051.44	0.05	4,627,972.56	0.11	-51.49	Primarily due to the conversion of deferred incomes to other incomes during the reporting period
Deferred tax liabilities	1,908,071.13	0.04	1,229,654.81	0.03	55.17	Primarily due to the increase in long-term receivables during the reporting period
Less: Treasury shares	29,891,962.32	0.70	19,377,297.59	0.46	54.26	Primarily due to the additional shares repurchased and de-registration of partial treasury shares during the reporting period

Other information

None

2. Overseas assets

☒ Applicable ☐ N/A

(1) Size of assets

Where: The overseas assets were RMB 375.8700 million, representing 8.83% of the total assets.

(2) Explanation about the high proportion of overseas assets

☐ Applicable ☒ N/A

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

☒ Applicable ☐ N/A

Item	Amount	Reason
Cash and bank balances	168,234,385.36	Undue time deposits and interests, account security deposits, and restricted payments
Intangible assets	258,993,499.74	Mortgage collateral
Cash and bank balances	159,999,148.99	Appotronics HK and GDC Technology Limited (BVI), subsidiaries of the Company, are involved in a pending litigation, and the assets of Appotronics HK are presented as restricted assets
Other assets	116,577,251.61	
Total	703,804,285.70	-

4. Other information

☐ Applicable ☒ N/A

(IV) Analysis of operation information of the industry√ Applicable ☐ N/A

For the analysis of operation information of the industry during the reporting period, refer to “Section III Discussion and Analysis of Business Situations - II. Main business, business model, status of industry and R&D activities during the reporting period”.

(V) Analysis of investments

Overall analysis of external equity investments

√ Applicable □ N/A

In RMB

Investment amount in the reporting period (in RMB)	Investment in the same period of the prior year (in RMB)	Range of change
6,242,039.74	144,726,776.43	-95.69%

1. Material equity investments

□ Applicable √ N/A

2. Material non-equity investments

□ Applicable √ N/A

3. Financial assets at fair value

√ Applicable □ N/A

In RMB

Asset category	Opening balance	Gain or loss on changes in fair value for the period	Cumulative fair value changes included in equity	Impairment of the current period	Purchase amount for the current period	Sale/redemption for the current period	Other changes	Closing balance
Equities	12,880,000.00	10,062,500.00				22,942,500.00		0
Others	519,592,819.38	-14,246,766.41	-4,900,000.00			334,845,222.91	100,183,505.66	283,564,335.72
Total	532,472,819.38	-4,184,266.41	-4,900,000.00			357,787,722.91	100,183,505.66	283,564,335.72

Description of securities investments

☒ Applicable ☐ N/A

In RMB

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

Description of derivative investments

☐ Applicable ☒ N/A

4. Description of investments in private equity investment funds

☐ Applicable ☒ N/A

Other information

None

5. Specific progress of material assets restructuring and integration during the reporting period

☐ Applicable ☒ N/A

(VI) Sale of material assets and equities

☐ Applicable ☒ N/A

(VII) Analysis of major investees

☒ Applicable ☐ N/A

In RMB 0'000

Company name	Main business	Registered capital	Shareholding percentage	Total assets	Net assets	Operating revenue	Net profit
CINEAPPO	Provision of cinema projection services and sales of projectors	10,000.00	67.80%	75,221.03	54,302.85	48,699.62	10,513.97
Chongqing Formovie	R&D and sale of household display products	7,017.54	39.19%	39,427.49	-37,716.55	46,853.71	-11,080.96

(VIII) Structured entities controlled by the Company

☐ Applicable ☒ N/A

VI. Discussion and analysis of the Company's future development

(I) Structure and trend of the industry

√ Applicable □ N/A

For details of the industry pattern and trend analysis, refer to “Section III Discussion and Analysis of the Management - II. Main business, business model, status of industry and R&D activities during the reporting period - (III) Industry in which the Company operates - 3. Development of new technologies, new industries, new types of operation and new modes during the reporting period, and the future trend”.

(II) Development strategy of the Company

√ Applicable □ N/A

Facing the future, we are dedicated to becoming a pioneer in the laser industry; under the mission and vision of “New light, New Life”, the Company insists on the strategic direction of “core technologies + core components + application scenarios” to continuously promote breakthrough innovation of laser technologies, accelerate the expansion of application scenarios, enhance the in-depth industrialization of laser technologies such as laser display and laser lighting, and build a bigger and stronger laser display ecology.

(III) Business plan

√ Applicable □ N/A

In 2025, while continuously making breakthroughs in the upstream in the laser industry to build core components, we further increased investments in cutting-edge fields, so that the breakthroughs in the upstream drove the innovation of the downstream scenarios to implement upstream core components in new racetracks and large racetracks, especially focusing on new scenarios created by new AI technologies. In 2025, we will stay innovation-driven, continue to increase R&D investment in forward-looking technology arrangement and innovation and product technology development, so as to build energy for the sustainable development of the Company.

1. Core component business

We will continuously enhance our core competitiveness by improving our capabilities of R&D for innovative products and accelerating product iteration, and actively strive for more innovative application scenarios while maintaining stable and continuous output of existing products. To enhance the competitiveness of core components, we implemented innovation for laser light engines in aspects of technologies, product forms, application scenarios, *etc.*, and released a split-type optical fiber light engine in January 2025, which is the first of its kind in the industry. At present, we are taking active measures to communicate with major customers in the application fields of robots, smart terminals, medical, *etc.*, and jointly explore the implementation solutions for application scenarios of split-type optical fiber light engines, hence assisting customers in achieving product innovation and interaction.

2. Achieve synergy between dual headquarters to continuously build a smart supply chain system

In March 2025, the Appotronics headquarters building with both R&D and office functions was officially put into use, which indicates the comprehensive upgrade of our corporate strength. In addition,

with the launch of the smart manufacturing base “Appotronics Innovation and Intelligence Valley” located in Pingshan District, Shenzhen, synergy effects may be achieved between the headquarters building and the smart manufacturing basis to further enhance the stability of the industry chain and flexible production capabilities, hence creating a more comprehensive smart supply chain system and driving the Company to a new development stage featuring resource aggregation and coordinated innovation.

(IV) Others

☐ Applicable ☒ N/A

Section IV. Corporate Governance

I. Corporate governance

√ Applicable □ N/A

During the reporting period, in strict compliance with the requirements of the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange*, the *Guidelines on Self-regulatory Supervision of Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange*, other laws and regulations, and the *Articles of Association*, with reference to the actual operation conditions of the Company, the Company and its directors, supervisors, and senior officers constantly improved the corporate governance structure and continuously improved the internal governance and control measures to improve the level of standardized operation and governance level of the Company. During the reporting period, the actual conditions of corporate governance complied with the requirements of normative documents on the governance of listed companies. We will continuously insist on complying with relevant laws and regulations and continuously improve our governance regulations, to practically safeguard the interests of investors.

(I) About the Company and controlling shareholder

During the reporting period, the controlling shareholder and actual controller of the Company strictly followed the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange*, the *Guidelines on Self-regulatory Supervision of Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange*, and other regulations to standardize its acts, and to exercise the rights and practically fulfill the obligations as a shareholder in accordance with law. All our major decisions were made through the corresponding approval procedure set forth in the *Articles of Association etc.*, and we have a complete business system; while the controlling shareholder and actual controller did not bypass the general meeting of shareholders to directly or indirectly interfere with the decision-making and operating activities of the Company. The Company neither had funds occupied by the controlling shareholder nor provided a guarantee for the controlling shareholder, and had an independent and complete business system and capabilities of independent operation.

(II) About shareholders and the general meeting of shareholders

The general meeting of shareholders is the highest authority of the Company. During the reporting period, the Company held 4 general meetings of shareholders. The Company convened, held, voted, and made information disclosure of the general meetings of shareholders in strict compliance with the *Company Law*, the *Articles of Association*, the *Rules of Procedure for the General Meeting of Shareholders*, and relevant laws and regulations, normative documents, and the Company's rules and regulations, where lawful and valid resolutions were made under the witness of lawyers on site, who also issued legal opinions. We treated all shareholders equally, and took lawful and effective measures for on-site attendance, online attendance, *etc.*, so that more shareholders could attend the general meetings of shareholders to fully safeguard the equal rights of all shareholders, especially small- and

medium-sized shareholders, safeguarding the rights of information and participation for every shareholder, and facilitating the exercise of the voting power by every shareholder. Meanwhile, associated shareholders withdrew from voting on related-party transactions with which they were associated.

(III) About directors and the Board of Directors

The Board of Directors is the standing decision-making and management authority of the Company. During the reporting period, the Company held 17 meetings of the Board of Directors. The Company acted in strict compliance with the Articles of Association, the *Rules of Procedure for the Board of Directors*, and other relevant laws and regulations, normative documents, and the Company's rules and regulations in convening and holding meetings of the Board of Directors. During the reporting period, the Company smoothly completed the election of the third Board of Directors upon the expiration of the office term of the second Board of Directors. The third Board of Directors of the Company consists of 7 directors, including 3 independent directors and 1 employee representative director. All the members of the Board of Directors are qualified in accordance with the requirements of laws and regulations, and have the professional expertise, skills, and quality required for acting as a director. All the directors conducted their work in accordance with regulations and requirements, punctually attended meetings of the Board of Directors and specific-purpose committees and the general meetings of shareholders, and diligently fulfilled their duties and obligations, to safeguard the interests of the Company and shareholders as a whole. Moreover, they actively participated in relevant training to familiarize themselves with relevant laws and regulations.

The Board of Directors has four specific-purpose committees, namely the Audit Committee, the Strategy and ESG Committee, the Remuneration and Appraisal Committee, and the Nomination Committee. The members of such specific-purpose committees and their qualifications comply with laws and regulations and the requirements of the *Articles of Association*; the committees convene meetings and fulfill their duties in accordance with their working rules, and members of such committees fulfill their duties in a diligent manner, which play a significant role in the compliant operation and the healthy and sustainable development of the Company.

(IV) About supervisors and the Board of Supervisors

The Board of Supervisors is the supervisory body of the Company. During the reporting period, the Company held 6 meetings of the Board of Supervisors. The Company acted in strict compliance with the Articles of Association, the *Rules of Procedure for the Board of Supervisors*, and other relevant laws and regulations, normative documents, and the Company's rules and regulations in convening and holding meetings of the Board of Supervisors. During the reporting period, the Company smoothly completed the election of the third Board of Supervisors upon the expiration of the office term of the second Board of Supervisors. The third Board of Supervisors of the Company consists of 3 supervisors, including 1 employee representative supervisor. The composition of the Board of Supervisors and the qualifications of the members thereof comply with requirements of laws and regulations, to ensure professional expertise and practical experience. All the supervisors acted independently and effectively to fulfill their

duties of supervision, check, *etc.* over major events and financial conditions of the Company and over directors and senior officers, so as to actively safeguard the legitimate rights and interests of the Company and all shareholders.

(V) About information disclosure and investor relations management

During the reporting period, we further improved the efforts for information disclosure management in compliance with the relevant laws and regulations and the *Management Regulations of Information Disclosure*, the *Management Regulations for Investor Relation*, *etc.* We made information disclosure in a truthful, accurate, complete, timely, and fair manner, and kept the disclosed content easy to understand to fully disclose risks for view by all shareholders. The designated website for information disclosure of the Company is the website of the Shanghai Stock Exchange (www.sse.com.cn), the designated journals of information disclosure are China Securities Journal, Shanghai Securities News, Securities Daily, and Securities Times, to ensure fair access to information about the Company by shareholders.

We attached importance to the investor relations management. We provide a public and transparent platform for communication with investors, so that investors can query about the operation of the Company through multiple channels, including on-site survey, investor telephone number (0755-32950536), investor email (ir@appotronics.com), online performance briefing, the “E Interaction Platform” of the Shanghai Stock Exchange, and the WeChat official account (Appotronics). We took active measures to build a bridge for fair and effective communication by the Company with investors and the social public, so as to deliver the Company’s value to investors and the social public, carefully listen to the opinions and suggestions of investors, truly maintain the legitimate rights and interests of investors, especially medium and small investors, and improve the channel for information exchanges between investors and the Company.

(VI) Registration and management of insiders

During the reporting period, we followed the relevant requirements of laws and regulations and the *Management Regulations of Insider Information* on the management of insiders to register and file relevant personnel involved in insider information during major events of the Company, such as regular reports, repurchase of the Company’s shares, *etc.* During the window period of transactions, insiders including the directors, supervisors, senior officers, and key technical staff of the Company would be reminded. Meanwhile, we constantly enhanced the education and study on laws and regulations concerning the prevention and control of insider trading by the directors, supervisors, senior officers, and relevant personnel of the Company, so as to enhance their awareness of confidentiality. No trading of the Company’s shares by insiders using insider information was detected.

(VII) About stakeholders and social responsibility

We fully respect and maintain the legitimate rights and interests of stakeholders and cooperate actively with stakeholders to jointly promote the continuous and healthy development of the Company. We continuously improve the working environments of employees in a planned way and safeguard the rights and interests of employees to actively fulfill our social responsibility and achieve coordinated balance and mutual development among society, shareholders, the Company, and employees.

Is there any major deviation in the corporate governance from laws, administrative regulations, and the regulations of the CSRC on the governance of listed companies? If yes, specify the reasons

☐ Applicable ☒ N/A

II. Give an explanation if the Company cannot guarantee its independence and ability to operate independently due to its relationship with the controlling shareholder in business, personnel, assets, organization, finance and other affairs

☐ Applicable ☒ N/A

Information about the business identical or similar to that of the Company operated by the controlling shareholder, actual controller, and other entities under their control, impact of horizontal competition or major changes in horizontal competition on the Company, measures that have been taken, solution progress, and subsequent solution plans

☐ Applicable ☒ N/A

Information about horizontal competition operated by the controlling shareholder, actual controller, and other entities under their control having material adverse effects on the Company

☐ Applicable ☒ N/A

III. General meetings of shareholders

Session	Date of meeting	Reference to resolutions published on the designated website	Date of disclosure of resolutions	Resolutions
1 st extraordinary general meeting of shareholders in 2024	April 24, 2024	For details, see the <i>Announcement on the Resolutions of the 1st Extraordinary General Meeting of Shareholders in 2024</i> (No. 2024-029) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 25, 2024	April 25, 2024	All proposals were reviewed and passed, with no proposal rejected.
Annual general meeting of shareholders in 2023	June 3, 2024	For details, see the <i>Announcement on the Resolutions of the Annual General Meeting of Shareholders in 2023</i> (No. 2024-047) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 4, 2024	June 4, 2024	
2 nd extraordinary general meeting of shareholders in 2024	September 18, 2024	For details, see the <i>Announcement on the Resolutions of the 2nd Extraordinary General Meeting of Shareholders in 2024</i> (No. 2024-079) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on September 19, 2024	September 19, 2024	
3 rd extraordinary general meeting of shareholders in 2024	November 18, 2024	For details, see the <i>Announcement on the Resolutions of the 3rd Extraordinary General Meeting of Shareholders in 2024</i> (No. 2024-091) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 19, 2024	November 19, 2024	

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

☐ Applicable ☒ N/A

Explanation about the general meetings of shareholders

☒ Applicable ☐ N/A

During the reporting period, the Company held 1 annual general meeting of shareholders and 3 extraordinary general meetings of shareholders. After being certified by the law firm engaged by the Company, the convening and holding procedures of general meetings of shareholders, the qualifications of the persons attending the meeting and conveners, the voting procedures and results complied with the relevant provisions of the *Company Law*, the *Rules for General Meetings of Shareholders* and other laws, regulations and normative documents as well as the provisions of the *Articles of Association*, and were legal and valid. All proposals submitted by the Board of Directors of the Company to the general meeting of shareholders were reviewed and passed.

IV. Implementation of and changes in arrangements of differentiated voting rights during the reporting period

☐ Applicable ☒ N/A

V. Governance of red-chip structure companies

☐ Applicable ☒ N/A

VI. Directors, supervisors, and senior officers

(I) Changes in shareholding and remunerations of current directors, supervisors, senior officers and key technical staff and the former directors, supervisors, senior officers and key technical staff who left the post during the reporting period

√ Applicable □ N/A

Unit: Share

Name	Title	Gender	Age	Beginning date of term of office	Expiry date of term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shareholding	Cause of change	Total remuneration (inclusive of tax) received from the Company during the reporting period (in RMB 0'000)	Whether or not receive any remuneration from any affiliate of the Company
LI Yi	Chairman	Male	54	July 18, 2018	September 17, 2027	0	0	-	-	320.50	No
	General Manager			December 31, 2021							
	Key technical staff (Left the post)			-	August 29, 2024						
YU Zhuoping	Director	Male	64	March 29, 2022	September 17, 2027	0	0	-	-	18	No
NING Cunzheng	Director	Male	66	December 25, 2023	September 17, 2027	0	0	-	-	18	No
CHEN Youchun	Independent director	Male	48	August 3, 2021	September 17, 2027	0	0	-	-	18	No
CHEN Han	Independent director	Female	41	December 25, 2023	September 17, 2027	0	0	-	-	18	No
CAI Qiaowu	Independent director	Male	60	November 18, 2024	September 17, 2027	0	0	-	-	2.14	No

ZHOU Shunyuan	Employee representative director	Female	34	September 18, 2024	September 17, 2027	0	0	-	-	17.86	No
GAO Lijing	Chairperson of the Board of Supervisors	Female	44	July 18, 2018	September 17, 2027	0	0	-	-	117.50	No
WANG Maoying	Supervisor	Female	44	September 18, 2024	September 17, 2027	0	0	-	-	20.71	No
ZHOU Jianbo	Employee representative supervisor	Male	45	September 18, 2024	September 17, 2027	0	0	-	-	30.36	No
WANG Yingxia	Financial Director	Female	42	August 3, 2021	September 17, 2027	128,124	178,124	50,000	Share incentive	73.62	No
	Employee representative director (Left the post)			July 15, 2021	September 18, 2024						
CHEN Yasha	Board Secretary	Female	34	April 29, 2022	September 17, 2027	93,750	93,750	-	-	54.55	No
YU Xin	Key technical staff	Male	44	-	-	290,752	390,752	100,000	Share incentive	-	No
HU Fei	Key technical staff	Male	44	-	-	265,316	317,816	52,500	Share incentive	-	
WANG Zeqin	Key technical staff	Male	47	August 23, 2021	-	229,752	282,252	52,500	Share incentive	-	
GUO Zuqiang	Key technical staff	Male	34	-	-	215,052	267,552	52,500	Share incentive	-	No
ZHANG Wei	Director (Left the post)	Male	49	August 3, 2021	September 18, 2024	0	0	-	-	-	
LIANG Huaquan	Independent director (Left the post)	Male	43	December 25, 2023	November 18, 2024	0	0	-	-	15.86	No
SUN	Supervisor	Male	43	August 3, 2021	September 18, 2024	3,000	3,000	-	-	45.18	

Hongdeng	(Left the post)			2021	2024						
WANG Yanyun	Employee representative supervisor (Left the post)	Female	47	July 18, 2018	September 18, 2024	0	0	-	-	26.35	No
WANG Lin	Key technical staff (Left the post)	Male	43	-	June 28, 2024	240,752	294,252	53,500	Equity incentive and purchase on the secondary market	-	No
Total	-	-	-	-	-	1,466,498	1,827,498	361,000	-	796.63	-

Note:

1. As of the end of the reporting period, Mr. LI Yi held shares in the Company indirectly through shareholding platforms, including Appotronics Holdings, Yuanshi Laser, Appotronics Daye, Appotronics Hongye, Jinleijing, and Appotronics Chengye; Ms. WANG Yingxia, Ms. GAO Lijing, Ms. WANG Yanyun, Mr. HU Fei, Mr. YU Xin, Mr. GUO Zuqiang, Mr. WANG Lin, et. al. held shares in the Company indirectly through the shareholding platforms Appotronics Hongye and Appotronics Daye; Mr. YU Xin and Mr. GUO Zuqiang held shares in the Company indirectly through the shareholding platform Appotronics Daye; and Mr. WANG Lin held shares in the Company indirectly through the shareholding platform Appotronics Hongye.

2. During the reporting period, the term of office of the Company's second Board of Directors and the second Board of Supervisors expired. The Company held the 35th meeting of the second Board of Directors and the 26th meeting of the second Board of Supervisors on August 29, 2024, and the first meeting of employee representatives in 2024 and the second extraordinary general meeting of shareholders in 2024 on September 18, 2024, where the election of a new Board of Directors and Board of Supervisors was completed smoothly.

Mr. LIANG Huaquan, a former director, left the post as an independent director of the Company due to personal job arrangement, and disclosed the (pre-tax) subsidy of independent director he obtained from the Company from January 2024 to the date when he left the post; at the same time, the Company held the 3rd meeting of the third Board of Directors on November 1, 2024 and the 3rd extraordinary general meeting of shareholders in 2024 on November 18, 2024, where Mr. CAI Qiaowu was elected as

an independent director of the Company's third Board of Directors, and disclosed the (pre-tax) subsidy of independent director he obtained from the date of his election to the end of the reporting period.

Ms. WANG Yingxia, a former employee representative director, left the post as a director upon the expiration of her term of office, but acted as the financial director of the Company; Mr. SUN Hongdeng and Ms. WANG Yanyun, former supervisors, left the post as supervisors upon the expiration of their term of office, and disclosed the total pre-tax remunerations they obtained from the Company from January 2024 to the date when they left the post; the newly elected employee representative director Ms. ZHOU Shunyuan, employee representative supervisor Mr. ZHOU Jianbo, and supervisor Ms. WANG Maoying, disclosed their total pre-tax remunerations received from the Company from the start of their term of office to the end of the reporting period.

3. The Company did not disclose the remunerations received by the key technical staff not acting as directors, supervisors, or senior officers of the Company due to trade secrets.

Name	Main work experience
LI Yi	LI Yi, male, born in June 1970, Chinese nationality, holds a bachelor's degree from Tsinghua University, and a master's degree and a doctor's degree from the University of Rochester. He founded the Company in October 2006. He has served as the Chairman and the General Manager of the Company since December 2010. In 2020, he was honored as the Person of Innovation and Entrepreneurship and Advanced Model Person for the 40 th Anniversary of Shenzhen Special Economic Zone, and the "2020 Shenzhen Science and Technology Award Mayor Award". In 2021, he was awarded the title of "2021 Quality Development Leader", and was engaged as a "Shenzhen Advisor for Investment Promotion".
YU Zhuoping	YU Zhuoping, male, born in January 1960, Chinese, with no right of permanent residence abroad, obtained a bachelor's degree and a master's degree in mechanical engineering from Tongji University, and a doctorate degree in automotive engineering from Tsinghua University. He is currently a professor at Tongji University, director of the National Intelligent New Energy Vehicle Collaborative Innovation Center, vice chairman of the China Society of Automotive Engineers, vice chairman and director of the Expert Committee of China Hydrogen Alliance, chairman of Tongji Automobile Design and Research Institute Co., Ltd., chairman of Shanghai Intelligent New Energy Vehicle Science and Technology Innovation Function Platform Co., Ltd., director of Shanghai Motor Vehicle Inspection Certification & Tech Innovation Center Co., Ltd., director of Appotronics Corporation Limited, non-executive director of Huazhong In-Vehicle Holdings Company Limited, independent director of Huayu Automotive Systems Co., Ltd., independent director of Ningbo Shenglong Automotive Powertrain System Co., Ltd., and independent director of Jiangling Motors Co., Ltd.
NING Cunzheng	NING Cunzheng, male, born in October 1958, U.S. citizen with permanent residency in the People's Republic of China, Ph.D. in Physics from the University of Stuttgart, Germany. Mr. NING Cunzheng has been engaged in semiconductor optoelectronic device research for long and has created many world records and leading achievements. He is one of the leaders in the field of semiconductor nano-lasers and devices in China and abroad, and the inventor of the white light laser. At present, he is a Chair Professor of Shenzhen Technology University, Dean of the College of Integrated Circuits and Optoelectronic Chips, doctoral advisor, part-time professor at Tsinghua University, and a Director of Appotronics Corporation Limited. Mr. NING Cunzheng used to be a senior scientist at NASA's AMES Research Center, where he founded and led the Nano-optics Research Team, and became the head of the Nanotechnology Program. In 2006, he was a visiting professor at ISSP, Institute of Solid State Physics, University of Tokyo, Japan. Since 2006, he has acted as a tenured professor in the Department of Electrical Engineering at Arizona State University and a part-time professor in the Department of Physics Chemistry and Materials Science at the same university. In 2013, he was a visiting professor at the Technical University of

	Berlin, Germany and Tsinghua University. He was elected as a national high-end talent in 2012, and has been a permanent professor of the Department of Electronics at Tsinghua University since 2014, and founded the International Center for Nanophotonics Research at Tsinghua University in 2018, serving as the first director. In 2016, he was honored as the Person of the Year by <i>Scientific Chinese</i> . In 2023, he was elected as a Class A Talent of the Shenzhen Pengcheng Peacock Program. Mr. NING Cunzheng is a fellow of the International Institute of Electrical and Electronics Engineers, a fellow of the Optical Society of America, and a member of the International Academy of Electromagnetic Sciences and the National Academy of Inventors.
CHEN Youchun	CHEN Youchun, male, born in April 1976, Chinese, with no right of permanent residence abroad, obtained a bachelor's degree from Southwest University of Political Science and Law and Northumbria University in the United Kingdom, a master's degree from Wuhan University, and a doctorate degree from Southwest University of Political Science and Law. He is currently a partner of Beijing JunZeJun (Shenzhen) Law Offices, and an independent director of Appotronics Corporation Limited, an independent director of ValueHD Corporation, and an independent director of Joy Wing Mau Fruit Technologies Corporation Limited (not listed).
CHEN Han	CHEN Han, female, born in January 1983, Chinese, with no right of permanent residence abroad, doctor in management (accounting). She is currently an associate professor and master advisor of Xiamen National Accounting Institute, the director of the Institute of Management Accounting and Financial Management of Xiamen National Accounting Institute, and an independent director of Appotronics Corporation Limited, an independent director of XTC New Energy Materials (Xiamen) Co., Ltd., an independent director of Hengerda New Materials (Fujian) Co., Ltd., an independent director of Zonergy Corporation (not listed), a member of the Management Accounting Committee of the Accounting Society of China, a deputy secretary general of the Accounting Society of Xiamen, and a supervisor of Non-party Intellectuals Association of Xiamen. She used to be an independent director of Tianma Microelectronics Co., Ltd., an independent director of Shanying International Holdings Co., Ltd., an independent director of Chempartner Pharmatech Co., Ltd., an independent director of YLZ Information Technology Co., Ltd., an independent director of Xiamen Nalong Science and Technology Co., Ltd., an independent director of Haian Rubber Group Co., Ltd. (not listed), a research assistant at Accounting Development Center, Xiamen University, the executive director of Xiamen Cross-border Enterprise Accounting Institute, and a visiting scholar at Western Illinois University.
CAI Qiaowu	CAI Qiaowu, born in May 1964, Chinese, with no right of residence abroad, master's degree, senior engineer. He is a member of Shenzhen CPPCC, the executive chairman and secretary general of Shenzhen Association of Medical Devices, a managing partner of Shenzhen Ruiguang Tongcheng Investment Enterprise (Limited Partnership), a director of Sino Medical-Device Technology Co., Ltd., an independent director of Lifotronic Technology Co., Ltd., and an independent director of BrosMed Medical Co., Ltd. (not listed). He used to be the material department manager, production center manager, R&D center manager, assistant to the general manager, and manager representative at Shenzhen Anke High-tech Co., Ltd., a director of Genrui Biotech Inc., and an independent director of Aikang MedTech Co., Ltd. (not listed).
ZHOU Shunyu	ZHOU Shunyu, female, born in January 1990, Chinese, with no right of permanent residence abroad, master's degree, non-member certified public accountants. She used to be an investment bank senior manager at Western Securities Co., Ltd., senior investment manager of the Strategic Development Center of Konka Group, the financial responsible person of a subsidiary, and investment director of Konka Capital. She has been the strategic investment responsible person of Appotronics Corporation Limited since September 2023.
GAO Lijing	GAO Lijing, female, born in June 1980, Chinese, with no right of permanent residence abroad, master's degree student at Chinese University of Hong Kong, obtained a legal professional qualification certificate through the national judicial examination. She is currently the chairperson of the supervisory board and the deputy general manager of the Intellectual Property & Standards Center of Appotronics Corporation Limited, and has worked in the South China Intellectual Property Office of Foxconn Technology Group Co., Ltd. and the Intellectual Property and Legal Affairs Center of Netac Technology Co., Ltd.
ZHOU Jianbo	ZHOU Jianbo, male, born in February 1979, Chinese, with no right of permanent residence abroad, MBA of Tianjin University. He is currently the Director of the Procedure and IT Department at Appotronics Corporation Limited, and used to be the manager of the information technology

	department at BIEL Crystal, information center director of Bonsen Electric Appliances Co., Ltd., and the deputy director of the procedure and information department at Holitech Technology Co., Ltd.
WANG Maoying	WANG Maoying, female, born in June 1980, Chinese, with no right of permanent residence abroad, bachelor's degree. After joining Appotronics Corporation Limited in September 2018, she is currently the deputy administrative director, and used to work at Vienna Hotels Group, Shenzhen Kuang-Chi Institute of Advanced Technology, TCL Multimedia, etc.
WANG Yingxia	WANG Yingxia, female, born in September 1982, Chinese, with no right of permanent residence abroad, got the bachelor degree. She is currently the financial director of Appotronics Corporation Limited, and has successively served as the financial director and financial manager of YLX Incorporated, and the deputy director of the finance department and employee representative director of Appotronics Corporation Limited.
CHEN Yasha	CHEN Yasha, female, born in January 1990, Chinese, with no right of permanent residence abroad, obtained the master's degree in finance, and the qualification certificate of board secretary of the science and technology innovation board and the qualification certificate of board secretary of the new third board. She joined the Company's board office in September 2018 and is currently the secretary of the Board of Directors of Appotronics Corporation Limited.
YU Xin	YU Xin, male, born in February 1980, Chinese, with no right of permanent residence abroad, received a doctorate from Tsinghua University. He is currently a key technical staffer and vice president of Appotronics Corporation Limited, and has successively served as a senior software engineer at Schlumberger Technologies Co., Ltd., a senior researcher at Shenzhen Zhongguang Industrial Technology Research Institute, and a senior researcher the general manager of the Cinema Solutions Business Unit, and the general manager of the Innovation Center and Cinema Business Division of Appotronics Corporation Limited.
HU Fei	HU Fei, male, born in March 1980, Chinese, with no right of permanent residence abroad, received bachelor's, master's and doctoral degrees from Tsinghua University, and master's degree from Rensselaer Polytechnic Institute. He is currently a key technical staffer of Appotronics Corporation Limited., and has successively served as a software engineer of Optical Research Associates, the vice president of research and development of YLX Incorporated and Appotronics Corporation Limited, and the chief technology officer and deputy general manager of Appotronics Corporation Limited.
WANG Zeqin	WANG Zeqin, male, born in December 1977, Chinese, with no right of permanent residence abroad, obtained a bachelor's degree from Jilin University, majoring in optoelectronic technology. He is currently a key technical staffer of Appotronics Corporation Limited, and has successively served as an R&D engineer and an R&D expert of O-Net Information Technology (Shenzhen) Co., Ltd., a researcher of YLX Incorporated, the R&D director of R&D center, the person in charge of core component R&D center and complete machine R&D center of Appotronics Corporation Limited.
GUO Zuqiang	GUO Zuqiang, male, born in April 1990, Chinese, with no right of permanent residence abroad, received a master's degree from Tsinghua University. He is currently a key technical staffer of Appotronics Corporation Limited, and has successively served as an optical engineer of YLX Incorporated and the R&D manager of Appotronics Corporation Limited.

Other information

☐ Applicable ☒ N/A

(II) Posts held by current directors, supervisors and senior officers and the former directors, supervisors and senior officers who left the post during the reporting period

1. Posts held at corporate shareholders of the Company

☒ Applicable ☐ N/A

Name	Corporate shareholder	Posts held at corporate shareholder	Beginning date of term of office	Expiry date of term of office
LI Yi	Shenzhen Appotronics Holdings Limited	Executive Director	January 2014	-
	Shenzhen Appotronics Daye Investment Partnership (LP)	Representative of Managing Partner	October 2016	-
	Shenzhen Appotronics Hongye Investment Partnership (LP)	Representative of Managing Partner	December 2015	-
	Shenzhen Jinleijing Investment Limited Partnership (LP)	Representative of Managing Partner	October 2016	-
	Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	Representative of Managing Partner	June 2016	-
	Shenzhen Appotronics Chengye Consulting Partnership (LP)	Representative of Managing Partner	July 2017	-
	Blackpine Investment Corp. Limited	Director	September 2018	-
Explanation about the posts held at corporate shareholders of the Company	None			

2. Posts held at other entities

√ Applicable □ N/A

Name	Other entity	Posts held at other entity	Beginning date of term of office	Expiry date of term of office
LI Yi	YLX Incorporated	Chairman	January 2007	-
	Shenzhen Qingda Yifeng Investment Consulting Partnership (LP)	Managing Partner	October 2016	-
	Shenzhen Appotronics Deye Consulting Partnership (LP)	Representative of Managing Partner	May 2018	-
	Shenzhen Appotronics Optoelectronic Technology Development Co., Ltd.	Executive Director, General Manager, and Legal Representative	October 2017	-
	YLX (Hong Kong) Limited	Director	June 2008	-

	APEX Fund Managed Limited	Director	November 2013	-
	Long Pine Investment Ltd.	Director	June 2020	-
	Atria Light Ltd.	Director	April 2018	-
	Atria Light Hong Kong Limited	Director	April 2018	-
	Longpines Financial Investment Ltd.	Director	April 2019	-
YU Zhuoping	Tongji University	Professor	1985	-
	National Intelligent New Energy Vehicle Collaborative Innovation Center	Director	2012	-
	Tongji Automobile Design and Research Institute Co., Ltd.	Chairman	December 2017	-
	Shanghai Intelligent New Energy Vehicle Science and Technology Innovation Function Platform Co., Ltd.	Chairman	March 2018	-
	Shanghai Motor Vehicle Inspection Certification & Tech Innovation Center Co., Ltd.	Director	April 2021	-
	Huazhong In-Vehicle Holdings Company Limited (6830.HK)	Non-executive Director	August 2019	-
	Huayu Automotive Systems Co., Ltd. (600741.SH)	Independent director	July 2021	-
	Ningbo Shenglong Automotive Powertrain System Co., Ltd. (603178.SH)	Independent director	October 2020	-
	Jiangling Motors Co., Ltd. (000550.SZ)	Independent director	October 2021	-
NING Cunzheng	Shenzhen Technology University	Chair Professor, Dean of the College of Integrated Circuits and Optoelectronic Chips, doctoral advisor	April 2022	-
	Tsinghua University	Part-time professor	January 2023	-
CHEN Youchun	Beijing JunZeJun (Shenzhen) Law Offices	Partner	July 2004	-
	ValueHD Corporation (301318.SZ)	Independent director	July 2020	-
	Joy Wing Mau Fruit Technologies Corporation Limited (not listed)	Independent director	October 2019	-
CHEN Han	Xiamen National Accounting Institute	Associate professor, master advisor, director of the Institute of Management Accounting and Financial Management	November 2014	-
	XTC New Energy Materials (Xiamen) Co., Ltd. (688778.SH)	Independent director	April 2020	-
	Hengerda New Materials (Fujian) Co., Ltd.	Independent director	October 2021	-

	(300946.SZ)			
	Zonergy Corporation (not listed)	Independent director	December 2022	-
	Management Accounting Committee of the Accounting Society of China	Member	September 2024	-
	Accounting Society of Xiamen	Deputy secretary general	February 2024	-
	Non-party Intellectuals Association of Xiamen	Supervisor	August 2024	-
CAI Qiaowu	Shenzhen Association of Medical Devices	Executive chairman and secretary general	March 2007	-
	Shenzhen Ruiguang Tongcheng Investment Enterprise (Limited Partnership)	Managing Partner	September 2015	-
	Sino Medical-Device Technology Co., Ltd.	Director	March 2007	-
	Lifotronic Technology Co., Ltd. (688389.SH)	Independent director	November 2020	-
	BrosMed Medical Co., Ltd. (not listed)	Independent director	February 2021	-
GAO Lijing	GDC Technology Limited (BVI)	Director	March 2024	-
WANG Yingxia	Shenzhen Tiwu Technology Co., Ltd.	Supervisor	January 2018	-
Explanation about the posts held at other entities	None			

(III) Remunerations of directors, supervisors, senior officers and key technical staff

√ Applicable □ N/A

In RMB 0'000

Decision-making procedure regarding the remunerations of directors, supervisors and senior officers	Under the relevant provisions of the <i>Articles of Association</i> and the Company's regulations, the remuneration of the Company's directors shall be reviewed by the Remuneration and Appraisal Committee of the Board of Directors, and then be submitted by the Board of Directors directly to the general meeting of shareholders for deliberation; the remuneration of supervisors shall be submitted by the Board of Supervisors directly to the general meeting of shareholders for deliberation; and the remuneration of senior officers shall be reviewed by the Remuneration and Appraisal Committee, and then be submitted to the Board of Directors for deliberation.
Whether the director withdraws from the discussion of the Board of Directors on the	Yes

remuneration of such director	
Specific information about the suggestions made by the Remuneration and Appraisal Committee or a special meeting of independent directors on the remuneration of directors, supervisors, and senior officers	The Company held the 1 st meeting for 2025 of the Remuneration and Appraisal Committee under the third Board of Directors on April 28, 2025, to deliberate the <i>Proposal on the Remuneration for 2024 and Remuneration Plan for 2025 of Directors of the Company</i> , the <i>Proposal on the Remuneration for 2024 and Remuneration Plan for 2025 of Supervisors of the Company</i> , and the <i>Proposal on the Remuneration for 2024 and Remuneration Plan for 2025 of Senior Officers of the Company</i> .
Basis for determining the remunerations of directors, supervisors and senior officers	For directors, supervisors and senior officers who receive remuneration from the Company, their remuneration is determined in accordance with the relevant provisions of the Articles of Association and other relevant provisions in consideration of the market, industry level and personal ability, and the degree of contribution to the Company; non-independent directors who do not receive remuneration from the Company receive directors' allowances in accordance with the remuneration plan approved by the general meeting of shareholders; independent directors receive independent directors' allowances in accordance with the remuneration plan approved by the general meeting of shareholders. The Board of Directors of the Company has a Remuneration and Appraisal Committee to conduct performance appraisal on the directors and senior officers of the Company, and to formulate and review the remuneration policies and solutions, etc.
Remunerations actually paid to directors, supervisors and senior officers	During the reporting period, the remunerations actually paid to directors, supervisors and senior officers are consistent with the relevant information disclosed by the Company.
Total remunerations paid to directors, supervisors and senior officers as of the end of the reporting period	796.63
Total remunerations paid to key technical staff as of the end of the reporting period	-

(IV) Changes in directors, supervisors, senior officers and key technical staff

√ Applicable □ N/A

Name	Position	Change	Cause of change
CAI Qiaowu	Independent director	Elected	As deliberated and passed at the 3 rd meeting of the third Board of Directors of the Company and the 1 st extraordinary general meeting of shareholders in 2024, Mr. CAI Qiaowu was elected as an independent director of the third Board of Directors of the Company.
ZHOU Shunyuan	Employee representative	Elected	As deliberated and passed at the 1 st employee representative meeting in 2024 of the Company, Ms. ZHOU Shunyuan was elected as the employee representative director of the third Board of Directors.

	director		
WANG Maoying	Supervisor	Elected	As deliberated and passed at the 26 th meeting of the second Board of Directors of the Company and the 2 nd extraordinary general meeting of shareholders in 2024, Ms. WANG Maoying was elected as a supervisor of the third Board of Directors of the Company.
ZHOU Jianbo	Employee representative supervisor	Elected	As deliberated and passed at the 1 st employee representative meeting in 2024 of the Company, Ms. ZHOU Jianbo was elected as the employee representative supervisor of the third Board of Directors.
LIANG Huaquan	Independent director	Left the post	Mr. LIANG Huaquan waived his qualifications as a candidate for the independent director of the third Board of Directors due to personal job arrangement.
SUN Hongdeng	Supervisor	Left the post	The term of office expired.
WANG Yanyun	Employee representative supervisor	Left the post	The term of office expired.
LI Yi	Key technical staff	Left the post	Given that Mr. LI Yi, chairman and general manager of the Company, did not directly participate in specific R&D efforts of the Company, to focus on the operation management and development strategy planning of the Company, the Company no longer considers Mr. LI Yi as a key technical staffer.
WANG Lin	Key technical staff	Left the post	Resigned from the position as a key technical staffer due to personal and family reasons, and no longer hold any position at the Company or its subsidiaries after the resignation.

(V) Penalties imposed by the securities regulatory authorities in the past three years

☐ Applicable ☒ N/A

(VI) Others

☐ Applicable ☒ N/A

VII. Board meetings held during the reporting period

Session	Date of meeting	Resolutions
25 th meeting of the second Board of Directors	January 16, 2024	The meeting reviewed and passed three proposals, including the <i>Proposal on Invalidating Partial Granted but Not Vested Restricted Shares</i> , the <i>Proposal on Vesting Criteria for the First Vesting Period in the Reserved Grant under 2021 Second Restricted Share Incentive Plan</i> , etc.
26 th meeting of the second Board of Directors	January 18, 2024	The meeting reviewed and passed the <i>Proposal on Investment to Establish a Wholly-owned Sub-subsidiary</i> .

27 th meeting of the second Board of Directors	January 31, 2024	The meeting reviewed and passed the <i>Proposal on Repurchase of Shares of the Company through a Call Auction</i> , and the <i>Proposal on Changing the Registered Capital and Amending the Articles of Association</i> .
28 th meeting of the second Board of Directors	March 11, 2024	The meeting reviewed and passed the <i>Proposal on Investment in a Wholly-owned Subsidiary</i> , and the <i>Proposal on Investment to Establish a Wholly-owned Subsidiary by a Wholly-owned Sub-subsidiary</i> .
29 th meeting of the second Board of Directors	April 8, 2024	The meeting reviewed and passed 3 proposals, including the <i>Proposal on Changing the Company's Scope of Business and Amending the Articles of Association</i> , the <i>Proposal on Authorizing the Management of the Company to Dispose of Partial Held-for-trading Financial Assets, etc.</i>
30 th meeting of the second Board of Directors	April 12, 2024	The meeting reviewed and passed the <i>Proposal on Transferring Partial Equity Interests in Subsidiary and Related-party Transaction</i> and the <i>Proposal on Adjusting External Investment of the Company</i> .
31 st meeting of the second Board of Directors	April 17, 2024	The meeting reviewed and passed the <i>Proposal on the Company's Second Repurchase of Shares in 2024 through a Call Auction</i> .
32 nd meeting of the second Board of Directors	April 25, 2024	The meeting reviewed and passed 20 proposals, including the <i>Full Text and Summary of the Annual Report 2023</i> and the <i>Report on the Work of the Board of Directors for 2023</i> .
33 rd meeting of the second Board of Directors	May 30, 2024	The meeting reviewed and passed 3 proposals, including the <i>Proposal on Invalidating Partial Granted but Not Vested Restricted Shares</i> , the <i>Proposal on Vesting Criteria for the Second Vesting Period in the Initial Grant under 2022 Restricted Share Incentive Plan, etc.</i>
34 th meeting of the second Board of Directors	August 20, 2024	The meeting reviewed and passed the <i>Proposal on Investment to Establish a Wholly-owned Sub-subsidiary</i> and the <i>Proposal on Providing a Guarantee for a Wholly-owned Sub-subsidiary</i> .
35 th meeting of the second Board of Directors	August 29, 2024	The meeting reviewed and passed 13 proposals, including the <i>Full Text and Summary of the Semiannual Report for 2024</i> and the <i>2024 Semiannual Special Report on the Deposit and Use of Offering Proceeds</i> .
36 th meeting of the second Board of Directors	August 29, 2024	The meeting reviewed and passed the <i>Proposal on Changing the Accounting Method of a Participating Company</i> .
37 th meeting of the second Board of Directors	August 30, 2024	The meeting reviewed and passed the <i>Proposal on the Company's Third Repurchase of Shares in 2024 through a Call Auction</i> .
38 th meeting of the second Board of Directors	September 6, 2024	The meeting reviewed and passed the <i>Proposal on Canceling Partial Proposals of the 2nd Extraordinary General Meeting of Shareholders in 2024</i> .
1 st meeting of the third Board of Directors	September 18, 2024	The meeting reviewed and passed 3 proposals, including the <i>Proposal on Electing the Chairperson for the Third Board of Directors of the Company</i> , the <i>Proposal on Electing Members for Specific-purpose Committees under the Third Board of Directors of the Company, etc.</i>
2 nd meeting of the third Board of Directors	October 18, 2024	The meeting reviewed and passed the <i>Third Quarter Report in 2024</i> .
3 rd meeting of the third Board of Directors	November 1, 2024	The meeting reviewed and passed the <i>Proposal on Supplementary Election of an Independent Director for the Third Board of Directors</i> and the <i>Proposal on Holding the 3rd General Meeting of Shareholders</i>

		<i>in 2024.</i>
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VIII. Performance of duties by the directors

(I) Attendance by the directors of the meetings of the Board of Directors and shareholders

Director Name	Whether or not an independent director	Attendance of the meetings of the Board of Directors						Attendance of the general meetings of shareholders
		Meetings the director should have attended in this year	Meetings attended in person	Meetings attended through communication equipment	Meetings attended by proxy	Absence times	Whether the director has been absent from two consecutive meetings	General meetings of shareholders attended
LI Yi	No	17	17	13	0	0	No	4
YU Zhuoping	No	17	17	13	0	0	No	4
NING Cunzheng	No	17	17	13	0	0	No	4
ZHOU Shunyuan	No	3	3	2	0	0	No	1
CHEN Youchun	Yes	17	17	13	0	0	No	4
CHEN Han	Yes	17	17	13	0	0	No	4
CAI Qiaowu	Yes	-	-	-	-	-	-	-
ZHANG Wei (Former director)	No	14	14	14	0	0	No	3
WANG Yingxia	No	14	14	11	0	0	No	3

(Former employee representative director)								
LIANG Huaquan (Former independent director)	Yes	17	17	13	0	0	No	4

Note: After Mr. CAI Qiaowu was elected as an independent director at the 3rd extraordinary general meeting of shareholders in 2024 held on November 18, 2024, the Company did not organize any meeting of the Board of Directors or the general meeting of shareholders during the reporting period.

Explanation about absence from two consecutive meetings of the Board of Directors

☐ Applicable ☒ N/A

Meetings of the Board of Directors held in the current year	17
Where: Face-to-face meetings	0
Meeting held through communication equipment	13
Meetings held both as face-to-face meetings and through communication equipment	4

(II) Objections raised by directors to matters of the Company

☐ Applicable ☒ N/A

(III) Others

☐ Applicable ☒ N/A

IX. Specific-purpose committees under the Board of Directors

☒ Applicable ☐ N/A

(I) Members of specific-purpose committees under the Board of Directors

Category of specific-purpose committee	Member
Strategy and ESG Committee	LI Yi (Chairperson), YU Zhuoping, NING Cunzheng

Audit Committee	CHEN Han (Chairperson), CHEN Youchun, ZHOU Shunyuan
Nomination Committee	CHEN Youchun (Chairperson), CAI Qiaowu, LI Yi
Remuneration and Appraisal Committee	CAI Qiaowu (Chairman), CHEN Han, NING Cunzheng

(II) The Strategy and ESG Committee held 10 meetings during the reporting period

Date of meeting	Content of meeting	Major opinions and suggestions	Performance of other duties
January 18, 2024	The meeting reviewed and passed the <i>Proposal on Investment to Establish a Wholly-owned Sub-subsidiary</i> .	All proposals were reviewed and passed	None
January 31, 2024	The meeting reviewed and passed the <i>Proposal on the Plan for Repurchasing the Company's Shares through a Call Auction</i> .	All proposals were reviewed and passed	None
March 11, 2024	The meeting reviewed and passed 2 proposals, including the <i>Proposal on Investment in a Wholly-owned Subsidiary</i> .	All proposals were reviewed and passed	None
April 8, 2024	The meeting reviewed and passed the <i>Proposal on Authorizing the Management of the Company to Dispose of Partial Held-for-trading Financial Assets</i> .	All proposals were reviewed and passed	None
April 12, 2024	The meeting reviewed and passed 2 proposals, including the <i>Proposal on Transferring Partial Equity Interests in Subsidiary and Related-party Transaction</i> .	All proposals were reviewed and passed	None
April 17, 2024	The meeting reviewed and passed the <i>Proposal on the Company's Second Repurchase of Shares in 2024 through a Call Auction</i> .	All proposals were reviewed and passed	None
April 25, 2024	The meeting reviewed and passed 2 proposals, including the <i>2023 Environmental, Social and Governance (ESG) Report</i> .	All proposals were reviewed and passed	None
August 20, 2024	The meeting reviewed and passed 2 proposals, including the <i>Proposal on Investment to Establish a Wholly-owned Sub-subsidiary</i> .	All proposals were reviewed and passed	None
August 29, 2024	The meeting reviewed and passed 2 proposals, including the <i>Semi-annual Assessment Report on the Company's Action Plan of "Improving Quality and Efficiency to Increase Returns" in 2024</i> .	All proposals were reviewed and passed	None
August 30, 2024	The meeting reviewed and passed the Proposal on the Company's Third Repurchase of Shares in 2024 through a Call Auction.	All proposals were reviewed and passed	None

(III) The Audit Committee held 9 meetings during the reporting period

Date of meeting	Content of meeting	Major opinions and	Performance
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		suggestions	of other duties
April 7, 2024	Reported affairs during the audit on the financial statements for 2023.	All proposals were reviewed and passed	None
April 12, 2024	The meeting reviewed and passed the <i>Proposal on Transferring Partial Equity Interests in Subsidiary and Related-party Transaction</i> .	All proposals were reviewed and passed	None
April 25, 2024	Reported affairs at the end of the audit on the financial statements for 2023; the meeting reviewed and passed 13 proposals, including the <i>Final Account Report for 2023</i> .	All proposals were reviewed and passed	None
August 20, 2024	The meeting reviewed and passed the <i>Proposal on Providing a Guarantee for a Wholly-owned Sub-subsidiary</i> .	All proposals were reviewed and passed	None
August 29, 2024	The meeting reviewed and passed 7 proposals, including the <i>Full Text and Summary of the Semiannual Report for 2024</i> .	All proposals were reviewed and passed	None
August 29, 2024	The meeting reviewed and passed the <i>Proposal on Changing the Accounting Method of a Participating Company</i> .	All proposals were reviewed and passed	None
September 18, 2024	The meeting reviewed and passed the <i>Proposal on Engaging Senior Officers of the Company</i> .	All proposals were reviewed and passed	None
October 18, 2024	The meeting reviewed and passed 2 proposals, including the <i>Third Quarter Report in 2024</i> .	All proposals were reviewed and passed	None
December 27, 2024	Reported affairs at the planning stage of the audit on the financial statements for 2024.	All proposals were reviewed and passed	None

(IV) The Nomination Committee held 3 meetings during the reporting period

Date of meeting	Content of meeting	Major opinions and suggestions	Performance of other duties
August 29, 2024	The meeting reviewed and passed 2 proposals, including the <i>Proposal on Electing Independent Directors for the Third Board of Directors of the Company</i> .	All proposals were reviewed and passed	None
September 18, 2024	The meeting reviewed and passed the <i>Proposal on Engaging Senior Officers and Securities Representatives of the Company</i> .	All proposals were reviewed and passed	None
November 1, 2024	The meeting reviewed and passed the <i>Proposal on Supplementary Election of an Independent Director for the Third Board of Directors</i> .	All proposals were reviewed and passed	None

(V) The Remuneration and Appraisal Committee held 3 meetings during the reporting period

Date of meeting	Content of meeting	Major opinions and suggestions	Performance of other duties
January 16, 2024	The meeting reviewed and passed 3 proposals, including the <i>Proposal on Discarding Certain Restricted Shares Granted but Not Vested</i> .	All proposals were reviewed and passed	None
April 25, 2024	The meeting reviewed and passed 2 proposals, including the <i>Proposal on the Remuneration for 2023 and Remuneration Plan for 2024 of Directors of the Company</i> .	All proposals were reviewed and passed	None
May 30, 2024	The meeting reviewed and passed 2 proposals, including the <i>Proposal on Discarding Certain Restricted Shares Granted but Not Vested</i> .	All proposals were reviewed and passed	None

(VI) Specific description of objections

☐ Applicable ☒ N/A

X. Risks of the Company identified by the Board of Supervisors

☐ Applicable ☒ N/A

The Board of Supervisors raised no objections with respect to matters under supervision during the reporting period.

XI. Employees of the parent company and major subsidiaries as of the end of the reporting period

(I) Employees

Number of active employees of the parent company	883
Number of active employees of major subsidiaries	556
Total number of active employees	1,439
Number of retired employees for whom the parent company and major subsidiaries need to pay certain expenses	0
Profession	
Category	Number of employees
Production staff	473
Sales staff	267
Technology staff	505
Financial staff	34
Management staff and administrative staff	160
Total	1,439
Education	
Level of education	Number
Master and above	186
Undergraduate	629
College or below	624
Total	1,439

(II) Compensation policy

☒ Applicable ☐ N/A

During the reporting period, we continuously implemented the principle of “efforts-based distribution, priority of efficiency, equity, and sustainable development” in remuneration management, and constantly improved the remuneration and performance management system focusing on the development strategy, annual operating objectives, and economic benefits of the Company with reference to market and industry conditions.

The remuneration of employees of the Company is associated with the economic benefits of the Company and achievement of objectives for individual posts, and adopts the remuneration structure of “post-based salary, competence-based grade, and performance-based bonus”, consisting of the basic salary, welfare subsidies, performance bonuses, *etc.* For directors, supervisors and senior officers who receive remuneration from the Company, their remuneration is determined in accordance with the relevant provisions of the *Articles of Association* and other relevant provisions in consideration of the market, industry level and personal ability, and the degree of contribution to the Company; for

employees at other posts, the Company determined their basic remuneration following international and local laws and regulations with reference to market and industry conditions and post-specific duties, competence, work experience, *etc.* To motivate employees at various positions, we have formulated position-specific differentiated appraisal and incentive plans, under which the performance bonus is highly associated with the overall profits of the Company, the department objectives, and personal performance.

(III) Training programs

√ Applicable □ N/A

To build a barrier of technology personnel to promote our medium- and long-term strategic objectives, and to achieve dynamic matching between strategic guidance and organization capabilities, we take systematic measures to promote the reform of the talent development mechanism, and continuously improve the talent supply chain ecology system with technology guidance at the core, business empowerment as the direction, and the organization evolution as the objective, so as to ensure the a spiral rising benign cycle between capital investments for talents and the demands for strategic development.

In 2024, we focused on the triangle drive model of “leading by strategy, closed-loop for performance, and value creation” to build a talent development matrix with various layers and categories. We worked out key post capabilities based on the strategic map and built a development architecture consisting of 4 dimensions - layer for technology breakthroughs, layer for strategic management, layer for leadership development, and layer for post capability empowerment, so as to create a closed-loop development path consisting of “training - practice - certification - promotion”.

In 2025, we will continue our efforts for an in-depth dynamic calibration mechanism among “strategy - talent - business”, make use of scenario-based training measures such as strategy reasoning sand table and business role simulation to build a digital capability support system for talent development, and achieve an intelligent decision-making closed-loop consisting of “capability assessment - participation in study - appraisal and certification - performance improvement”, so as to ensure that the organization capability building is always ahead of the business development curve, hence building a solid ground for achieving our strategic objectives.

(IV) Outsourced workers

√ Applicable □ N/A

Total man-hours of outsourced workers (hours)	131,908
Total remunerations paid to outsourced workers (RMB 0'000)	349.35

XII. Proposals for profit distribution or capitalization of the capital reserve

(I) Establishment, implementation or adjustment of the cash dividend policy

√ Applicable □ N/A

1. Formulation of policies for cash dividends

In April 2022, the Board of Directors of the Company formulated the *Plan of Returns to Shareholders for the Next Three Years* in accordance with relevant laws and regulations and the Articles of Association, which established a clear profit distribution mechanism on the basis of actively providing returns to shareholders and achieving sustainable development of the Company.

2. Implementation of the policies for cash dividends

We held the 32nd meeting of the second Board of Directors on April 25, 2024 and the 2023 annual general meeting of shareholders on June 3, 2024, where the *Proposal on the Profit Distribution for 2023* was reviewed and passed. The specific plan is as follows: on the basis of the total shares on the record date of interest distribution, deducted by shares in the special securities account for repurchase by the Company, the Company proposed to distribute to all shareholders a cash dividend of RMB 0.70 (tax inclusive) for every 10 shares, leading to a total of RMB 32,084,193.96 (tax inclusive) for cash dividend distribution, accounting for 31.09% of the net profit attributable to shareholders of the listed company in 2023. The Company would neither capitalize its capital reserve nor grant bonus shares this year.

Due to the repurchase of shares by the Company and the vesting of shares for the second vesting period that is granted under the 2022 incentive plan of restricted shares, the actual number of shares participating in the profit distribution got changed; therefore, the Company adjusted, on the principle of maintaining the total amount of cash distribution unchanged, the amount distributed for each share, that is, adjusting the amount of cash dividends per share from RMB 0.07 (tax inclusive) to RMB 0.06986 (tax inclusive). We disclosed the *Announcement on Implementing Interest Distribution for 2023* on July 12, 2024, in which the record date for the profit distribution is July 17, 2024, and the ex-dividend date is July 18, 2024. The Company's plan of interest distribution for 2023 has been implemented.

(II) Special explanation about the cash dividend policy

☒ Applicable ☐ N/A

Whether the policy complies with the provisions of the Articles of Association or the requirements of resolutions passed at the general meeting of shareholders	☒ Yes ☐ No
Are the distribution standards and ratios specific and clear	☒ Yes ☐ No
Are the relevant decision-making procedures and mechanism complete	☒ Yes ☐ No
Whether independent directors perform their duties and roles	☒ Yes ☐ No
Whether small- and medium-sized shareholders have sufficient opportunities to express their opinions and requests, and are their legitimate rights and interests fully protected	☒ Yes ☐ No

(III) If the Company made a profit in the reporting period and there were profits distributable by the parent company to the shareholders, but the Company does not propose to distribute profits in cash, the Company shall explain the reason in detail, as well as the usage and use plan of the undistributed profit.

☐ Applicable ☒ N/A

(IV) Proposals for profit distribution and capitalization of capital reserve in the current period

√ Applicable □ N/A

In RMB

Number of bonus shares distributed per 10 shares	-
Cash dividends distributed per 10 shares (inclusive of tax)	0.25
Number of shares distributed out of the capital reserve per 10 shares	-
Amount of cash dividend (tax inclusive)	11,420,998.83
Net profit attributable to the shareholders of ordinary shares of the listed company reported in the consolidated financial statements	27,953,093.89
Ratio of the cash distribution amount to the net profit attributable to the shareholders of ordinary shares of the listed company reported in the consolidated financial statements (%)	40.86
The amount of repurchase of shares by cash included in cash dividends	119,432,441.36
Total dividend amount (tax inclusive)	130,853,440.19
Ratio of the total distribution amount to the net profit attributable to the shareholders of ordinary shares of the listed company reported in the consolidated financial statements (%)	468.12

Note: The amount of repurchase of shares by cash included in cash dividends, including transaction fees such as stamp duty and transaction commissions.

(V) Distribution of cash dividends in the last three accounting years

√ Applicable □ N/A

In RMB

Net profit attributable to the shareholders of ordinary shares of the listed company reported in the consolidated financial statements for the last accounting year	27,953,093.89
Retained profits in the financial statements of the parent company for the last accounting year	771,783,201.44
Total distribution of cash dividends in the last three accounting years (tax inclusive) (1)	68,142,285.91
Total amount repurchased and de-registered in the last three accounting years (2)	108,917,776.63
Total amount of cash dividends and amount repurchased and de-registered in the last three accounting years (3) = (1) + (2)	177,060,062.54
Annual average net profit of the last three accounting years (4)	83,526,870.41
Ratio of cash dividends in the last three accounting years (%) (5) = (3)/(4)	211.98
Total amount of R&D investments in the last three accounting years	790,754,029.07
Ratio of total amount of R&D investments to the total operating revenues in the last three accounting years (%)	11.02

XIII. Share incentive plan, employee stock ownership plan or other employee incentive measures of the Company and their effect
(I) Overview of share incentives

√ Applicable □ N/A

1.Share incentive plan during the reporting period

In RMB

Name of plan	Type of incentive	Number of target shares	Proportion of target shares (%)	Number of grantees	Proportion of grantees (%)	Price of target shares granted
2021 Second Restricted Share Incentive Plan	Type-II restricted shares	10,500,000	2.30	64	4.45	19.771, 22.771
2022 Restricted Share Incentive Plan	Type-II restricted shares	10,500,000	2.30	107	7.44	15.271

Note: (1) The proportion of grantees is the ratio of grantees to the number of employees of the Company at the end of the reporting period;

(2) The price at which the target shares are granted under the share incentive plan above has been adjusted according to the implementation of past profit distributions.

2.Implementation progress of the share incentive during the reporting period

√ Applicable □ N/A

Unit: Share

Name of plan	Number of equity incentives granted at the beginning of the year	Number of equity incentives newly granted in the reporting period	Number of restricted shares that could be vested/exercised/unlocked in the reporting period	Number of restricted shares that were vested/exercised/unlocked in the reporting period	Grant price/exercise price (RMB)	Number of equity incentives granted at the end of the period	Number of restricted shares vested/exercised/unlocked at the end of the period
2021 Second Restricted Share Incentive Plan	5,712,000	-	445,000	285,000	19.841, 22.841	4,072,000	285,000
2022 Restricted Share Incentive Plan	4,255,580	-	2,712,290	2,637,290	15.341	109,040	2,637,290

3.Completion of appraisal indicators for equity incentive and the share-based payment expenses recognized during the reporting period

√ Applicable □ N/A

In RMB

Name of plan	Completion of company-level appraisal indicators during the reporting period	Share-based payment expenses recognized during the reporting period
2021 Restricted Share Incentive Plan	Not achieved	0

2021 Second Restricted Share Incentive Plan	Achieved	1,426,021.25
2022 Restricted Share Incentive Plan	Achieved	1,103,696.65
Total	-	2,529,717.90

(II) Incentives already disclosed in interim announcements about which no new information is available

☒ Applicable ☐ N/A

Summary	Reference
The Company held the 25 th meeting of the second Board of Directors and the 23 rd meeting of the second Board of Supervisors on January 16, 2024, where the <i>Proposal on Invalidating Partial Granted but Not Vested Restricted Shares</i> , the <i>Proposal on Vesting Criteria for the First Vesting Period in the Reserved Grant under 2021 Second Restricted Share Incentive Plan</i> , and the <i>Proposal on Vesting Criteria for the First Vesting Period in the Reserved Grant under 2022 Restricted Share Incentive Plan</i> , were reviewed and passed.	See the relevant announcements disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on January 17, 2024 for details.
The Company held the 33 rd meeting of the second Board of Directors and the 25 th meeting of the second Board of Supervisors on May 30, 2024, where the <i>Proposal on Invalidating Partial Granted but Not Vested Restricted Shares</i> and the <i>Proposal on Vesting Criteria for the Second Vesting Period in the Initial Grant under 2022 Restricted Share Incentive Plan</i> , were reviewed and passed.	See the relevant announcements disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 1, 2024 for details.
The Company held the 35 th meeting of the second Board of Directors and the 26 th meeting of the second Board of Supervisors on August 29, 2024, where several proposals, including the <i>Proposal on Adjustment to the Grant Price of Restricted Share Incentive Plan</i> , were reviewed and passed.	See the relevant announcements disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on August 31, 2024 for details.

Other information

☐ Applicable ☒ N/A

Employee stock ownership plan

☐ Applicable ☒ N/A

Other incentives

☐ Applicable ☒ N/A

(III) Share incentives granted to directors, senior officers and key technical staff during the reporting period

1.Share options

☐ Applicable ☒ N/A

2.Type-I restricted shares

☐ Applicable ☒ N/A

3.Type-II restricted shares

☒ Applicable ☐ N/A

Unit: Share

Name	Title	Number of restricted shares already granted as at the beginning of the reporting period	Number of restricted shares granted during the reporting period	Grant price of restricted shares (RMB)	Number of restricted shares that could be vested in the reporting period	Number of restricted shares actually vested in the reporting period	Number of restricted shares already granted as of the end of the reporting period	Market price as of the end of the reporting period (RMB)
WANG Yingxia	Financial Director	470,560	-	-	50,000	50,000	470,560	14.79
CHEN Yasha	Board Secretary	432,750	-	-	75,000	0	432,750	14.79
YU Xin	Key technical staff	1,070,000	-	-	200,000	100,000	1,070,000	14.79
HU Fei	Key technical staff	540,000	-	-	52,500	52,500	540,000	14.79
WANG Zeqin	Key technical staff	632,000	-	-	52,500	52,500	632,000	14.79
GUO Zuqiang	Key technical staff	626,000	-	-	52,500	52,500	626,000	14.79
Total	-	3,771,310	-	-	482,500	307,500	3,771,310	-

(IV) Performance assessment mechanism for senior officers and the establishment and implementation of incentive mechanism for senior officers during the reporting period

√ Applicable □ N/A

The Board of Directors of the Company has a Remuneration and Appraisal Committee to conduct performance appraisal on the directors and senior officers of the Company, and to formulate and review the remuneration policies and solutions, *etc.* The Company has established and continuously improved the employee performance appraisal system and remuneration system, under which the employee appraisal and incentive programs specific to different posts, levels, and duties were formulated according to the category of posts, so as to motivate the employees at different posts. During the reporting period, all the senior officers of the Company performed their duties diligently in accordance with relevant provisions. The remuneration of senior officers consisted of the basic salary and incentive bonuses, which are subject to the review and approval of the Board of Directors. In addition, to further improve the Company's long-lasting incentive mechanism, the Company has released several restricted share incentive plans to safeguard the achievement of the Company's development strategy and operating objectives.

XIV. Measures and implementation for building internal control regulations during the reporting period

√ Applicable □ N/A

1. Efforts of internal control

During the reporting period, the Company identified risks in the business processes, found out the root causes of risks, and promoted closed-loop rectification for issues with risks based on the in-depth understanding of the business logic, the objectives of business process designing, and the verification of actual business implementation from multiple perspectives with reference to the end-to-end business process audit performed according to the priority of the Company's operating businesses in accordance with the *Basic Standard for Internal Controls of Enterprises* and the relevant guidelines thereof, and regulatory requirements on internal control. The recycling audit and assessment helped to continuously improve the awareness of business personnel for internal control and to encourage business units to voluntarily identify risks in and make improvement for processes. Meanwhile, we promoted efforts for advocating the integrity culture and building a system for preventing corruption, so as to create the environment of good faith for the operation of the Company. Under the leadership of the Audit Committee of the Board of Directors, we conducted internal audit efforts independently in accordance with law, enhanced the strength of assessment and supervision of our internal audit over the internal control of the Company, hence improve the level of internal control of the Company as a whole and promote the achievement of objectives for internal control.

2. Supervision and assessment in internal control

During the reporting period, we organized the assessment on internal control for 2024 based on the Company's internal control system and the regulations on the method of assessment of internal control. Based on the identification of major defects in the internal control of the Company, the Company had no material and important defects in internal control for financial reporting and non-financial reporting. The Board of Directors of the Company considered that the Company had implemented the requirements of the corporate internal control system and relevant regulations, and the internal control for financial reporting and non-financial reporting was effective in all material aspects. For the specific content, see the Report on the Assessment of Internal Control for 2024 released on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 30, 2025.

Explanation about material defects in internal controls during the reporting period

☐ Applicable ☒ N/A

XV. Management and control over subsidiaries during the reporting period

☒ Applicable ☐ N/A

The Company conducted internal management of the stable operation of subsidiaries in accordance with the laws and regulations, the *Articles of Association*, the *Internal Control Management Regulations*, and other provisions, for which the internal audit has covered the supervision and risk assessment of the truthfulness and integrity in aspects of compliance, assets safety, financial reporting, and relevant information thereof; moreover, the Company conducted ongoing participation to optimize and adapt business processes with reference to actual business scenarios, so as to promote the standardized and efficient business operation. During the reporting period, all subsidiaries of the Company operated as

normal without concealing matters to be disclosed or material defects or omissions that affect the operation and development of the Company, which were under effective control.

XVI. Explanation about the auditor's report on internal controls

☒ Applicable ☐ N/A

For the specific content, see the *Auditor's Report on Internal Controls for 2024* released on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 30, 2025.

Whether an auditor's report on internal controls has been disclosed: Yes

Opinions in the auditor's report on internal controls: Standard unqualified opinion

XVII. Rectification of issues detected during the self-inspection of governance of the listed company

None

XVIII. Others

☐ Applicable ☒ N/A

Section V. Environment, Social Responsibility, and Other Corporate Governance

I. Statement of the Board of Directors on ESG

Since its listing in July 2019, the Company has voluntarily released independent ESG-related reports (including social responsibility reports) for six consecutive years, to continuously improve the transparency in information disclosure. During the reporting period, we maintained the ESG A rating assigned by Wind, and won multiple honors, including the “Top 100 of ESG Golden Bull Award” from China Securities Journal, the “ESG Golden Morning Light Award” from Securities Market Weekly on Stocks, and the “2024 ESG Innovation Practice Case Award in Annual Golden List” from Snowball.

Adhering to the idea of innovation-driven ESG management, we have established a management architecture featuring a complete structure and clear hierarchies. The chairman, as the first responsible person, coordinates and supervises ESG efforts in all aspects; the Board of Directors incorporates ESG into the governance system and regularly reviews the implementation. The Strategy and ESG Committee under the Board of Directors focuses on long-term planning and major decision-making and provides strategic guidance; the Sustainable Development Department is responsible for internal training and coordination. The ESG working groups selected by individual business divisions, functional departments, and subsidiaries actively promote ESG efforts within their departments and regularly collect information about implementation, to ensure the implementation of the ESG ideas at the grassroots level and throughout the entire development process of the Company.

During the reporting period, the specific ESG efforts of the Company include the following:

1. Embraced AI transformation and strengthened R&D innovation

Insisting on corporate development based on technologies, we actively embraced AI transformation by continuously increasing R&D investments in AI technologies and promoting innovative applications of AI technologies in the semiconductor laser field. We released an independently developed ultra-small low-cost full-color light engine solution for AR glasses, which can enrich application scenarios in combination with AI technologies and assist partners in accelerating the pace of releasing products to the market. Meanwhile, we have overcome the difficulty of projection commissioning on complex projection surfaces, and independently developed the solution of “projection + AI” technologies so that projectors can be put into use upon power-on and can automatically collect data about and adapt to complex building surfaces, thereby reducing installation and commissioning costs. It will be widely used in fields like cultural tourism, night lighting, stage art, and exhibitions. In addition, we have developed an intelligent system with access to AI large models to effectively improve the work efficiency of employees.

During the reporting period, we achieved obvious results in R&D and innovation: firstly, the automotive optics business contributed the revenue of RMB 638 million in the first year of mass production, the installation of the automobile-grade projection giant screen system increased

significantly, and the full-color outdoor laser projection headlights were put into mass production together with vehicles; secondly, we released the VLED LED cinema screens, with a total of 34 LED screens installed and used in 30 cities, holding a leading position in the industry in terms of the market share of new screens.

During the reporting period, we made R&D investments of RMB 248 million, accounting for 10.24% of the total revenue of the Company. As of December 31, 2024, we had a total of 2,993 patents filed and granted, including 2,287 patents granted throughout the world, including 1,189 patents for invention.

2. Strengthened corporate governance and ensured scientific decision-making

We operate in strict compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other laws, regulations, and regulatory requirements. The Board of Directors of the Company is the standing decision-making body, and has set up four committees, namely the Audit Committee, the Strategy and ESG Committee, the Remuneration and Appraisal Committee, and the Nomination Committee. We have built a governance structure consisting of the “the general meeting of shareholders, the Board of Directors, the Board of Supervisors, and the management” that are provided with a clear division of duties and cooperate properly to optimize the operating mechanism and improve governance effects.

In 2024, we completed the election of both the Board of Directors and Board of Supervisors and engaged senior officers in accordance with law, where talents from multiple fields were engaged as independent directors, hence promoting the expansion of the Company to diversified business fields. At present, the third Board of Directors has 7 directors, including 3 independent directors and 1 employee representative director, to ensure the exercise of rights, performance of duties, and scientific decision-making by the Board of Directors. The third Board of Supervisors of the Company consists of 3 supervisors, including 1 employee representative supervisor. The composition of the Board of Supervisors and the qualifications of the members thereof comply with the requirements of laws and regulations, to ensure professional expertise and practical experience.

In 2024, we held 4 general meetings of shareholders, 17 meetings of the Board of Directors, 6 meetings of the Board of Supervisors, 25 meetings of specific-purpose committees, 3 special meetings of independent directors, and 1 meeting of employee representatives, which reviewed matters concerning the regular reports, profit distribution, repurchase and de-registration of shares, election upon expiration of term of office, improved the governance system, improved the internal control system, enhanced the operating level and quality, and ensured fair and scientific decision-making.

3. Responded to climate change and adhered to green development

In order to respond to the risks and opportunities arising from climate change, with reference to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), we took the initiative to identify and assess the risks caused by climate change, analyzed the impact on key links in the upstream and downstream of the value chain, and formulated corresponding response measures based on such efforts. Thanks to the high light efficiency, energy-saving, and environmental protection characteristics of laser light sources, we made continuous efforts to develop green technologies to help customers save

energy and reduce emissions. For example, our ALPD® laser light source cinema projection solution, with a total of about 379 million operating hours in China, saved about 682 million kWh of electricity and reduced carbon dioxide emissions by about 0.5868 million tons.

With respect to our headquarters building that was put into use officially, we were committed to constructing a green building that can withstand the risks caused by climate change. The building has passed the bronze certification of the Shenzhen Green Building Standard and was designed with a sponge city system. With the total runoff control rate of 73.44% and the annual runoff pollution reduction rate of 58.75%, it meets the requirements in the *Special Plan for Sponge City in Nanshan District, Shenzhen* and the construction land planning permit. Thanks to the landscaping area of 199.88 square meters and the forest and grass vegetation recovery rate of 100%, it can effectively prevent and control soil erosion, reduce operating risks, and promote the long-term stable development of the Company.

4. Adhered to the people-oriented principle, and contributed to the social value

Always adhering to the core idea of “people-oriented”, we spared no effort in building an equal, open, and fair working environment and development platform. During the reporting period, the Company had a total of 1,439 employees, including 498 female employees, accounting for 34.61%, and employees of minority ethnic groups accounted for 9.80%. In terms of employee care, we continuously optimized the salary and welfare system, established diversified outstanding recognition honors, and made use of abundant holiday benefits and wonderful club activities to enhance the sense of belonging and cohesion of employees. In terms of employee development, we made great efforts to build a unique training system architecture to facilitate organizational development, promote personal growth, and accumulate organizational capabilities. During the reporting period, the total training hours of employees at the parent company amounted to 16,824 hours, indicating an average of about 22.21 hours for each employee.

We adhered to the concept of “technology for good” by giving full play to our advantages in technologies, resources, and platforms, and conducting active acts in the three key areas of popular science education, social welfare, and biodiversity protection, hence facilitating social development. In terms of popular science education, we used exhibition halls as an important carrier to actively carry out free popular science education activities, hence disseminating knowledge about semiconductor laser technologies to visitors from all over China, especially juveniles, in an easy-to-understand way. During the reporting period, our exhibition halls received 8,812 visitors in 341 batches, including 944 juvenile visitors in 39 batches free of charge. In terms of international exchanges and public welfare cooperation, we received a delegation led by Ms. Irina Bokova, former Director-General of UNESCO, and donated projectors to the Portuguese Volunteer Alliance (CPV), which demonstrated our international vision and public welfare responsibilities.

For more details on our specific ESG efforts, see the *2024 Environmental, Social and Governance (ESG) Report* disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn).

II. Environment

Whether mechanisms related to environmental protection have been established	Yes
Investment in environmental protection funds during the reporting period (unit: RMB 0'000)	23.36

(I) Whether the Company is a major polluter identified by the environmental protection authority

☐ Yes ☒ No

During the reporting period, the Company had no production or operating entity included in the list of major polluters identified by the environmental protection authority.

(II) Administrative penalties imposed due to environmental issues during the reporting period

During the reporting period, the Company experienced no administrative penalty imposed due to environmental issues.

(III) Information on resource and energy consumption and emissions

☒ Applicable ☐ N/A

As a leading global supplier of laser core components, we have original technologies and core patents; based on the ALPD® semiconductor laser light source technologies and architectures, we have applied our core components in various scenarios. Given the characteristics of high light efficiency, energy saving, and environmental protection of laser light sources, our production qualifies as a low energy consumption mode.

In daily production and operation, the resources we consume mainly include electricity and water, and our emissions mainly include waste gas, waste water, and solid waste. During the reporting period, we engaged a qualified third-party testing institution to conduct testing, and the results showed that our emission of waste water, waste gas, and solid waste complied with the requirements of national and local laws and regulations.

1. Greenhouse gas emission

☒ Applicable ☐ N/A

Within the organizational boundary of the Baoan factory, we engaged a third-party institution to inspect the greenhouse gas emissions in 2023 in accordance with ISO 14064-1:2018 and ISO 14064-3:2019 standards. The results showed the emission of 264.43 tons of carbon dioxide equivalent in scope 1 and 2,939.37 tons of carbon dioxide equivalent in scope 2. The organizational boundary has changed as our factory and headquarters moved to a new address and new smart production equipment was acquired. Therefore, we plan to examine the emission of greenhouse gas with 2025 as the new benchmark year.

2. Energy and resource consumption

☒ Applicable ☐ N/A

Always holding energy management and environmental protection as the foundation for the long-term development of the Company, we are committed to building an efficient and sustainable

operating environment, continuously optimizing production and operation processes by using advanced energy-saving technologies, and actively promoting waste recycling and resource recycling to reduce the impact of our production on the environment. To achieve efficient energy management, we made continuous efforts to establish and improve the energy management system, and passed the ISO50001 certification in 2024. We insisted on the idea of energy conservation, emission reduction, and energy efficiency improvement by incorporating energy management into daily production management, so as to achieve the objectives of energy conservation and reduction in energy consumption in a planned and orderly manner.

3. Emission of wastes and pollutants

√ Applicable □ N/A

● Waste water treatment

The domestic waste water from the office of the Company was treated uniformly by the office building and the property management company of the industrial park, which was discharged into the municipal sewage pipeline only after reaching the relevant standard through pre-treatment. During the reporting period, a third-party testing institution conducted a test on the waste water from the Company's production activities in accordance with the *Discharge Limits of Water Pollutants*, a local standard of Guangdong Province, and the results indicated that the waste water discharge complied with the discharge standard.

● Waste gas treatment

Our production and operation activities generate few waste gas, mainly including tin-containing waste gas and non-methane total hydrocarbons. We treated waste gas by UV photolysis, activated carbon adsorption, air purification equipment and other means. According to the inspection conducted in accordance with the *Limit Values of Emission Standard for Air Pollutants* (level 2 standards of DB44/27-2001), the concentration of the waste gas emission generated in our production and operation activities complied with local environmental protection standards.

● Disposal of solid waste

Our solid waste was classified into three categories: recyclable, non-recyclable, and hazardous wastes, which were collected separately and transferred to the renewable resources company for treatment in accordance with standards. We check the qualifications of the renewable resource company every year, and enter into a recycling contract with such company. Meanwhile, we pay management fees to the property management office every month, to ensure waste handling in compliance with regulations without affecting the environment.

● Noise treatment

Our production activities generate relatively small noises. In March 2024, a third-party testing institution conducted a test on our production sites in accordance with the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008), and the results showed that the noise emissions met the standards.

4. Management regulations of the Company for environmental protection

√ Applicable □ N/A

We always comply with national, provincial, municipal, and regional environmental laws and regulations strictly, and have formulated and implemented a series of environmental management regulations, such as the *Regulations on Environmental Operation Control and Monitoring Measurement*, the *Regulations on the Management of Energy Efficiency and Energy Conservation and Environmental Protection*, the *Regulations on the Management of Hazardous Chemicals*, and the *Noise Management Regulations*. With these regulations, we specify operating activities associated with environmental factors and hazardous sources, accurately identify the importance of various environmental factors, and ensure the environmental management efforts in a systematic and effective manner. Meanwhile, we have established a sound supervision and management mechanism to promptly detect and rectify violations, so as to guarantee the implementation of various environmental management measures. In addition, we have professional safety personnel to carry out daily safety and environmental inspections and regularly organize training and publicity on fire protection knowledge, and have formulated a complete fire emergency plan to build a line of defense for safety in all aspects.

With respect to energy conservation and consumption reduction, we conduct monthly statistical analysis on water, electricity, and office paper usage, and actively encourage employees to save water and electricity and eliminate waste, advocate the concept of green office to promote sustainable development of the Company.

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

Whether carbon reduction measures are in place	Yes
Reduction of CO₂ equivalent emissions (in tons)	97,561 (current period)/586,803 (cumulative)
Types of carbon reduction measures (e.g., using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that contribute to carbon reduction, etc.)	As of the end of the reporting period, in a total of about 379 million operating hours of our light sources in China, our laser projection solution saved electricity by about 682 million kWh and reduced carbon dioxide emissions by over 0.5868 million tons.

Specific description

√ Applicable □ N/A

We made full use of independently developed ALPD® semiconductor laser light source technologies and maximized the energy conservation advantages of the ALPD® technologies during the R&D and design of products, to break through green barriers for products. Based on multiple tests, with our ALPD® laser light source cinema projection technologies, among others, our laser light sources can save electricity by 1.8 kWh per hour compared with conventional xenon lamp light sources, while 1 kWh of electricity generates 0.86 kg of carbon dioxide. As of the end of the reporting period, in a total of about 379 million operating hours of our light sources in China, our laser projection solution saved electricity by about 682 million kWh, equivalent to reducing carbon dioxide emissions by over 0.5868 million tons.

(V) New technologies, new products, and new services for carbon emission reduction

√ Applicable □ N/A

At present, laser is the brightest and purest artificial light source in the world. Moreover, laser has many advantages over conventional display technologies, including the feature of eye protection, outstanding color performance, display in extremely large sizes, energy conservation and environmental protection, *etc.* We made full use of the light source advantages and technology advantages in R&D and designing processes to integrate the ideas of environmental protection, energy conservation, and low carbon, so as to continuously improve the energy efficiency of our products and reduce energy consumption.

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

√ Applicable □ N/A

We insist on integrating green operations in our entire work process and continuously promote carbon reduction and digital inclusion. We have achieved online information transmission and communication by building an information system, optimizing the online approval procedure, and using electronic vouchers and invoices and other digitalization tools, which reduced the use of office supplies such as paper, ink, printers, *etc.*, so as to reduce the consumption of natural resources and wastes generated, hence implementing our operating idea of sustainable development and environmental protection.

In 2024, with our efforts to promote electronic invoices in all aspects, paper invoices have been completely replaced. Without printing or copy operations, electronic invoices can greatly reduce paper consumption. The digital invoices existing in electronic form without requesting physical transmission can reduce carbon emissions caused by transportation and storage. According to statistics, on the basis of about 77,000 digital invoices on average we issue every year, we can save paper of a corresponding amount and save transportation costs in hundreds of thousands.

In daily operations, we attach great importance to building environmental awareness, take active measures to guide employees to implement the concept of environmental protection in both work and life, and select environmentally friendly products and services first. We also promote the implementation of the concept of environmental protection by means of a series of green office measures, such as promoting garbage classification in public areas, posting signs advocating energy conservation, and promoting acts that save water, electricity, and paper; meanwhile, we paid attention to reducing office and life wastes and enhanced efforts for waste recycling.

(VII) Measures and effects of responding to global climate change

√ Applicable □ N/A

In order to respond to the risks and opportunities arising from climate change, with reference to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), we took the initiative to identify and assess the risks caused by climate change, analyzed the impact on key links in the upstream and downstream of the value chain, and formulated response measures based on such efforts. Meanwhile,

the transformation of national policies also created many opportunities for business growth, and we will actively transform and accelerate green and low-carbon innovation, striving to build new advantages in market competition.

For detailed analysis of climate risks and climate opportunities, and corresponding response measures or plans, see “Chapter 3 Striving for a Green Ecology - Responding to Climate change” our *2024 Environmental, Social and Governance (ESG) Report*.

III. Performance of social responsibilities

(I) Social contributions of the main business and industry key indicators

The ALPD® semiconductor laser light source technology we invented created a wholly new semiconductor laser light source. Matching with multiple chip and technical routes and being suitable for DLP, LCOS, and LCD technologies, it achieved a breakthrough for the application of semiconductor lasers in the display field, hence becoming a mainstream technical route for the laser display industry. From the perspective of applications, besides conventional fields such as cinemas, dedicated display, and household applications, the development of emerging industries such as smart cockpits, laser headlights, AR, AI, and robots is expanding the application scenarios of the ALPD® technologies, hence promoting the expansion of the industry.

Appotronics actively responded to national strategies and promoted the implementation of key national R&D projects to facilitate the scientific and technological innovation development in the 14th Five-Year Plan. We participate in a wide range of industry summits, forums, and exhibitions to promote the integration among industry, academia, and research. Based on technological innovation and resource integration, we actively participate in the formulation of industry standards; we have achieved remarkable results in many fields, and actively fulfilled the social responsibility to promote the rapid development of the semiconductor laser industry.

During the reporting period, we made progress in various key national R&D projects we participated in, including the key project of “study of technical standards and applications of ultra-high definition and large-color gamut laser display measurement and valuation” under the “national quality infrastructure system”, and the key project of “study of crucial technologies for ultra-high-definition LCOS space light modulator for laser display” under the “new display and strategic electronic materials”. Keeping in mind the requirements of the industry safety and key project implementation of the state, we made breakthroughs in key core technologies for new applications in the display industry and created a new innovation chain to contribute our capabilities for the independent and controllable core electronic materials and devices of China. At the same time, we are recognized as an “Individual Champion Manufacturing Enterprise of Guangdong Province” the Industry and Information Technology Department of Guangdong, and as a “Specialized, Refined, Distinctive, and Innovative Small and Medium-sized Enterprises (SMEs) of Shenzhen” by the Service Bureau for Small and Medium-sized Enterprises of Shenzhen.

(II) Promoting scientific and technological innovation

As one of the first companies listed on the STAR Market, we always keep technological innovation at the core of our development, considering technological innovation as the soul for us to move ahead, and incorporate technological innovation in the entire process from basic research, creation of new applications, and smart production, to social applications; we make continuous efforts to consolidate and expand key core technologies, empower talents throughout the industry chain, maintain high R&D investments, improve the intellectual property system, build capabilities for systematic innovation, and actively radiate to the entire industry. In 2024, we invested RMB 248 million in R&D efforts.

During the reporting period, we attached great importance to the R&D investment for AI technologies in the hope of achieving application of AI in the field of semiconductor lasers, and developed an ultra-small full-color AR light engine solution with a volume of only 0.8cc, featuring a high cost-performance ratio, low power consumption, and outstanding display effects, which can meet the lightweight requirements of AR glasses. Our independently developed “projection + AI” technology can achieve automatic high-precision integration of multiple projectors on complex surfaces, and generation of AI images automatically adaptive to the shape of the projection surface. The relevant results can be used in cultural tourism, night lighting, stage art, exhibitions, and other application fields. Meanwhile, we actively embrace AI transformation by independently developing a smart system with access to AI large models to improve internal efficiency. Given the mass production of nomination cooperation vehicle models, the installations of our automobile-grade projection giant screen systems increased greatly, and the full-color outdoor laser projection headlight achieved breakthroughs in application scenarios. We released the VLED LED cinema screens of various sizes to meet diversified operating requirements of cinemas. By now, we have a total of 34 LED screens installed and used in 30 cities, holding a leading position in the industry in terms of the market share of new LED screens.

(III) Compliance with science and technology ethics

N/A

(IV) Data security and privacy protection

We are fully aware that information security is the key to winning customer trust and is an important support for the long-term development of the Company. Under the spirit of professionalism, we are committed to providing secure and reliable products and services for customers. During the reporting period, we passed the certification of the ISO 27001 information security management system again, and won the firm trust and high recognition from automotive optics customers thanks to our outstanding capabilities in information security. During the process of research and development, we always adhere to the bottom line of information security and strictly comply with international standards, to ensure the safety and reliability at every link.

Internally, we actively carry out technology exploration and implementation, such as multi-factor authentication, bastion hosts, centralized log audit and monitoring, *etc.* These measures effectively protect

our confidential information, maintain data integrity, prevent internal and external threats from causing damage to the Company, and enhance the reliability, sustainability, and reputation of our operations. We also provide internal centralized file storage and backup services for core departments, such as the finance, R&D, and sales departments, to prevent loss of information assets due to hacker attacks or lost employee equipment. In addition, we released client and server antivirus and encryption security audit software to further enhance data security protection on personal computers and servers.

(V) Types of public charity activities and contributions thereto

Type	Number	Remark
External donations		
Where: Funds (RMB 0'000)	-	-
Value of materials (RMB 0'000)	1.36	Donated commercial projectors to the Portuguese Volunteer Confederation

1. Specific information about public charity activities

√ Applicable □ N/A

During the reporting period, we donated projectors to the Portuguese Volunteer Confederation (CPV) to support the operation of its volunteer projects. The CPV, founded in 2010, has 45 federation organizations covering 1.2 million volunteer communities in Portugal. The projectors donated were quickly put into use upon their arrival, as an efficient and multi-functional presentation tool, have been widely used in workshops and community activities, becoming long-term valuable assets for local organizations.

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

□ Applicable √ N/A

Specific description

□ Applicable √ N/A

(VI) Protection of the rights and interests of shareholders and creditors

Sound, transparent, and balanced corporate governance is crucial for the healthy development of the Company. Appotronics operates in strict compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other laws, regulations, and regulatory requirements. The Board of Directors of the Company is the standing decision-making body, and has set up four committees, namely the Audit Committee, the Strategy and ESG Committee, the Remuneration and Appraisal Committee, and the Nomination Committee. We have built a governance structure consisting of the “the general meeting of shareholders, the Board of Directors, the Board of Supervisors, and the management” that are provided with a clear division of duties and cooperate properly to continuously optimize the operating mechanism and improve governance effects.

During the reporting period, we repurchased shares for a total of three times to repurchase 7.1269 million shares of the Company in the amount of RMB 119 million. Moreover, we de-registered 5.8425

million shares under the special securities account for repurchase. Without prejudice to our daily operation, this showed our sincere attitude on the capital market to investors and enhanced investors' confidence in holding shares of the Company.

(VII) Protection of the rights and interests of employees

We adhere to the idea of “people orientation” to safeguard the rights and interests of employees in all aspects. We have formulated sound management regulations for human resources, provide employees with competitive salaries and benefits and high-quality training opportunities, and build a humanistic working environment to improve both the work and life quality of employees. Meanwhile, we continuously improve the communication mechanism to create an equal, open, and fair working atmosphere. As of the end of 2024, Appotronics had 1,439 employees, including 498 female employees, accounting for 34.61%, and employees of minority ethnic groups accounted for 9.80%, which indicated the priority we attached to talents. During the reporting period, we won multiple honors, including the title of “Best Employer 2024 - Shenzhen Best Employer” granted by Zhilian, and the “Top 20 Most Promising Youth-friendly Employer Brand 2024” from Ciwei.

In addition, we established a trade union in 2017, elected employee representatives, and set up the meeting of employee representatives. Significant policies concerning employee benefits, labor rights and interests, and personal safety, *etc.*, shall be subject to the democratic decision-making at the meeting of employee representatives. The meeting of employee representatives not only safeguards the rights and interests of employees, but also functions as a bridge for communication between the Company and employees so that the Company can listen to the opinions of employees, hence achieving more competitive salaries and benefits, better training, and a humanistic working environment. Our trade union has set up yoga, basketball, badminton, reading, and other associations and clubs to help employees relax and improve teamwork and work efficiency.

Employee share ownership

Number of employees owning shares (persons)	150
Ratio of employees owning shares to the total number of employees (%)	10.42%
Number of shares owned by employees (0'000 shares)	2,622.088
Ratio of shares owned by employees to the total share capital (%)	5.71%

(VIII) Protection of the rights and interests of suppliers, customers and consumers

We attach great importance to building a responsible supply chain system, and are committed to promoting suppliers to strictly abide by ethical standards, laws and regulations, and fulfill their environmental, health, and safety obligations. We pay attention to cooperation with suppliers to provide high-quality, highly reliable, and sustainable products to achieve a cooperation pattern featuring mutual benefits, mutual trust, and mutual assistance.

During the reporting period, we engaged in in-depth cooperation and high-quality delivery with leading domestic new energy vehicle manufacturers, such as Seres and Geely, and successfully built and continuously improved a stable and efficient automotive supply chain. Our automotive supply chain capabilities, having passed the strict review by many domestic automobile manufacturers, have reached international standards and won continuously increasing nomination corporations, which provided a solid foundation for further market expansion of the Company.

We make active measures to organize customer training activities, new product trial sessions, and core partner summits, and participate in industry exchanges, *etc.*, so as to disseminate detailed and accurate professional product information to customers and provide reliable and timely technical support. With these measures, we can fully meet customers' requirements and build deep trust and close cooperation with customers to jointly create a better future.

(IX) Safeguarding product safety

Product quality is the cornerstone for an enterprise to operate in the market and a key factor to win user trust. We are committed to always insisting on outstanding quality to stand out from competition and achieve long-term development. During the reporting period, based on our high-standard, high-quality, and high-efficiency quality management ideas, we passed the certifications of the ISO 9001 and IATF 16949 quality management systems again. Based on these two systems, we continuously optimize quality management processes, simplify procedures, clarify duties, and optimize resource allocation to improve process efficiency and synergy.

We have formulated internal normative documents, such as the *QEH Management Handbook*, the *Regulations on the Management of New Product Designing and Development*, and the *Software Quality Management Measures*, to provide institutional support for new product development. Meanwhile, we have established a laboratory system and quality monitoring system to achieve full-process quality management from R&D to production, hence achieving optimization at every link.

Insisting on the quality culture of “zero defects”, we incorporate quality monitoring into production management at every stage, including production monitoring, smart aging control, and visual 5S, so as to keep every product in compliance with the highest standards. Thanks to our outstanding performance in the fields of high-end core components, automotive solutions, and laser cinema projectors, we were highly appraised by industry leaders and leading domestic and overseas automobile manufacturers, including Seres, Geely, Barco, CFGC, *etc.* Moreover, we attach great importance to enhancing employees' quality awareness, and have provided product quality training to all employees to provide a solid talent foundation for quality management.

(X) Intellectual property protection

As the original inventor of the ALPD® semiconductor laser light source technology, we have a deep understanding of the importance of intellectual property rights in protecting R&D results, promoting technology advancement, and maintaining our competitive advantages throughout the world.

During the reporting period, we were committed to achieving in-depth integration between the regulations on the management of intellectual property rights with our production and operation, and

optimized the entire processing consisting of “search, filing, maintenance, application, and hierarchical management”. We encourage R&D personnel to put forward high-quality patent proposals, and enhance efforts for the review and search of patents and trademarks to strictly control the filing quality. Meanwhile, we implement hierarchical patent management, improve the patent database, promote the digitalization of intellectual property rights, and carry out electronic processes to create an efficient and accurate management system. In addition, we always pay attention to new policies and regulations on intellectual property rights and regularly carry out early warning efforts to reduce risks associated with intellectual property rights during the process of development.

As of the end of the reporting period, we had a total of 2,993 patents filed and granted, including 2,287 patents granted throughout the world, including 1,189 patents for invention; in addition, we received the Excellent Award of the 25th China Patent Award.

(XI) Other information about the performance of social responsibilities

√ Applicable □ N/A

During the reporting period, we used exhibition halls as a carrier to actively carry out popular science education activities, hence disseminating knowledge about semiconductor lasers to visitors from all over China, especially juveniles, in an easy-to-understand way. These activities not only stimulated people’s interest in semiconductor lasers, but also created a foundation for the future development of scientific and technological innovation talents, planting a seed of science and technology to take root and grow in the hearts of more people.

We have been selected as an off-school practice and education campsite (base) of the Young Pioneers of Nanshan District, Shenzhen, and engaged in cooperation with many institutions, schools, and projects, including the Science Popularization Alliance of Nanshan District, Tsinghua University, Shenzhen Senior High School, Nanshan Foreign Language School, study tour for Hong Kong and Macao Youth Greater Bay Area, Tibet Vocational and Technical College, Huazhong University of Science and Technology, the “Nanshan Perception Tour” activity of overseas students, and the Blue Coast Community of Nanshan District, to hold many science popularization theme activities for students.

During the reporting period, our exhibition halls, open to the public free of charge, received 8,812 visitors in 341 batches, including 944 juvenile visitors in 39 batches free of charge.

IV. Other information about corporate governance

(I) Investor relations and protection

Type	Times	Remark
Convene performance briefings	4	2023 Annual Performance Briefing for the STAR Market Semiconductor Equipment Session and the 2024 First Quarterly Performance Briefing, 2024 Semi-annual Performance Briefing, 2024 Third Quarterly Performance Briefing, and 2024 Collective Reception Day of Listed Companies in Shenzhen
Conduct investor relations	18	Deliver the latest information about the Company

management activities through new media		and the capital market to investors in an efficient and vivid manner by means of images, text, and videos through the WeChat official account “Appotronics” and the video account platform “Appotronics”
Column of investor relations on the official website	☒ Yes ☐ No	For details, see the investor relations page on our official website: https://www.appotronics.com/investor_team.html

Specific information about investor relations management and investor protection

☒ Applicable ☐ N/A

During the reporting period, we enhanced communication and exchange with investors by multiple means to build a favorable image on the capital market. We carried out over 270 investor reception activities throughout the year, including roadshows, reverse roadshows, online and offline strategy meetings, open days for investors, *etc.*, accessing over 550 investors. In addition, we held a total of 4 performance briefings and 3 open days for investors, answered over 950 IR hotline calls, actively disclosed 9 record forms of survey information, and answered over 130 queries raised by investors on our public communication platform on a regular basis.

Explanation about communication with investors by other means

☒ Applicable ☐ N/A

In recent years, we have successfully entered the automotive business racetrack and actively made use of industry exhibitions to expand channels for communication with investors. After the Shanghai International Automobile Industry Exhibition in 2023, we participated in the Beijing International Automotive Industry Exhibition in 2024, and attracted many institutional, small, and medium investors. We took the initiative to arrange the management team of investor relations to receive small- and medium-sized shareholders, and designated professional commentators to help investors directly experience our new products and get to know the prospects of businesses.

In addition, in 2024, we worked with the Shanghai Stock Exchange, Bosera Funds, Huatai Securities, and Agricultural Bank of China, and other institutions to hold multiple collective reception activities for small- and medium-sized shareholders, including visits to the exhibition hall, introduction about the Company, Q&A and free exchanges, so that the small- and medium-sized shareholders could fully understand the Company, and discuss on future development suggestions, hence achieving bidirectional communication between the Company and the capital market and safeguard the rights and interests of small- and medium-sized shareholders.

(II) Transparency of information disclosure

☒ Applicable ☐ N/A

We made information disclosure in strict compliance with laws, regulations, and the *Management Measures for Information Disclosure*, to ensure true, accurate, complete, timely, and fair information. We took the initiative to release ESG reports and letters to shareholders, and disclosed information about nominations by domestic and overseas automobile manufacturers, and the English version of regular reports, *etc.* to help investors understand the Company’s fundamentals and long-term strategies. Thanks

to our outstanding performance in aspects of steady improvement in governance capabilities, high-quality information disclosure, and attention paid to shareholder returns for value increase, during the reporting period, we won the “2023 Golden Information Disclosure Award” of the 26th Golden Bull Award of Listed Companies, and won the “Award of Best Board of Directors of Listed Companies” in the Public Praise List of Chinese Listed Companies for four consecutive years.

(III) Information about participation of institutional investors in corporate governance

√ Applicable □ N/A

We actively supported institutional investors to participate in the general meetings of shareholders to fully exercise their right of information and voting power, hence enhancing supervision over and suggestions on the corporate governance. With in-depth knowledge about the important role of institutional investors in improving governance capabilities, we actively maintained bidirectional communication with them, promptly updated them about the Company, and listened to their suggestions to assist the management in accurate decision-making and continuously optimize corporate governance.

(IV) Operation of the anti-commercial bribery and anti-corruption mechanism

√ Applicable □ N/A

In order to build a corporate environment featuring integrity, we have released a series of internal documents, including the *Anti-corruption Management Measures*, the *Measures for Conflict of Interest*, and the *Red Line of Employee Acts, etc.*; meanwhile, we incorporated the *Integrity Agreement* into employee labor contracts. In 2024, we promoted all employees to sign integrity commitments, hence specifying the integrity obligations that must be fulfilled during their employment.

In addition, we provided multiple channels for whistle-blowing, including our official website, partner integrity agreements, holiday greeting emails, the OA office platform, *etc.*, and encouraged all partners and employees to report corruption acts. To ensure the effective implementation of whistle-blowing, a dedicated person will be designated to follow up on the reported clue through a fully confidential process, hence protecting the privacy and legal rights of the reporter in all aspects. We strictly prohibit any form of retaliation against the whistle-blower, and will impose severe punishment upon the detection of retaliation, and even transfer the case to judicial authorities upon the occurrence of illegal acts.

(V) Other information about corporate governance

□ Applicable √ N/A

Section VI. Significant Matters

I. Fulfillment of covenants

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

√ Applicable □ N/A

Background of covenant	Covenant Type	Covenantor	Content of covenant	Date of covenant	Whether there's a time limit for the fulfillment of the covenant	Period of covenant	Whether the covenant has been strictly fulfilled on time	Reason for failure to fulfill the covenant on time (if applicable)	Action plan if failing to fulfill the covenant on time
Covenant related to IPO	Restriction on the sale of shares	Covenant by the actual controller regarding restriction on the sale of shares held by him, voluntary lock-up of such shares, intention to hold and dispose of shares and other issues	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	Yes	36 months after completion of the IPO and the extended period stated below, and 6 months after termination of employment with the Company	Yes	N/A	N/A
	Others	Issuer's covenant regarding measures against fraud in IPO	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A

			<i>STAR Market of the Company</i>						
		Controlling shareholder, actual controller and their concert parties' covenant regarding measures against fraud in IPO	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Directors, supervisors and senior officers' covenant regarding measures against fraud in IPO	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Issuer's covenant regarding remedial measures for diluted earnings in the current period	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Controlling shareholder, actual controller and their concert parties' covenant regarding remedial measures for diluted earnings in the current period	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Directors and senior officers' covenant	See the <i>Prospectus for</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A

		regarding remedial measures for diluted earnings in the current period	<i>the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>						
		Issuer's covenant regarding profit distribution policy	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Issuer's covenant regarding restraint measures and liability for compensation in the event of failure to fulfill its covenants	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Controlling shareholder, actual controller and their concert parties' covenant regarding restraint measures and liability for compensation in the event of failure to fulfill their covenants	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Directors, supervisors and senior officers' covenant regarding restraint measures and liability for compensation in the event of failure to fulfill their	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the</i>	March 22, 2019	No	Term of office	Yes	N/A	N/A

		covenants	<i>STAR Market of the Company</i>						
	Resolve horizontal competition issues	Controlling shareholder's covenant on avoiding horizontal competition and regulating and reducing related-party transactions	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
		Actual controller's covenant on avoiding horizontal competition and regulating and reducing related-party transactions	See the <i>Prospectus for the Initial Public Offering of Shares and Listing on the STAR Market of the Company</i>	March 22, 2019	No	Permanent	Yes	N/A	N/A
Covenant related to share incentives	Others	Covenant by the grantee of share incentives regarding information disclosure documents	See the 2021 Second Restricted Share Incentive Plan (Draft) of the Company	October 25, 2021	Yes	Execution period of the equity incentive plan	Yes	N/A	N/A
			See the 2022 Restricted Share Incentive Plan (Draft) of the Company	May 25, 2022	Yes	Execution period of the equity incentive plan	Yes	N/A	N/A
		Company's covenant on refraining from providing financial assistance	See the 2021 Second Restricted Share Incentive Plan (Draft) of the Company	October 25, 2021	Yes	Execution period of the equity incentive plan	Yes	N/A	N/A

			See the 2022 Restricted Share Incentive Plan (Draft) of the Company	May 25, 2022	Yes	Execution period of the equity incentive plan	Yes	N/A	N/A
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- (II) If the Company has made any profit forecast on its assets or projects and the reporting period falls within the period of such profit forecast, explanation about whether the goal has been achieved and the relevant reasons**

Explanation about whether the goal has been achieved and the relevant reasons

☐ Reached ☐ Not reached ☒ N/A

- (III) Fulfillment of performance covenant and the relevant effect on the goodwill impairment test**

☐ Applicable ☒ N/A

- II. Non-operating occupation of funds by the controlling shareholder or its affiliates during the reporting period**

☐ Applicable ☒ N/A

- III. Guarantees in violation of regulations**

☐ Applicable ☒ N/A

- IV. Explanation of the Board of Directors about the “modified audit opinion” issued by the accounting firm**

☐ Applicable ☒ N/A

- V. Explanation about the reasons and effect of changes in accounting policies and accounting estimates and correction of material accounting errors**

- (I) Analysis of the reasons of changes in accounting policies and accounting estimates and the relevant effect**

☒ Applicable ☐ N/A

For details, see “Section X Financial Report - V.40 Changes in significant accounting policies and accounting estimates” herein.

- (II) Explanation about the reasons and effect of correcting material accounting errors**

☐ Applicable ☒ N/A

- (III) Communication with the former accounting firm**

☐ Applicable ☒ N/A

- (IV) Approval procedure and other description**

☐ Applicable ☒ N/A

- VI. Appointment and termination of appointment of the accounting firm**

In RMB 0'000

	Current accounting firm
Name of domestic accounting firm	Pan-China Certified Public Accountants (Special General Partnership)

Fee payable to domestic accounting firm	140
Audit period of domestic accounting firm	9
Name of registered accountants from the domestic accounting firm	WEI Biaowen, NIU Chunjun
Total years of audit services of registered accountants from the domestic accounting firm	Mr. WEI Biaowen has 4 years of experience in audit services, and Mr. NIU Chunjun has 5 years of experience in audit services

	Name	Fee
Accounting firm for internal control audit	Pan-China Certified Public Accountants (Special General Partnership)	15
Sponsor	Huatai United Securities Co., Ltd.	-

Explanation about the appointment and termination of appointment of the accounting firm

☒ Applicable ☐ N/A

The Company engaged Pan-China Certified Public Accountants (Special General Partnership) as the institution for the audit of the 2024 annual financial statements and the internal control audit for financial reports with an annual fee of RMB 1.40 million (tax inclusive).

Explanation about re-appointment of the accounting firm during the audit period

☐ Applicable ☒ N/A

Explanation about the decrease in the audit fees compared with the previous year by over 20% (including 20%)

☐ Applicable ☒ N/A

VII. Delisting risks

(I) Reasons causing the delisting risk warning

☐ Applicable ☒ N/A

(II) Response measures to be taken by the Company

☐ Applicable ☒ N/A

(III) Risk of delisting and the reason

☐ Applicable ☒ N/A

VIII. Matters related to bankruptcy and reorganization

☐ Applicable ☒ N/A

IX. Material litigations and arbitrations

- √ The Company was involved in material litigations or arbitrations during the current year
□ The Company was not involved in material litigations or arbitrations during the current year

(I) Litigations and arbitrations already disclosed in interim announcements about which no new information is available

√ Applicable □ N/A

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

(II) Litigations and arbitrations that have not been disclosed in interim announcements or about which there's new information available

√ Applicable □ N/A

In RMB 0'000

During the reporting period:									
Plaintiff/claimant	Defendant/respondent	Party jointly and severally liable	Type of litigation/arbitration	Background	Amount claimed	Whether any provision is recognized and the amount	Status	Result and effect	Enforcement of judgment/award
Appotronics Corporation Limited	Delta Electronics, Inc.	-	Infringement on patent for invention	In the case ((2021) Yue 73 Zhi Min Chu No. 1860) against maliciously	1,000.00	No	Case closed	The court approved to withdraw	-

				initiated intellectual property litigation about a dispute over liabilities for damages, the plaintiff held that the defendant, Delta Electronics, Inc., initiated an intellectual property litigation maliciously against the plaintiff, hence infringed the rights and interests of the plaintiff.				the case	
Espedeo Holdings Limited	Appotronics Hong Kong Limited	-	Contract dispute	HKIAC/A24154 arbitration case of contract dispute, in which the claimant held that the respondent violated the relevant agreement and resulted in economic losses to the claimant.	No less than USD 3.1671 million	No	Received the notice of arbitration	In trial	-

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

(III) Other information

√ Applicable □ N/A

During the reporting period, our patents are involved in 5 cases of invalidation petitions. The details are as follows: (1) as of the end of the reporting period, 2 cases are under trial at China National Intellectual Property Administration (CNIPA); (2) during the reporting period, 1 case has been tried by CNIPA, where CNIPA declared partial claims of the patent as invalid and maintained the patent rights on the basis of the remaining valid claims; (3) during the reporting period, 1 case has been tried by CNIPA, where CNIPA decided to maintain the patent rights; and (4) during the reporting period, 1 invalidation petition was withdrawn by the petitioner.

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

XII. Material related-party transactions

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

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

☐ Applicable ☒ N/A

2. Matters already disclosed in interim announcements about which there's new information available

☒ Applicable ☐ N/A

In RMB 0'000

Category of related-party transaction	Related party	Expected amount for the current period	Actually incurred amount in the current period	Reason for the great difference between the expected amount and the actual amount
Provision of goods, leases, and services to a related party	China Film Equipment Co., Ltd. and its affiliates	4,000.00	2,585.50	Change in market demands
	Xiaomi Communications Co., Ltd. and its affiliates	20,000.00	15,627.87	Change in market demands
	Y LX Incorporated and its affiliates	900.00	159.73	Change in market demands
	Beijing Donview Education Technology Co., Ltd. and its affiliates	-	4.71	N/A
	GDC and its affiliates	-	28.98	N/A
	Subtotal	24,900.00	18,406.79	-
Purchase of goods and raw materials from a related party	China Film Equipment Co., Ltd. and its affiliates	2,000.00	61.43	The demands decreased due to changes in market demands
	Xiaomi Communications Co., Ltd. and its affiliates	2,000.00	1,270.62	Change in the business structure and decline in demands
	Y LX Incorporated and its affiliates	400.00	265.49	N/A
	GDC and its affiliates	-	3.36	N/A
	Subtotal	4,400.00	1,600.90	-
Receipt	China Film Equipment Co., Ltd. and its	3,000.00	2,015.59	Change in market demands

of labor services from a related party	affiliates			
	Xiaomi Communications Co., Ltd. and its affiliates	20.00	-	N/A
	YLX Incorporated and its affiliates	100.00	43.27	N/A
	GDC and its affiliates	-	1.32	N/A
	Subtotal	3,120.00	2,060.18	-
Housing property lease	Shenzhen Appotronics Holdings Limited	-	254.44	N/A
	China Film Equipment Co., Ltd. and its affiliates	350.00	246.89	N/A
	Subtotal	350.00	501.33	-
Total		32,770.00	22,569.20	

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

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

2. Matters already disclosed in interim announcements about which there's new information available

☒ Applicable ☐ N/A

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

(2) Under the impact of the pending arbitration case in the United States, the transaction under which the Company intended to transfer partial equity interests in the subsidiary could not achieve one of the prerequisites to the closing, and therefore the transaction plan could no longer be implemented. See the *Announcement on the Progress of Transferring Partial Equities in Subsidiary and Related-party Transactions* (No. 2024-093) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on December 28, 2024.

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

☐ Applicable ☒ N/A

4. Fulfillment of performance covenants (if any) during the reporting period

☐ Applicable ☒ N/A

(III) Significant related-party transactions involving joint external investments
1. Matters already disclosed in interim announcements about which no new information is available
☐ Applicable ☒ N/A

2. Matters already disclosed in interim announcements about which there's new information available
☐ Applicable ☒ N/A

3. Matters that have not been disclosed in any interim announcement
☐ Applicable ☒ N/A

(IV) Accounts receivable from and payable to related parties
1. Matters already disclosed in interim announcements about which no new information is available
☐ Applicable ☒ N/A

2. Matters already disclosed in interim announcements about which there's new information available
☐ Applicable ☒ N/A

3. Matters that have not been disclosed in any interim announcement
☐ Applicable ☒ N/A

(V) Financial business between the Company and its affiliated financial companies, the Company's controlled financial companies or affiliates
☐ Applicable ☒ N/A

(VI) Others
☐ Applicable ☒ N/A

XIII. Material contracts and performance thereof
(I) Trusteeship, contracting and lease
1. Trusteeship
☐ Applicable ☒ N/A

2. Contracting
☐ Applicable ☒ N/A

3. Lease
☒ Applicable ☐ N/A

In RMB 0'000

Name of lessor	Name of lessee	Leased assets	Amount of leased assets	Start date	End date	Lease income	Basis for determining lease income	Impact of lease income on the Comp	Related-party transaction or not	Related-party relation
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								any		
Shenzhen Meisheng Industry Co., Ltd.	Appotronics Corporation Limited	Office, R&D, factory, and employee dormitory	1,346.95	2022.12.01	2024.11.30	-	-	-	No	
Shenzhen Appotronics Holdings Limited	Appotronics Corporation Limited	Office, R&D, factory, and employee dormitory	815.84	2024.12.09	2027.12.31	-	-	-	Yes	Controlling shareholder

Description of lease

None

(II) Guarantees

√ Applicable □ N/A

In RMB 0'000

External guarantees provided by the Company (excluding those provided for the subsidiaries)														
Guarantor	Relationship between the guarantor and the listed company	Obligor	Guaranteed amount	Commencement date of guarantee (signing date of agreement)	Inception date of guarantee	Expiry date of guarantee	Type of guarantee	Collateral (if any)	Whether the obligation guaranteed has been discharged	Whether the obligation guaranteed has become overdue	Amount of the overdue obligation guaranteed	Counter-guarantee	Related-party guarantee or not	Related-party relation
Total amount of guarantees provided during the reporting period (excluding those provided for subsidiaries)						0								
Balance of guarantees at the end of the reporting period (excluding those provided for subsidiaries) (A)						0								
Guarantees provided by the Company or its subsidiaries for the subsidiaries of the Company														
Guarantor	Relationship between the guarantor and the listed company	Obligor	Relationship between the obligor and the listed company	Guaranteed amount	Commencement date of guarantee (signing date of agreement)	Inception date of guarantee	Expiry date of guarantee	Type of guarantee	Whether the obligation guaranteed has been discharged	Whether the obligation guaranteed has become overdue	Amount of the overdue obligation guaranteed	Whether there's a counter guarantee		
Appotronics Corporation Limited	Headquarters	CINEAP PO Laser Cinema Technology (Beijing) Co., Ltd.	Controlled subsidiary	4,000	October 26, 2023	August 25, 2023	January 17, 2028	Joint and several liability	No	No	-	No		
Appotronics Corporation	Headquarters	CINEAP PO Laser	Controlled	5,000	October 31, 2024	October 31,	The guaran	Joint and several	No	No	-	No		

Limited		Cinema Technology (Beijing) Co., Ltd.	subsidiary			2024	tee period is three years from the date of terminating the claims determination period.	liability				
Appotronics Corporation Limited	Headquarters	CINEAP PO Laser Cinema Technology (Beijing) Co., Ltd.	Controlled subsidiary	10,000	October 30, 2024	October 30, 2024	The guarantee period is three years from the date of terminating the claims determination period.	Joint and several liability	No	No	-	No
Appotronics Corporation Limited	Headquarters	Formovie (Chongqing) Innovative Technology	Controlled subsidiary	6,000	October 15, 2024	April 26, 2022	April 25, 2028	Joint and several liability	No	No	-	No

		gy Co., Ltd.										
Appotronics Corporation Limited	Headquarters	Formovie (Chongqing) Innovative Technology Co., Ltd.	Controlled subsidiary	10,000	November 12, 2024	March 24, 2023	Three years after the due date for the obligations under the master contract.	Joint and several liability	No	No	-	No
Appotronics Corporation Limited	Headquarters	Formovie (Chongqing) Innovative Technology Co., Ltd.	Controlled subsidiary	10,000	November 15, 2023	November 15, 2024	The guarantee period is three years from the expiration of the debt performance period	Joint and several liability	No	No	-	No
Total amount of guarantees provided for the subsidiaries during the reporting period					16,375.71							
Balance of guarantees provided for the subsidiaries as of the end of the reporting period (B)					21,172.69							
Total amount of guarantees provided by the Company (including those provided for the subsidiaries)												

Total amount guaranteed (A+B)	21,172.69
Proportion of total amount guaranteed to the net assets of the Company (%)	7.73
Where:	
Total amount of guarantees provided for the shareholders, actual controller and their affiliates (C)	0
Total amount of debt guarantees directly or indirectly provided for the obligors whose equity-debt ratio exceeds 70% (D)	20,843.63
Total amount guaranteed in excess of 50% of the net assets of the Company (E)	0
Total amount guaranteed (C+D+E)	20,843.63
Explanation about outstanding guarantees for which the Company may assume joint and several liability	N/A
Explanation about guarantees	N/A

(III) Entrusted cash asset management

1. Entrusted wealth management

(1) Overall situation of entrusted wealth management

√ Applicable □ N/A

In RMB 0'000

Type	Source of funds	Total amount	Outstanding amount	Overdue amount
Bank wealth management product	Idle offering proceeds	15,100.00	0	0
Bank wealth management product	Self-funded capital	61,000.00	14,800.00	0
Wealth management products of securities companies	Self-funded capital	8,000.00	0	0

Other information

□ Applicable √ N/A

(2) Entrusted wealth management of single items

√ Applicable □ N/A

In RMB 0'000

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Source of funds	Use of funds	Restricted or not	Remuneration determination method	Annualized rate of yield	Expected income (if any)	Actual profit or loss	Outstanding amount	Overdue amount	Passed statutory procedure or not	With future entrusted wealth management plan or not	Amount of provision for impairment (if any)
China Merchants Bank	Bank wealth management product	5,000.00	May 9, 2024	May 7, 2025	Self-funded capital		No	Contractual provisions	3.05%	151.66		5,000.00		Yes	Yes	
China Merchants Bank	Bank wealth management product	1,800.00	May 9, 2024	May 7, 2025	Self-funded capital		No	Contractual provisions	3.05%	54.60		1,800.00		Yes	Yes	
Bank of China	Bank wealth management product	2,000.00	May 28, 2024	May 29, 2025	Self-funded capital		No	Contractual provisions	2.80%	56.15		2,000.00		Yes	Yes	
Bank of Ningbo	Bank wealth management	3,000.00	July 10, 2024	April 3, 2025	Self-funded capital		No	Contractual provisions	2.16%	47.48		3,000.00		Yes	Yes	

	product															
Bank of China	Bank wealth management product	3,000.00	December 26, 2024	June 26, 2026	Self-funded capital		No	Contractual provisions	2.90%	130.38		3,000.00		Yes	Yes	

Other information

☐ Applicable ☒ N/A

(3) Provision for impairment of entrusted wealth management products

☐ Applicable ☒ N/A

2. Entrusted loans

(1) Overall situation of entrusted loans

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

(2) Single entrusted loans

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

(3) Provision for impairment of entrusted loans

☐ Applicable ☒ N/A

3. Other information

☐ Applicable ☒ N/A

(IV) Other material contracts

☐ Applicable ☒ N/A

XIV. Use of offering proceeds

√ Applicable □ N/A

(I) Overall use of funds raised

√ Applicable □ N/A

In RMB 0'000

Source of offering proceeds	Date of receiving offering proceeds	Total offering proceeds	Net offering proceeds (1)	Total offering proceeds committed in the prospectus or offering circular (2)	Total excess offering proceeds (3) = (1) - (2)	Cumulative total offering proceeds used as of the end of the reporting period (4)	Where: Cumulative total excess offering proceeds used as of the end of the reporting period (5)	Cumulative investment progress of offering proceeds as of the end of the reporting period (%) (6)=(4)/(1)	Cumulative investment progress of excess offering proceeds used as of the end of the reporting period (%) (7)=(5)/(3)	Amount invested in this year (8)	Ratio of the amount invested in this year (%) (9)=(8)/(1)	Total offering proceeds with the purpose changed
Initial public offering	July 16, 2019	119,000.00	106,247.08	100,000.00	6,247.08	98,306.84	7,013.54	92.53	112.27	8,490.73	7.99	None

Other information

□ Applicable √ N/A

(II) Breakdown of investment projects

√ Applicable □ N/A

1. Breakdown use of offering proceeds

√ Applicable □ N/A In RMB 0'000

Source of offering proceeds	Project	Nature	Whether it is an	Whether chan	Total investment	Amount invested	Cumulative total offering	Cumulative investment	Date for the project	Com	Whether the invest	Specific reason	Benefits	Benefits or R&D	Whether there are any material	Balance
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			invest ment project in the prospe ctus or offerin g circula r	ge of inves tmen t is invol ved	amount planned with offering proceeds (1)	ted in this year	proceed s used as of the end of the reportin g period (2)	progress as of the end of the reporting period (%) (3)=(2)/(1)	to reach the workin g conditi on for its intende d use [Note 1]	pl et ed or n ot	ment progre ss meets the progre ss planne d	for failing to achiev e the plan of invest ment progre ss	real ized in the curren t year	results achieve d by the project	changes in the project feasibility, and if any, describe the specific reasons	
Initial public offering	R&D and industrializa tion of new generation of laser display products	Produ ction and const ructio n	Yes	No	31,300.0 0	0	27,931.1 1	89.24	Decem ber 2022	Y es	Yes	N/A	N/A	N/A [Note 2]	No	5,161 .67 [Note 3]
Initial public offering	R&D center at the headquarters of Appotronics [Note 4]	R&D	Yes	No	28,400.0 0	2,627 .34	24,845.6 3	87.48	March 2025	N o	Yes	N/A	N/A	N/A	No	N/A
Initial public offering	Information system upgrade and building	Oper ation mana geme nt	Yes	No	7,000.00	787.5 8	4,977.06	71.10	March 2025	N o	Yes	N/A	N/A	N/A	No	N/A
Initial public offering	Supplement ary working capital [Note 5]	Suppl emen ting the worki ng	Yes	No	33,300	0	33,539.5 0	100.72	N/A	Y es	Yes	N/A	N/A	N/A	No	N/A

		capita l and repay ing loans														
Initial public offering	Share repurchase [Note 6]	Other s	No	No	7075.81 [Note 7]	5,075 .81	7,013.54	99.12	N/A	Y es	Yes	N/A	N/A	N/A	No	N/A
Total	-	-	-	-	107,075. 81	8,490 .73	98,306.8 4	-	-	-	-	-	-	-	-	5,161 .67

[Note 1] On March 18, 2022, the Company held the 9th meeting of the second Board of Directors and the 8th meeting of the second Board of Supervisors, approving the Proposal on Postponing Some Investment Projects through deliberation, and agreeing upon the Company's adjusting the time for some investment projects to reach the working condition for its intended use. On December 8, 2023, the Company held the 24th meeting of the second Board of Directors and the 22nd meeting of the second Board of Supervisors, approving the *Proposal on Postponing Some Investment Projects* through deliberation, and approving the Company to postpone the time for some investment projects to reach the working condition for its intended use. The time of meeting the working condition for its intended use of the investment projects "R&D center at the headquarters of Appotronics" and "information system upgrade and building" was adjusted to March 2025.

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

[Note 3] On April 26, 2023, the Company held the 19th meeting of the second Board of Directors and the 18th meeting of the second Board of Supervisors respectively, which deliberated and approved the Proposal on the Completion of Part of the Company's Fundraising Projects and Permanent Replenishment of Liquidity with the Surplus Raised Funds, and agreed that the Company would close the fundraising project "R&D and industrialization of new generation of laser display products", and a total of RMB 51.6167 million saved (as of December 31, 2022) shall be used for permanent replenishment of the working capital. As of the date of remittance, the actual balance in the special account was RMB 52.0022 million (including the interest income and wealth management income, net of handling fees). This special account (Hua Xia Bank Co., Ltd. Shenzhen Houhai Sub-branch, account No.: 10869000000305964) has been deregistered on May 17, 2023, and the funds have been transferred to the general account of the Company.

[Note 4] The Company held the 19th meeting of the second Board of Directors and the 18th meeting of the second Board of Supervisors on April 26, 2023 and the annual general meeting of shareholders for 2022 on May 19, 2023, respectively, approving the Proposal on Adjusting Internal Investment Structure of Some Investment Projects through deliberation, and agreeing upon the Company's adjusting the internal investment structure of the investment project "R&D center at the headquarters of Appotronics", and to decrease the "equipment purchase expenses" by RMB 65.0000 million and increase the "R&D expenditures" by RMB 65.0000 million.

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

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

The Company held the 27th meeting of the second Board of Directors on January 31, 2024, approving the *Proposal on Repurchase of Shares of the Company through a Call Auction* through deliberation, and agreeing upon the Company's using the excess offering funds and own funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through a call auction.

And the Company held the 31st meeting of the second Board of Directors on January 17, 2024, approving the *Proposal on 2024 Second Repurchase of Shares of the Company through a Call Auction* through deliberation, and agreeing upon the Company's using the excess offering funds and own funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through a call auction.

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

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

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

2. Breakdown of the use of excess offering proceeds

☒ Applicable ☐ N/A

In RMB 0'000

Purpose	Nature	Total excess offering proceeds planned for investment (1)	Cumulative total offering proceeds used as of the end of the reporting period (2)	Cumulative investment progress as of the end of the reporting period (%) (3)=(2)/(1)	Remark
Repurchase in 2022	Repurchase	2,000.00	1,937.73	96.89	-
First repurchase in 2024	Repurchase	4,121.12	4,121.12	100	-
Second repurchase in 2024	Repurchase	954.69	954.69	100	-
Total	-	7,075.81	7,013.54	-	-

(III) Change in or termination of investment projects during the reporting period

☐ Applicable ☒ N/A

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

1. Early investment and replacement of projects for which the offering proceeds are used

☐ Applicable ☒ N/A

2. Supplement the working capital with idle offering proceeds

☐ Applicable ☒ N/A

3. Cash management of idle offering proceeds, and investment in relevant products

☒ Applicable ☐ N/A

In RMB 0'000

Date of deliberation by the Board of Directors	Effective amount deliberated for cash management of offering proceeds	Start date	End date	Balance of cash management at the end of the period	Whether the greatest balance exceeds the authorized amount during the period
June 25, 2023	24,900.00	June 25, 2023	June 25, 2024	0	No
May 30, 2024	11,600.00	May 30, 2024	May 30, 2025		No

Other information

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

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

4. Others

☒ Applicable ☐ N/A

1) On March 18, 2022, the Company held the 9th meeting of the second Board of Directors and the 8th meeting of the second Board of Supervisors, approving the *Proposal on Postponing Some Investment Projects* through deliberation, and agreeing upon the Company's adjusting the time for some investment projects to reach the working condition for its intended use. See the *Announcement on Postponing Some Investment Projects* (No. 2022-019) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on March 21, 2022.

2) The Company held the 9th meeting of the second Board of Directors and the 1st extraordinary general meeting of shareholders in 2022 respectively on March 18, 2022 and March 29, 2022, approving the *Proposal on Repurchase of Shares of the Company through a Call Auction* through deliberation, and agreeing upon the Company's using the excess offering funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through a call auction via the trading system of the Shanghai Stock Exchange, with the repurchase funds totaling not less than RMB 10 million (inclusive) but not more than RMB 20 million (inclusive), the repurchase price not exceeding RMB 26.89 per share (inclusive, namely the price after adjustments to equity distribution in 2021) and the repurchase period being six months from the date on which this repurchase plan is approved by the general meeting of shareholders.

As of December 31, 2022, the Company repurchased 900,000 shares in the aggregate through a call auction, representing 0.1969% of the Company's total share capital, and paid RMB 19,377,297.59 (including stamp duty, commissions and other transaction fees). The repurchase of shares has been completed.

3) The Company held the 14th meeting of the second Board of Directors and the 13th meeting of the second Board of Supervisors on June 29, 2022, approving the *Proposal on Adjusting Internal Investment Structure of Some Investment Projects* through deliberation, and agreeing upon the Company's adjusting the internal investment structure of the investment project "R&D and industrialization of a new generation of laser display products", and to decrease the "equipment purchase expenses" by RMB 53.8020 million and increase the "R&D expenditures" by RMB 53.8020 million.

4) The Company held both the 19th meeting of the second Board of Directors and the 18th meeting of the second Board of Supervisors and the annual general meeting for 2022 on April 26, 2023 and May 19, 2023, respectively, approving the *Proposal on Adjusting Internal Investment Structure of Some Investment Projects* through deliberation, and agreeing upon the Company's adjusting the internal investment structure of the investment project "R&D center at the headquarters of Appotronics", and to decrease the "equipment purchase expenses" by RMB 65.0000 million and increase the "R&D expenditures" by RMB 65.0000 million.

5) On December 8, 2023, the Company held the 24th meeting of the second Board of Directors and the 22nd meeting of the second Board of Supervisors, approving the *Proposal on Postponing Some Investment Projects* through deliberation, and approving the Company to postpone the time for some investment projects to reach the working condition for its intended use. The time of meeting the working condition for its intended use of the investment projects "R&D center at the headquarters of Appotronics" and "information system upgrade and building" was adjusted to March 2025.

6) The Company held the 27th meeting of the second Board of Directors on January 31, 2024, approving the *Proposal on Repurchase of Shares of the Company through a Call Auction* through deliberation, and agreeing upon the Company's using the excess offering proceeds and own funds to repurchase some RMB-denominated ordinary shares (A shares) issued by it through a call auction via the stock trading system of the Shanghai Stock Exchange, with the repurchase price not exceeding RMB 27.00 per share (inclusive), the repurchase funds totaling no more than RMB 60.00 million (inclusive) and no less than RMB 30.00 million (inclusive), and the repurchase period being no more than 6 months from the date on which this share repurchase plan is approved by the general meeting of shareholders.

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

As of December 31, 2024, the Company repurchased 7,126,938 shares in the aggregate through a call auction, representing 1.5517% of the Company's total share capital, and paid RMB 119,432,441.36 (including stamp duty, commissions and other transaction fees), including RMB 50,758,115.53 paid from the excess offering proceeds.

XV. Explanation about other significant matters having a significant influence on the value judgment and investment decision-making of investors

☐ Applicable ☒ N/A

Section VII. Changes in Shares and Shareholders

I. Changes in share capital

(I) Statement of changes in shares

1. Statement of changes in shares

Unit: Share

	Before the change		+/-					After the change	
	Number	Percentage (%)	New shares	Bonus shares	Capitalization of capital reserve	Others	Subtotal	Number	Percentage (%)
I. Non-tradable shares	0	0	0	0	0	0	0	0	0
1. Shares held by the State	0	0	0	0	0	0	0	0	0
2. Shares held by State-owned corporations	0	0	0	0	0	0	0	0	0
3. Shares held by other domestic investors	0	0	0	0	0	0	0	0	0
Where: Shares held by domestic non-state-owned corporations	0	0	0	0	0	0	0	0	0
Shares held by domestic natural persons	0	0	0	0	0	0	0	0	0
4. Shares held by foreign investors	0	0	0	0	0	0	0	0	0
Where: Shares held by foreign corporations	0	0	0	0	0	0	0	0	0
Shares held by foreign natural persons	0	0	0	0	0	0	0	0	0
II. Tradable shares	462,211,338	100	0	0	0	-2,920,193	-2,920,193	459,291,145	100
1. RMB-denominated ordinary shares	462,211,338	100	0	0	0	-2,920,193	-2,920,193	459,291,145	100
2. Foreign currency-denominated shares	0	0	0	0	0	0	0	0	0

listed domestically									
3. Foreign currency-denominated shares listed overseas	0	0	0	0	0	0	0	0	0
4. Others	0	0	0	0	0	0	0	0	0
III. Total shares	462,211,338	100	0	0	0	-2,920,193	-2,920,193	459,291,145	100

2. Explanation about changes in shares

√ Applicable □ N/A

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

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

(3) On November 5, 2024, to reduce its registered capital, the Company de-registered 5,842,483 shares that were deposited in the special securities account for repurchase and to be used for an ESOP or equity incentives, and the Company's total share capital was changed from 465,133,628 shares to 459,291,145 shares.

3. Effect of the changes in shares on the earnings per share, net assets per share and other financial indicators of the most recent year and the most recent reporting period (if any)

√ Applicable □ N/A

For details about the effect of the changes in shares on the basic earnings per share, diluted earnings per share, net assets per share attributable to ordinary shareholders of the Company, and other financial indicators of the most recent year and the most recent reporting period, see "Section II. Company Profile and Financial Highlights - VI. main accounting data and financial highlights in the past three years - (II) financial highlights".

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

□ Applicable √ N/A

(II) Changes in non-tradable shares

☐ Applicable ☒ N/A

II. Issuance and listing of securities

(I) Securities issued during the reporting period

☐ Applicable ☒ N/A

Explanation about the securities issued during the reporting period (in case of any outstanding bonds with different interest rates, please explain separately):

☐ Applicable ☒ N/A

(II) Changes in the total number of shares, shareholding structure, and structure of assets and liabilities of the Company

☒ Applicable ☐ N/A

1. On February 2, 2024, 394,040 new shares reserved by the Company for the first vesting period under the 2021 Second Restricted Share Incentive Plan and the first vesting period reserved for the 2022 Restricted Share Incentive Plan became available for trading, increasing the Company's shares from 462,211,338 shares to 462,605,378 shares; In consideration of the changes in the total shares and registered capital of the Company, some provisions of the Articles of Association should be revised with reference to the actual conditions of the Company under relevant rules.

2. On June 20, 2024, 2,528,250 new shares for the second vesting period in the initial grant under the 2022 Restricted Share Incentive Plan became available for trading, increasing the Company's shares from 462,605,378 shares to 465,133,628 shares; In consideration of the changes in the total shares and registered capital of the Company, some provisions of the Articles of Association should be revised with reference to the actual conditions of the Company under relevant rules.

3. On November 5, 2024, to reduce its registered capital, the Company de-registered 5,842,483 shares that were deposited in the special securities account for repurchase, and the Company's total share capital was changed from 465,133,628 shares to 459,291,145 shares. In consideration of the changes in the total shares and registered capital of the Company, some provisions of the Articles of Association should be revised with reference to the actual conditions of the Company under relevant rules.

III. Shareholders and actual controller

(I) Total number of shareholders

Total number of shareholders of ordinary shares as of the end of the reporting period (accounts)	16,266
Total number of shareholders of ordinary shares as of the end of the month immediately prior to the issue date of this annual report (accounts)	16,222
Total number of shareholders of preferred shares whose voting rights have been restituted as of the end of the reporting period (accounts)	N/A
Total number of shareholders of preferred shares whose voting rights have been restituted as of the end of the month immediately prior to the issue date of this annual report (accounts)	N/A

Total number of shareholders holding shares with special voting rights as of the end of the reporting period (accounts)	N/A
Total number of shareholders holding shares with special voting rights as of the end of the month prior to the issue date of this annual report (accounts)	N/A

Number of holders of depository receipts☐ Applicable ☒ N/A

(II) Shares held by top 10 shareholders and top 10 holders of tradable shares as of the end of the reporting period

Unit: Share

Shares held by top 10 shareholders (excluding shares lent out under the refinancing arrangement)							
Shareholder (Full name)	Change during the reporting period	Balance of shares held as of the end of the reporting period	Percenta ge (%)	Number of non-trada ble shares held	Shares pledged, marked, or frozen		Nature of shareholder
					Status of shares	Numb er	
Shenzhen Appotronics Holdings Limited	0	79,762,679	17.37	0	None	-	Domestic non-state owned corporation
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	0	24,139,500	5.26	0	None	-	Domestic non-state owned corporation
Nantong Strait Appotronics Investment Partnership (LP)	0	18,381,208	4.00	0	None	-	Domestic non-state owned corporation
Shenzhen Appotronics Daye Investment Partnership (LP)	0	17,056,167	3.71	0	None	-	Domestic non-state owned corporation
Shenzhen Appotronics Hongye Investment Partnership (LP)	0	13,601,344	2.96	0	None	-	Domestic non-state owned corporation
Shenzhen Appotronics Chengye Consulting Partnership (LP)	0	10,394,846	2.26	0	None	-	Domestic non-state owned corporation
Shenzhen Jinleijing Investment Limited Partnership (LP)	0	9,892,706	2.15	0	None	-	Domestic non-state owned corporation
LUO Xiaobin	2,546,000	8,550,004	1.86	0	None	-	Domestic natural person
Bank of China Limited - Stable Income Bond Securities Investment Fund of E Fund	-3,171,521	6,866,571	1.50	0	None	-	Others
Hong Kong Securities Clearing Company Limited	-404,198	3,563,657	0.78	0	None	-	Foreign corporation

Shares held by top 10 holders of tradable shares (excluding shares lent out under the refinancing arrangement)			
Shareholder	Number of tradable shares held	Type and number of shares	
		Category	Number
Shenzhen Appotronics Holdings Limited	79,762,679	RMB-denominated ordinary share	79,762,679
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	24,139,500	RMB-denominated ordinary share	24,139,500
Nantong Strait Appotronics Investment Partnership (LP)	18,381,208	RMB-denominated ordinary share	18,381,208
Shenzhen Appotronics Daye Investment Partnership (LP)	17,056,167	RMB-denominated ordinary share	17,056,167
Shenzhen Appotronics Hongye Investment Partnership (LP)	13,601,344	RMB-denominated ordinary share	13,601,344
Shenzhen Appotronics Chengye Consulting Partnership (LP)	10,394,846	RMB-denominated ordinary share	10,394,846
Shenzhen Jinleijing Investment Limited Partnership (LP)	9,892,706	RMB-denominated ordinary share	9,892,706
LUO Xiaobin	8,550,004	RMB-denominated ordinary share	8,550,004
Bank of China Limited - Stable Income Bond Securities Investment Fund of E Fund	6,866,571	RMB-denominated ordinary share	6,866,571
Hong Kong Securities Clearing Company Limited	3,563,657	RMB-denominated ordinary share	3,563,657
Explanation about the special purchase account in top 10 shareholders	N/A		

Explanation about entrusted voting rights, proxy voting rights, waiver of voting rights by the shareholders above	N/A
Affiliates or concert parties among the shareholders stated above	1. As of December 31, 2024, the following entities in top 10 shareholders of the Company constituted persons acting in concert: Shenzhen Appotronics Holdings Limited, Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP), Shenzhen Appotronics Daye Investment Partnership (LP), Shenzhen Appotronics Hongye Investment Partnership (LP), Shenzhen Jinleijing Investment Limited Partnership (LP), and Shenzhen Appotronics Chengye Consulting Partnership (LP). 2. Except for the above, we are not aware of whether there are affiliates or concert parties as defined in the <i>Administrative Measures for the Acquisition of the Listed Companies</i> among other shareholders.
Holders of preferred shares whose voting rights have been restituted and the number of shares held by them	N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Top 10 holders of non-tradable shares and lock-up period

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Changes due to lending/repayment in refinancing by top 10 holders of depository receipts and top 10 holders of tradable depository receipts

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(V) Strategic allotment in IPO**1. Participation by any special asset management plan established by senior officers and key employees in the strategic allotment in IPO**

☐ Applicable ☒ N/A

2. Participation by any subsidiary of the sponsor in the strategic allotment in IPO

☐ Applicable ☒ N/A

IV. Controlling shareholder and actual controller

(I) Controlling shareholder

1. Legal person

☒ Applicable ☐ N/A

Name	Shenzhen Appotronics Holdings Limited
Principal or legal representative	LI Yi
Date of establishment	January 17, 2014
Main business	Investment holding
Shares held in other domestic or foreign listed companies during the reporting period	None
Other information	N/A

2. Natural person

☐ Applicable ☒ N/A

3. Special explanation if the Company does not have a controlling shareholder

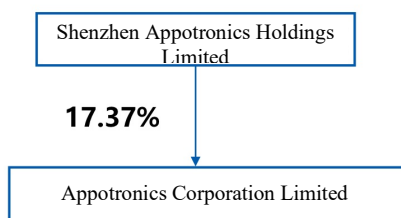
☐ Applicable ☒ N/A

4. Explanation about the change in the controlling shareholder during the reporting period

☐ Applicable ☒ N/A

5. Block diagram of the controlling shareholder's ownership of and control over the Company

☒ Applicable ☐ N/A



(II) Actual controller

1. Legal person

☐ Applicable ☒ N/A

2. Natural person

☒ Applicable ☐ N/A

Name	LI Yi
Nationality	China
Whether or not have right of residence in any other country or region	Yes
Main occupation and title	Chairman & General Manager of the Company
Whether or not control any domestic or foreign listed company in the past 10 years	None

3. Special explanation if the Company does not have an actual controller

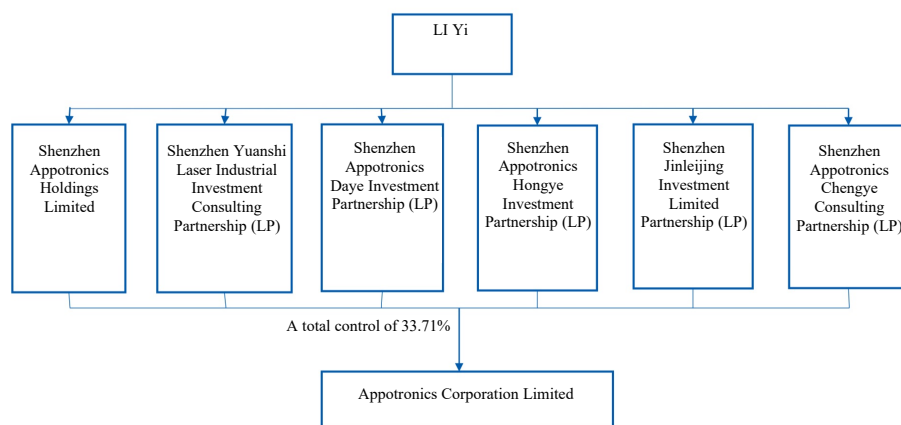
☐ Applicable ☒ N/A

4. Explanation about the change of control of the Company during the reporting period

☐ Applicable ☒ N/A

5. Block diagram of the actual controller's ownership of and control over the Company

☒ Applicable ☐ N/A



6. The actual controller controls the Company by trust or any other assets management means

☐ Applicable ☒ N/A

(III) Other information about the controlling shareholder and the actual controller

☐ Applicable ☒ N/A

V. The total shares pledged by the controlling shareholder or largest shareholder and parties acting in concert therewith account for over 80% of the shares held by such shareholder in the Company

☐ Applicable ☒ N/A

VI. Other corporate shareholders holding more than 10% shares

☐ Applicable ☒ N/A

VII. Restrictions on the disposal of shares/depository receipts

☐ Applicable ☒ N/A

VIII. Specific implementation of share repurchase during the reporting period

☒ Applicable ☐ N/A

In RMB 0'000

Name of the share repurchase plan	Plan for repurchasing the Company's shares through a call auction
Date when the share repurchase plan was	February 2, 2024

disclosed	
Number of shares to be purchased and ratio to the total share capital (%)	The number of shares to be repurchased was 1.1111 million shares (inclusive) to 2.2222 million shares (inclusive) calculated based on the maximum repurchase price of RMB 27.00/share, accounting for 0.24%~0.48% of the Company's total share capital then.
Planned amount of repurchase	RMB 30.00 million (inclusive) to RMB 60.00 million (inclusive)
Planned period of repurchase	Within 6 months from the date when the Board of Directors reviewed and adopted the plan of share repurchase (this repurchase plan has been fully implemented during the reporting period)
Purpose of repurchase	For an ESOP or equity incentives
Number repurchases (shares)	3,351,740
Ratio of the number repurchased to the target shares involved in equity incentives (%) (if any)	N/A
Progress of selling the repurchased shares by the Company through a call auction	N/A

Name of the share repurchase plan	Plan on the Company's second repurchase of shares in 2024 through a call auction
Date when the share repurchase plan was disclosed	April 19, 2024
Number of shares to be purchased and ratio to the total share capital (%)	The number of shares to be repurchased was 0.7427 million shares (inclusive) to 1.1140 million shares (inclusive) calculated based on the adjusted maximum repurchase price of RMB 26.93/share, accounting for 0.16%~0.24% of the Company's total share capital then.
Planned amount of repurchase	RMB 20.00 million (inclusive) to RMB 30.00 million (inclusive)
Planned period of repurchase	Within 6 months from the date when the Board of Directors reviewed and adopted the plan of share repurchase (this repurchase plan has been fully implemented during the reporting period)
Purpose of repurchase	For an ESOP or equity incentives
Number repurchases (shares)	1,590,743
Ratio of the number repurchased to the target shares involved in equity incentives (%) (if any)	N/A
Progress of selling the repurchased shares by the Company through a call auction	N/A

Name of the share repurchase plan	Plan on the Company's third repurchase of shares in 2024 through a call auction
Date when the share repurchase plan was disclosed	August 31, 2024
Number of shares to be purchased and ratio to the total share capital (%)	The number of shares to be repurchased was 0.9091 million shares (inclusive) to 1.3636 million shares (inclusive) calculated based on the maximum repurchase price of RMB 22.00/share, accounting for 0.20%~0.29% of the Company's total share capital then.
Planned amount of repurchase	RMB 20.00 million (inclusive) to RMB 30.00

	million (inclusive)
Planned period of repurchase	Within 6 months from the date when the Board of Directors reviewed and adopted the plan of share repurchase (this repurchase plan has been fully implemented during the reporting period)
Purpose of repurchase	For an ESOP or equity incentives
Number repurchases (shares)	2,184,455
Ratio of the number repurchased to the target shares involved in equity incentives (%) (if any)	N/A
Progress of selling the repurchased shares by the Company through a call auction	N/A

The Company held the 35th meeting of the second Board of Directors and the 26th meeting of the second Board of Supervisors on August 29, 2024, and the 2nd extraordinary general meeting of shareholders in 2024 on September 18, 2024, where the *Proposal on Adjusting the Use of Shares Repurchased by the Company and Reducing the Registered Capital* was considered and adopted, approving the Company to adjust the use of the 5,842,483 shares in the special securities account for repurchase to de-registration, accounting for 1.26% of the Company's total share capital of 465,133,628 shares prior to the de-registration. On November 5, 2024, the Company completed the efforts of de-registering the repurchased shares, so that the total share capital changed from 465,133,628 shares to 459,291,145 shares, and the registered capital was reduced from RMB 465,133,628 to RMB 459,291,145.

Section VIII. Preferred Shares

☐ Applicable ☒ N/A

Section IX. Bonds

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

☐ Applicable ☒ N/A

II. Convertible corporate bonds

☐ Applicable ☒ N/A

Section X. Financial Report

I. Auditor's Report

√ Applicable □ N/A

Auditor's Report

Tian Jian Shen (2025) No. 7-605

To all shareholders of Appotronics Corporation Limited:

I. Opinion

We have audited the financial statements of Appotronics Corporation Limited ("Appotronics"), which comprise the consolidated and the parent company's balance sheets as at December 31, 2024, and the consolidated and the parent company's income statements, the consolidated and the parent company's statements of cash flow and the consolidated and the parent company's statements of changes in owners' equity for the year then ended, and the notes to the relevant financial statements.

In our opinion, the accompanying financial statements of Appotronics are prepared and present fairly, in all material respects, the consolidated and the parent company's financial position as of December 31, 2024, and the consolidated and the parent company's results of operations and cash flows for the year then ended in accordance with the *Accounting Standards for Business Enterprises*.

II. Basis for opinion

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

III. Key audit items

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

(I) Revenue recognition

1. Description

Details of relevant information are disclosed in V.34, V.37, and VII.61 of Section X.

Appotronics is mainly engaged in research, development, production, sales and leasing of laser display core components and complete equipment. In 2024, the operating revenue of Appotronics amounted to RMB 2,418,574,391.82, of which the sales of laser display core components, complete equipment, and other products were RMB 2,097,409,823.49, representing 86.72% of the total operating revenue, and lease incomes were RMB 321,164,568.33, representing 13.28% of the total operating revenue.

As the operating revenue is one of Appotronics's KPIs, there may be an inherent risk that the management of Appotronics (hereinafter referred to as "management") may recognize the revenue inappropriately to achieve specific objectives or expectations. Therefore, we identified revenue recognition as a key audit matter.

2. Description of how the key audit matter was addressed in the audit

For revenue recognition, our audit procedures include, inter alia:

(1) Understand the key internal controls related to revenue recognition, evaluate the design of those controls, determine whether they are implemented, and test the operational effectiveness of the relevant internal controls;

(2) Examine major sales contracts and lease contracts, understand the major provisions or conditions thereof, and evaluate whether revenue recognition methods are appropriate;

(3) Implement analysis procedures for operating revenue and gross margin by month, product, customer, etc., to identify whether there are significant or unusual and to find out the causes thereof;

(4) For sales incomes, select projects to check relevant supporting documents, including, among other things, sales contracts or orders, sales invoices, warehouse receipts, delivery notes, transport information, and customer signature forms; for lease incomes, select projects to check lease contracts or supporting documents such as orders, unit lease price per hour, number of hours consumed, and invoices; and for incomes from overseas sales, select projects to check supporting documents such as the sales contracts, export customs declaration forms, bills of lading, and sales invoices;

(5) In conjunction with confirmation procedures for accounts receivable and contract assets, select projects to check the sales amounts;

(6) Conduct the cut-off test to check whether incomes were recognized during a proper period;

(7) Obtain a record of sales returns after the balance sheet date to check if there is any instance that conditions for revenue recognition were not met at the balance sheet date;

(8) Check whether information relative to operating revenue is properly presented in the financial statements.

(II) Net realizable value of inventories

1. Description

Details of relevant information are disclosed in V.16 and VII.10 of Section X.

As of December 31, 2024, the carrying amount of inventories of Appotronics amounted to RMB 709,823,682.85, and provisions for decline in value of inventories amounted to RMB 114,304,437.66, hence the book value of inventories amounted to RMB 595,519,245.19.

Inventories are measured at the lower of cost and net realizable value. The management determines the net realizable value as the estimated selling price less the estimated costs of completion, and the estimated costs necessary to make the sale and relevant taxes. The amount of inventories is material and the determination of the net realizable value of inventories involves significant management judgment, therefore, we identified the determination of the net realizable value of inventories as a key audit matter.

2. Description of how the key audit matter was addressed in the audit

For the net realizable value of inventories, our audit procedures include, inter alia:

- (1) Understand the key internal controls related to the net realizable value of inventories, evaluate the design of those controls, determine whether they are implemented, and test the operational effectiveness of the relevant internal controls;
- (2) Select projects to check the reasonableness of the estimated selling prices of inventories, and review whether the estimated selling prices were consistent with historical data and subsequent situations;
- (3) Evaluate the appropriateness of the management's estimates on the estimated costs of completion of inventories and the estimated costs necessary to make the sale and relevant taxes;
- (4) Test the accuracy of the management's calculation on the net realizable value of inventories;
- (5) Evaluate the reasonableness of the management's estimates on the net realizable value of inventories by checking inventories recognized at the end of the period in terms of long age, obsolescence, changes in technology or market demand in conjunction with inventory monitoring;
- (6) Check whether information relative to the net realizable value of inventories is properly presented in the financial statements.

IV. Other information

The management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

V. Responsibilities of the management and those charged with governance with respect to the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance of Appotronics (hereinafter referred to as "those charged with

governance”) are responsible for overseeing Appotronics’s financial reporting process.

VI. Certified public accounts’ responsibilities for audit of financial statements

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

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

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

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

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

(IV) Conclude on the appropriateness of the management’s use of the going concern basis of accounting. Meanwhile, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Appotronics’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the Auditing Standards of China to draw users’ attention in our auditor’s report to the related disclosures in the financial statements. If such disclosures are inadequate, we are supposed to express an unqualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Appotronics to cease to continue as a going concern.

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

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

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

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

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

Pan-China Certified Public Accountants
(Special General Partnership)

Chinese Certified Public Accountant: WEI Biaowen
(Partner in Charge)

Hangzhou City, China

Chinese Certified Public Accountant: NIU Chunjun

April 28, 2025

II. Financial Statements

Consolidated Balance Sheet

December 31, 2024

Prepared by: Appotronics Corporation Limited

In RMB

Item	Note	December 31, 2024	December 31, 2023
Current Assets:			
Cash and bank balances	VII. 1	1,654,769,306.21	1,386,828,549.06
Balances with clearing agencies			
Placements with banks and other financial institutions			
Held-for-trading financial assets	VII. 2	179,936,739.21	514,010,000.00
Derivative financial assets			
Notes receivable	VII. 4	4,749,524.13	8,951,308.71
Accounts receivable	VII. 5	310,195,322.17	180,290,007.90
Receivables financing	VII. 7	12,552,177.09	11,387,400.00
Prepayments	VII. 8	31,091,853.76	35,112,661.82
Premiums receivable			
Amounts receivable under reinsurance contracts			
Reinsurance contract reserves receivable			
Other receivables	VII. 9	45,104,401.76	30,698,687.55
Where: Interests receivable			
Dividends receivable		14,233,032.00	14,023,746.00
Financial assets purchased under resale agreements			
Inventories	VII. 10	595,519,245.19	656,346,799.67
Where: Data resources			
Contract assets	VII. 6	1,741,984.19	1,664,740.29
Held-for-sale assets			
Non-current assets due within one year	VII. 12	54,729,347.74	41,997,218.73
Other current assets	VII. 13	65,416,667.70	48,417,270.11
Total current assets		2,955,806,569.15	2,915,704,643.84
Non-current Assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	VII. 16	37,190,876.33	26,000,543.13
Long-term equity investment	VII. 17	6,242,039.74	144,726,776.43
Investment in other equity instruments	VII. 18	7,075,419.38	7,075,419.38
Other non-current financial assets	VII. 19	84,000,000.04	
Investment properties			
Fixed assets	VII. 21	272,101,764.36	336,276,793.84
Construction in progress	VII. 22	406,450,625.01	347,777,138.86
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII. 25	108,676,133.66	40,016,903.67
Intangible assets	VII. 26	272,019,178.23	281,961,046.22
Where: Data resources			
Development expenditure			
Where: Data resources			

Goodwill			
Long-term prepaid expenses	VII. 28	1,638,295.71	6,318,145.33
Deferred tax assets	VII. 29	90,057,468.25	85,364,732.19
Other non-current assets	VII. 30	14,404,981.14	29,348,748.27
Total non-current assets		1,299,856,781.85	1,304,866,247.32
Total assets		4,255,663,351.00	4,220,570,891.16
Current Liabilities:			
Short-term borrowings	VII. 32	86,796,568.44	80,036,500.00
Loans from the central bank			
Taking from banks and other financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII. 35	184,786,728.04	76,001,079.07
Accounts payable	VII. 36	351,760,010.32	247,318,466.10
Advance from customers	VII. 37	91,209,867.92	110,573,711.24
Contract liabilities	VII. 38	43,722,313.68	45,416,445.99
Financial assets sold under repurchase agreements			
Customer deposits and deposits from banks and other financial institutions			
Funds from securities trading agency			
Funds from underwriting securities agency			
Employee benefits payable	VII. 39	59,921,145.44	66,874,234.47
Taxes payable	VII. 40	25,262,217.19	6,142,704.23
Other payables	VII. 41	73,987,139.27	54,142,509.17
Where: Interests payable			
Dividends payable			
Fees and commissions payable			
Amounts payable under reinsurance contracts			
Held-for-sale liabilities			
Non-current liabilities due within one year	VII. 43	216,244,559.49	268,748,151.67
Other current liabilities	VII. 44	63,559,833.08	18,441,685.83
Total current liabilities		1,197,250,382.87	973,695,487.77
Non-current Liabilities:			
Insurance contract reserves			
Long-term borrowings	VII. 45	282,083,548.67	370,649,631.22
Bonds payable			
Where: Preferred shares			
Perpetual bonds			
Lease liabilities	VII. 47	71,996,166.91	15,548,985.71
Long-term payables			
Long-term employee benefits payable			
Provisions	VII. 50	30,299,456.94	58,180,985.08
Deferred income	VII. 51	2,245,051.44	4,627,972.56
Deferred tax liabilities	VII. 29	1,908,071.13	1,229,654.81
Other non-current liabilities			
Total non-current liabilities		388,532,295.09	450,237,229.38
Total liabilities		1,585,782,677.96	1,423,932,717.15
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or share capital)	VII. 53	459,291,145.00	462,211,338.00
Other equity instruments			

Where: Preferred shares			
Perpetual bonds			
Capital reserve	VII. 55	1,554,154,511.33	1,616,489,567.43
Less: Treasury shares	VII. 56	29,891,962.32	19,377,297.59
Other comprehensive income	VII. 57	8,631,417.00	7,550,073.78
Special reserve			
Surplus reserve	VII. 59	103,160,084.90	84,873,365.32
General risk reserve			
Undistributed profit	VII. 60	644,702,699.21	667,122,406.05
Total owners' (or shareholders') equity attributable to owners of the parent company		2,740,047,895.12	2,818,869,452.99
Minority interests		-70,167,222.08	-22,231,278.98
Total owners' (or shareholders') equity		2,669,880,673.04	2,796,638,174.01
Total liabilities and owners' (or shareholders') equity		4,255,663,351.00	4,220,570,891.16

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

Person in Charge of the Accounting Body: WANG Yingxia

Balance Sheet of the Parent Company

December 31, 2024

Prepared by: Appotronics Corporation Limited

In RMB

Item	Note	December 31, 2024	December 31, 2023
Current Assets:			
Cash and bank balances		1,020,846,037.36	885,876,318.51
Held-for-trading financial assets		179,936,739.21	514,010,000.00
Derivative financial assets			
Notes receivable		1,030,535.38	8,951,308.71
Accounts receivable	XIX. 1	715,107,773.55	462,480,236.37
Receivables financing		8,150,517.59	5,996,000.00
Prepayments		5,646,576.09	6,081,606.52
Other receivables	XIX. 2	376,457,464.45	14,978,163.24
Where: Interests receivable			
Dividends receivable			
Inventories		367,365,044.39	360,986,333.90
Where: Data resources			
Contract assets		1,442,326.11	1,664,740.29
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		49,714,490.31	26,620,443.94
Total current assets		2,725,697,504.44	2,287,645,151.48
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investment	XIX. 3	228,028,648.71	469,318,028.03
Investment in other equity		7,075,419.38	7,075,419.38

instruments			
Other non-current financial assets			
Investment properties			
Fixed assets		85,547,516.22	65,177,438.43
Construction in progress		404,633,797.74	344,481,907.55
Productive biological assets			
Oil and gas assets			
Right-of-use assets		100,705,373.30	30,017,024.96
Intangible assets		273,363,252.63	283,883,645.37
Where: Data resources			
Development expenditure			
Where: Data resources			
Goodwill			
Long-term prepaid expenses			1,450,084.92
Deferred tax assets		42,151,345.83	33,459,331.86
Other non-current assets		14,188,217.04	28,174,416.97
Total non-current assets		1,155,693,570.85	1,263,037,297.47
Total assets		3,881,391,075.29	3,550,682,448.95
Current Liabilities:			
Short-term borrowings		60,039,666.67	50,010,833.33
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		114,534,948.51	31,461,205.72
Accounts payable		298,251,262.60	274,312,877.51
Advance from customers			
Contract liabilities		23,795,144.98	18,743,336.81
Employee benefits payable		30,404,555.82	34,021,863.01
Taxes payable		2,134,398.71	3,596,744.97
Other payables		41,085,026.39	15,161,050.55
Where: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		124,107,675.92	61,007,143.63
Other current liabilities		1,674,928.55	3,912,927.75
Total current liabilities		696,027,608.15	492,227,983.28
Non-current Liabilities:			
Long-term borrowings		222,035,737.95	233,506,228.03
Bonds payable			
Where: Preferred shares			
Perpetual bonds			
Lease liabilities		68,371,600.68	10,326,879.29
Long-term payables			
Long-term employee benefits payable			
Provisions		18,353,405.52	20,925,309.05
Deferred income		1,199,899.95	2,718,881.63
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		309,960,644.10	267,477,298.00
Total liabilities		1,005,988,252.25	759,705,281.28
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or share capital)		459,291,145.00	462,211,338.00
Other equity instruments			
Where: Preferred shares			
Perpetual bonds			

Capital reserve		1,572,337,894.75	1,625,258,496.25
Less: Treasury shares		29,891,962.32	19,377,297.59
Other comprehensive income			
Special reserve			
Surplus reserve		101,882,544.17	83,595,824.59
Undistributed profit		771,783,201.44	639,288,806.42
Total owners' (or shareholders') equity		2,875,402,823.04	2,790,977,167.67
Total liabilities and owners' (or shareholders') equity		3,881,391,075.29	3,550,682,448.95

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

Person in Charge of the Accounting Body: WANG Yingxia

Consolidated Income Statement

January to December 2024

In RMB

Item	Note	2024	2023
I. Total operating revenue		2,418,574,391.82	2,213,356,977.95
Where: Operating revenue	VII. 61	2,418,574,391.82	2,213,356,977.95
Interest income			
Premiums earned			
Fee and commission income			
II. Total operating costs		2,330,190,129.40	2,138,781,888.21
Where: Operating costs	VII. 61	1,733,837,423.57	1,435,201,005.16
Interest expenses			
Fee and commission expenses			
Surrenders			
Claims and policyholder benefits (net of amounts recoverable from reinsurers)			
Net withdrawal of insurance contract reserves			
Insurance policyholder dividends			
Expenses for reinsurance accepted			
Taxes and surcharges	VII. 62	9,140,381.25	7,768,044.95
Selling expenses	VII. 63	186,516,285.46	277,237,296.91
Administrative expenses	VII. 64	163,191,057.84	157,092,724.49
R&D expenses	VII. 65	247,712,822.82	280,932,800.35
Financial expenses	VII. 66	-10,207,841.54	-19,449,983.65
Where: Interest expense		18,362,266.61	18,635,749.36
Interest income		29,049,115.23	34,298,315.94
Add: Other income	VII. 67	28,750,076.13	41,442,072.61
Investment income (loss is indicated by "-")	VII. 68	-20,601,487.88	568,352.18
Where: Income from investments in associates and joint ventures		-5,063,347.06	-12,002,779.90
Gains from derecognition of financial assets measured at amortized cost			
Foreign exchange gains (loss is indicated by "-")			
Gains from net exposure hedges			

(loss is indicated by “-”)			
Gains from changes in fair values (loss is indicated by “-”)	VII. 70	-4,184,266.41	130,000.00
Losses of credit impairment (loss is indicated by “-”)	VII. 71	-16,298,325.68	-6,979,447.80
Impairment losses of assets (loss is indicated by “-”)	VII. 72	-67,906,117.80	-74,260,854.74
Gains from disposal of assets (loss is indicated by “-”)	VII. 73	-287,204.24	151,469.26
III. Operating profit (loss is indicated by “-”)		7,856,936.54	35,626,681.25
Add: Non-operating revenue	VII. 74	3,044,544.00	9,880,662.10
Less: Non-operating expenses	VII. 75	3,484,377.43	7,832,364.17
IV. Total profits (total losses are indicated by “-”)		7,417,103.11	37,674,979.18
Less: Income tax expenses	VII. 76	13,301,492.43	20,058,698.03
V. Net profits (net losses are indicated by “-”)		-5,884,389.32	17,616,281.15
(I) Categorized by the continuity of operation			
1. Net profits from continuing operations (net losses are indicated by “-”)		-5,884,389.32	17,616,281.15
2. Net profits from discontinued operations (net losses are indicated by “-”)			
(II) Categorized by the ownership			
1. Net profits attributable to shareholders of the parent company (net losses are indicated by “-”)		27,953,093.89	103,186,743.57
2. Profits or losses attributable to minority shareholders (net losses are indicated by “-”)		-33,837,483.21	-85,570,462.42
VI. Other comprehensive income, net of tax		763,914.35	1,121,927.11
(I) Other comprehensive income that can be attributable to owners of the parent company, net of tax		1,081,343.22	1,813,176.37
1. Other comprehensive income that cannot be reclassified subsequently to profit or loss			
(1) Changes from remeasurement of defined benefit plans			
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
(3) Changes in fair value of investments in other equity instruments			
(4) Changes in fair value of enterprises' own credit risks			
2. Other comprehensive income that will be reclassified to profit or loss		1,081,343.22	1,813,176.37
(1) Other comprehensive income that will be reclassified to profit or loss under the equity method		16,306,810.51	-3,126,210.45
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified to other comprehensive income			
(4) Provision for credit impairment of			

other debt investments			
(5) Reserve for cash flow hedges			
(6) Exchange differences on translation of financial statements denominated in foreign currencies		-15,225,467.29	4,939,386.82
(7) Others			
(II) Other comprehensive income that can be attributable to minority shareholders, net of tax		-317,428.87	-691,249.26
VII. Total comprehensive income		-5,120,474.97	18,738,208.26
(I) Total comprehensive income that can be attributable to owners of the parent company		29,034,437.11	104,999,919.94
(II) Total comprehensive income that can be attributable to minority shareholders		-34,154,912.08	-86,261,711.68
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.06	0.23
(II) Diluted earnings per share (RMB/share)		0.06	0.22

In the event of business combinations involving entities under common control, the net profits realized prior to the combination by the party being absorbed is: RMB 0.00, and the net profits realized in the last period by the party being absorbed is: RMB 0.

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

Person in Charge of the Accounting Body: WANG Yingxia

Income Statement of the Parent Company

January to December 2024

In RMB

Item	Note	2024	2023
I. Operating revenue	XIX. 4	1,634,247,969.49	1,120,351,462.42
Less: Operating costs	XIX. 4	1,325,107,966.02	792,526,113.10
Taxes and surcharges		7,340,087.32	6,174,264.79
Selling expenses		48,918,115.43	73,251,699.51
Administrative expenses		88,835,613.75	65,588,918.77
R&D expenses		161,599,246.73	161,343,424.73
Financial expenses		-19,062,251.51	-26,883,193.36
Where: Interest expense		6,606,969.64	6,304,697.96
Interest income		26,181,081.79	29,873,828.03
Add: Other income		20,692,328.94	28,781,626.24
Investment income (loss is indicated by “-”)	XIX. 5	175,975,744.06	19,652,860.44
Where: Income from investments in associates and joint ventures		-1,124,968.52	-163,837.89
Gains from derecognition of financial assets measured at amortized cost			
Gains from net exposure hedges (loss is indicated by “-”)			
Gains from changes in fair values (loss is indicated by “-”)		11,999,239.21	130,000.00
Losses of credit impairment (loss is		-17,346,903.73	-5,325,094.56

indicated by “-”)			
Impairment losses of assets (loss is indicated by “-”)		-40,486,444.93	-11,148,568.14
Gains from disposal of assets (loss is indicated by “-”)		-1,527.32	30,476.32
II. Operating profit (loss is indicated by “-”)		172,341,627.98	80,471,535.18
Add: Non-operating revenue		734,215.51	542,346.47
Less: Non-operating expenses		1,489,878.69	240,165.57
III. Total profits (total losses are indicated by “-”)		171,585,964.80	80,773,716.08
Less: Income tax expenses		-11,281,230.95	-12,762,116.47
IV. Net profits (net losses are indicated by “-”)		182,867,195.75	93,535,832.55
(I) Net profits from continuing operations (net losses are indicated by “-”)		182,867,195.75	93,535,832.55
(II) Net profits from discontinued operations (net losses are indicated by “-”)			
V. Other comprehensive income, net of tax			
(I) Other comprehensive income that cannot be reclassified subsequently to profit or loss			
1. Changes from remeasurement of defined benefit plans			
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in fair value of enterprises' own credit risks			
(II) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that will be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Reserve for cash flow hedges			
6. Exchange differences on translation of financial statements denominated in foreign currencies			
7. Others			
VI. Total comprehensive income		182,867,195.75	93,535,832.55
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

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

Person in Charge of the Accounting Body: WANG Yingxia

Consolidated Cash Flow Statement

January to December 2024

In RMB

Item	Note	2024	2023
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		2,472,468,080.89	2,387,449,326.09
Net increase in customer deposits and deposits from banks and other financial institutions			
Net increase in loans from the central bank			
Net increase in taking from banks and other financial institutions			
Cash receipts from premiums under direct insurance contracts			
Net cash receipts from reinsurance business			
Net cash receipts from policyholders' deposits and investment contract liabilities			
Cash receipts from interest, fees and commissions			
Net increase in taking from banks			
Net increase in financial assets sold under repurchase arrangements			
Net cash received from securities trading agencies			
Receipts of tax refunds		12,708,614.45	51,043,896.71
Other cash receipts related to operating activities	VII. 78	65,898,802.74	152,471,883.59
Subtotal of cash inflows from operating activities		2,551,075,498.08	2,590,965,106.39
Cash payments for goods purchased and services received		1,488,109,460.99	1,407,604,578.45
Net increase in loans and advances to customers			
Net increase in balance with the central bank and due from banks and other financial institutions			
Cash payments for claims and policyholders' benefits under direct insurance contracts			
Net increase in placements with banks and other financial institutions			
Cash payments for interest, fees and commissions			
Cash payments for insurance policyholder dividends			
Cash payments to and on behalf of employees		422,273,530.23	445,173,399.88
Payments of various types of taxes		89,142,075.67	68,408,617.04
Other cash payments related to operating activities	VII. 78	464,329,786.02	305,696,455.94
Subtotal of cash outflows from operating activities		2,463,854,852.91	2,226,883,051.31
Net cash flow from operating activities		87,220,645.17	364,082,055.08

II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments	VII. 78	1,912,000,000.00	1,628,530,000.00
Cash receipts from investment income		35,834,257.51	12,571,132.08
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		1,518,565.36	536,758.74
Net cash receipts from disposals of subsidiaries and other business units			
Other cash receipts related to investing activities			
Subtotal of cash inflows from investing activities		1,949,352,822.87	1,641,637,890.82
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		89,039,158.51	115,247,559.31
Cash payments to acquire investments	VII. 78	1,625,000,001.00	1,835,530,000.00
Net increase in pledged loans receivables			
Net cash payments for acquisitions of subsidiaries and other business units			19,724,965.16
Other cash payments related to investing activities			
Subtotal of cash outflows from investing activities		1,714,039,159.51	1,970,502,524.47
Net cash flows from investment activities		235,313,663.36	-328,864,633.65
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		46,113,350.89	87,810,995.80
Where: Cash receipts from capital contributions from minority shareholders of subsidiaries			
Cash receipts from borrowings		230,808,800.85	345,599,598.92
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities		276,922,151.74	433,410,594.72
Cash repayments of borrowings		335,263,441.33	333,613,131.18
Cash payments for distribution of dividends or profits or settlement of interest expenses		78,637,160.24	63,555,733.03
Where: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		23,478,300.00	11,040,000.00
Other cash payments related to financing activities	VII. 78	158,531,667.64	34,444,716.79
Subtotal of cash outflows from financing activities		572,432,269.21	431,613,581.00
Net cash flows from financing activities		-295,510,117.47	1,797,013.72
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		1,662,685.05	6,252,057.48
V. Net Increase in Cash and Cash Equivalents		28,686,876.11	43,266,492.63
Add: Opening balance of cash and cash equivalents		1,297,848,895.75	1,254,582,403.12
VI. Closing Balance of Cash and Cash		1,326,535,771.86	1,297,848,895.75

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

Person in Charge of the Accounting Body: WANG Yingxia

Cash Flow Statement of the Parent Company

January to December 2024

In RMB

Item	Note	2024	2023
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		1,505,375,577.65	1,449,090,688.82
Receipts of tax refunds		5,856,981.85	2,864,310.29
Other cash receipts related to operating activities		36,308,869.74	45,454,875.70
Subtotal of cash inflows from operating activities		1,547,541,429.24	1,497,409,874.81
Cash payments for goods purchased and services received		1,343,140,721.41	830,707,158.00
Cash payments to and on behalf of employees		221,240,282.89	268,406,978.19
Payments of various types of taxes		36,071,194.79	22,487,347.11
Other cash payments related to operating activities		84,922,617.58	56,811,448.09
Subtotal of cash outflows from operating activities		1,685,374,816.67	1,178,412,931.39
Net cash flow from operating activities		-137,833,387.43	318,996,943.42
II. Cash Flows from Investing Activities:			
Cash receipts from disposals of investments		1,652,000,000.00	1,628,530,000.00
Cash receipts from investment income		178,087,297.16	19,816,698.33
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		1,265,133.98	306,703.74
Net cash receipts from disposals of subsidiaries and other business units			
Other cash receipts related to investing activities		12,261,947.52	13,463,816.00
Subtotal of cash inflows from investing activities		1,843,614,378.66	1,662,117,218.07
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		85,890,900.45	101,218,671.62
Cash payments to acquire investments		1,430,680,716.00	1,849,343,800.00
Net cash payments for acquisitions of subsidiaries and other business units			
Other cash payments related to investing activities		21,178,392.42	6,615,975.54
Subtotal of cash outflows from investing activities		1,537,750,008.87	1,957,178,447.16
Net cash flows from investment activities		305,864,369.79	-295,061,229.09

III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		46,113,350.89	87,810,995.80
Cash receipts from borrowings		155,230,654.50	215,599,598.92
Other cash receipts related to financing activities		39,131,844.86	21,408.88
Subtotal of cash inflows from financing activities		240,475,850.25	303,432,003.60
Cash repayments of borrowings		103,463,441.33	100,093,137.18
Cash payments for distribution of dividends or profits or settlement of interest expenses		42,422,659.30	34,742,560.84
Other cash payments related to financing activities		187,525,363.12	26,087,400.44
Subtotal of cash outflows from financing activities		333,411,463.75	160,923,098.46
Net cash flows from financing activities		-92,935,613.50	142,508,905.14
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-224,866.28	3,601,784.10
V. Net Increase in Cash and Cash Equivalents		74,870,502.58	170,046,403.57
Add: Opening balance of cash and cash equivalents		805,019,178.89	634,972,775.32
VI. Closing Balance of Cash and Cash Equivalents		879,889,681.47	805,019,178.89

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

Person in Charge of the Accounting Body: WANG Yingxia

Consolidated Statement of Changes in Owners' Equity

January to December 2024

In RMB

Item	2024														
	Equity attributable to owners of the parent company												Minority interests	Total owner's equity	
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others			Subtotal
Preferred shares		Perpetual bonds	Others												
I. Closing balance of last year	462,211,338.00				1,616,489,567.43	19,377,297.59	7,550,073.78		84,873,365.32		667,122,406.05		2,818,869,452.99	-22,231,278.98	2,796,638,174.01
Add: Changes in accounting policies															
Corrections of prior period errors															
Others															
II. Opening balance of the current year	462,211,338.00				1,616,489,567.43	19,377,297.59	7,550,073.78		84,873,365.32		667,122,406.05		2,818,869,452.99	-22,231,278.98	2,796,638,174.01
III. Changes for the year (decrease is indicated by “-”)	-2,920,193.00				-62,335,056.10	10,514,664.73	1,081,343.22		18,286,719.58		-22,419,706.84		-78,821,557.87	-47,935,943.10	-126,757,500.97
(I) Total comprehensive income							1,081,343.22				27,953,093.89		29,034,437.11	-34,154,912.08	-5,120,474.97
(II) Owners’ contributions and reduction in capital	-2,920,193.00				-63,865,902.25	10,514,664.73							-77,300,759.98	9,697,268.98	-67,603,491.00
1. Ordinary shares contributed	2,922,290.00				43,191,060.89								46,113,350.89		46,113,350.89

by owners															
2. Capital contribution from holders of other equity instruments															
3. Share-based payment recognized in owners' equity					5,286,386.03							5,286,386.03	541,774.42	5,828,160.45	
4. Others	-5,842,483.00				-112,343,349.17	10,514,664.73						-128,700,496.90	9,155,494.56	-119,545,002.34	
(III) Profit distribution									18,286,719.58		-50,372,800.73	-32,086,081.15	-23,478,300.00	-55,564,381.15	
1. Transfer to surplus reserve									18,286,719.58		-18,286,719.58				
2. Transfer to general risk reserve															
3. Distributions to owners (or shareholders)											-32,086,081.15	-32,086,081.15	-23,478,300.00	-55,564,381.15	
4. Others															
(IV) Transfers within owners' equity															
1. Capitalization of capital reserve															
2. Capitalization of surplus reserve															
3. Loss offset by surplus reserve															

4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserve															
1. Transfer to special reserve in the period															
2. Amount utilized in the period															
(VI) Others					1,530,846.15							1,530,846.15		1,530,846.15	
IV. Closing balance of the current year	459,291,145.00				1,554,154,511.33	29,891,962.32	8,631,417.00		103,160,084.90		644,702,699.21		2,740,047,895.12	-70,167,222.08	2,669,880,673.04

Item	2023														
	Equity attributable to owners of the parent company													Minority interests	Total owner’s equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehens ive income	Speci al reser ve	Surplus reserve	Genera l risk reserve	Undistributed profits	O t h e r s	Subtotal		
		Preferre d shares	Perpetu al bonds	Others											
I. Closing balance of last year	457,107,538.00				1,530,752,116.04	19,377,297.59	5,736,897.41		75,519,782.06		597,924,451.67		2,647,663,487.59	93,855,136.07	2,741,518,623.66
Add: Changes in															

accounting policies															
Corrections of prior period errors															
Others															
II. Opening balance of the current year	457,107,538.00				1,530,752,116.04	19,377,297.59	5,736,897.41		75,519,782.06		597,924,451.67		2,647,663,487.59	93,855,136.07	2,741,518,623.66
III. Changes for the year (decrease is indicated by “-.”)	5,103,800.00				85,737,451.39		1,813,176.37		9,353,583.26		69,197,954.38		171,205,965.40	-116,086,415.05	55,119,550.35
(I) Total comprehensive income							1,813,176.37				103,186,743.57		104,999,919.94	-86,261,711.68	18,738,208.26
(II) Owners’ contributions and reduction in capital	5,103,800.00				85,737,451.39								90,841,251.39	-18,784,703.37	72,056,548.02
1. Ordinary shares contributed by owners	5,103,800.00				82,707,195.80								87,810,995.80		87,810,995.80
2. Capital contribution from holders of other equity instruments															
3. Share-based payment recognized in owners’ equity					2,758,753.70								2,758,753.70	2,591,763.68	5,350,517.38
4. Others					271,501.89								271,501.89	-21,376,467.05	-21,104,965.16
(III) Profit distribution									9,353,583.26		-33,988,789.19		-24,635,205.93	-11,040,000.00	-35,675,205.93
1. Transfer to surplus reserve									9,353,583.26		-9,353,583.26				

2. Transfer to general risk reserve															
3. Distributions to owners (or shareholders)											-24,635,205.93		-24,635,205.93	-11,040,000.00	-35,675,205.93
4. Others															
(IV) Transfers within owners' equity															
1. Capitalization of capital reserve															
2. Capitalization of surplus reserve															
3. Loss offset by surplus reserve															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserve															

1. Transfer to special reserve in the period															
2. Amount utilized in the period															
(VI) Others															
IV. Closing balance of the current year	462,211,338.00				1,616,489,567.43	19,377,297.59	7,550,073.78		84,873,365.32		667,122,406.05		2,818,869,452.99	-22,231,278.98	2,796,638,174.01

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

Statement of Changes in Owners' Equity of the Parent Company
January to December 2024

In RMB

Item	2024										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owner's equity
		Preferred shares	Perpetual bonds	Others							
I. Closing balance of last year	462,211,338.00				1,625,258,496.25	19,377,297.59			83,595,824.59	639,288,806.42	2,790,977,167.67
Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Opening balance of the current year	462,211,338.00				1,625,258,496.25	19,377,297.59			83,595,824.59	639,288,806.42	2,790,977,167.67
III. Changes for the year (decrease is indicated by “-”)	-2,920,193.00				-52,920,601.50	10,514,664.73			18,286,719.58	132,494,395.02	84,425,655.37
(I) Total comprehensive income										182,867,195.75	182,867,195.75
(II) Owners' contributions and reduction in capital	-2,920,193.00				-54,451,447.65	10,514,664.73					-67,886,305.38
1. Ordinary shares contributed by owners	2,922,290.00				43,191,060.89						46,113,350.89

2. Capital contribution from holders of other equity instruments											
3. Share-based payment recognized in owners' equity					5,432,785.09						5,432,785.09
4. Others	-5,842,483.00				-103,075,293.63	10,514,664.73					-119,432,441.36
(III) Profit distribution									18,286,719.58	-50,372,800.73	-32,086,081.15
1. Transfer to surplus reserve									18,286,719.58	-18,286,719.58	
2. Distributions to owners (or shareholders)										-32,086,081.15	-32,086,081.15
3. Others											
(IV) Transfers within owners' equity											
1. Capitalization of capital reserve											
2. Capitalization of surplus reserve											
3. Loss offset by surplus reserve											
4. Retained earnings carried forward from changes in defined benefit plans											
5. Retained earnings carried forward from other comprehensive income											
6. Others											
(V) Special reserve											
1. Transfer to special reserve in the period											
2. Amount utilized in the period											
(VI) Others					1,530,846.15						1,530,846.15
IV. Closing balance of the current year	459,291,145.00				1,572,337,894.75	29,891,962.32			101,882,544.17	771,783,201.44	2,875,402,823.04

Item	2023										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owner's equity
		Preferred shares	Perpetual bonds	Others							
I. Closing balance of last year	457,107,538.00				1,541,789,874.63	19,377,297.59			74,242,241.33	579,741,763.06	2,633,504,119.43

Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Opening balance of the current year	457,107,538.00				1,541,789,874.63	19,377,297.59			74,242,241.33	579,741,763.06	2,633,504,119.43
III. Changes for the year (decrease is indicated by “-”)	5,103,800.00				83,468,621.62				9,353,583.26	59,547,043.36	157,473,048.24
(I) Total comprehensive income										93,535,832.55	93,535,832.55
(II) Owners’ contributions and reduction in capital	5,103,800.00				83,468,621.62						88,572,421.62
1. Ordinary shares contributed by owners	5,103,800.00				82,707,195.80						87,810,995.80
2. Capital contribution from holders of other equity instruments											
3. Share-based payment recognized in owners’ equity					761,425.82						761,425.82
4. Others											
(III) Profit distribution									9,353,583.26	-33,988,789.19	-24,635,205.93
1. Transfer to surplus reserve									9,353,583.26	-9,353,583.26	
2. Distributions to owners (or shareholders)										-24,635,205.93	-24,635,205.93
3. Others											
(IV) Transfers within owners’ equity											
1. Capitalization of capital reserve											
2. Capitalization of surplus reserve											
3. Loss offset by surplus reserve											
4. Retained earnings carried forward from changes in defined benefit plans											
5. Retained earnings carried forward from other comprehensive income											
6. Others											
(V) Special reserve											
1. Transfer to special reserve in the period											
2. Amount utilized in the period											
(VI) Others											

IV. Closing balance of the current year	462,211,338.00				1,625,258,496.25	19,377,297.59			83,595,824.59	639,288,806.42	2,790,977,167.67
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Principal of the Company: LI Yi Person in Charge of the Accounting Work: WANG Yingxia Person in Charge of the Accounting Body: WANG Yingxia

III. Company Profile

1. Profile

☒ Applicable ☐ N/A

Appotronics Corporation Limited (hereinafter referred to as “Company” or “the Company”), formally named as Shenzhen Appotronics Optoelectronics Technology Inc. (hereinafter referred to as “Appotronics Inc.”), was jointly invested and established by LI Yi and XU Yanzheng, registered in Nanshan Branch of Market Supervision and Regulation Bureau of Shenzhen Municipality on October 24, 2006, and headquartered in Shenzhen City, Guangdong Province. The Company holds the business license bearing the unified social credit code of 91440300795413991N. Its registered capital is RMB 459,291,145.00 divided into 459,291,145 shares (RMB 1.00 per share), including 459,291,145 unrestricted A shares. The Company’s shares were listed for trading on Shanghai Stock Exchange on July 22, 2019.

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

These financial statements have been approved by the 7th meeting of the third Board of Directors on April 28, 2025 for public disclosure.

IV. Basis of Preparation of Financial Statements

1. Basis of preparation

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

2. Going concern

☒ Applicable ☐ N/A

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

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates:

☒ Applicable ☐ N/A

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

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

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

2. Accounting period

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

3. Operating cycle

√ Applicable □ N/A

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

4. Functional currency

The Company adopts RMB as its functional currency.

5. Method and basis for determination of materiality

√ Applicable □ N/A

The Company prepares and discloses financial statements on the principle of materiality. With respect to matters involving materiality determination criteria for the disclosure in the notes to these financial statements, the method for determining and the basis for selecting the materiality criteria are as follows:

Item	Materiality standard
Significant accounts receivable for which the provision for bad debts is made individually	The individual amount is greater than 0.3% of the total assets
Recovery or reversal of the provision for bad debts for significant accounts receivable	The individual amount is greater than 0.3% of the total assets
Significant accounts receivable written off	The individual amount is greater than 0.3% of the total assets
Major change in the book value of contract assets	The individual amount is greater than 0.3% of the total assets
Significant prepayments aged more than 1 year	The individual amount is greater than 0.3% of the total assets
Significant dividends receivable aged more than 1 year	The individual amount is greater than 0.3% of the total assets
Significant construction in progress	The total amount of an individual project is greater than 0.3% of the total assets
Significant cash flow from investing activities	The individual amount is greater than 10% of the total assets
Significant overseas operating entities	The total assets/total revenue exceeds 15% of the group's total assets/total revenue
Significant subsidiaries and	The total assets/total revenue exceeds 15% of the group's total

non-wholly-owned subsidiaries	assets/total revenue
Significant joint ventures or associates	The Company considers an associate whose total assets/total revenue exceeds 10% of the group's total assets/total revenue as a significant associate
Significant contingencies	The individual amount is greater than 0.5% of the total assets
Significant events after the balance sheet date	The individual amount is greater than 10% of the net profit attributable to shareholders of the parent company for the current period and greater than RMB 10.0000 million

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

√ Applicable □ N/A

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

Assets and liabilities acquired from a business combination by the Company are measured at the carrying amounts of the assets and liabilities of the combined party in the consolidated financial statements of the ultimate controller at the date of combination. The Company made adjustment to capital reserves according to the differences between the shares in the owners' equity of the combined party on the consolidated financial statements of the ultimate controlling party and the book value of paid combination considerations or the face value of issued shares. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

2. Accounting method for business combinations not involving entities under common control

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

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

√ Applicable □ N/A

1. Determination of control

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

2. Method of preparation of the financial statements

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

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

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

√ Applicable ☐ N/A

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

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

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

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

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

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

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

9. Recognition of cash and cash equivalents

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

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

√ Applicable ☐ N/A

1. Translation of transactions denominated in foreign currencies

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

2. Translation of financial statements denominated in foreign currencies

Asset and liability items on the balance sheet are translated at the spot exchange rate prevailing at

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

11. Financial instruments

√ Applicable □ N/A

1. Classification of financial assets and financial liabilities

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

Upon initial recognition, the Company's financial liabilities are classified into four categories, including (1) financial liabilities at fair value through profit or loss for the current period; (2) financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred; (3) financial guarantee contracts not falling under Clauses (1) and (2), and loan commitments not falling under Clause (1) and below market interest rate; and (4) financial liabilities at amortized cost.

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

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

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

(2) Subsequent measurement of financial assets

1) Financial assets at amortized cost

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

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

Investments in debt instruments at fair value through other comprehensive income are subsequently measured at fair value. Interest, impairment losses or gains and exchange gains or losses calculated

using the effective interest method are recognized in profit or loss for the current period, and other gains or losses are recognized in other comprehensive income. Upon derecognition, the aggregate gains or losses previously recognized in other comprehensive income are transferred to profit or loss for the current period.

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

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

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

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

(3) Subsequent measurement of financial liabilities

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

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

2) Financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred

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

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

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

4) Financial liabilities at amortized cost

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

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

- ① the contractual right to receive cash flows from the financial assets has expired; or
- ② the financial assets have been transferred and such transfer meets the criteria for derecognition of financial assets as set forth in the *Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets*.

2) A financial liability (or part thereof) is derecognized when all or part of the outstanding obligations thereon have been discharged.

3. Recognition and measurement of financial assets transferred

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

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

corresponds to the part derecognized (where the financial asset transferred is an investment in debt instruments at fair value through other comprehensive income) is recognized in profit or loss for the current period.

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

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

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

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

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

5. Impairment of financial instruments

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

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

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

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

credit loss.

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

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

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

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

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

6. Offsetting of financial assets and financial liabilities

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

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

12. Notes receivable

☒ Applicable ☐ N/A

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

☒ Applicable ☐ N/A

Refer to V.11 of Section X for details

Aging calculation method for identifying combination of credit risk characteristics based on the age

√ Applicable □ N/A

Refer to V.11 of Section X for details

Determination standard for individually making provision for bad debts

√ Applicable □ N/A

Refer to V.11 of Section X for details

13. Accounts receivable

√ Applicable □ N/A

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

√ Applicable □ N/A

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

Category of combination	Basis for determining a group	Method for measuring expected credit losses
		comparison table of the age of other receivables and rate of expected credit loss, and calculate the expected credit losses.
Other receivables - group of deposit and security receivable	Nature of amounts	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, calculate the expected credit losses according to the default risk exposure and 12-month or rate of lifetime expected credit loss.
Other receivables - group of withholding receivable	Nature of amounts	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, calculate the expected credit losses according to the default risk exposure and 12-month or rate of lifetime expected credit loss.
Other receivables - group of receivables from related parties in the scope of consolidation	Receivables from related parties in the scope of consolidation	By reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions, calculate the expected credit losses according to the default risk exposure and 12-month or rate of lifetime expected credit loss.
Long-term receivables - grouping by age	Age	By reference to historical credit loss experience, and taking into account the current situations and prediction of future economic conditions, prepare a comparison table of the age of long-term receivables and rate of expected credit loss, and calculate the expected credit losses.

Aging calculation method for identifying combination of credit risk characteristics based on the age

√ Applicable □ N/A

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

Age	Rate of expected credit loss for accounts receivable (%)	Rate of expected credit loss for contract assets (%)	Rate of expected credit loss for long-term receivables (%)	Other receivables Rate of expected credit loss for accounts receivable (%)
Over 3 years	100.00	100.00	100.00	100.00

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

Determination standard for individually making provision for bad debts

√ Applicable ☐ N/A

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

14. Receivables financing

√ Applicable ☐ N/A

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

√ Applicable ☐ N/A

Refer to V.11 of Section X for details

Aging calculation method for identifying combination of credit risk characteristics based on the age

√ Applicable ☐ N/A

Refer to V.11 of Section X for details

Determination standard for individually making provision for bad debts

√ Applicable ☐ N/A

Refer to V.11 of Section X for details

15. Other receivables

√ Applicable ☐ N/A

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

√ Applicable ☐ N/A

Refer to V.11 of Section X for details

Aging calculation method for identifying combination of credit risk characteristics based on the age

√ Applicable ☐ N/A

Refer to V.11 of Section X for details

Determination standard for individually making provision for bad debts

√ Applicable □ N/A

Refer to V.11 of Section X for details

16. Inventories

√ Applicable □ N/A

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

√ Applicable □ N/A

1. Categories of inventories

Inventories mainly include finished goods or commodities held for sale in the ordinary course of businesses, work in progress in the process of production or materials and supplies consumed in the process of production or rendering service.

2. Costing method of inventories upon delivery

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

3. Inventory counting system

The perpetual inventory system is maintained for stock system.

4. Amortization method for low cost and short-lived consumable items and packaging materials

(1) Low cost and short-lived consumable items

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

(2) Packaging materials

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

Recognition standard and method for provision of impairment for inventory

√ Applicable □ N/A

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost, a provision for decline in value of inventories is made. For inventories directly used for sale, the net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes. For inventories required for processing, the net realizable value is determined as the estimated selling price of finished goods in the ordinary course of business less the estimated costs of completion, and the estimated costs necessary to make the sale and relevant taxes. As at the balance sheet date, if in the same item of inventories, some are agreed with contractual prices while the others are not, the net realizable value for such inventories is determined separately, and compared with the costs of the two parts of inventories distinctively, so as to determine the provisions or reversal of provisions for decline in value of inventories separately.

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

☐ Applicable ☒ N/A

17. Contract assets

☒ Applicable ☐ N/A

Recognition method and criteria of contract assets

☒ Applicable ☐ N/A

Rights owned by the Company for unconditionally collecting the consideration from customers (that is, depending only on the time) are presented as receivables, and rights for collecting the consideration for goods that have been transferred to customers (depending on other factors than the time) are presented as contract assets.

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

☒ Applicable ☐ N/A

Refer to V.11 of Section X for details

Aging calculation method for identifying combination of credit risk characteristics based on the age

☒ Applicable ☐ N/A

Refer to V.11 of Section X for details

Determination standard for individually making provision for bad debts

☒ Applicable ☐ N/A

Refer to V.11 of Section X for details

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Determination standard and presentation method for discontinued operation

☐ Applicable ☒ N/A

19. Long-term equity investments

☒ Applicable ☐ N/A

1. Judgments on joint control and significant influence

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

2. Determination of investment cost

(1) In case of an equity investment acquired through a business combination involving entities under common control, if the acquirer pays consideration for the business combination by cash, transfer of non-monetary assets, assumption of liabilities or issuance of equity securities, the initial investment cost of the long-term equity investment is the Company's share of the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controller at the date of combination. The difference between: (i) the initial investment cost of the long-term equity investment; and (ii) the carrying amount of the consideration paid for the combination or the total par value of the shares issued is treated as an adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

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

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

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

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

2) In the consolidated financial statements, it is required to judge whether such transactions constitute a package deal. If such transactions constitute a package deal, the Company accounts for such transactions as one transaction to acquire control. If such transactions do not constitute a package deal, the Company re-measures the fair value of the equity held in the acquiree prior to the date of acquisition, and records the difference between the fair value and the carrying amount as investment income for the current period; if the equity held in the acquiree prior to the date of acquisition involves other comprehensive income under equity method, such other comprehensive income is transferred to the

income of the period in which the date of acquisition falls, except for other comprehensive income arising from re-measurement of changes in net liabilities or net assets of defined benefit plans.

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

3. Subsequent measurement and recognition of profit or loss

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

20. Investment properties

None

21. Fixed assets

(1). Criteria for recognition

√ Applicable □ N/A

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

(2). Method of depreciation

√ Applicable □ N/A

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

22. Construction in progress

√ Applicable □ N/A

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

2. When a construction in progress is ready for intended use, it is transferred to fixed assets at its

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

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

23. Borrowing costs

√ Applicable □ N/A

1. Recognition for capitalization of borrowing costs

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

2. Capitalization period of borrowing costs

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

(2) Where acquisition, construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. The borrowing costs incurred during these periods shall be recognized as expenses for the current period until the acquisition, construction or production of a qualifying asset is resumed.

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

3. Capitalization rate and capitalization amount of borrowing costs

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

24. Biological assets

☐ Applicable ☒ N/A

25. Oil and gas assets

☐ Applicable ☒ N/A

26. Intangible assets

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

☒ Applicable ☐ N/A

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

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

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

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

☒ Applicable ☐ N/A

(1) Personnel and labor expenses

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

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

Where the R&D staff and external R&D personnel directly engaging in R&D activities also get involved in non-R&D activities, the Company allocates the labor expenses actually incurred for such personnel between the R&D expenses and the production and operation expenses in proportion to the actual working hours or by using another reasonable method based on the records of working hours of such R&D personnel at different posts.

(2) Expenses of direct investments

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

(3) Depreciation expenses and long-term prepaid expenses

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

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

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

(4) Amortization expenses of intangible assets

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

(5) Development expenses for outsourced R&D

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

(6) Other expenses

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

Expenditures incurred during the research phase of internal research and development projects are recognized as current expenses when they occur. Expenditures on an internal research and development project at development phase are recognized as an intangible asset if all the following conditions are met:

(1) it is technically feasible to complete the intangible asset so that it will be available for use or sale; (2) it is intended to complete the intangible asset so that it will be available for use or sale; (3) the pattern in which the intangible asset will generate economic results can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself, or if it is to be used internally, the usefulness of the intangible asset; (4) there are sufficient technical, financial and other resources available to complete the development activities and to use or sell the intangible asset; and (5) the expenditures attributable to the development of the intangible asset can be reliably measured.

27. Impairment of long-term assets

√ Applicable ☐ N/A

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

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

28. Long-term prepaid expenses

√ Applicable ☐ N/A

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

29. Contract liabilities

√ Applicable ☐ N/A

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

30. Employee benefits

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

√ Applicable ☐ N/A

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

(2). Accounting treatment of post-employment benefits

√ Applicable □ N/A

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

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

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

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

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

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

(3). Accounting treatment of termination benefits

√ Applicable □ N/A

If termination benefits are provided to employees, the liabilities of employee benefits from the termination benefits are recognized at the earlier of the following and are recognized in the profit or loss for the current period: (1) when the Company cannot unilaterally withdraw the termination benefits provided due to the write-off of the labor relationship or lay-off suggestions; and (2) when the Company recognizes costs or expenses in connection with restructuring involving termination benefits.

(4). Accounting treatment of other long-term employee benefits

☐ Applicable ☒ N/A

31. Provisions

☒ Applicable ☐ N/A

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

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

32. Share-based payments

☒ Applicable ☐ N/A

1. Categories of share-based payments

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

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

(1) Equity-settled share-based payments

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

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

(2) Cash-settled share-based payments

Cash-settled share-based payments in exchange for services rendered by employees that can be

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

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

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

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

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

33. Preferred shares, perpetual bonds and other financial instruments

☐ Applicable ☒ N/A

34. Revenue

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

☒ Applicable ☐ N/A

1. Principles for revenue recognition

At the beginning date of a contract, the Company assesses the contract to identify individual performance obligations contained in the contract and determine whether individual obligations are to be performed during a period of time or at a specific time point.

An obligation meeting one of the following conditions is one to be performed within a period of time, and the remaining are obligations to be performed at a specific time point: (1) the customer receives and consumes the economic benefits from the performance of the Company when the Company performs its obligations; (2) the customer can control the goods in progress during the performance of the Company; or (3) the goods generated during the performance process of the Company have irreplaceable uses, and the Company is entitled to payment for the portion completed during the entire contract term.

The Company recognizes the revenue according to the performance progress during the period of time for obligations to be performed during a period of time. If the performance progress cannot be determined reasonably, and the Company is expected to be paid based on the costs incurred, the Company recognizes the revenue according to the amount of costs incurred until the performance progress can be determined reasonably. For obligations to be performed at a specific time point, the Company recognizes the revenue when the customer receives the control over the relevant goods or services. The following will be considered when determining whether the customer has obtained the control over the goods: (1) the Company has the present rights of receiving payments for such goods, that is, the customer has the present obligation of making payment for the goods; (2) the Company has transferred the legal title to the goods to the customer, that is, the customer has acquired the legal title to the goods; (3) the Company has transferred the physical goods to the customer, that is, the customer is in possession of the physical goods; (4) the Company has transferred the major risks and rewards of the legal title to the goods to the customer, that is, the customer has acquired the major risks and rewards of the legal title to the goods; (5) the customer has accepted the goods; and (6) there are other signs indicating that the customer has acquired the control over the goods.

2. Principles of revenue measurement

(1) The Company measures the revenue according to the transaction price allocated to individual performance obligations. The transaction price refers to the amount of the consideration expected to be received by the Company on the basis of transferring goods or providing services to the customer, excluding amounts collected on behalf of a third party and amounts expected to be refunded to the customer.

(2) If a contract contains a variable consideration, the Company determines the best estimate of the variable consideration according to the expected value or the most likely amount; however, the transaction price containing the variable consideration does not exceed the amount for which no material reversal of recognized revenue is highly probable when relevant uncertainty is eliminated.

(3) If a contract contains a major financing portion, the Company determines the transaction price as the amount payable in cash when the customer obtains the control over the goods or services. The difference between the transaction price and contract consideration is amortized using the effective interest method during the term of the contract. If the Company expects that the interval between the acquisition of the goods or services by the customer and the payment of prices by the customer will not exceed one year from the commencement date of the contract, no significant financing factor is

considered.

(4) If a contract contains two or more performance obligations, at the beginning date of the contract, the Company allocates the transaction price to individual performance obligations according to the relative proportion of the individual sale prices of the goods promised under such individual performance obligations.

3. Specific methods for revenue recognition

(1) Revenue from sales of goods

Revenue from sales of goods denotes contractual obligations to be performed at a time point. Our sales include sales to the domestic market and sales to foreign markets.

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

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

(2) E-commerce platform revenue

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

(3) Other incomes

Other incomes denote contractual obligations to be performed at a time point/during a specific period of time. For installation services provided by the Company, the Company recognizes the revenue when it has completed the services and received customers' acceptance certificate; for repair and

maintenance services provided by the Company, the Company recognizes the revenue when it has completed the services and received payments; for patent license services provided by the Company, the Company recognizes the revenue when the patent license is delivered; for technology development services provided by the Company, the Company recognizes the revenue when it has completed the services or when the agreed time point of service acceptance is reached.

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

☐ Applicable ☒ N/A

35. Contract costs

☐ Applicable ☒ N/A

36. Government grants

☒ Applicable ☐ N/A

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

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

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

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

Government grants related to income are government grants other than those related to assets. Government grants related to both assets and income in which it is difficult to make a distinction between the portion related to assets and the portion related to income are wholly classified as government grants related to income. Government grants related to income as compensation for expenses or losses to be incurred in subsequent periods are recognized as deferred and in the period for

recognizing the relevant costs, expenses or losses, included in profit or loss for the current period or offset against the relevant costs. Government grants related to income as compensation for costs, expenses or losses already incurred are directly included in profit or loss for the current period or offset against the relevant costs.

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

5. Accounting treatment of policy preferential loans and interest subsidies

(1) If the Ministry of Finance appropriates the interest subsidies to the lending bank, who then grants the loan to the Company at the policy preferential rate, the loan is stated as the amount actually received, and the borrowing cost is calculated according to the principal of the loan and the policy preferential rate.

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

37. Leases

√ Applicable □ N/A

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

√ Applicable □ N/A

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

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

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

(1) Right-of-use assets

Right-of-use assets are initially measured at cost; the cost includes: 1) initial measurement amount of lease liabilities; 2) lease payments made on or before the lease inception date, where relevant acquired amount related to lease incentives is excluded if there are lease incentives; 3) initial direct expenses incurred by the lessee; and 4) costs expected to be incurred by the lessee for dismantling and removing the leased assets, restoring the place of the leased assets, or restoring the leased assets to the state provided under lease provisions.

The Company depreciates right-of-use assets by using the straight line method. If there is

reasonable certainty that the lessee will obtain ownership of the leased asset by the end of the lease term, the Company depreciates the leased asset over its remaining service life. If there is no reasonable certainty that the lessee will obtain ownership of the leased asset by the end of the lease term, the Company depreciates the leased asset over the shorter of the lease term and its remaining service life.

(2) Lease liabilities

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

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

Categorization standard and accounting method for leases as the lessor

√ Applicable □ N/A

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

Operating lease

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

38. Deferred tax assets and deferred tax liabilities

√ Applicable □ N/A

1. The difference between the tax base of an asset or liability and its carrying amount (or in case of an item not recognized as asset or liability whose tax base can be determined according to the applicable

tax law, the difference between its tax base and carrying amount) is recognized as a deferred tax asset or deferred tax liability according to the tax rate applicable to the period in which the asset or liability is expected to be recovered or settled.

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

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

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

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

39. Other significant accounting policies and accounting estimates

☐ Applicable ☒ N/A

40. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

☒ Applicable ☐ N/A

In RMB

Changes in accounting policies and associated reasons	Name of line items in financial statements that have been materially affected	Amount affected
The Company has implemented the provisions on "Accounting of quality warranty with the nature of guarantee that are not individual performance obligations" in the <i>Interpretation of the Accounting Standards for Business Enterprises No. 18</i> released by	Operating costs	23,442,636.08

the Ministry of Finance since January 1, 2024, and has made retrospective adjustment to information in the comparable period		
The Company has implemented the provisions on “Accounting of quality warranty with the nature of guarantee that are not individual performance obligations” in the <i>Interpretation of the Accounting Standards for Business Enterprises No. 18</i> released by the Ministry of Finance since January 1, 2024, and has made retrospective adjustment to information in the comparable period	Selling expenses	-23,442,636.08
The Company has implemented the provisions on “Accounting of quality warranty with the nature of guarantee that are not individual performance obligations” in the <i>Interpretation of the Accounting Standards for Business Enterprises No. 18</i> released by the Ministry of Finance since January 1, 2024, and has made retrospective adjustment to information in the comparable period	Cash payments for goods purchased and services received	23,442,636.08
The Company has implemented the provisions on “Accounting of quality warranty with the nature of guarantee that are not individual performance obligations” in the <i>Interpretation of the Accounting Standards for Business Enterprises No. 18</i> released by the Ministry of Finance since January 1, 2024, and has made retrospective adjustment to information in the comparable period	Other cash payments related to operating activities	-23,442,636.08

Other information

None

(2). Changes in significant accounting estimates

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

41. Others

☐ Applicable ☒ N/A

VI. Taxes

1. Major categories of taxes and tax rates

Description of major categories of taxes and tax rates

☒ Applicable ☐ N/A

Category of tax	Basis of tax computation	Tax rate
Value-added tax (VAT)	VAT payable is the difference of the output tax calculated based on the incomes from selling goods and taxable services in accordance with the Tax Law, less the input tax allowed to be reduced in the period	3%, 6%, 8%, 9%, 10%, 13%
City maintenance	The actual amount of turnover tax paid	5%, 7%

and construction tax		
Education surcharges	The actual amount of turnover tax paid	3%
Local education surcharges	The actual amount of turnover tax paid	2%
Enterprise income tax	Taxable income	6.5%, 8.25%, 8.7%, 8.84%, 15%, 16.5%, 19%, 20%, 21%, 23.2%, 25%, 25.8%

Disclosure of taxpayers with different rates of enterprise income tax:

√ Applicable □ N/A

Taxpayer	Rate of enterprise income tax (%)
The Company	15%
Formovie (Chongqing) Innovative Technology Co., Ltd.	15%
Appotronics Hong Kong Limited	8.25%, 16.5%
Beijing Orient Appotronics Technology Co., Ltd.	20%
JoveAI Innovation, Inc.	8.7%, 8.84%, 21%
Appotronics USA, Inc.	8.84%, 21%
Formovie Technology Inc	21%
JoveAI Limited	Tax exemption
WEMAX LLC	21%
Appotronics Technology (Changzhou) Co., Ltd.	20%
Qingda Appotronics (Xiamen) Technology Co., Ltd.	20%
Shenzhen Appotronics Home Line Technology Co., Ltd.	20%
Shenzhen Appotronics Laser Technology Co., Ltd.	20%
Shenzhen Appotronics Xiaoming Technology Co., Ltd.	20%
JoveAI Asia Company Limited	20%
Formovie Limited	16.5%
Chongqing Ewei Ecommerce Co., Ltd.	20%
Chongqing Guangbo Ecommerce Co., Ltd.	20%
Shenzhen Orange Juice Energy Technology Co., Ltd.	20%
Tianjin Bonian Film Partnership (LP)	Tax exemption
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	15%
Hong Kong Orange Juice Energy Technology Co., Limited	16.5%
Wemax Inc.	6.5%, 21%
Shenzhen Weiwoqi Trading Co., Ltd.	20%
Yaoyouguang (Chongqing) Technology Co., Ltd.	20%
Appotronics International Limited	16.5%
Appotronics Intelligent Manufacturing (Shenzhen) Co., Ltd.	20%
Shenzhen Qianhai Taishi Investment Partnership (LP)	Tax exemption
Shenzhen Muhe Information Technology Co., Ltd.	20%
Shenzhen Xingjin Information Technology Co., Ltd.	20%
Shenzhen Qingfeng Property Management Co., Ltd.	20%
Appotronics International 1 Limited	16.5%
Appotronics International 2 Limited	16.5%
Appotronics Hong Kong Holding Limited	16.5%
Appotronics Japan Co., Ltd.	15%, 23.2%
Appotronics Technology (Hong Kong) Limited	16.5%
Appotronics Holding B.V.	19%, 25.8%
Other taxpayers except above	25%

1. Appotronics Hong Kong Limited, as domiciled in Hong Kong, one of which can apply the two-level income tax system, namely, applying the tax rate of 8.25% for the first HKD 2 million taxable income and 16.5% for the remaining taxable income
2. JoveAI Limited, as domiciled in the Cayman Islands, is exempt from enterprise income tax
3. Appotronics USA, Inc., as domiciled in the United States, applies the federal enterprise income tax rate of 21% and the California state enterprise income tax rate of 8.84%
4. JoveAI Innovation, Inc., as domiciled in the United States, applies the federal enterprise income tax rate of 21%, the California state enterprise income tax rate of 8.84%, and the Delaware state enterprise income tax rate of 8.7%
5. Formovie Technology Inc., as domiciled in the United States, applies the federal enterprise income tax rate of 21%
6. JoveAI Asia Company Limited, as domiciled in Vietnam, applies the enterprise income tax rate of 20%
7. WEMAX LLC, as domiciled in the United States, applies the federal enterprise income tax rate of 21%
8. Formovie Limited, as domiciled in Hong Kong, applies the income tax rate of 16.5%
9. Hong Kong Orange Juice Energy Technology Co., Limited, as domiciled in Hong Kong, applies the income tax rate of 16.5%
10. Wemax Inc, as domiciled in the United States, applies the federal enterprise income tax rate of 21%, and the New York state enterprise income tax rate of 6.5%
11. Appotronics International Limited, as domiciled in Hong Kong, applies the income tax rate of 16.5%
12. Appotronics International 1 Limited, as domiciled in Hong Kong, applies the income tax rate of 16.50%
13. Appotronics International 2 Limited, as domiciled in Hong Kong, applies the income tax rate of 16.50%
14. Appotronics Hong Kong Holding Limited, as domiciled in Hong Kong, applies the income tax rate of 16.50%
15. Appotronics Technology (Hong Kong) Limited, as domiciled in Hong Kong, applies the income tax rate of 16.50%
16. Appotronics Japan Co., Ltd., as domiciled in Japan, applies the legal person tax (i.e., corporate income tax) at two rates: 15% and 23.2%. For companies with the registered capital less than or equal to JPY 100 million, the preferential tax rate of 15% is applicable for the profits below JPY 8.00 million. The tax rate 23.2% is applicable to other profits
17. Appotronics Holding B.V., as domiciled in the Netherlands, applies the corporate income tax at two rates: the preferential tax rate of 19% is applicable for the profits below EUR 200,000, and the tax rate 25.8% is applicable to other profits

2. Tax incentives

√ Applicable □ N/A

1. Enterprise income tax

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

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

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

(4) In accordance with the relevant provisions of the *Announcement of the Ministry of Finance and State Taxation Administration on Taxation Policies to Further Supporting the Development of Micro and Small Enterprises and Individually-owned Businesses* (Ministry of Finance and State Taxation Administration Announcement 2023 No. 12), small-sized low-profit enterprises may calculate taxable incomes at the ratio of 25% and pay the corporate income taxes at the tax rate of 20%. The implementation is extended to December 31, 2027. The following companies are qualified for enjoying such tax incentives: Beijing Orient Appotronics Technology Co., Ltd., Shenzhen Appotronics Display Device Co., Ltd., Appotronics Technology (Changzhou) Co., Ltd., Qingda Appotronics (Xiamen) Technology Co., Ltd., Shenzhen Appotronics Home Line Technology Co., Ltd., Shenzhen Appotronics Laser Technology Co., Ltd., Shenzhen City Appotronics Xiaoming Technology Co., Ltd., Chongqing Ewei Ecommerce Co., Ltd., Chongqing Guangbo Ecommerce Co., Ltd., Shenzhen Orange Juice Energy Technology Co., Ltd., Shenzhen Weiwoqi Trading Co., Ltd., Yaoyouguang (Chongqing) Technology Co., Ltd., Appotronics Intelligent Manufacturing (Shenzhen) Co., Ltd., Shenzhen Muhe Information Technology Co., Ltd., Shenzhen Xingjin Information Technology Co., Ltd., and Shenzhen Qingfeng Property Management Co., Ltd.

2. Value-added tax (VAT)

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

Software Technology Co., Ltd. are qualified for enjoying such tax incentives.

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

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

3. Others

☐ Applicable ☒ N/A

VII. Notes to Items in the Consolidated Financial Statements

1. Cash and bank balances

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Cash on hand	5,817.52	5,751.15
Bank deposits	1,614,794,494.69	1,371,185,024.55
Other monetary funds	39,968,994.00	15,637,773.36
Total	1,654,769,306.21	1,386,828,549.06
Where: Total overseas deposits	216,548,345.29	175,001,829.77

Other information

None

2. Held-for-trading financial assets

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance	Determination reason and basis
Financial assets at fair value through profit or loss	179,936,739.21	514,010,000.00	-
Where:			
Investment in equity instruments	30,000,000.00	42,880,000.00	-
Structural deposits		471,130,000.00	-
Wealth management products	149,936,739.21		
Total	179,936,739.21	514,010,000.00	-

Other information:

☐ Applicable ☒ N/A

3. Derivative financial assets

☐ Applicable ☒ N/A

4. Notes receivable

(1). Categories of notes receivable

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Bank acceptances		1,478,064.00
Commercial acceptances	3,986,278.36	2,557,779.99
Financial company acceptance bills	763,245.77	4,915,464.72
Total	4,749,524.13	8,951,308.71

(2). Notes receivable pledged by the Company at the end of the period

☐ Applicable ☒ N/A

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

☒ Applicable ☐ N/A

In RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptances	2,817,325.00 [Note]	
Total	2,817,325.00	

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

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

☒ Applicable ☐ N/A

In RMB

Category	Closing balance			Opening balance		
	Carrying amount	Provision for bad debts	Book value	Carrying amount	Provision for bad debts	Book value

	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually										
Where:										
Provision for bad debts made by group	4,999,499.10	100.00	249,974.97	5.00	4,749,524.13	9,344,637.39	100.00	393,328.68	4.21	8,951,308.71
Where:										
Commercial acceptance bills	4,196,082.50	83.93	209,804.14	5.00	3,986,278.36	2,692,400.00	28.81	134,620.01	5.00	2,557,779.99
Financial company acceptance bills	803,416.60	16.07	40,170.83	5.00	763,245.77	5,174,173.39	55.37	258,708.67	5.00	4,915,464.72
Bank acceptance bills						1,478,064.00	15.82			1,478,064.00
Total	4,999,499.10	100.00	249,974.97	5.00	4,749,524.13	9,344,637.39	100.00	393,328.68	4.21	8,951,308.71

Provision for bad debts made individually

☐ Applicable ☒ N/A

Provision for bad debts made by group

☒ Applicable ☐ N/A

Item by group: Financial company acceptance bills and commercial acceptance bills

In RMB

Name	Closing balance		
	Notes receivable	Provision for bad debts	Percentage of provision (%)
Group of commercial acceptance bills	4,196,082.50	209,804.14	5.00
Financial company acceptance bills	803,416.60	40,170.83	5.00
Total	4,999,499.10	249,974.97	5.00

Description of provision for bad debts made by group

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

Refer to V.11 of Section X for details.

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

☐ Applicable ☒ N/A

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

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debts made by group	393,328.68		143,353.71			249,974.97
Total	393,328.68		143,353.71			249,974.97

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

☐ Applicable ☒ N/A

Other information:

None

(6). Notes receivable actually canceled in the current period
☐ Applicable ☒ N/A

In which significant amounts of notes receivable canceled are described below:

☐ Applicable ☒ N/A

Description of cancellation of notes receivable:

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

5. Accounts receivable
(1). Disclosure by age
☒ Applicable ☐ N/A

In RMB

Age	Closing balance of carrying amount	Opening balance of carrying amount
Within 1 year		
Where: Subitems within 1 year		
Subtotal of items within 1 year	321,282,627.05	174,956,389.44
1 to 2 years	6,430,683.47	18,036,240.20
2 to 3 years	4,228,742.93	19,637,948.14
Over 3 years	2,756,821.04	204,186.09
Total	334,698,874.49	212,834,763.87

(2). Disclosure by categories of provision for bad debts
☒ Applicable ☐ N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually	3,002,096.65	0.90	3,002,096.65	100.00		17,568,210.65	8.25	17,568,210.65	100.00	
Where:										
Provision for bad debts made by group	331,696,777.84	99.10	21,501,455.67	6.48	310,195,322.17	195,266,553.22	91.75	14,976,545.32	7.67	180,290,007.90
Where:										
Total	334,698,874.49	100.00	24,503,552.32	7.32	310,195,322.17	212,834,763.87	100.00	32,544,755.97	15.29	180,290,007.90

Provision for bad debts made individually:

☒ Applicable ☐ N/A

In RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Percentage of provision (%)	Reason for provision
Total of petty receivables	3,002,096.65	3,002,096.65	100	The amounts are expected to be unrecoverable
Total	3,002,096.65	3,002,096.65	100	-

Explanation about provision for bad debts made individually

☐ Applicable ☒ N/A

Provision for bad debts made by group

☒ Applicable ☐ N/A

Item by group: Group of age

In RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within 1 year	319,951,078.70	15,997,554.04	5.00
1-2 years	5,536,834.85	1,384,208.77	25.00
2-3 years	4,178,342.93	2,089,171.50	50.00
Over 3 years	2,030,521.36	2,030,521.36	100.00
Total	331,696,777.84	21,501,455.67	6.48

Description of provision for bad debts made by group

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

Refer to V.11 of Section X for details.

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

☐ Applicable ☒ N/A

(3). Provision for bad debts

☒ Applicable ☐ N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debts made individually	17,568,210.65	2,235,396.65	518,247.41	16,283,263.24		3,002,096.65
Provision for bad debts made by group	14,976,545.32	6,684,392.20		164,908.49	5,426.64	21,501,455.67
Total	32,544,755.97	8,919,788.85	518,247.41	16,448,171.73	5,426.64	24,503,552.32

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

☐ Applicable ☒ N/A

Other information

None

(4). Accounts receivable actually canceled in the current period

☒ Applicable ☐ N/A

In RMB

Item	Cancellation amount
Accounts receivable actually canceled	16,448,171.73

In which significant amounts of accounts receivable canceled are described as below:

☒ Applicable ☐ N/A

In RMB

Entity	Nature of accounts receivable	Cancellation amount	Reason for write-off	Write-off procedure performed	Whether the amounts are from related-party transactions
Customer A	Goods payment	16,186,263.24	The counterparty is de-registered	The Company verified the operating conditions of the counterparty and performed a proper approval procedure for the write-off	Yes

Total	-	16,186,263.24	-	-	-
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Description of cancellation of accounts receivable

☐ Applicable ☒ N/A

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

In RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to the total closing balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision
Top 1	120,596,567.87		120,596,567.87	35.78	6,029,828.39
Top 2	50,569,431.74		50,569,431.74	15.00	2,528,471.59
Top 3	24,358,333.97		24,358,333.97	7.23	1,217,916.71
Top 4	20,649,686.90		20,649,686.90	6.13	1,032,484.35
Top 5	14,553,601.00		14,553,601.00	4.32	727,680.05
Total	230,727,621.48		230,727,621.48	68.46	11,536,381.09

Other information

None

Other information:

☐ Applicable ☒ N/A

6. Contract assets
(1). Description of contract assets
☒ Applicable ☐ N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for bad debts	Book value	Carrying amount	Provision for bad debts	Book value
Warranty security receivable	2,333,026.25	591,042.06	1,741,984.19	1,867,058.07	214,817.78	1,652,240.29
Goods payment				25,000.00	12,500.00	12,500.00
Total	2,333,026.25	591,042.06	1,741,984.19	1,892,058.07	227,317.78	1,664,740.29

(2). Amount and reasons of major changes in the book value during the reporting period
☐ Applicable ☒ N/A

(3). Disclosure by categories of provision for bad debts
☒ Applicable ☐ N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually										
Where:										
Provision for bad debts made by group	2,333,026.25	100.00	591,042.06	25.33	1,741,984.19	1,892,058.07	100.00	227,317.78	12.01	1,664,740.29
Total	2,333,026.25	100.00	591,042.06	25.33	1,741,984.19	1,892,058.07	100.00	227,317.78	12.01	1,664,740.29

Provision for bad debts made individually

☐ Applicable ☒ N/A

Explanation about provision for bad debts made individually

☐ Applicable ☒ N/A

Provision for bad debts made by group

☒ Applicable ☐ N/A

Item by group: Group of age

In RMB

Name	Closing balance		
	Contract assets	Provision for bad debts	Percentage of provision (%)
Within 1 year	551,585.06	27,579.26	5.00
1-2 years	1,432,571.19	358,142.80	25.00
2-3 years	287,100.00	143,550.00	50.00
Over 3 years	61,770.00	61,770.00	100.00
Total	2,333,026.25	591,042.06	25.33

Description of provision for bad debts made by group

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

Refer to V.11 of Section X for details.

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

☐ Applicable ☒ N/A

(4). Description of provision for bad debts made on contract assets during the period
☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Changes for the current period				Closing balance	Reason
		Provision in the current period	Recovery or reversal in the period	Write-off/cancellation in the period	Other changes		
Provision for impairment made by group	227,317.78	363,724.28				591,042.06	
Total	227,317.78	363,724.28				591,042.06	

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

☐ Applicable ☒ N/A

Other information

None

(5). Contract assets actually canceled in the current period
☐ Applicable ☒ N/A

In which significant amounts of contract assets canceled are described as below

☐ Applicable ☒ N/A

Description of cancellation of contract assets

☐ Applicable ☒ N/A

Other information:

☐ Applicable ☒ N/A

7. Receivables financing
(1) Categories of receivables financing
☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Bank acceptance bills	12,552,177.09	11,387,400.00
Total	12,552,177.09	11,387,400.00

(2) Receivables financing pledged by the Company at the end of the period
☐ Applicable ☒ N/A

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

√ Applicable ☐ N/A

In RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	468,511,287.87	
Total	468,511,287.87	

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

(4) Disclosure by categories of provision for bad debts

√ Applicable ☐ N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percent age (%)	Amount	Percent age of provision (%)		Amount	Percent age (%)	Amount	Percent age of provision (%)	
Provision for bad debts made individually										
Where:										
Provision for bad debts made by group	12,552,177.09	100.00			12,552,177.09	11,387,400.00	100.00			11,387,400.00
Where:										
Bank acceptance bills	12,552,177.09	100.00			12,552,177.09	11,387,400.00	100.00			11,387,400.00
Total	12,552,177.09	100.00			12,552,177.09	11,387,400.00	100.00			11,387,400.00

Provision for bad debts made individually

☐ Applicable ☒ N/A

Explanation about provision for bad debts made individually

☐ Applicable ☒ N/A

Provision for bad debts made by group

√ Applicable □ N/A

Item by group: Group of bank acceptance bills

In RMB

Name	Closing balance		
	Financing amount receivable	Provision for bad debts	Percentage of provision (%)
Group of bank acceptance bills	12,552,177.09		
Total	12,552,177.09		

Description of provision for bad debts made by group

□ Applicable √ N/A

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

□ Applicable √ N/A

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

N/A

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

□ Applicable √ N/A

(5) Provision for bad debts

□ Applicable √ N/A

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

□ Applicable √ N/A

Other information

None

(6) Receivables financing actually canceled in the current period

□ Applicable √ N/A

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

□ Applicable √ N/A

Description of cancellation

□ Applicable √ N/A

(7) Changes in amount and fair value of receivables financing:

□ Applicable √ N/A

(8) Other information:
☐ Applicable ☒ N/A

8. Prepayments
(1). Disclosure of prepayments by age
☒ Applicable ☐ N/A

In RMB

Age	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	26,346,479.90	84.74	22,863,911.50	65.12
1 to 2 years	3,769,584.88	12.12	5,136,169.79	14.63
2 to 3 years	279,373.00	0.90	725,259.48	2.06
Over 3 years	696,415.98	2.24	6,387,321.05	18.19
Total	31,091,853.76	100.00	35,112,661.82	100.00

Reasons for overdue settlement of prepayments with significant amounts aged more than 1 year:

None

(2). Top five closing balances of prepayments categorized by receivers
☒ Applicable ☐ N/A

In RMB

Entity	Closing balance	Proportion to the total closing balance of prepayments (%)
Top 1	17,120,495.01	55.06
Top 2	1,481,335.00	4.76
Top 3	1,001,988.22	3.22
Top 4	981,744.03	3.16
Top 5	814,867.96	2.62
Total	21,400,430.22	68.82

Other information

None

Other information

☐ Applicable ☒ N/A

9. Other receivables
Presented by items
☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Interests receivable	-	-
Dividends receivable	14,233,032.00	14,023,746.00
Other receivables	30,871,369.76	16,674,941.55
Total	45,104,401.76	30,698,687.55

Other information

☐ Applicable ☒ N/A

Interests receivable**(1). Categories of interests receivable**

☐ Applicable ☒ N/A

(2). Significant interests overdue

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Provision for bad debts made individually

☐ Applicable ☒ N/A

Explanation about provision for bad debts made individually

☐ Applicable ☒ N/A

Provision for bad debts made by group

☐ Applicable ☒ N/A

(4). Provision for bad debts made in accordance with the general model of ECL

☐ Applicable ☒ N/A

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

N/A

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

☐ Applicable ☒ N/A

(5). Provision for bad debts

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Other information

None

(6). Interests receivable actually canceled in the current period

☐ Applicable ☒ N/A

In which significant amounts of interests receivable canceled are described as below

☐ Applicable ☒ N/A

Description of cancellation

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

Dividends receivable
(7). Dividends receivable
☒ Applicable ☐ N/A

In RMB

Project (or investee)	Closing balance	Opening balance
Dividend distribution from GDC Technology Limited (BVI)	14,233,032.00	14,023,746.00
Total	14,233,032.00	14,023,746.00

(8). Significant dividends receivable aged more than 1 year
☒ Applicable ☐ N/A

In RMB

Project (or investee)	Closing balance	Age	Reason for non-recovery	Whether impairment has occurred and the basis for its judgment
Dividend distribution from GDC Technology Limited (BVI)	14,233,032.00	Over 3 years	They have not reached an agreement through negotiation on certain matters, and the payment has not yet been made	It is less probable that the counterparty has a credit risk, and no impairment has occurred
Total	14,233,032.00	-	-	-

(9). Disclosure by categories of provision for bad debts
☐ Applicable ☒ N/A

Provision for bad debts made individually

☐ Applicable ☒ N/A

Explanation about provision for bad debts made individually

☐ Applicable ☒ N/A

Provision for bad debts made by group

☐ Applicable ☒ N/A

(10). Provision for bad debts made in accordance with the general model of ECL
☐ Applicable ☒ N/A

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

N/A

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

☐ Applicable ☒ N/A

(11). Provision for bad debts

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Other information

None

(12). Dividends receivable actually canceled in the current period

☐ Applicable ☒ N/A

In which significant amounts of dividends receivable canceled are described as below

☐ Applicable ☒ N/A

Description of cancellation

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

Other receivables

(13). Disclosure by age

☒ Applicable ☐ N/A

In RMB

Age	Closing balance of carrying amount	Opening balance of carrying amount
Within 1 year		
Where: Subitems within 1 year		
Subtotal of items within 1 year	22,489,758.44	8,746,169.48
1 to 2 years	3,891,042.27	2,540,156.84
2 to 3 years	990,308.26	333,955.74
Over 3 years	5,997,517.55	6,002,199.51
Total	33,368,626.52	17,622,481.57

(14). Categories by the nature of other receivables

☒ Applicable ☐ N/A

In RMB

Nature of other receivables	Closing balance of carrying	Opening balance of carrying
-----------------------------	-----------------------------	-----------------------------

	amount	amount
Deposits/margins/petty cash	21,868,352.58	10,696,150.09
Withholding	249,804.97	393,531.80
temporary receivables	11,237,224.95	6,532,799.68
Compensation receivable	13,244.02	
Total	33,368,626.52	17,622,481.57

(15).Provision for bad debts
☒ Applicable ☐ N/A

In RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month ECL in the future	Lifetime ECL (without credit impairment)	Lifetime ECL (with credit impairment)	
Balance as at January 1, 2024	839,924.44	107,615.58		947,540.02
Balance as at January 1, 2024 in the current period				
--transferred to Stage II	-167,847.79	167,847.79		
--transferred to Stage III		-94,402.45	94,402.45	
--reversed to Stage II				
--reversed to Stage I				
Provision	797,136.20	658,178.08	94,402.46	1,549,716.74
Reversal				
Write-off				
Cancellation				
Other changes				
Balance as at December 31, 2024	1,469,212.85	839,239.00	188,804.91	2,497,256.76

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

N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(16).Provision for bad debts
☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Other information

None

(17). Other receivables actually canceled in the current period
☐ Applicable ☒ N/A

In which significant amounts of other receivables canceled are described as below

☐ Applicable ☒ N/A

Description of cancellation of other receivables

☐ Applicable ☒ N/A

(18). Top five closing balances of other receivables categorized by debtors
☒ Applicable ☐ N/A

In RMB

Entity	Closing balance	Proportion to the balance of other receivables (%)	Nature of other receivables	Age	Provision for bad debts Closing balance
Top 1	8,892,678.98	26.65	Deposits/margins/petty cash	Within 1 year	444,633.95
Top 2	3,574,618.00	10.71	Deposits/margins/petty cash	Over 3 years	178,730.90
Top 3	3,140,000.00	9.41	Deposits/margins/petty cash	Within 1 year	157,000.00
Top 4	2,597,394.06	7.78	temporary receivables	Within 1 year	129,869.70
Top 5	1,405,483.20	4.21	temporary receivables	Within 1 year	70,274.16
Total	19,610,174.24	58.76	-	-	980,508.71

(19). Presentation in other receivables due to centralized fund management
☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

10. Inventories
(1). Categories of inventories
☒ Applicable ☐ N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for decline in value of inventories/impairment of contract performance cost	Book value	Carrying amount	Provision for decline in value of inventories/impairment of contract performance cost	Book value
Raw materials	386,235,116.95	63,804,884.56	322,430,232.39	443,084,635.75	41,537,753.59	401,546,882.16
Work in progress	22,426,326.20	860,444.63	21,565,881.57	14,472,238.10	478,919.67	13,993,318.43

Goods on hand	270,178,013.09	45,009,487.56	225,168,525.53	260,003,554.90	46,351,531.91	213,652,022.99
Turnover materials						
Consumable biological assets						
Contract performance cost	3,684,751.39		3,684,751.39	4,121,745.02	1,554,079.22	2,567,665.80
Materials in transit	676,811.80		676,811.80	180,136.65		180,136.65
Goods upon delivery	15,392,556.94	3,522,474.01	11,870,082.93	19,510,688.24	3,546,615.45	15,964,072.79
Materials for consigned processing	11,230,106.48	1,107,146.90	10,122,959.58	8,934,579.86	491,879.01	8,442,700.85
Total	709,823,682.85	114,304,437.66	595,519,245.19	750,307,578.52	93,960,778.85	656,346,799.67

(2). Data resources recognized as inventory
☐ Applicable ☒ N/A

(3). Provision for decline in value of inventories and impairment of contract performance cost
☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period		Decrease of the current period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	41,537,753.59	35,382,623.10	1,355.38	13,116,847.51		63,804,884.56
Work in progress	478,919.67	860,444.63		478,919.67		860,444.63
Goods on hand	46,351,531.91	24,328,390.76	75,540.66	25,745,975.77		45,009,487.56
Goods upon delivery	3,546,615.45	1,894,545.09	5,856.36	1,924,542.89		3,522,474.01
Materials for consigned processing	491,879.01	736,255.18		120,987.29		1,107,146.90
Contract performance cost	1,554,079.22			1,554,079.22		
Total	93,960,778.85	63,202,258.76	82,752.40	42,941,352.35		114,304,437.66

Reason for reversing or writing off the provisions for decline in value of inventories in the current period

☒ Applicable ☐ N/A

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

Provision for decline in value of inventory made by group

☐ Applicable ☒ N/A

Standard for making provision for decline in value of inventory by group

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

In RMB

Item	Opening balance	Increase of the current period	Amortization of the current period	Reversal or write-off	Closing balance
Entrusted development	2,495,126.88	8,571,100.96	7,381,476.45		3,684,751.39
Overseas freight	72,538.92		72,538.92		
Subtotal	2,567,665.80	8,571,100.96	7,454,015.37		3,684,751.39

Other information

☐ Applicable ☒ N/A

11. Held-for-sale assets
☐ Applicable ☒ N/A

12. Non-current assets due within one year
☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Debt investments due within one year		
Other debt investments due within one year		
Long-term receivables due within one year	70,070,776.42	51,499,061.03
Total	70,070,776.42	51,499,061.03

Debt investments due within one year
☐ Applicable ☒ N/A

Other debt investments due within one year
☐ Applicable ☒ N/A

Other description of non-current assets due within one year

None

13. Other current assets
☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Contract acquisition cost		
Cost of returned goods receivable	866,499.32	1,611,745.50
Input VAT to be deducted	64,075,729.81	46,217,482.57
Prepaid enterprise income tax	474,438.57	588,042.04
Total	65,416,667.70	48,417,270.11

Other information

None

14. Debt investments

(1). Description of debt investments

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(2). Debt investments with significant amounts at the end of the period

☐ Applicable ☒ N/A

(3). Description of provision for impairment

☐ Applicable ☒ N/A

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

N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(4). Debt investments actually canceled in the current period

☐ Applicable ☒ N/A

In which significant amounts of debt investments canceled are described as below

☐ Applicable ☒ N/A

Description of cancellation of debt investments

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

15. Other debt investments

(1). Description of other debt investments

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(2). Other debt investments with significant amounts at the end of the period

☐ Applicable ☒ N/A

(3). Description of provision for impairment

☐ Applicable ☒ N/A

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

N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(4). Other debt investments actually canceled in the current period

☐ Applicable ☒ N/A

In which significant amounts of other debt investments canceled are described as below

☐ Applicable ☒ N/A

Description of write-off of other debt investments

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

16. Long-term receivables

(1). Description of long-term receivables

☒ Applicable ☐ N/A

In RMB

Item	Closing balance			Opening balance			Range of discount rate
	Carrying amount	Provision for bad debts	Book value	Carrying amount	Provision for bad debts	Book value	
Installment payment	40,253,314.94	3,062,438.61	37,190,876.33	28,410,593.87	2,410,050.74	26,000,543.13	3.60%-4.30 %
Where:	1,139,261.43		1,139,261.43	711,250.41		711,250.41	3.60%-4.30

Financing income not realized							%
Total	40,253,314.94	3,062,438.61	37,190,876.33	28,410,593.87	2,410,050.74	26,000,543.13	

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

√ Applicable □ N/A

In RMB

Category	Closing balance					Opening balance				
	Carrying amount		Provision for bad debts		Book value	Carrying amount		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually										
Where:										
Provision for bad debts made by group	40,253,314.94	100.00	3,062,438.61	7.61	37,190,876.33	28,410,593.87	100.00	2,410,050.74	8.48	26,000,543.13
Where:										
Total	40,253,314.94	100.00	3,062,438.61	7.61	37,190,876.33	28,410,593.87	100.00	2,410,050.74	8.48	26,000,543.13

Provision for bad debts made individually

□ Applicable √ N/A

Explanation about provision for bad debts made individually

□ Applicable √ N/A

Provision for bad debts made by group

√ Applicable □ N/A

Item by group: Group of age

In RMB

Name	Closing balance		
	Long-term receivables	Provision for bad debts	Percentage of provision (%)
Group of age	40,253,314.94	3,062,438.61	7.61
Total	40,253,314.94	3,062,438.61	7.61

Description of provision for bad debts made by group

☐ Applicable ☒ N/A

(3). Provision for bad debts made in accordance with the general model of ECL

☐ Applicable ☒ N/A

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

N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(4). Provision for bad debts

☒ Applicable ☐ N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debts made by group	2,410,050.74	6,491,974.25			5,839,586.38	3,062,438.61
Total	2,410,050.74	6,491,974.25			5,839,586.38	3,062,438.61

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

☐ Applicable ☒ N/A

Other information

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

(5). Long-term receivables actually canceled in the current period

☐ Applicable ☒ N/A

In which significant amounts of long-term receivables canceled are described as below:

☐ Applicable ☒ N/A

Description of cancellation of long-term receivables

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

17. Long-term equity investments

(1). Description of long-term equity investments

☒ Applicable ☐ N/A

In RMB

Investees	Openin g balance	Changes for the current period								Closing balance	Closing balance of provisio n for impairm ent
		Additio nal investm ent	Decre ased invest ment	Investm ent profit or loss under equity method	Adjust ment in other compr ehensi ve income	Other equity change s	Declare d cash dividen ds or profits	Provisi on for impair ment	Others		
I. Joint venture											
Subtotal											
II. Associates											
GDC Technology Limited (BVI)	138,890 ,614.32			-3,938,3 78.54	-1,527, 465.23				-133,424,770 .55	-	
Shenzhen Zhongjian Technology Co., Ltd.	5,836,1 62.11			-1,124,9 68.52					1,530,846.15	6,242,03 9.74	
Subtotal	144,726 ,776.43			-5,063,3 47.06	-1,527, 465.23				-131,893,924 .40	6,242,03 9.74	
Total	144,726 ,776.43			-5,063,3 47.06	-1,527, 465.23				-131,893,924 .40	6,242,03 9.74	

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

☐ Applicable ☒ N/A

Other information

In the changes occurred in the current period, other changes of GDC Technology Limited (BVI) indicate the amount for which the Company lost significant influences on the associate and from the foreign exchange translation;

Other changes of Shenzhen Zhongjian Technology Co., Ltd. indicates an additional investment made by another shareholder, which diluted the amount of the equity interests held by the Company.

18. Investment in other equity instruments

(1). Description of investment in other equity instruments

√ Applicable □ N/A

In RMB

Item	Opening balance	Changes for the current period					Closing balance	Dividends income recognized for the current period	Total gains recognized in other comprehensive income	Total losses recognized in other comprehensive income	Reasons for designating as financial assets at fair value through other comprehensive income
		Additional investment	Decreased investment	Gains recognized in other comprehensive income in the current period	Losses recognized in other comprehensive income in the current period	Others					
Shen Zhen Timewaying Technology Co., Ltd.	7,075,419.38						7,075,419.38				
Shenzhen Bevix Technology Co., Ltd.											
Total	7,075,419.38						7,075,419.38				-

(2). Description of derecognition in the current period

□ Applicable √ N/A

Other information

√ Applicable □ N/A

Reason for designating as equity instrument investments at fair value through other comprehensive income

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

Other information

The cost of Shenzhen Bevix Technology Co., Ltd. is RMB 4,900,000.00, and the fair value change is RMB -4,900,000.00.

19. Other non-current financial assets

√ Applicable □ N/A

In RMB

Item	Closing balance	Opening balance
Financial assets classified as financial assets at fair value through profit or loss	84,000,000.04	
Where: Equity investment	84,000,000.04	
Total	84,000,000.04	

Other information

□ Applicable √ N/A

20. Investment properties

Measurement mode of investment properties

N/A

21. Fixed assets

Presented by items

√ Applicable □ N/A

In RMB

Item	Closing balance	Opening balance
Fixed assets	272,101,764.36	336,276,793.84
Disposal of fixed assets		
Total	272,101,764.36	336,276,793.84

Other information

□ Applicable √ N/A

Fixed assets

(1). Description of fixed assets

√ Applicable □ N/A

In RMB

Item	Machinery and equipment	Transportation equipment	Electronic equipment and others	Operating leased equipment	Total
I. Cost:					
1. Opening balance	173,037,618.56	2,227,745.42	64,110,956.44	665,210,386.30	904,586,706.72
2. Increase of the current period	33,162,559.00	1,780,175.56	14,027,076.23	49,115,417.74	98,085,228.53
(1) Purchase	33,088,479.82	1,762,157.51	14,012,971.63		48,863,608.96
(2) Transfer from				49,115,417.74	49,115,417.74

construction in progress					
(3) Currency movement	74,079.18	18,018.05	14,104.60		106,201.83
3. Decrease	7,806,166.20	613,529.51	3,275,932.17	67,527,405.15	79,223,033.03
(1) Disposal or retirement	6,300,785.74	613,529.51	3,184,197.55	1,807,692.20	11,906,205.00
(2) Transfer to inventories	1,505,380.46		91,734.62	65,719,712.95	67,316,828.03
4. Closing balance	198,394,011.36	3,394,391.47	74,862,100.50	646,798,398.89	923,448,902.22
II. Accumulated depreciation					
1. Opening balance	97,159,897.17	855,965.15	38,239,794.57	425,973,312.89	562,228,969.78
2. Increase of the current period	25,771,262.54	619,043.76	9,324,039.52	97,148,812.65	132,863,158.47
(1) Provision	25,713,796.11	617,333.67	9,308,037.91	97,148,812.65	132,787,980.34
(2) Currency movement	57,466.43	1,710.09	16,001.61		75,178.13
3. Decrease of the current period	3,769,053.12	582,853.03	2,534,906.47	46,833,148.54	53,719,961.16
(1) Disposal or retirement	3,563,163.99	582,853.03	2,478,799.15	1,712,438.20	8,337,254.37
(2) Transfer to inventories	205,889.13		56,107.32	45,120,710.34	45,382,706.79
4. Closing balance	119,162,106.59	892,155.88	45,028,927.62	476,288,977.00	641,372,167.09
III. Provision for impairment					
1. Opening balance	1,935,931.82			4,145,011.28	6,080,943.10
2. Increase of the current period	2,880,760.14			1,459,374.62	4,340,134.76
(1) Provision	2,880,760.14			1,459,374.62	4,340,134.76
3. Decrease of the current period	70,778.93			375,328.16	446,107.09
(1) Disposal or retirement	70,778.93			375,328.16	446,107.09
4. Closing balance	4,745,913.03			5,229,057.74	9,974,970.77
IV. Book value					
1. Closing balance	74,485,991.74	2,502,235.59	29,833,172.88	165,280,364.15	272,101,764.36
2. Opening balance	73,941,789.57	1,371,780.27	25,871,161.87	235,092,062.13	336,276,793.84

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

In RMB

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Remark
Operating leased equipment	73,469,852.37	58,277,015.65	6,353,324.57	8,839,512.15	
Total	73,469,852.37	58,277,015.65	6,353,324.57	8,839,512.15	

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

In RMB

Item	Closing balance of book value
Operating leased equipment	156,440,852.00
Subtotal	156,440,852.00

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

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

Other information

☐ Applicable ☒ N/A

Disposal of fixed assets
☐ Applicable ☒ N/A

22. Construction in progress
Presented by items
☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Construction in progress	406,450,625.01	347,777,138.86
Total	406,450,625.01	347,777,138.86

Other information

☐ Applicable ☒ N/A

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

In RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Headquarter buildings	395,113,584.12		395,113,584.12	344,481,907.55		344,481,907.55
Assets to be leased	1,816,827.27		1,816,827.27	3,295,231.31		3,295,231.31
Decoration construction	9,520,213.62		9,520,213.62			
Total	406,450,625.01		406,450,625.01	347,777,138.86		347,777,138.86

(2). Changes in significant constructions in progress for the current period

√ Applicable □ N/A

In RMB

Project name	Budget amount	Opening balance	Increase of the current period	Amount transferred to fixed assets	Other decreases	Closing balance	Amount injected as a proportion of budget amount (%)	Construction progress	Amount of accumulated capitalized interest	Where: Capitalized interest for the period	Interest capitalization rate for the period (%)	Source of funds
Headquarter buildings	490,491,009.17	344,481,907.55	50,631,676.57			395,113,584.12	80.55	80.55	15,364,406.73	4,511,222.38	2.96	Self-funded capital
Total	490,491,009.17	344,481,907.55	50,631,676.57			395,113,584.12	-	-	15,364,406.73	4,511,222.38	-	-

(3). Provision for impairment losses for construction in progress in the current period

□ Applicable √ N/A

(4). Impairment test of construction in progress

□ Applicable √ N/A

Other information

□ Applicable √ N/A

Materials for construction

(5). Description of materials for construction

□ Applicable √ N/A

23. Productive biological assets

(1). Productive biological assets measured at cost

□ Applicable √ N/A

(2). Impairment test of productive biological assets measured at cost
☐ Applicable ☒ N/A

(3). Productive biological assets measured at fair value
☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

24. Oil and gas assets
(1) Description of oil and gas assets
☐ Applicable ☒ N/A

(2) Impairment test of oil and gas assets
☐ Applicable ☒ N/A

Other information

None

25. Right-of-use assets
(1) Description of right-of-use assets
☒ Applicable ☐ N/A

In RMB

Item	Houses and buildings	Total
I. Original book value		
1. Opening balance	85,664,854.60	85,664,854.60
2. Increase of the current period	101,940,012.76	101,940,012.76
(1) Lease in	101,903,143.52	101,903,143.52
(2) Exchange rate changes	36,869.24	36,869.24
3. Decrease of the current period	41,429,251.16	41,429,251.16
(1) Disposal	41,429,251.16	41,429,251.16
4. Closing balance	146,175,616.20	146,175,616.20
II. Accumulated depreciation		
1. Opening balance	45,647,950.93	45,647,950.93
2. Increase of the current period	29,211,747.64	29,211,747.64
(1) Provision	29,200,594.44	29,200,594.44
(2) Exchange rate changes	11,153.20	11,153.20
3. Decrease of the current period	37,360,216.03	37,360,216.03
(1) Disposal	37,360,216.03	37,360,216.03
4. Closing balance	37,499,482.54	37,499,482.54
III. Provision for impairment		
1. Opening balance		
2. Increase of the current period		
(1) Provision		
3. Decrease of the current period		
(1) Disposal		

4. Closing balance		
IV. Book value		
1. Closing balance	108,676,133.66	108,676,133.66
2. Opening balance	40,016,903.67	40,016,903.67

(2) Impairment test of right-of-use assets

☐ Applicable ☒ N/A

Other information

None

26. Intangible assets

(1). Description of intangible assets

☒ Applicable ☐ N/A

In RMB

Item	Patents	Land use rights	Software	Total
I. Original book value				
1. Opening balance	20,059,950.00	330,630,000.00	27,192,435.04	377,882,385.04
2. Increase			5,698,671.64	5,698,671.64
(1) Purchase			5,689,223.86	5,689,223.86
(2) Exchange rate changes			9,447.78	9,447.78
(3) Increase from business combination				
3. Decrease				
(1) Disposal				
4. Closing balance	20,059,950.00	330,630,000.00	32,891,106.68	383,581,056.68
II. Accumulated amortization				
1. Opening balance	16,390,600.14	60,615,500.22	15,245,888.60	92,251,988.96
2. Increase		11,021,000.04	4,619,539.59	15,640,539.63
(1) Provision		11,021,000.04	4,610,130.24	15,631,130.28
(2) Exchange rate changes			9,409.35	9,409.35
3. Decrease				
(1) Disposal				
4. Closing balance	16,390,600.14	71,636,500.26	19,865,428.19	107,892,528.59
III. Provision for impairment				
1. Opening balance	3,669,349.86			3,669,349.86
2. Increase				
(1) Provision				

3. Decrease				
(1) Disposal				
4. Closing balance	3,669,349.86			3,669,349.86
IV. Book value				
1. Closing balance		258,993,499.74	13,025,678.49	272,019,178.23
2. Opening balance		270,014,499.78	11,946,546.44	281,961,046.22

The proportion of intangible assets generated by the Company's internal research and development to the balance of intangible assets at the end of the period is 0.

(2). Data resources recognized as intangible assets

☐ Applicable ☒ N/A

(3). Land use rights of which certificates of title have not been obtained

☐ Applicable ☒ N/A

(4) Impairment test of intangible assets

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

27. Goodwill

(1). Original book value of goodwill

☐ Applicable ☒ N/A

(2). Impairment provision of goodwill

☐ Applicable ☒ N/A

(3). Relevant information of groups of assets or combinations of groups of assets where the goodwill is recognized

☐ Applicable ☒ N/A

Changes in groups of assets or combinations of groups of assets

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

(4). Specific method for determining the recoverable amount

The recoverable amount is determined as the fair value net of disposal expenses

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(5). Performance covenant and impairment of the corresponding goodwill

There is a performance covenant and the reporting period or the prior period is within the period of performance covenant when the goodwill is generated

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

28. Long-term prepaid expenses

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period	Amortization of the current period	Other decreases	Closing balance
Decoration construction	6,296,126.87	2,225,812.79	6,885,039.50	-1,395.55	1,638,295.71
RTO gas for the screen project	22,018.46		22,018.46		
Total	6,318,145.33	2,225,812.79	6,907,057.96	-1,395.55	1,638,295.71

Other information

None

29. Deferred tax assets and deferred tax liabilities

(1). Deferred tax assets that are not offset

☒ Applicable ☐ N/A

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	116,152,314.25	17,451,315.42	74,115,172.24	11,117,383.83
Unrealized insider transactions	148,419,770.86	22,262,965.64	210,685,301.87	31,602,795.28

Provisions	32,607,986.78	4,891,198.02	34,841,473.16	5,226,220.97
Share-based payment expenses	12,806,222.60	1,920,933.39	61,226,650.97	9,183,997.65
Other current liabilities	8,541,614.81	1,281,242.22	4,991,932.34	748,789.85
Deferred income	1,199,899.95	179,984.99	2,718,881.63	407,832.24
Lease liabilities	112,072,741.16	17,097,695.94	34,994,645.59	5,283,800.22
Held-for-trading financial assets			990,000.00	148,500.00
Deductible losses	276,091,526.71	52,156,587.97	239,029,918.69	35,854,487.80
Total	707,892,077.12	117,241,923.59	663,593,976.49	99,573,807.84

(2). Deferred tax liabilities that are not offset

√ Applicable □ N/A

In RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Long-term receivables	81,467,921.55	12,220,188.23	69,036,668.06	10,355,500.21
Right-of-use assets	108,676,133.66	16,581,827.36	33,667,244.64	5,083,230.25
Held-for-trading financial assets	1,936,739.21	290,510.88		
Total	192,080,794.42	29,092,526.47	102,703,912.70	15,438,730.46

(3). Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset

√ Applicable □ N/A

In RMB

Item	Closing set-off amounts of deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after set-off	Opening set-off amounts of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after set-off
Deferred tax assets	27,184,455.34	90,057,468.25	14,209,075.65	85,364,732.19
Deferred tax liabilities	27,184,455.34	1,908,071.13	14,209,075.65	1,229,654.81

(4). Details of unrecognized deferred tax assets

√ Applicable □ N/A

In RMB

Item	Closing balance	Opening balance
Provision for impairment of assets	52,077,971.59	72,217,063.30
Unrealized profits for insider transactions	13,767,811.61	17,628,227.02
Provisions	10,225,161.64	23,992,739.66
Deferred income	1,045,151.49	1,909,090.93

Share-based payment expenses	6,755,359.74	5,716,287.31
Leases	472,794.41	776,044.91
Profit distribution from partnership enterprises		22,937.98
Changes in fair value of investments in other equity instruments	4,900,000.00	4,900,000.00
Changes in fair value	82,664,146.02	
Other current liabilities	1,940,456.19	
Deductible losses	846,553,733.34	628,624,774.28
Total	1,020,402,586.03	755,787,165.39

(5). Deductible losses, for which no deferred tax assets are recognized, will expire in the following years

√ Applicable □ N/A

In RMB

Year	Closing balance	Opening balance	Remark
2024		3,721,926.96	
2025	2,377,416.90	4,647,581.11	
2026	585,585.70	585,694.63	
2027	5,826,183.64	7,264,969.19	
2028	12,425,423.07	14,859,636.58	
2029	29,926,884.52		
2031	86,704,079.12	86,704,079.12	
2032	174,220,126.74	174,220,126.74	
2033	195,668,349.41	168,693,830.07	
2034	150,124,051.92		
No expiry date	188,695,632.32	167,926,929.88	
Total	846,553,733.34	628,624,774.28	-

Other information

□ Applicable √ N/A

30. Other non-current assets

√ Applicable □ N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision on for impairment	Book value
Prepayment for purchase of long-term assets	14,404,981.14		14,404,981.14	29,348,748.27		29,348,748.27
Total	14,404,981.14		14,404,981.14	29,348,748.27		29,348,748.27

Other information

None

31. Items of restricted assets

√ Applicable □ N/A

In RMB

Item	Closing				Opening			
	Carrying amount	Book value	Type of restriction	Restriction	Carrying amount	Book value	Type of restriction	Restriction
Cash and bank balances	168,234,385.36	168,234,385.36	Time deposits and interests, security deposits, funds in restricted accounts	Undue time deposits and interests, account security deposits, and restricted payments	88,979,653.31	88,979,653.31	Time deposits and interests, security deposits, funds in restricted accounts	Undue time deposits and interests, account security deposits, and restricted payments
Intangible assets	330,630,000.00	258,993,499.74	Mortgage	Mortgage collateral	330,630,000.00	270,014,499.78	Mortgage	Mortgage collateral
Cash and bank balances	159,999,148.99	159,999,148.99	Restricted by pending litigation					
Other assets	123,667,474.81	116,577,251.61	Restricted by pending litigation					
Total	782,531,009.16	703,804,285.70	-	-	419,609,653.31	358,994,153.09	-	-

Other information

Appotronics HK and GDC Technology Limited (BVI), subsidiaries of the Company, are involved in a pending litigation, and therefore, the assets of Appotronics HK are presented as restricted assets.

32. Short-term borrowings

(1). Categories of short-term borrowings

√ Applicable □ N/A

In RMB

Item	Closing balance	Opening balance
Guaranteed loans	26,740,000.00	30,000,000.00
Pledge borrowings	60,000,000.00	50,000,000.00
Interest	56,568.44	36,500.00
Total	86,796,568.44	80,036,500.00

Description for categories of short-term borrowings

None

(2). Short-term borrowings overdue but not yet repaid

☐ Applicable ☒ N/A

In which the significant amounts of short-term borrowings overdue but not yet repaid are described as below:

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

33. Held-for-trading financial liabilities

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

34. Derivative financial liabilities

☐ Applicable ☒ N/A

35. Notes payable

(1). Presented by notes payable

☒ Applicable ☐ N/A

In RMB

Category	Closing balance	Opening balance
Commercial acceptance bills		
Bank acceptance bills	184,786,728.04	76,001,079.07
Total	184,786,728.04	76,001,079.07

Total notes payable matured but not paid yet are RMB 0 at the end of the period.

36. Accounts payable

(1). Presented by accounts payable

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Amounts payable for purchase	351,760,010.32	247,318,466.10
Total	351,760,010.32	247,318,466.10

(2). Accounts payable with significant amounts aged more than 1 year or overdue

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

37. Advance from customers

(1). Presented by advance from customers

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Advance payments of recharge fees	91,209,867.92	110,573,711.24
Total	91,209,867.92	110,573,711.24

(2). Advance from customers with significant amounts aged more than 1 year

☐ Applicable ☒ N/A

(3). Amount and reasons of major changes in the book value during the reporting period

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

38. Contract liabilities

(1). Description of contract liabilities

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Goods payment	43,722,313.68	45,416,445.99
Total	43,722,313.68	45,416,445.99

(2). Contract liabilities with significant amounts aged more than 1 year

☐ Applicable ☒ N/A

(3). Amount and reasons of major changes in the book value during the reporting period

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

39. Employee benefits payable

(1). Presented by employee benefits payable

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
I. Short-term employee benefits	60,944,415.43	392,576,834.66	394,963,291.58	58,557,958.51
II. Post-employment benefits-defined contribution plan	235,754.95	17,113,745.07	16,710,167.50	639,332.52
III. Termination benefits	5,694,064.09	4,250,885.40	9,221,095.08	723,854.41
IV. Other benefits due within one year				
Total	66,874,234.47	413,941,465.13	420,894,554.16	59,921,145.44

(2). Presented by short-term employee benefits

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	60,435,649.24	351,193,227.65	353,410,297.87	58,218,579.02
II. Staff welfare	276,355.00	8,346,257.13	8,449,400.36	173,211.77
III. Social security contributions	151,646.45	11,089,834.17	11,127,351.04	114,129.58
Where: Medical insurance	143,966.79	10,049,181.18	10,086,513.66	106,634.31
Work injury insurance	7,662.68	561,298.91	561,466.32	7,495.27
Maternity insurance	16.98	479,354.08	479,371.06	
IV. Housing funds	21,519.00	20,799,603.93	20,803,394.93	17,728.00
V. Union running costs and employee education costs	59,245.74	1,147,911.78	1,172,847.38	34,310.14
VI. Short-term paid leaves				
VII. Short-term profit sharing plan				
Total	60,944,415.43	392,576,834.66	394,963,291.58	58,557,958.51

(3). Presented by defined contribution plan

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
1. Basic pensions insurance	228,085.12	16,443,314.80	16,039,580.66	631,819.26
2. Unemployment insurance	7,669.83	670,430.27	670,586.84	7,513.26

3. Enterprise annuity contribution				
Total	235,754.95	17,113,745.07	16,710,167.50	639,332.52

Other information

☐ Applicable ☒ N/A

40. Taxes payable

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Value-added tax (VAT)	12,417,861.16	359,180.74
Consumption tax		
Business tax		
Enterprise income tax	9,595,271.70	1,334,766.59
Individual income tax	2,146,256.59	3,528,285.07
City maintenance and construction tax	370,805.02	293,453.55
Education surcharges	160,497.08	129,503.34
Local education surcharges	106,998.06	83,464.21
Stamp duty	464,527.58	399,474.92
Annual franchise right tax		14,519.54
Land use tax		56.27
Total	25,262,217.19	6,142,704.23

Other information

None

41. Other payables

(1). Presented by items

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Other payables	73,987,139.27	54,142,509.17
Total	73,987,139.27	54,142,509.17

Other information

☐ Applicable ☒ N/A

(2). Interests payable

Presented by categories

☐ Applicable ☒ N/A

Overdue interests payable with significant amounts

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

(3). Dividends payable

Presented by categories

☐ Applicable ☒ N/A

(4). Other payables

Other payables presented by nature

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Withholding	519,438.92	519,802.15
Deposits/margins	11,333,729.28	14,940,040.78
Withdrawals in advance	61,241,052.17	35,291,543.85
Temporary receipts payable	892,918.90	3,391,122.39
Total	73,987,139.27	54,142,509.17

Other payables with significant amounts aged more than 1 year or overdue

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

42. Held-for-sale liabilities

☐ Applicable ☒ N/A

43. Non-current liabilities due within one year

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Lease liabilities due within one year	32,390,947.58	26,571,363.83
Provisions due within 1 year	13,400,190.80	
Long-term borrowings due within one year	170,309,187.76	241,906,668.40
Interests payable	144,233.35	270,119.44
Total	216,244,559.49	268,748,151.67

Other information

None

44. Other current liabilities

Description of other current liabilities

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Rebates payable	10,482,071.00	14,406,021.16
Taxes to be written off	3,077,762.08	4,035,664.67
CCB Supply Chain Finance's notes	50,000,000.00	
Total	63,559,833.08	18,441,685.83

Changes in short-term bonds payable

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

45. Long-term borrowings

(1). Categories of long-term borrowings

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Pledge and mortgage borrowings	125,195,126.01	136,305,570.04
Guaranteed loans	59,980,000.00	136,980,000.00
Credit loans	96,650,000.00	97,000,000.00
Interests payable	258,422.66	364,061.18
Total	282,083,548.67	370,649,631.22

Description for categories of long-term borrowings

None

Other information

☐ Applicable ☒ N/A

46. Bonds payable

(1). Bonds payable

☐ Applicable ☒ N/A

(2). Specific information about bonds payable: (excluding other financial instruments such as preferred shares, perpetual bonds and others classified as financial liabilities)

☐ Applicable ☒ N/A

(3). Description of convertible corporate bonds

☐ Applicable ☒ N/A

Accounting treatment and determination basis of conversion rights

☐ Applicable ☒ N/A

(4). Description of other financial instruments classified as financial liabilities

Basic information of other financial instruments including outstanding preferred shares and perpetual bonds at the end of the period

☐ Applicable ☒ N/A

Changes in financial instruments including outstanding preferred shares and perpetual bonds at the end of the period

☐ Applicable ☒ N/A

Other financial instruments classified as financial liabilities

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

47. Lease liabilities
☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Unpaid lease payments	74,499,723.01	16,514,060.82
Less: Unrecognized finance charges	2,503,556.10	965,075.11
Total	71,996,166.91	15,548,985.71

Other information

None

48. Long-term payables
Presented by items
☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

Long-term payables
(1). Long-term payables presented by nature
☐ Applicable ☒ N/A

Special payables
(2). Special payables presented by nature
☐ Applicable ☒ N/A

49. Long-term employee benefits payable
☐ Applicable ☒ N/A

50. Provisions
☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance	Reason
Product quality warranty	29,371,974.42	50,530,730.18	Expenses for “three guarantees” services
Amounts payable for goods returned	927,482.52	2,495,594.97	
Pending litigation		5,154,659.93	
Total	30,299,456.94	58,180,985.08	

Other description, including significant assumptions and estimates relative to material provisions:

None

51. Deferred income

Description of deferred income

√ Applicable □ N/A

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance	Reason
Government grants related to assets	3,749,594.97		2,379,421.96	1,370,173.01	The relevant asset is within its service life
Government grants related to income	878,377.59	927,200.00	930,699.16	874,878.43	Used for compensation of relevant costs, expenses, or losses in subsequent periods
Total	4,627,972.56	927,200.00	3,310,121.12	2,245,051.44	

Other information

□ Applicable √ N/A

52. Other non-current liabilities

□ Applicable √ N/A

53. Share capital

√ Applicable □ N/A

In RMB

	Opening balance	Changes (+, -)					Closing balance
		New shares	Bonus shares	Capitalization of capital reserve	Others	Subtotal	
Total shares	462,211,338.00	2,922,290.00			-5,842,483.00	-2,920,193.00	459,291,145.00

Other information:

On January 19, 2024, the Company received the additional investment of RMB 7,327,467.64 in total paid by 12 qualified grantees of share incentives under the 2021 and 2022 Restricted Share Incentive Plan, including RMB 394,040.00 recognized as share capital, RMB 6,933,427.64 recognized as capital premium (share premium), and RMB 2,395,251.20 transferred from capital reserve - other capital reserve to capital premium (share premium). Pan-China Certified Public Accountants LLP audited this capital increase and issued a Capital Verification Report (Tian Jian Yan (2024) No. 7-4).

On June 4, 2024, the Company received the additional investment of RMB 38,785,883.25 in total paid by 62 qualified grantees of share incentives under the 2022 Restricted Share Incentive Plan, including RMB 2,528,250.00 recognized as share capital, RMB 36,257,633.25 recognized as capital premium (share premium), and RMB 6,977,970.00 transferred from capital reserve - other capital

reserve to capital premium (share premium). Pan-China Certified Public Accountants LLP audited this capital increase and issued a Capital Verification Report (Tian Jian Yan (2024) No. 7-13).

On November 5, 2024, the Company de-registered the 5,842,483 shares repurchased and reduced its share capital by RMB 5,842,483.00.

54. Other equity instruments

(1). Basic information of other financial instruments including outstanding preferred shares and perpetual bonds at the end of the period

☐ Applicable ☒ N/A

(2). Changes in financial instruments including outstanding preferred shares and perpetual bonds at the end of the period

☐ Applicable ☒ N/A

Changes of other equity instruments in the current period, reasons for such change and basis for related accounting treatments

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

55. Capital reserve

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Capital premium (share premium)	1,468,447,805.00	52,564,282.09	112,343,057.62	1,408,669,029.47
Other capital reserve	148,041,762.43	9,919,212.72	12,475,493.29	145,485,481.86
Total	1,616,489,567.43	62,483,494.81	124,818,550.91	1,554,154,511.33

Other description, including changes in the current period and reasons for changes

- 1) Refer to V(I) 38(2) for the increase in the capital reserve - share premium in the current period;
- 2) Refer to V(I) 38(2) for the decrease in the capital reserve - other capital reserve in the current period;
- 3) Under the 2021 Second Restricted Share Incentive Plan, the total expense of equity-settled share-based payments amounted to RMB 1,241,369.34, in which RMB 1,241,369.34 was recognized in the capital reserve (other capital reserve);
- 4) Under the 2022 Restricted Share Incentive Plan, the total expense of equity-settled share-based payments amounted to RMB 990,691.46, in which RMB 990,691.46 was recognized in the capital reserve (other capital reserve);

- 5) In 2022, the Company granted restricted shares to the actual controller through its shareholding platform. The total expense of equity-settled share-based payments amounted to RMB 5,518,051.09, in which RMB 5,518,051.09 was recognized in the capital reserve (other capital reserve);
- 6) On January 1, 2021, the Company granted restricted shares to senior officer of subsidiaries through its shareholding platform. The total expense of equity-settled share-based payments amounted to RMB 297,657.11, in which RMB 201,811.53 was recognized in the capital reserve (other capital reserve) and RMB 95,845.58 was charged to the amount attributable to minority interests;
- 7) In 2022, Chongqing Formovie, a subsidiary of the Company, deliberated and adopted the Resolution on Granting Equity Shares of Shenzhen Fengye Investment Consulting Limited Partnership (Limited Partnership), under which shares of Chongqing Formovie are granted to employees. In the current period, the total expense of equity-settled share-based payments amounted to RMB 1,113,659.46, in which RMB 436,443.15 was recognized in the capital reserve (other capital reserve), and RMB 677,216.31 was charged to the amount attributable to minority interests;
- 8) Based on the equity interests diluted due to capital increase in the Company's participating company, the capital reserve (other capital reserve) of RMB 1,530,846.15 was recognized;
- 9) Based on the Company's acquisition of equity interests from minority shareholders, the capital reserve (share premium) was reduced by RMB 3,370,716.72;
- 10) Based on the Company's acquisition of equity interests from minority shareholders through the exercise of convertible bonds, the capital reserve (share premium) was reduced by RMB 5,897,047.27;
- 11) Based on the de-registration of the Company's subsidiary, the capital reserve (other capital reserve) was reduced by RMB 291.55;
- 12) On December 31, 2024, the closing fair value of equity-settled share-based payments experienced changes, which reduced the deferred tax assets by RMB 3,333,268.03, reduced the capital reserve (other capital reserve) by RMB 3,101,980.54, and reduced the minority interests by RMB 231,287.49.
- 13) On November 5, 2024, the Company de-registered treasury shares, which reduced by the capital reserve (share premium) by RMB 103,075,293.63.

56. Treasury shares

√ Applicable □ N/A

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Treasury shares	19,377,297.59	119,432,441.36	108,917,776.63	29,891,962.32
Total	19,377,297.59	119,432,441.36	108,917,776.63	29,891,962.32

Other description, including changes in the current period and reasons for changes

In this year, the Company repurchased a total of 7,126,938 shares in the total amount of RMB 119,432,441.36 through call auction trading in the trading system of Shanghai Stock Exchange; on November 5, 2024, the Company de-registered the 5,842,483 shares repurchased, in a total amount of RMB 108,917,776.63.

57. Other comprehensive income

√ Applicable □ N/A

In RMB

Item	Opening balance	Amount for the current period						Closing balance
		Amount incurred for current period before tax	Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Amount previously included in other comprehensive income and transferred to retained earnings for the period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified subsequently to profit or loss	-4,900,000.00							-4,900,000.00
Where: Changes from remeasurement of defined benefit plans								
Other comprehensive income that cannot be reclassified to profit or loss under the equity method								
Changes in fair value of investments in other equity instruments	-4,900,000.00							-4,900,000.00
Changes in fair value of enterprises' own credit risks								

II. Other comprehensive income that will be reclassified to profit or loss	12,450,073.78	-16,752,932.52	-17,834,275.74			1,081,343.22	-317,428.87	13,531,417.00
Where: Other comprehensive income that will be reclassified to profit or loss under the equity method	-16,306,810.51	-1,527,465.23	-17,834,275.74			16,306,810.51		
Changes in fair value of other debt investments								
Amount of financial assets reclassified to other comprehensive income								
Provision for credit impairment of other debt investments								
Reserve for cash flow hedges								
Exchange differences on translation of financial statements denominated in foreign currencies	28,756,884.29	-15,225,467.29				-15,225,467.29	-317,428.87	13,531,417.00
Total other comprehensive income	7,550,073.78	-16,752,932.52	-17,834,275.74			1,081,343.22	-317,428.87	8,631,417.00

Other description, including adjustments on transferring effective portion of cash flow hedges to amount upon initial recognition of the hedged item

None

58. Special reserve
☐ Applicable ☒ N/A

59. Surplus reserve
☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period	Decrease of the current period	Closing balance
Statutory surplus reserve	84,873,365.32	18,286,719.58		103,160,084.90
Discretionary surplus reserves				
Reserve fund				
Enterprise development fund				
Others				
Total	84,873,365.32	18,286,719.58		103,160,084.90

Surplus reserve description, including changes in the current period and reasons for changes

The Company made provisions for statutory surplus reserves at 10% of the net profits realized by the parent company in the period.

60. Undistributed profits
☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Retained profits at the end of prior period before adjustment	667,122,406.05	597,924,451.67
Total adjusted undistributed profits at the beginning of the period (Add: +; Less: -)		
Retained profits at the beginning of the period after adjustment	667,122,406.05	597,924,451.67
Add: Net profit attributable to owners of the parent company for the period	27,953,093.89	103,186,743.57
Less: Appropriation to statutory surplus reserve	18,286,719.58	9,353,583.26
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserve		
Declaration of dividends on ordinary shares	32,086,081.15	24,635,205.93
Conversion of ordinary shares' dividends into share capital		
Retained profits at the end of the period	644,702,699.21	667,122,406.05

Details of adjustments to undistributed profits at the beginning of the period:

1. As a result of the retrospective adjustment of the *Accounting Standards for Business Enterprises* and related new regulations, undistributed profits at the beginning of the period were affected by RMB 0.00.
2. Retained profits at the beginning of the period were affected by RMB 0.00 due to changes in accounting policies.
3. Retained profits at the beginning of the period were affected by RMB 0.00 due to the correction of significant accounting errors.
4. Retained profits at the beginning of the period were affected by RMB 0.00 due to changes in the scope of consolidation resulting from business combination involving entities under common control.
5. Retained profits at the beginning of the period were affected by RMB 0.00 in total due to other adjustments.

On June 3, 2024, at the 2023 annual general meeting of shareholders, the *Proposal on Preliminary Plan on Profit Distribution for 2023* was reviewed and passed, approving to make profit distribution on the basis of the total shares on the record date of interest distribution - the Company proposed to distribute to all shareholders a cash dividend of RMB 0.7 (tax inclusive) for every 10 shares. The total cash dividend to be paid is RMB 32,086,081.15.

61. Operating revenue and operating costs

(1). Description of operating revenue and operating costs

√ Applicable □ N/A

In RMB

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Main business	2,418,574,391.82	1,733,837,423.57	2,213,356,977.95	1,435,201,005.16
Other business				
Total	2,418,574,391.82	1,733,837,423.57	2,213,356,977.95	1,435,201,005.16

(2). Breakdown of operating revenue and operating costs

☐ Applicable ☒ N/A

Other information

☒ Applicable ☐ N/A

In RMB

1) Breakdown of revenue from contracts with customers by the type of goods or services

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Laser optical engine	1,049,823,687.26	790,632,967.99	507,173,216.98	288,863,674.33
Complete laser projector	839,600,111.80	636,215,284.67	1,132,584,285.59	824,300,273.09
Others	207,986,024.43	181,702,932.36	204,432,985.18	175,765,940.26
Subtotal	2,097,409,823.49	1,608,551,185.02	1,844,190,487.75	1,288,929,887.68

2) Breakdown of revenue from contracts with customers by operating region

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Domestic	1,820,138,791.84	1,443,409,202.44	1,494,048,400.22	1,084,482,584.05
Overseas	277,271,031.65	165,141,982.58	350,142,087.53	204,447,303.63
Subtotal	2,097,409,823.49	1,608,551,185.02	1,844,190,487.75	1,288,929,887.68

3) Breakdown of revenue from contracts with customers by the transfer time of goods or services

Item	Current period	Prior period
Revenue recognized at a time point	2,090,818,285.03	1,838,714,320.05
Revenue recognized for a period of time	6,591,538.46	5,476,167.70
Subtotal	2,097,409,823.49	1,844,190,487.75

(3). Description of performance obligations

☒ Applicable ☐ N/A

In RMB

Item	Time when obligations are performed	Main payment provisions	Nature of the goods to be transferred by the Company	Main responsible person or not	Amounts to be refunded to customers by the Company	Type of quality warranty provided by the Company and relevant obligations
Sales of goods	Upon delivery of goods	The payment term is general a specific period following the delivery of products	Product	Yes	None	Quality warranty with the nature of guarantee
Rendering of services	Upon the rendering of services	Normally advance receipts	Technical services	Yes	None	None

Rendering of services	Upon the rendering of services	Normally advance receipts	Lease services	Yes	None	None
Total	-	-	-	-		-

(4). Description of allocation to remaining performance obligations

☐ Applicable ☒ N/A

(5). Material contract changes or material adjustment in transaction prices

☐ Applicable ☒ N/A

Other information

None

62. Taxes and surcharges

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
City maintenance and construction tax	4,265,440.47	3,531,311.38
Stamp duty	1,708,514.55	1,499,223.49
Education surcharges	1,836,692.98	1,546,743.38
Local education surcharges	1,228,673.61	1,031,162.25
Others	101,059.64	159,604.45
Total	9,140,381.25	7,768,044.95

Other information

None

63. Selling expenses

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Employee benefits	81,027,699.23	98,106,453.46
Marketing fees	52,137,592.06	118,059,262.30
Service fees	13,639,628.80	21,964,113.14
Travel expenses	8,413,781.55	7,796,836.26
Business entertainment expenses	3,679,939.30	2,826,688.91
Advertising and business promotion expenses	2,716,775.14	3,794,162.38
Other expenses	24,900,869.38	24,689,780.46
Total	186,516,285.46	277,237,296.91

Other information

None

64. Administrative expenses

√ Applicable □ N/A

In RMB

Item	Current period	Prior period
Employee benefits	79,154,053.00	78,501,773.47
Service fees	43,623,267.38	46,978,206.88
Depreciation and amortization expenses	18,585,396.54	14,718,193.05
Share-based payment expenses	9,162,918.23	2,841,165.47
Rent expenses	2,407,823.80	4,496,288.03
Travel expenses	2,337,460.89	2,073,030.53
Other expenses	7,920,138.00	7,484,067.06
Total	163,191,057.84	157,092,724.49

Other information

None

65. R&D expenses

√ Applicable □ N/A

In RMB

Item	Current period	Prior period
Employee benefits	168,225,238.76	188,475,365.59
Material consumption expenses	21,175,755.74	32,923,076.62
Depreciation and amortization expenses	19,779,060.85	15,889,023.25
Testing expenses	9,868,185.60	9,801,946.30
Entrusted R&D expenses	8,696,311.91	8,610,618.71
Service fees	3,931,521.71	10,039,393.07
Other expenses	16,036,748.25	15,193,376.81
Total	247,712,822.82	280,932,800.35

Other information

None

66. Financial expenses

√ Applicable □ N/A

In RMB

Item	Current period	Prior period
Interest expenses	18,362,266.61	18,635,749.36
Less: Interest income	29,049,115.23	34,298,315.94
Exchange profit or loss	-908,351.75	-6,618,898.60
Bank service charges	1,387,358.83	2,831,481.53
Total	-10,207,841.54	-19,449,983.65

Other information

None

67. Other income

√ Applicable □ N/A

In RMB

Classified by nature	Current period	Prior period
Government grants related to assets	2,379,421.96	2,156,391.60
Government grants related to income	17,607,908.39	29,972,867.16
Refund of transaction fees for withholding individual income taxes	565,343.98	476,126.36
Additional deduction of input VAT	8,197,401.80	8,836,687.49
Total	28,750,076.13	41,442,072.61

Other information

Government grants recognized in other income in the current period are disclosed in XI of Section X in details.

68. Investment income

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Gains from long-term equity investment accounted for using the equity method	-5,063,347.06	-12,002,779.90
Investment income from disposal of long-term equity investments	-38,049,669.70	
Investment income from held-for-trading financial assets during the holding period		
Dividend income from investment in other equity instruments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of held-for-trading financial assets	25,684,625.16	12,571,132.08
Investment income from disposal of investment in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Profits from debt restructuring		
Discounted losses of receivables financing	-3,173,096.28	
Total	-20,601,487.88	568,352.18

Other information

None

69. Gains from net exposure hedges

☐ Applicable ☒ N/A

70. Gains from changes in fair values

☒ Applicable ☐ N/A

In RMB

Source of gains from changes in fair values	Current period	Prior period
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Held-for-trading financial assets	11,999,239.21	130,000.00
Where: Gains from changes in fair values generated by derivative financial instruments		
Held-for-trading financial liabilities		
Investment properties measured at fair value		
Other non-current financial assets	-16,183,505.62	
Total	-4,184,266.41	130,000.00

Other information

None

71. Losses of credit impairment

√ Applicable □ N/A

In RMB

Item	Current period	Prior period
Impairment losses of notes receivable	143,353.71	-275,713.53
Impairment losses of accounts receivable	-8,401,541.45	-586,531.51
Impairment losses of other receivables	-1,548,163.69	-309,115.58
Impairment losses of debt investments		
Impairment losses of other debt investments		
Impairment losses of long-term receivables	-652,387.87	424,001.28
Impairment losses related to financial guarantees		
Impairment losses of non-current assets due within one year	-5,839,586.38	-6,232,088.46
Total	-16,298,325.68	-6,979,447.80

Other information

None

72. Impairment losses of assets

√ Applicable □ N/A

In RMB

Item	Current period	Prior period
I. Impairment losses of contract assets	-363,724.28	945,310.21
II. Losses of decline in value of inventories and impairment losses of contract performance cost	-63,202,258.76	-58,362,634.11
III. Impairment losses of long-term equity investments		-11,606,996.75
IV. Impairment losses of investment properties		
V. Impairment losses of fixed assets	-4,340,134.76	-5,236,534.09
VI. Impairment losses of materials for construction		
VII. Impairment losses of construction in progress		
VIII. Impairment losses of productive biological assets		
IX. Impairment losses of oil and gas assets		
X. Impairment losses of intangible assets		
XI. Goodwill impairment losses		
XII. Others		
Total	-67,906,117.80	-74,260,854.74

Other information

None

73. Gains from disposal of assets

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Gains from disposal of assets	-287,204.24	151,469.26
Total	-287,204.24	151,469.26

Other information

None

74. Non-operating revenue

Description of non-operating revenue

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Total gains from disposal of non-current assets	323,423.00		323,423.00
Where: Gains from disposal of fixed assets	323,423.00		323,423.00
Gains from disposal of intangible assets			
Gains from exchange of non-monetary assets			
Government grants	30,000.00	9,000,000.00	30,000.00
Amounts not required for payment	1,288,138.98	603,511.68	1,288,138.98
Indemnity		202,391.88	
Others	1,402,982.02	74,758.54	1,402,982.02
Total	3,044,544.00	9,880,662.10	3,044,544.00

Other information

☐ Applicable ☒ N/A

75. Non-operating expenses

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the period
Total losses from disposal of non-current assets	2,046,351.83	2,210,784.87	2,046,351.83
Where: Losses from disposal of fixed assets	2,046,351.83	2,210,784.87	2,046,351.83
Losses from disposal of intangible assets			
Losses from exchange of			

non-monetary assets			
Settlement payments		4,922,202.89	
Penalties and overdue fines	130,782.09	655,330.77	130,782.09
Others	1,307,243.51	44,045.64	1,307,243.51
Total	3,484,377.43	7,832,364.17	3,484,377.43

Other information

None

76. Income tax expense

(1). Statement of income tax expense

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Income tax expense in the current period	20,649,080.20	13,491,208.18
Deferred income tax expenses	-7,347,587.77	6,567,489.85
Total	13,301,492.43	20,058,698.03

(2). Reconciliation of income tax expenses to the accounting profit

☒ Applicable ☐ N/A

In RMB

Item	Current period
Total profit	7,417,103.11
Income tax expense calculated based on statutory/applicable tax rate	1,112,565.47
Effect of different tax rates of subsidiaries operating in other jurisdictions	690,026.59
Effect of income tax for the period before adjustment	173,468.27
Effect of non-taxable income	-2,006,396.77
Effect of non-deductible cost, expense and loss	4,227,738.15
Effect of utilizing deductible loss not recognized for deferred tax assets for prior period	-1,774,818.23
Effect of deductible temporary difference or deductible loss not recognized for deferred tax assets for the current period	42,731,352.40
Effect of additional deduction of R&D expenses	-24,870,156.05
Effect of deductible temporary difference or deductible loss that is not recognized in the prior period but recognized in the current period for deferred tax assets	-10,808,064.22
Effect of share-based payments	3,825,776.82
Income tax expenses	13,301,492.43

Other information

☐ Applicable ☒ N/A

77. Other comprehensive income

☒ Applicable ☐ N/A

Other comprehensive income net of tax is disclosed in VII.57 of Section X in detail

78. Items in cash flow statement

(1). Cash related to operating activities

Other cash receipts related to operating activities

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Interest income	23,330,366.17	31,705,192.68
Government grants	9,365,679.75	36,467,444.30
Recovery of security deposits	23,414,876.62	48,740,274.02
Other transaction accounts	9,787,880.20	35,558,972.59
Total	65,898,802.74	152,471,883.59

Description of other cash receipts related to operating activities

None

Other cash payments related to operating activities

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Administrative expenses, selling expenses, and R&D expenses paid in cash	191,971,464.15	264,372,840.34
Non-operating expenses	278,412.32	2,080,229.30
Payment of security deposits	83,742,142.78	25,953,721.92
Service charges	1,381,512.67	2,831,481.53
Other transaction accounts	26,957,105.11	10,458,182.85
Funds restricted for payment	159,999,148.99	
Total	464,329,786.02	305,696,455.94

Description of other cash payments related to operating activities

None

(2). Cash related to investing activities

Cash receipts related to significant investing activities

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Redemption of wealth management products	1,912,000,000.00	1,588,530,000.00
Total	1,912,000,000.00	1,588,530,000.00

Cash receipts related to significant investing activities

None

Cash payments related to significant investing activities

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Investment and wealth management products	1,575,000,000.00	1,749,530,000.00

Total	1,575,000,000.00	1,749,530,000.00
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Cash payments related to significant investing activities

None

Other cash receipts related to investing activities

☐ Applicable ☒ N/A

Other cash payments related to investing activities

☐ Applicable ☒ N/A

(3). Cash related to financing activities

Other cash receipts related to financing activities

☐ Applicable ☒ N/A

Other cash payments related to financing activities

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Actual lease payment	39,099,226.28	34,444,716.79
Repurchase of shares	119,432,441.36	
Total	158,531,667.64	34,444,716.79

Description of other cash payments related to financing activities

None

Changes in various liabilities due to financing activities

☒ Applicable ☐ N/A

In RMB

Item	Opening balance	Increase of the current period		Decrease of the current period		Closing balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Short-term borrowings	80,036,500.00	86,740,000.00	1,312,012.86	81,291,944.42		86,796,568.44
Long-term borrowings (including long-term borrowings due within 1 year)	612,826,419.06	95,230,654.50	21,524,172.22	277,044,276.00		452,536,969.78
Lease liabilities (including lease liabilities due within 1 year)	42,120,349.54		98,542,666.19	36,275,901.24		104,387,114.49

year)						
Total	734,983,268.60	181,970,654.50	121,378,851.27	394,612,121.66		643,720,652.71

(4). Description of cash flows stated on a net basis
☐ Applicable ☒ N/A

(5). Significant activities that do not involve receipts and payments of cash in the current period, but affect the financial position of the enterprise or may affect cash flows of the enterprise in the future
☒ Applicable ☐ N/A

Amount of endorsed transfer of commercial bills not involving cash receipts or payments

In RMB

Item	Current period	Prior period
Amount of commercial bills endorsed for transfer	28,971,520.14	14,691,386.00
Where: Payment for goods	28,971,520.14	11,892,050.00
Payment for acquisition of long-term assets such as fixed assets		2,799,336.00

79. Supplementary information to the cash flow statement
(1). Supplementary information to the cash flow statement
☒ Applicable ☐ N/A

In RMB

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-5,884,389.32	17,616,281.15
Add: Provision for impairment of assets	67,906,117.80	74,260,854.74
Losses of credit impairment	16,298,325.68	6,979,447.80
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	161,988,574.78	151,425,961.60
Amortization of right-of-use assets		
Amortization of intangible assets	4,610,130.24	4,390,272.12
Amortization of long-term prepaid expenses	6,907,057.96	4,490,683.83
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "-")	287,204.24	-151,469.26
Losses on retirement of fixed assets (gains are indicated by "-")	1,722,928.83	2,210,784.87
Losses on changes in fair values (gains are indicated by "-")	4,184,266.41	-130,000.00
Financial expenses (income is indicated by "-")	14,432,889.27	12,016,850.75
Investment losses (income is indicated by "-")	17,428,391.60	-568,352.18
Decrease in deferred tax assets (increase is indicated by "-")	-4,692,736.06	5,497,914.83
Increase in deferred tax liabilities (decrease is indicated by "-")	678,416.32	1,229,654.81
Decrease in inventories (increase is indicated by "-")	-25,206,945.87	126,120,551.89
Decrease in receivables from operating activities	-437,102,632.46	101,330,770.81

(increase is indicated by “-”)		
Increase in payables from operating activities (decrease is indicated by “-”)	261,734,832.15	-151,127,567.85
Others	1,928,213.60	8,489,415.17
Net cash flow from operating activities	87,220,645.17	364,082,055.08
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	1,326,535,771.86	1,297,848,895.75
Less: Opening balance of cash	1,297,848,895.75	1,254,582,403.12
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	28,686,876.11	43,266,492.63

(2). Net cash paid to acquire subsidiaries for the current period

☐ Applicable ☒ N/A

(3). Net cash receipts from disposal of subsidiaries for the current period

☐ Applicable ☒ N/A

(4). Composition of cash and cash equivalents

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
I. Cash	1,326,535,771.86	1,297,848,895.75
Where: Cash on hand	5,817.52	5,751.15
Bank deposits that can be paid at any time	1,321,537,700.78	1,289,231,268.27
Other monetary funds that can be paid at any time	4,992,253.56	8,611,876.33
Deposits in the central bank that can be used for payments		
Deposits made with other banks		
Placements with banks		
II. Cash equivalents		
Where: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	1,326,535,771.86	1,297,848,895.75
Where: Restricted cash and cash equivalents of the parent company or subsidiaries within the group		

(5). Items subject to restriction in use but still presented as cash and cash equivalents

☐ Applicable ☒ N/A

(6). Monetary funds not classified as cash and cash equivalents

☒ Applicable ☐ N/A

In RMB

Item	Amount for the current period	Amount for the prior period	Reason
Other monetary funds	34,976,740.44	7,025,897.03	Security deposit, subject to restriction in use
Bank deposits	293,254,298.03	81,953,756.28	Time deposits and interests, funds in restricted accounts, restriction of pending litigation, subject to restriction in use
Cash on hand	2,495.88		Restricted by pending litigation
Total	328,233,534.35	88,979,653.31	-

Other information

☐ Applicable ☒ N/A

80. Notes to items in the statement of changes in owners' equity

Describe matters such as the names and the adjusted amounts of the items included in "others" in respect of adjustments to the closing balances of the prior year:

☐ Applicable ☒ N/A

81. Foreign currency monetary items

(1). Foreign currency monetary items

☒ Applicable ☐ N/A

In RMB

Item	Closing balance of foreign currency	Exchange rate	Closing balance of RMB equivalent
Cash and bank balances			288,790,496.17
Where: USD	39,561,459.42	7.1884	284,383,594.89
EUR	368,773.01	7.5257	2,775,275.04
Accounts receivable			22,862,270.30
Where: USD	3,180,439.36	7.1884	22,862,270.30
EUR			
HKD			
Long-term borrowings	-	-	
Where: USD			
EUR			
HKD			
Accounts payable			51,809,853.22
Where: USD	7,197,134.33	7.1884	51,735,880.42
JPY	1,600,000.00	0.046233	73,972.80

Other information

None

(2). Description of overseas operating entities, including significant overseas operating entities, of which the major operation place, functional currency and basis for selection as well as the reason for change of functional currency should be disclosed

☒ Applicable ☐ N/A

Item	Major overseas operation place	Functional currency	Basis for selection
Appotronics Hong Kong Limited	Hong Kong	USD	Common currency
Appotronics USA, Inc.	USA	USD	Local currency
JoveAI Limited	Cayman Islands	USD	Common currency
JoveAI Innovation, Inc.	USA	USD	Local currency
Formovie Technology Inc	USA	USD	Local currency
Formovie Limited	Hong Kong	USD	Common currency
JoveAI Asia Company Limited	Vietnam	VND	Local currency
WEMAX LLC	USA	USD	Local currency
Hong Kong Orange Juice Energy Technology Co., Limited	Hong Kong	USD	Common currency
Wemax Inc.	USA	USD	Local currency
Appotronics International Limited	Hong Kong	USD	Common currency
Appotronics Technology (Hong Kong) Limited	Hong Kong	USD	Common currency
Appotronics Japan Co., Ltd.	Japan	USD	Common currency
Appotronics Holding B.V.	Netherlands	USD	Common currency
Appotronics International 1 Limited	Hong Kong	USD	Common currency
Appotronics International 2 Limited	Hong Kong	USD	Common currency
Appotronics Hong Kong Holding Limited	Hong Kong	USD	Common currency

82. Leases

(1) As a lessee

√ Applicable □ N/A

Expense relating to variable lease payments not included in measurement of lease liabilities

√ Applicable □ N/A

None

Simplified handling of lease expenses for short-term leases and low-value asset leases

√ Applicable □ N/A

In RMB

Item	Current period	Prior period
Expenses related to short-term leases	3,045,679.64	3,111,815.05
Total	3,045,679.64	3,111,815.05

Sale and leaseback transactions and determination basis

☒ Applicable ☐ N/A

None

The total cash outflow related to lease is RMB 42,419,017.09.

Item	Current period	Prior period
Interest expenses of lease liabilities	1,632,724.46	2,542,288.00
Total cash outflow for leases	42,419,017.09	37,836,595.19

(2) As a lessor

Operating lease as a lessor

☒ Applicable ☐ N/A

In RMB

Item	Lease incomes	Where: Income related to variable lease payments not recognized as lease payments
Projection services	321,164,568.33	369,166,490.20
Where: Income related to variable lease payments not recognized as lease payments	308,142,038.29	362,149,377.16
Total	321,164,568.33	369,166,490.20

Finance lease as a lessor

☐ Applicable ☒ N/A

Reconciliation of undiscounted lease receipts to net investment

☐ Applicable ☒ N/A

Undiscounted lease receipts for the next five years

☐ Applicable ☒ N/A

(3) Sales profit and loss from finance leases recognized as a manufacturer or distributor

☐ Applicable ☒ N/A

Other information

None

83. Data resources

☐ Applicable ☒ N/A

84. Others

☐ Applicable ☒ N/A

VIII. R&D Expenditures

1. Presentation by the nature of expenses

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Employee benefits	168,225,238.76	188,475,365.59
Material consumption expenses	21,175,755.74	32,923,076.62
Depreciation and amortization expenses	19,779,060.85	15,874,520.43
Testing expenses	9,868,185.60	9,801,946.30
Entrusted R&D expenses	8,696,311.91	8,610,618.71
Service fees	3,931,521.71	10,053,895.89
Rent expenses	3,906,311.44	3,785,023.31
Other expenses	12,130,436.81	11,408,353.50
Total	247,712,822.82	280,932,800.35
Where: Expensed R&D expenditures	247,712,822.82	280,932,800.35
Capitalized R&D expenditures		

Other information

None

2. R&D expenditures meeting the capitalization conditions

☐ Applicable ☒ N/A

Significant capitalized R&D projects

☐ Applicable ☒ N/A

Provision for impairment of development expenditures

☐ Applicable ☒ N/A

Other information

None

3. Significant outsourced ongoing R&D projects

☐ Applicable ☒ N/A

IX. Changes in Scope of Consolidation

1. Business combination not involving entities under common control

☒ Applicable ☐ N/A

(1). Business combination transactions not involving entities under common control in the current period

☐ Applicable ☒ N/A

(2). Combination costs and goodwill

☐ Applicable ☒ N/A

(3). Identifiable assets and liabilities of the acquiree at the acquisition date

☐ Applicable ☒ N/A

- (4). Gains or losses from the equity interests held prior to the acquisition date that are remeasured at fair value

Whether there are transactions for the purpose of implementing business combination via multiple transactions by steps and obtaining the control during the reporting period

☐ Applicable ☒ N/A

- (5). Description about the failure in reasonably determining the combination considerations or the fair values of the identifiable assets and liabilities of the acquiree at the acquisition date or at the end of the combination period

☐ Applicable ☒ N/A

- (6). Other information

☐ Applicable ☒ N/A

2. Business combination involving entities under common control

☐ Applicable ☒ N/A

3. Counter purchase

☐ Applicable ☒ N/A

4. Disposal of subsidiaries

Transactions or events in which the Company loses the control over subsidiaries

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

Whether there are step-by-step disposal of subsidiaries via multiple transactions and loss of control over the subsidiaries during the period

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

5. Changes in scope of consolidation for other reasons

Description of changes in the scope of consolidation for other reasons (e.g., new subsidiary establishment, subsidiary liquidation, etc.) and the relevant information:

☒ Applicable ☐ N/A

- 1) Increased scope of combination

In RMB

Company name	Method of obtaining equity	Time point of obtaining equity	Capital contribution	Proportion of contribution
Appotronics Technology (Hong Kong) Limited	Newly established	February 2, 2024	14,724,396.00	100.00%
Shenzhen Qingfeng Property Management Co., Ltd.	Newly established	May 23, 2024	100,000.00	100.00%
Appotronics Hong Kong Holding Limited	Newly established	May 31, 2024		100.00%
Appotronics Japan Co., Ltd.	Newly established	May 31, 2024		100.00%
Appotronics Holding B.V.	Newly established	May 31, 2024		100.00%

2) Decreased scope of combination

Company name	Method of disposing equity	Time point of disposing equity	Net assets on the disposal date	Net profits from the beginning of the period to the disposal date
Appotronics Technology (Changzhou) Co., Ltd.	Liquidated	October 16, 2024		8,993,272.36
Shenzhen Weiwoqi Trading Co., Ltd.	Liquidated	July 8, 2024		23.36
Formovie Technology Inc	Liquidated	July 2024		22,036.97
WEMAX LLC	Liquidated	May 2024		8,376,991.53

6. Others

☐ Applicable ☒ N/A

X. Equity in Other Entities

1. Equity in subsidiaries

(1). Composition of enterprise group

√ Applicable □ N/A

In RMB 0'000

Subsidiary	Principal operation place	Registered capital	Registration place	Business nature	Proportion of shareholding (%)		Acquisition method
					Direct	Indirect	
Shenzhen Appotronics Laser Display Technology Co., Ltd.	Shenzhen	CNY 3,000.00	Shenzhen	R&D and sales of laser display products	100.00		Business combination involving entities under common control
Appotronics Technology (Changzhou) Co., Ltd.	Changzhou	CNY 2,000.00	Changzhou	Technical research and development of projection equipment, screen and electronic computer.	100.00		Establishment
Shenzhen Appotronics Software Technology Co., Ltd.	Shenzhen	CNY 1,000.00	Shenzhen	Technical development and sales of computer software and hardware	100.00		Establishment
Shenzhen Appotronics Display Device Co., Ltd.	Shenzhen	CNY 300.00	Shenzhen	Technical development, sales, and technical services for display products; Import and export business	100.00		Establishment
WEMAX LLC	USA	USD 30.00	USA	Sales of laser equipment		100.00	Establishment
Shenzhen Appotronics Xiaoming Technology Co., Ltd.	Shenzhen	CNY 200.00	Shenzhen	Development, consultation and transfer of laser display technology	100.00		Establishment
Shenzhen Appotronics Home Line Technology Co., Ltd.	Shenzhen	CNY 100.00	Shenzhen	Software development related to semiconductor optoelectronic products	100.00		Establishment
Shenzhen Appotronics Laser Technology Co., Ltd.	Shenzhen	CNY 100.00	Shenzhen	Software development for semiconductor optoelectronic devices	100.00		Establishment
Tianjin Bonian Film Partnership (LP)	Tianjin	CNY 824.70	Tianjin	No specific business conducted	99.00	1.00	Business combination not involving entities under common

							control
Beijing Orient Appotronics Technology Co., Ltd.	Beijing	CNY 1,000.00	Beijing	Technology promotion; computer systems, application software services	59.00		Establishment
Qingda Appotronics (Xiamen) Technology Co., Ltd.	Shenzhen	CNY 1,000.00	Xiamen	Information technology consulting services	51.00		Establishment
Formovie (Chongqing) Innovative Technology Co., Ltd.	Chongqing	CNY 7,017.54	Chongqing	Technology and software development	39.19		Establishment
Formovie (Beijing) Technology Co., Ltd.	Beijing	CNY 5,000.00	Beijing	Technology and software development		39.19	Establishment
Chongqing Guangbo Ecommerce Co., Ltd.	Chongqing	CNY 1.00	Chongqing	No specific business conducted		39.19	Establishment
Chongqing Ewei Ecommerce Co., Ltd.	Chongqing	CNY 1.00	Chongqing	No specific business conducted		39.19	Establishment
Shenzhen Orange Juice Energy Technology Co., Ltd.	Shenzhen	CNY 500.00	Shenzhen	Technology and software development		39.19	Establishment
Hong Kong Orange Juice Energy Technology Co., Limited	Hong Kong	HKD 1.00	Hong Kong	Import and export business		39.19	Establishment
Wemax Inc.	USA	USD 2.00	USA	Import and export business		39.19	Establishment
Shenzhen Weiwoqi Trading Co., Ltd.	Chongqing	CNY 1.00	Shenzhen	No specific business conducted		39.19	Business combination not involving entities under common control
Yaoyouguang (Chongqing) Technology Co., Ltd.	Chongqing	CNY 1,000.00	Chongqing	No specific business conducted		39.19	Establishment
Formovie Limited	Hong Kong	HKD 1.00	Hong Kong	No specific business conducted		39.19	Establishment
Formovie Technology Inc	USA	USD 2.00	USA	No specific business conducted		39.19	Establishment
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	Beijing	CNY 10,000.00	Beijing	Research and development, production, technical services, sales and lease of laser cinema projection equipment	24.84	42.96	Business combination involving entities under common control

Appotronics Hong Kong Limited	Hong Kong	USD 4,320.00	Hong Kong	Production, research, and development of semiconductor optoelectronic products, sales and consulting, investment and video content value-added services		100.00	Establishment
Appotronics USA, Inc.	USA	USD 0.10	USA	R&D, manufacturing and sales of semiconductor optoelectronic products		100.00	Business combination involving entities under common control
JoveAI Limited	Cayman Islands	USD 0.14	Cayman Islands	No specific business conducted		74.37	Establishment
JoveAI Innovation, Inc.	USA	USD 0.0001	USA	R&D of laser display software system		74.37	Establishment
JoveAI Asia Company Limited	Vietnam	VND 232,300.00	Vietnam	Technical research and development of projection equipment, screen and electronic computer.		74.37	Establishment
Appotronics International Limited	Hong Kong	USD 1.00	Hong Kong	No specific business conducted	100.00		Establishment
Appotronics Intelligent Manufacturing (Shenzhen) Co., Ltd.	Shenzhen	CNY 5,000.00	Shenzhen	No specific business conducted	100.00		Establishment
Shenzhen Qianhai Taishi Investment Partnership (LP)	Shenzhen	CNY 1,000.00	Shenzhen	No specific business conducted	70.00	30.00	Business combination not involving entities under common control
Shenzhen Muhe Information Technology Co., Ltd.	Shenzhen	CNY 100.00	Shenzhen	No specific business conducted	100.00		Establishment
Shenzhen Xingjin Information Technology Co., Ltd.	Shenzhen	CNY 100.00	Shenzhen	No specific business conducted		100.00	Establishment
Shenzhen Qingfeng Property Management Co., Ltd.	Shenzhen	CNY 100.00	Shenzhen	Property management; lease of non-residential properties	100.00		Establishment
Appotronics International 1 Limited	Hong Kong	USD 0.0001	Hong Kong	No specific business conducted		100.00	Establishment
Appotronics International 2 Limited	Hong Kong	USD 0.0001	Hong Kong	No specific business conducted		100.00	Establishment

Appotronics Hong Kong Holding Limited	Hong Kong	HKD 1.00	Hong Kong	No specific business conducted	100.00		Establishment
Appotronics Japan Co., Ltd.	Japan	JPY 1000.00	Japan	No specific business conducted		100.00	Establishment
Appotronics Technology (Hong Kong) Limited	Hong Kong	HKD 1.00	Hong Kong	No specific business conducted	100.00		Establishment
Appotronics Holding B.V.	Netherlands	EUR 5.00	Netherlands	No specific business conducted		100.00	Establishment

Note: Except for the main subsidiaries above, the Company also has 5 subsidiaries without actual operation as of the end of 2024.

Description of the difference between the proportion of shareholding and the proportion of voting rights in a subsidiary

None

Basis for holding half of the voting rights or below but still controlling the investee, and holding over half of voting rights but having no control over the investee:

Formovie (Beijing) Technology Co., Ltd., Formovie Technology Inc., Formovie Limited, Chongqing Ewei Ecommerce Co., Ltd., Chongqing Guangbo Ecommerce Co., Ltd., and Yaoyouguang (Chongqing) Technology Co., Ltd. are wholly-owned subsidiaries of Formovie (Chongqing) Innovative Technology Co., Ltd.; Hong Kong Orange Juice Energy Technology Co., Limited, Wemax Inc., and Shenzhen Weiwoqi Trading Co., Ltd. are wholly-owned subsidiaries of Shenzhen Orange Juice Energy Technology Co., Ltd.; Shenzhen Orange Juice Energy Technology Co., Ltd. is a wholly-owned subsidiary of Formovie (Chongqing) Innovative Technology Co., Ltd.

The Company and Shenzhen Fengye Investment Consulting Limited Partnership (Limited Partnership), a party acting in concert with the Company, hold a total of 53.6250% voting rights in Formovie (Chongqing) Innovative Technology Co., Ltd., for which the voting rights are exercised according to the opinions of the Company. Since the voting rights are sufficient to exercise significant influence on the resolution of the general meeting of shareholders of Formovie (Chongqing) Innovative Technology Co., Ltd., the Company becomes the controlling shareholder of Formovie (Chongqing) Innovative Technology Co., Ltd.

Basis for controls over significant structured entities included in consolidation scope

None

Basis for determining the company acts as the agent or the principal:

None

Other information

None

(2). Significant non-wholly subsidiaries

√ Applicable □ N/A

In RMB

Subsidiaries	Shareholding by minority shareholders Ratio	Profit or loss attributable to minority shareholders for the current period	Dividends declared for distribution to minority shareholders in the current period	Closing balance of minority interests
Formovie (Chongqing) Innovative Technology Co., Ltd.	60.81%	-67,383,321.94		-229,354,310.66
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	32.20%	33,854,997.03	21,252,000.00	174,855,182.94

Description of the difference between the proportion of shareholding by minority shareholders and their proportion of voting rights in a subsidiary

□ Applicable √ N/A

Other information

□ Applicable √ N/A

(3). Significant financial information of significant non-wholly-owned subsidiaries

√ Applicable □ N/A

In RMB

Subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Formovie (Chongqing) Innovative Technology Co., Ltd.	347,438,756.36	46,836,135.93	394,274,892.29	704,422,626.50	67,017,716.64	771,440,343.14	457,400,671.99	57,826,130.91	515,226,802.90	616,030,713.80	165,773,938.04	781,804,651.84
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	420,486,833.26	331,723,497.98	752,210,331.24	201,300,126.52	7,881,686.27	209,181,812.79	344,639,969.04	458,251,114.50	802,891,083.54	284,664,831.13	13,916,849.30	298,581,680.43

Subsidiaries	Current period				Prior period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Formovie (Chongqing) Innovative Technology Co., Ltd.	468,537,104.83	-110,809,606.88	-111,701,260.36	79,076,188.68	765,722,661.50	-188,031,639.32	-187,562,289.20	-140,000,376.01
CINEAPPO Laser Cinema Technology (Beijing) Co., Ltd.	486,996,153.32	105,139,742.34	105,139,742.34	185,843,116.27	519,197,223.10	104,924,592.06	104,924,592.06	264,749,523.66

Other information

None

(4). Significant limitations on use of the group assets and pay off the group debts

☐ Applicable ☒ N/A

(5). Financial or other support provided to structured entities included in consolidated financial statements:

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

2. Changes of shares of owners' equity in subsidiaries but continue to remain control over transactions of subsidiaries

☐ Applicable ☒ N/A

3. Equity in joint ventures or associates

☒ Applicable ☐ N/A

(1). Significant joint ventures or associates

☐ Applicable ☒ N/A

(2). Major financial information of significant joint ventures

☐ Applicable ☒ N/A

(3). Major financial information of significant associates

☐ Applicable ☒ N/A

(4). Summary financial information of insignificant joint ventures and associates

☒ Applicable ☐ N/A

In RMB

	Closing balance/Amount for the current period	Opening balance/Amount for the prior period
Joint ventures:		
Total carrying amount of investments		
Total amounts calculated based on shareholding proportions		
--Net profit		
--Other comprehensive income		
--Total comprehensive income		
Associates:		
Total carrying amount of investments	6,242,039.74	5,836,162.11
Total amounts calculated based on shareholding proportions		
--Net profit	-1,124,968.52	-163,837.89

--Other comprehensive income		
--Total comprehensive income	-1,124,968.52	-163,837.89

Other information

None

(5). Descriptions of significant limitations over the ability of joint ventures or associates to transfer funds to the Company

☐ Applicable ☒ N/A

(6). Excessive loss of joint venture or associates

☐ Applicable ☒ N/A

(7). Unrecognized commitment related to investments in joint ventures

☐ Applicable ☒ N/A

(8). Contingent liabilities related to investments in joint ventures or associates

☐ Applicable ☒ N/A

4. Significant joint operations

☐ Applicable ☒ N/A

5. Interests in structured entities that are not included in consolidated financial statements

Description of structured entities that are not included in consolidated financial statements:

☐ Applicable ☒ N/A

6. Others

☐ Applicable ☒ N/A

XI. Government Grants

1. Government grants recognized at the amount receivable at the end of the period

☐ Applicable ☒ N/A

Reason of failing to receive the government grants in the expected amount at the expected time point

☐ Applicable ☒ N/A

2. Liability items related to government grants

☒ Applicable ☐ N/A

In RMB

Item of financial statements	Opening balance	Increased government grants for the current period	Amount recognized in non-operating revenue for the current period	Transferred to other incomes in the current period	Other changes in the current period	Closing balance	Related to assets/incomes
Deferred income	3,749,594.97			2,379,421.96		1,370,173.01	Related to assets

Deferred income	878,377.59	927,200.00		930,699.16		874,878.43	Related to incomes
Total	4,627,972.56	927,200.00		3,310,121.12		2,245,051.44	

3. Government grants included in profit or loss for the period

√ Applicable □ N/A

In RMB

Type	Current period	Prior period
Amount of government grants recognized as other incomes	19,987,330.35	32,129,258.76
Amount of government grants recognized as non-operating revenues	30,000.00	9,000,000.00
Effect of interest subsidies on the total profit	300,600.00	6,084,300.00
Total	20,317,930.35	47,213,558.76

Other information:

New government grants in the current period

In RMB

Item	Increased government grants for the current period
Government grants related to income	17,634,409.23
Where: Recognized as deferred incomes	927,200.00
Recognized as other incomes	16,677,209.23
Recognized as non-operating revenues	30,000.00
Interest subsidies	300,600.00
Where: Offset against financial expenses	300,600.00
Total	17,935,009.23

XII. Risks Associated with Financial Instruments

1. Risks associated with financial instruments

√ Applicable □ N/A

The Company's risk management objectives are to achieve a proper balance between risks and yields, minimize the adverse impacts of risks on the Company's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Company's basic risk management strategy is to identify and analyze its exposure to various risks, establish an appropriate minimum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure the risks are monitored at a certain level.

The Company is exposed to various risks associated with financial instruments in its daily routines, primarily including credit risk, liquidity risk and market risk. The management has reviewed and approved policies to manage these risks, summarized as below.

(I) Credit risk

Credit risk refers to the risk that a party of the financial instrument will default on its obligations resulting in financial loss to the counterparty.

1. Management of credit risk

(1) Evaluation of credit risk

The Company assesses at each balance sheet date whether the credit risk of the underlying financial instruments has increased significantly since initial recognition. In determining whether the credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, ranking of external credit risks and forward-looking information. The Company compares the risk of a default occurring on a financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition based on individual financial instrument or a group of financial instruments with similar credit risk characteristics, to determine the change of the risk of a default occurring on a financial instrument over the expected life.

The Company considers the credit risk of financial instruments has increased significantly when one or more of the following quantitative and qualitative criteria are met:

1) The quantitative criterion primarily refers to a certain percentage of increase in the probability of default over the remaining life of the financial instruments as of the balance sheet date when comparing with that at initial recognition of the financial instruments;

2) The qualitative criterion includes, inter alia, adverse material changes in business or financial conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations, and an actual or expected significant adverse change in the technological, market, economic, or legal environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

(2) Definition of defaulted or credit-impaired assets

A financial asset is defined as defaulted when the financial instrument meets one or more conditions stated as below, and the criterion of defining defaulted asset is consistent with that of defining credit-impaired asset:

- 1) significant financial difficulty of the debtor;
- 2) a breach of contract terms with binding force by the debtor;
- 3) it is becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- 4) the creditor of the debtor, for economic or contractual reasons related to the debtor's financial difficulty, has granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of ECL

Key parameters to measure ECL include the probability of default, loss given default and the exposure at default. The Company established models of the probability of default, loss given default and the exposure at default on the basis of qualitative analysis on historical statistical data (such as

counterparty ranking, guarantee methods, collateral category, and repayment way) and forward-looking information.

3. Refer to VII.4, VII.5, VII.6, VII.7, VII.9, and VII.16 of Section X for details of reconciliation of the opening balance and the closing balance of provision for impairment of financial instruments.

4. Credit risk exposure and credit risk concentration

The Company's credit risk is primarily from cash and bank balances and receivables. In order to control the risks associated with aforementioned items, the Company has taken the following measures.

(1) Cash and bank balances

The credit risk of the Company is limited because the Company has deposited bank deposits and other monetary funds in banks with high credit ratings.

(2) Receivables and contract assets

The Company regularly evaluates the creditworthiness of its customers with deals on credit, and selects to deal with approved and creditworthy customers subject to the results of the credit assessment with monitoring the balance of its receivables, so as to ensure that the Company is not exposed to significant risk of bad debt.

No collaterals are required since the Company only deals with third parties that are approved and creditworthy. The concentrated credit risks are managed by customers. As of December 31, 2024, the Company is exposed to certain concentration of credit risks, as the Company's accounts receivable and contract assets from top 5 customers have accounted for 68.46% of the total balance of accounts receivable and contract assets (December 31, 2023: 59.01%). The Company held no collateral or other credit ranking measures for the balance of accounts receivable and contract assets.

The maximum exposure to the Company is the carrying amount of each financial asset in the balance sheet.

(II) Liquidity risk

Liquidity risk refers to the risk that the Company is in shortage of funds in performing obligations that are settled by delivering cash or another financial asset. Liquidity risk may arise from an inability to sell a financial asset at fair value as soon as possible, a counterparty's inability to pay its contractual liabilities, the accelerated maturity of liabilities, or an inability to generate expected cash flows.

In order to control this risk, the Company balances the continuity and flexibility of financing by using various financing measures such as notes settlement and bank loans comprehensively and adopting both long-term and short-term financing methods to optimize the financing structure. The Company has received credit facilities from a number of commercial banks to satisfy its working capital requirements and capital expenditures.

Financial liabilities classified by remaining maturity dates

In RMB

Item	Closing balance				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank	539,333,538.22	563,810,505.88	269,031,293.45	209,030,180.60	85,749,031.83

Item	Closing balance				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
borrowings					
Notes payable	184,786,728.04	184,786,728.04	184,786,728.04		
Accounts payable	351,760,010.32	351,760,010.32	351,760,010.32		
Other payables	73,987,139.27	73,987,139.27	73,987,139.27		
Lease liabilities	104,387,114.49	109,730,320.25	35,230,597.24	73,639,495.24	860,227.77
Other current liabilities - CCB Supply Chain Finance's notes	50,000,000.00	50,000,000.00	50,000,000.00		
Subtotal	1,304,254,530.34	1,334,074,703.76	964,795,768.32	282,669,675.84	86,609,259.60

(Continued to above table)

Item	Closing of last year				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Bank borrowings	692,862,919.06	735,334,807.65	343,828,440.51	309,926,656.55	81,579,710.59
Notes payable	76,001,079.07	76,001,079.07	76,001,079.07		
Accounts payable	247,318,466.10	247,318,466.10	247,318,466.10		
Other payables	54,142,509.17	54,142,509.17	54,142,509.17		
Lease liabilities	42,120,349.54	44,407,139.93	27,921,961.12	15,610,193.95	874,984.86
Subtotal	1,112,445,322.94	1,157,204,001.92	749,212,455.97	325,536,850.50	82,454,695.45

(III) Market risk

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly includes interest rate risk and currency risk.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk of fair value interest rate due to financial instruments with a fixed interest rate and to the risk of cash value interest rate due to financial instruments with a floating interest rate. The Company determines the proportion between the fixed-rate financial instruments and the floating-rate financial instruments based on market conditions, and maintains appropriate portfolios of financial instruments through regular review and monitoring. The cash flow interest rate risk exposed to the Company relates primarily to the Company's floating-rate interest-bearing bank borrowings.

As at December 31, 2024, the principal of the Company's floating-rate interest-bearing bank borrowings amounted to RMB 419,634,313.77 (December 31, 2023: RMB 464,442,238.44). On the basis of the assumption that the interest rate has changed 50 basis points, where all other variables are held constant, it will bring no material impacts on the Company's total profits and shareholders' equity.

2. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the currency risk is primarily associated with the Company's monetary assets and liabilities dominated in foreign currencies. If the monetary assets and liabilities dominated in foreign currencies are imbalanced in a short time, the Company will purchase and sell foreign currencies at the market exchange rate to keep the net risk exposure acceptable.

The closing balance of the Company's monetary assets and liabilities dominated in foreign currencies are disclosed in VII.81 of Section X in details.

2. Hedge

(1) The Company conducted hedging businesses for risk management

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

(2) The Company conducted qualified hedging businesses and adopted hedging accounting

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

(3) The Company conducted hedging businesses for risk management which are expected to achieve the objectives of hedging management but did not adopt hedging accounting

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

3. Transfer of financial assets

(1) Types of transfer

☒ Applicable ☐ N/A

In RMB

Method of transfer	Nature of the financial assets transferred	Amount of the financial assets transferred	Derecognition	Determination basis for derecognition
Notes discounted	Receivables financing	458,947,261.37	Derecognized	Almost all risks and benefits have been transferred
Notes endorsed	Notes receivable	2,817,325.00	Derecognized	Almost all risks and benefits have been transferred
Notes endorsed	Receivables financing	9,564,026.50	Derecognized	Almost all risks and benefits have been transferred
Total	-	471,328,612.87	-	-

(2) Financial assets derecognized due to transfer

√ Applicable □ N/A

In RMB

Item	Method of transferring financial assets	Amount of financial assets derecognized	Gains or losses associated with derecognition
Receivables financing	Discounting	458,947,261.37	-3,173,096.28
Notes receivable	Endorsement	2,817,325.00	
Receivables financing	Endorsement	9,564,026.50	
Total	-	471,328,612.87	-3,173,096.28

(3) Transferred financial assets with continuous participation

□ Applicable √ N/A

Other information

□ Applicable √ N/A

XIII. Disclosure of Fair Value

1. The closing balance of the fair value of assets and liabilities measured at fair value

√ Applicable □ N/A

In RMB

Item	Closing balance of fair value			
	Level 1 - fair value measurement	Level 2 - fair value measurement	Level 3 - fair value measurement	Total
I. Continuous fair value measurement				
(I) Held-for-trading financial assets			263,936,739.25	263,936,739.25
1. Financial assets at fair value through profit or loss			263,936,739.25	263,936,739.25
(1) Investment in debt instrument				
(2) Investment in equity instrument			114,000,000.04	114,000,000.04
(3) Derivative financial assets				
(4) Wealth management products			149,936,739.21	149,936,739.21
2. Designated as financial assets at fair value through profit or loss				
(1) Investment in debt instrument				
(2) Investment in equity instrument				

(IV) Receivables financing			12,552,177.09	12,552,177.09
(III) Investment in other equity instruments			7,075,419.38	7,075,419.38
(IV) Investment properties				
1. Land use right for leasing purpose				
2. Buildings leased				
3. Land use right held for the purpose of transfer after value appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
Total assets continuously measured at fair value			283,564,335.72	283,564,335.72
(VI) Held-for-trading financial liabilities				
1. Financial liabilities at fair value through profit or loss				
Where: Held-for-trading bonds issued				
Derivative financial liabilities				
Others				
2. Designated as financial liabilities at fair value through profit or loss				
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total assets that are not continuously measured at fair value				
Total liabilities that are not continuously measured at fair value				

2. Basis for determining the market price of continuous and non-continuous level 1 fair value measurement items

☐ Applicable ☒ N/A

3. Valuation techniques and qualitative and quantitative information of key parameters adopted for continuous and non-continuous level 2 fair value measurement items

☐ Applicable ☒ N/A

4. Valuation techniques and qualitative and quantitative information of key parameters adopted for continuous and non-continuous level 3 fair value measurement items

☒ Applicable ☐ N/A

With respect to the bank wealth management products held by the Company, the fair value thereof is determined by estimating and discounting the future cash flow according to the expected return rate.

The Company uses specific valuation techniques to determine fair value, and important parameters used include the net assets of the investee and the costs of commercial bills at the end of the period.

5. Reconciliation between opening and closing carrying amounts and sensitivity analysis of unobservable parameters for continuous level 3 fair value measurement items

☐ Applicable ☒ N/A

6. Where transfers among levels occurred in the period, transfer reasons and policies for determining transfer time point for continuous fair value measurement items

☐ Applicable ☒ N/A

7. Changes in valuation techniques in the period and reasons for changes

☐ Applicable ☒ N/A

8. Fair value of financial assets and financial liabilities not measured at fair value

☐ Applicable ☒ N/A

9. Others

☐ Applicable ☒ N/A

XIV. Related-party Relationships and Transactions

1. Parent company of the Company

☒ Applicable ☐ N/A

In RMB 0'000

Parent company	Registration place	Business nature	Registered capital	Proportion of the Company's shares held by the parent company (%)	Proportion of the Company's voting right held by the parent company (%)

Shenzhen Appotronics Holdings Limited	Shenzhen	R&D and sales of semiconductor products	RMB 10 million	17.37	17.37
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Description of the parent company of the Company

None

The ultimate controlling party of the Company is LI Yi.

Other information

None

2. Subsidiaries of the Company

Refer to the Notes for details about the subsidiaries of the Company

☒ Applicable ☐ N/A

Please refer to the description in X of Section X for details about the subsidiaries of the Company.

3. Joint ventures and associates of the Company

Information of the significant joint ventures or associates of the Company are disclosed in the Annex

☐ Applicable ☒ N/A

Details of other joint ventures or associates having related-party transactions and balances with the Company in the period or in prior periods

☒ Applicable ☐ N/A

Joint ventures or associates	Relationship with the Company
Shenzhen Zhongjian Technology Co., Ltd.	Associate

Other information

☐ Applicable ☒ N/A

4. Other related parties of the Company

☒ Applicable ☐ N/A

Other related party	Relationship between other related party and the Company
Beijing Donview Education Technology Co., Ltd. and its affiliates	Minority shareholders holding more than 10% shares in the subsidiary and their affiliates
YLX Incorporated and its affiliates	Controlled by the same de facto controller
Xiaomi Communications Co., Ltd. and its affiliates	Minority shareholders holding more than 10% shares in the subsidiary and their affiliates
China Film Equipment Co., Ltd. and its affiliates	Minority shareholders holding more than 10% shares in the subsidiary and their affiliates
Shenzhen Lighting Institute	Controlled by the same de facto controller
Huayu Automotive Systems Co., Ltd. and its affiliates	Legal person or organization where a director, supervisor, or senior officer acts as a director or senior officer
GDC Technology Limited (BVI) and its affiliates	Participating company

Other information

None

5. Related-party transactions

(1). Sales and purchase of goods, rendering and receipt of services

Purchase of goods/receipt of services table

√ Applicable □ N/A

In RMB

Related party	Subject matter	Current period	Transaction amounts approved (if applicable)	Whether the transaction amounts are exceeded (if applicable)	Prior period
China Film Equipment Co., Ltd. and its affiliates	Power supply, water cooling and services	23,239,162.07			26,547,617.35
Xiaomi Communications Co., Ltd. and its affiliates	Electronic components and services	12,706,198.15			48,014,870.12
YLX Incorporated and its affiliates	Electronic components and services	3,087,619.88			3,706,664.02
GDC Technology Limited (BVI) and its affiliates	Electronic components and services	46,835.87			1,349,232.72
Beijing Donview Education Technology Co., Ltd. and its affiliates	Service				4,198.11
Shenzhen Lighting Institute	Service				377,358.50
Shenzhen Appotronics Holdings Limited	Property lease	2,544,434.08			
Subtotal		41,624,250.05			79,999,940.82

Sales of goods/rendering of services table

√ Applicable □ N/A

In RMB

Related party	Subject matter	Current period	Prior period
Xiaomi Communications Co., Ltd. and its affiliates	Laser TV, smart mini projector	156,278,697.24	199,258,722.33

China Film Equipment Co., Ltd. and its affiliates	Laser digital cinema projector, laser light source, lease services	25,855,022.37	26,982,529.63
YLX Incorporated and its affiliates	Parts	1,597,268.79	4,123,489.91
Shenzhen Zhongjian Technology Co., Ltd.	Service	463,238.77	41,903.98
GDC Technology Limited (BVI) and its affiliates	Cinema projector, spare parts, and software	289,788.18	441,254.26
Beijing Donview Education Technology Co., Ltd. and its affiliates	Laser business education projector	47,050.43	40,002.03
Huayu Automotive Systems Co., Ltd. and its affiliates	Service	73,510.00	
Subtotal		184,604,575.78	230,887,902.14

Description of sales and purchase of goods, rendering and receipt of services

☐ Applicable ☒ N/A

(2). Details of trust with related parties/subcontracting and trust management/contract-issuing

Details of trust/contracting where a group entity is the trustor/main contractor

☐ Applicable ☒ N/A

Description of trust/subcontracting with related parties

☐ Applicable ☒ N/A

Details of trust/contracting where a group entity is the trustor/main contractor

☐ Applicable ☒ N/A

Description of management/contract-issuing with related parties

☐ Applicable ☒ N/A

(3). Leases with related parties

The Company as the lessor

☐ Applicable ☒ N/A

The Company as the lessee

☒ Applicable ☐ N/A

In RMB

Name of lessor	Type of leased assets	Simplified handling of rental costs for short-term leases and low-value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rent		Assumed interest expenses of lease liabilities		Added right-of-use assets	
		Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
Shenzhen Appotronics Holdings Limited	Property lease					8,158,421.08		151,078.61		93,552,688.67	
China Film Equipment Co., Ltd. and its affiliates	Property lease					4,278,298.97	1,175,936.24	130,886.20	92,401.05	4,038,677.74	3,614,426.76

Description of leases with related parties

☐ Applicable ☒ N/A

(4). Guarantees with related parties

The Company as a guarantor:

☐ Applicable ☒ N/A

The Company as a guaranteed party:

☐ Applicable ☒ N/A

Description of guarantees with related parties

☐ Applicable ☒ N/A

(5). Borrowings/loans with related parties
☐ Applicable ☒ N/A

(6). Assets transfer/debt restructuring with related parties
☐ Applicable ☒ N/A

(7). Compensation for key management personnel
☒ Applicable ☐ N/A

In RMB 0'000

Item	Current period	Prior period
Compensation for key management personnel	796.63	760.13

(8). Other related-party transactions
☐ Applicable ☒ N/A

6. Unsettled items receivable from or payable to related parties
(1). Amounts due from related parties
☒ Applicable ☐ N/A

In RMB

Project	Related party	Closing balance		Opening balance	
		Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Accounts receivable	Xiaomi Communications Co., Ltd. and its affiliates	50,569,431.74	2,528,471.59	64,902,941.11	3,245,147.06
Accounts receivable	China Film Equipment Co., Ltd. and its affiliates	973,886.54	66,229.36	3,299,580.10	164,979.01
Accounts receivable	GDC Technology Limited (BVI) and its affiliates	855,839.58	795,721.16	801,394.38	196,250.40
Accounts receivable	Y LX Incorporated and its affiliates	21,443.50	1,072.18		
Subtotal		52,420,601.36	3,391,494.29	69,003,915.59	3,606,376.47

Prepayments	China Film Equipment Co., Ltd. and its affiliates	1,582,451.98		1,736,886.89	
Prepayments	Shenzhen Appotronics Holdings Limited	814,867.96			
Prepayments	GDC Technology Limited (BVI) and its affiliates			43,716.82	
Subtotal		2,397,319.94		1,780,603.71	
Other receivables	GDC Technology Limited (BVI) and its affiliates	14,233,032.00		14,023,746.00	
Other receivables	Shenzhen Appotronics Holdings Limited	8,892,678.98	444,633.95		
Other receivables	China Film Equipment Co., Ltd. and its affiliates	191,444.00	9,572.20	171,450.20	8,572.51
Other receivables	Xiaomi Communications Co., Ltd. and its affiliates	100,000.00	5,000.00	200,000.00	10,000.00
Subtotal		23,417,154.98	459,206.15	14,395,196.20	18,572.51

(2). Amounts due to related parties

√ Applicable □ N/A

In RMB

Project	Related party	Closing balance of carrying amount	Opening balance of carrying amount
Accounts payable	China Film Equipment Co., Ltd. and its affiliates	3,991,029.37	9,319,770.17
Accounts payable	Xiaomi Communications Co., Ltd. and its affiliates	1,599,827.82	1,286,376.61
Accounts payable	YLX Incorporated and its affiliates	387,203.27	390,043.13
Accounts payable	GDC Technology Limited (BVI) and its affiliates	14,000.00	
Subtotal		5,992,060.46	10,996,189.91
Notes payable	China Film Equipment Co., Ltd. and its affiliates	3,290,557.94	
Subtotal		3,290,557.94	
Advance from customers	China Film Equipment Co., Ltd. and its affiliates	6,596,022.10	8,056,313.86
Advance from customers	GDC Technology Limited (BVI) and its affiliates	102,556.32	
Subtotal		6,698,578.42	8,056,313.86
Contract	Shenzhen Zhongjian	353,093.33	763,039.15

liabilities	Technology Co., Ltd.		
Contract liabilities	China Film Equipment Co., Ltd. and its affiliates	266,965.71	1,259,149.95
Contract liabilities	Xiaomi Communications Co., Ltd. and its affiliates	117,478.26	
Subtotal		737,537.30	2,022,189.10
Other payables	Xiaomi Communications Co., Ltd. and its affiliates	258,851.01	
Other payables	GDC Technology Limited (BVI) and its affiliates	62,920.00	221,249.75
Other payables	YLX Incorporated and its affiliates	323,999.95	
Other payables	Beijing Donview Education Technology Co., Ltd. and its affiliates		50,000.00
Other payables	China Film Equipment Co., Ltd. and its affiliates		7,200.00
Subtotal		645,770.96	278,449.75
Other current liabilities	Shenzhen Zhongjian Technology Co., Ltd.	45,902.13	99,195.09
Other current liabilities	Xiaomi Communications Co., Ltd. and its affiliates	15,272.17	115,422.47
Other current liabilities	China Film Equipment Co., Ltd. and its affiliates	33,363.08	323,036.17
Subtotal		94,537.38	537,653.73
Lease liabilities	Shenzhen Appotronics Holdings Limited	63,192,199.12	
Subtotal		63,192,199.12	
Non-current liabilities due within one year	Shenzhen Appotronics Holdings Limited	22,353,147.08	
Subtotal		22,353,147.08	

(3). Other items

☐ Applicable ☒ N/A

7. Related party commitments

☐ Applicable ☒ N/A

8. Others

☐ Applicable ☒ N/A

XV. Share-based Payments

1. Various equity instruments

☒ Applicable ☐ N/A

Quantity unit: shares Amount In RMB

Category of payee	Granted in the current	Exercised in the current period	Unlocked in the current period	Expired in the current period
-------------------	------------------------	---------------------------------	--------------------------------	-------------------------------

	period							
	Num ber	Amo unt	Number	Amount	Numb er	Amou nt	Number	Amount
Management members			2,922,290.00	46,113,350.89			2,184,900.00	44,140,002.44
Management members (Chongqing Formovie)							2,141,482.50	3,995,734.90
Total			2,922,290.00	46,113,350.89			4,326,382.50	48,135,737.34

Outstanding share options or other equity instruments at the end of the period

√ Applicable □ N/A

Category of payee	Outstanding share options at the end of the period		Outstanding other equity instruments at the end of the period	
	Exercise price range	Remaining contractual period	Exercise price range	Remaining contractual period
Management members	RMB 4.3-22.771/share	7 months		
Management members (Chongqing Formovie)	RMB 1-3.42/share	18 months		

Other information

None

2. Equity-settled share-based payments

√ Applicable □ N/A

In RMB

The method of determining the fair value of equity instruments at the grant date	Option pricing model
Significant parameters of the fair value of equity instruments at the grant date	
The basis of determining the number of equity instruments expected to be exercised	Actual grant amount
Reasons for the significant difference between the estimate in the current period and that in the prior period	None
Amounts of equity-settled share-based payments accumulated in capital reserve	143,348,067.49

Other information

In RMB

Item	Company	Chongqing Formovie
The method and key parameters for determining the fair value of equity instruments at the grant date	Option pricing model	Evaluation of all shareholder's equity interests
The basis of determining the number of equity instruments expected to be exercised	Actual grant amount	Actual grant amount
Reasons for the significant difference between the estimate in the current period and that in the prior period	None	None

Amounts of equity-settled share-based payments accumulated in capital reserve	143,348,067.49	19,271,589.58
Total expenses recognized arising from equity-settled share-based payments	8,049,258.77	1,113,659.46

3. Cash-settled share-based payments

☐ Applicable ☒ N/A

4. Share-based payment expenses in the current period

☒ Applicable ☐ N/A

In RMB

Category of payee	Expenses of equity-settled share-based payments	Expenses of cash-settled share-based payments
Management members	9,162,918.23	
Total	9,162,918.23	

Other information

None

5. Modification to and termination of share-based payments

☐ Applicable ☒ N/A

6. Others

☐ Applicable ☒ N/A

XVI. Commitments and Contingencies

1. Significant commitments

☐ Applicable ☒ N/A

2. Contingencies

(1). Significant contingencies as of the balance sheet date

☒ Applicable ☐ N/A

1. Civil litigation and arbitration where the Company acted as the plaintiff

As of December 31, 2024, the important information about civil litigation and arbitration in which the Company acted as a plaintiff is specifically as follows:

Case No.	Cause of action	Plaintiff/Appellant	Defendant/Appellee	Patents involved	Amount	Progress
01-22-0001-2735	Arbitration and arbitration counterclaim of dispute over the implementation of the <i>Settlement Agreement</i>	Appotronics Hong Kong Limited Appotronics Corporation Limited	GDC Technology Limited (Cayman Islands) GDC Technology Limited (British Virgin Islands) <i>De facto</i> controller ZHANG Wanneng and his management team	N/A	Note	Accepted

2. Civil litigation and arbitration where the Company acted as the defendant

As of December 31, 2024, the important information about civil litigation and arbitration in which the Company acted as a defendant is specifically as follows:

Case No.	Cause of action	Plaintiff	Defendant	Patents involved	Amount involved	Progress
01-22-0001-2735	Arbitration and arbitration counterclaim of dispute over the implementation of the Settlement Agreement	GDC Technology Limited (Cayman Islands) GDC Technology Limited (British Virgin Islands)	Appotronics Hong Kong Limited Appotronics Corporation Limited	N/A	Note	Accepted
HKIAC/A24154	Contract dispute	Espedeo Holdings Limited	Appotronics Hong Kong Limited	N/A	No less than USD 3.1671 million	Accepted

Note: The latest amount involved is subject to confidentiality restriction under a procedural order in the arbitration case in the United States.

(2). Description shall also be provided even if the Company has no significant contingencies to be disclosed:

☐ Applicable ☒ N/A

3. Others

☐ Applicable ☒ N/A

XVII. Events After the Balance Sheet Date

1. Material non-adjusting event

☐ Applicable ☒ N/A

2. Profit distribution

☒ Applicable ☐ N/A

In RMB

Proposed distributions of profits or dividends	Distribute to all shareholders a cash dividend of RMB 0.25 (tax inclusive) for every 10 shares
Profits or dividends declared for distribution upon discussion and approval	11,420,998.83

3. Sales return

☐ Applicable ☒ N/A

4. Description of other events after the balance sheet date√ Applicable ☐ N/A

In accordance with the procedural order of the arbitration case in the United States and the *Supervision Agreement* between Appotronics Hong Kong Limited and relevant parties, from January to February 2025, Appotronics Hong Kong Limited entrusted to a third party cash of USD 20.0000 million and assets title including the 44% equity interests in GDC Technology Limited (BVI), where Appotronics Hong Kong Limited may withdraw certain funds every month for use in routine operation to meet its demands for routine operation until the arbitration case in the United States is closed.

XVIII. Other Significant Events**1. Corrections of prior period errors****(1). Retrospective application**☐ Applicable ☒ N/A**(2). Prospective application**☐ Applicable ☒ N/A**2. Significant debt restructuring**☐ Applicable ☒ N/A**3. Asset swap****(1). Exchange of non-monetary assets**☐ Applicable ☒ N/A**(2). Other asset swap**☐ Applicable ☒ N/A**4. Annuity plan**☐ Applicable ☒ N/A**5. Discontinued operations**☐ Applicable ☒ N/A**6. Segment reporting****(1). Determination basis and accounting policies of reporting segments**√ Applicable ☐ N/A

Our main business is the production and sales of laser display core components and complete equipment products. The Company consider this business as a whole for management and appraisal of operating results. Therefore, the Company does not need to disclose segment information. Refer to VII.61 of Section X for the breakdown of the Company's revenue.

(2). Financial information of reporting segments

☐ Applicable ☒ N/A

(3). If the Company has no reporting segments, or cannot disclose the total assets and liabilities of reporting segments, specify the reasons

☐ Applicable ☒ N/A

(4). Other information

☐ Applicable ☒ N/A

7. Other significant transactions and matters having an impact on the decisions of investors

☐ Applicable ☒ N/A

8. Others

☐ Applicable ☒ N/A

XIX. Notes to Key Items in the parent Company's Financial Statements

1. Accounts receivable

(1). Disclosure by age

☒ Applicable ☐ N/A

In RMB

Age	Closing balance of carrying amount	Opening balance of carrying amount
Within 1 year		
Where: Subitems within 1 year		
Subtotal of items within 1 year	465,460,213.98	248,513,107.85
1 to 2 years	132,881,135.17	168,649,179.18
2 to 3 years	106,318,262.97	40,720,444.20
Over 3 years	25,237,626.12	13,741,038.86
Total	729,897,238.24	471,623,770.09

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

☒ Applicable ☐ N/A

In RMB

Category	Closing balance			Opening balance		
	Carrying amount	Provision for bad debts	Book value	Carrying amount	Provision for bad debts	Book value

	Amount	Percentage (%)	Amount	Percentage of provision (%)		Amount	Percentage (%)	Amount	Percentage of provision (%)	
Provision for bad debts made individually	766,700.00	0.11	766,700.00	100.00		863,700.00	0.18	863,700.00	100.00	
Where:										
Provision for bad debts made by group	729,130,538.24	99.89	14,022,764.69	1.92	715,107,773.55	470,760,070.09	99.82	8,279,833.72	1.76	462,480,236.37
Where:										
Group of age	193,949,915.95		14,022,764.69	7.23						
Group of receivables from related parties in the scope of consolidation	535,180,622.29									
Total	729,897,238.24	100.00	14,789,464.69	2.03	715,107,773.55	471,623,770.09	100.00	9,143,533.72	1.94	462,480,236.37

Provision for bad debts made individually

☒ Applicable ☐ N/A

In RMB

Name	Closing balance			
	Carrying amount	Provision for bad debts	Percentage of provision (%)	Reason for provision
Company B	766,700.00	766,700.00	100	The amounts are expected to be unrecoverable
Total	766,700.00	766,700.00	100	-

Explanation about provision for bad debts made individually:

☐ Applicable ☒ N/A

Provision for bad debts made by group

☒ Applicable ☐ N/A

Item by group: Group of age

In RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within 1 year	183,712,664.14	9,185,633.20	5.00
1-2 years	4,525,577.71	1,131,394.43	25.00
2-3 years	4,011,874.10	2,005,937.06	50.00
Over 3 years	1,699,800.00	1,699,800.00	100.00

Total	193,949,915.95	14,022,764.69	7.23
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Description of provision for bad debts made by group

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

Refer to V.11 of Section X for details.

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

☐ Applicable ☒ N/A

(3). Provision for bad debts

☒ Applicable ☐ N/A

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debts made individually	863,700.00			97,000.00		766,700.00
Provision for bad debts made by group	8,279,833.72	16,896,110.21		11,153,179.24		14,022,764.69
Total	9,143,533.72	16,896,110.21		11,250,179.24		14,789,464.69

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

☐ Applicable ☒ N/A

Other information

None

(4). Accounts receivable actually canceled in the current period

☒ Applicable ☐ N/A

In RMB

Item	Cancellation amount
Accounts receivable actually canceled	11,250,179.24

In which significant amounts of accounts receivable canceled are described as below:

☒ Applicable ☐ N/A

In RMB

Entity	Nature of accounts receivable	Cancellation amount	Reason for write-off	Write-off procedure performed	Whether the amounts are from related-party transactions
Appotronics Technology (Changzhou) Co., Ltd.	Goods payment	11,153,179.24	The counterparty is de-registered	Verify the operating conditions of the counterparty, and subject to proper approval by the Company	Yes
Total	-	11,153,179.24	-	-	-

Description of cancellation of accounts receivable

☐ Applicable ☒ N/A

(5). Top five closing balances of accounts receivable and contract assets categorized by debtors

☒ Applicable ☐ N/A

In RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to the total closing balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision
Top 1	344,113,768.40		344,113,768.40	47.02	
Top 2	120,596,567.87		120,596,567.87	16.48	6,029,828.39
Top 3	63,408,235.05		63,408,235.05	8.66	
Top 4	55,229,437.28		55,229,437.28	7.55	
Top 5	25,726,224.16		25,726,224.16	3.51	
Total	609,074,232.76		609,074,232.76	83.22	6,029,828.39

Other information

None

Other information

☐ Applicable ☒ N/A

2. Other receivables

Presented by items

☒ Applicable ☐ N/A

In RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		
Other receivables	377,595,695.99	15,382,402.91

Total	377,595,695.99	15,382,402.91
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Other information

☐ Applicable ☒ N/A

Interests receivable

(1). Categories of interests receivable

☐ Applicable ☒ N/A

(2). Significant interests overdue

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Provision for bad debts made individually

☐ Applicable ☒ N/A

Explanation about provision for bad debts made individually

☐ Applicable ☒ N/A

Provision for bad debts made by group

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

N/A

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

☐ Applicable ☒ N/A

(4). Provision for bad debts

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Other information

None

(5). Interests receivable actually canceled in the current period

☐ Applicable ☒ N/A

In which significant amounts of interests receivable canceled are described as below

☐ Applicable ☒ N/A

Description of cancellation

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

Dividends receivable

(6). Dividends receivable

☐ Applicable ☒ N/A

(7). Significant dividends receivable aged more than 1 year

☐ Applicable ☒ N/A

(8). Disclosure by categories of provision for bad debts

☐ Applicable ☒ N/A

Provision for bad debts made individually

☐ Applicable ☒ N/A

Explanation about provision for bad debts made individually

☐ Applicable ☒ N/A

Provision for bad debts made by group

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

N/A

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

☐ Applicable ☒ N/A

(9). Provision for bad debts

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Other information

None

(10). Dividends receivable actually canceled in the current period

☐ Applicable ☒ N/A

In which significant amounts of dividends receivable canceled are described as below

☐ Applicable ☒ N/A

Description of cancellation

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

Other receivables

(11). Disclosure by age

☒ Applicable ☐ N/A

In RMB

Age	Closing balance of carrying amount	Opening balance of carrying amount
Within 1 year		
Where: Subitems within 1 year		
Subtotal of items within 1 year	370,673,310.20	8,993,196.10
1 to 2 years	1,345,990.32	835,410.95
2 to 3 years	92,256.27	82,446.00
Over 3 years	5,484,139.20	5,471,349.86
Total	377,595,695.99	15,382,402.91

(12). Categories by the nature of other receivables

☒ Applicable ☐ N/A

In RMB

Nature of other receivables	Closing balance of carrying amount	Opening balance of carrying amount
Deposits/margins/petty cash	18,739,553.05	7,278,349.93
Receivables from related parties in the scope of consolidation	356,182,467.88	7,347,685.40
temporary receivables	2,660,431.04	756,367.58
Compensation receivable	13,244.02	
Total	377,595,695.99	15,382,402.91

(13). Provision for bad debts

☒ Applicable ☐ N/A

In RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month ECL in the future	Lifetime ECL (without credit impairment)	Lifetime ECL (with credit impairment)	
Balance as at January 1, 2024	401,109.93	3,129.74		404,239.67
Balance as at January 1, 2024 in the current period				
--transferred to Stage II	-15,513.70	15,513.70		
--transferred to Stage III		-3,064.07	3,064.07	

--reversed to Stage II				
--reversed to Stage I				
Provision for the current period	668,938.65	61,989.15	3,064.07	733,991.87
Reversal for the current period				
Write-off for the current period				
Cancellation for the current period				
Other changes				
Balance as at December 31, 2024	1,054,534.88	77,568.52	6,128.14	1,138,231.54

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

N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(14). Provision for bad debts

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

Other information

None

(15). Other receivables actually canceled in the current period

☐ Applicable ☒ N/A

In which significant amounts of other receivables canceled are described as below

☐ Applicable ☒ N/A

Description of cancellation of other receivables

☐ Applicable ☒ N/A

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

☒ Applicable ☐ N/A

In RMB

Entity	Closing balance	Proportion to the balance of other receivables (%)	Nature of other receivables	Age	Provision for bad debts Closing balance
Top 1	322,370,363.24	85.37	Receivables from related parties in the scope of consolidation	Within 1 year	

Top 2	21,046,960.12	5.57	Receivables from related parties in the scope of consolidation	Within 1 year	
Top 3	11,630,803.31	3.08	Receivables from related parties in the scope of consolidation	Within 1 year; 1-2 years	
Top 4	8,892,678.98	2.36	Deposits/margins/petty cash	Within 1 year	444,633.95
Top 5	3,574,618.00	0.95	Deposits/margins/petty cash	Over 3 years	178,730.90
Total	367,515,423.65	97.33	-	-	623,364.85

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

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

3. Long-term equity investments

☒ Applicable ☐ N/A

In RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Investments in subsidiaries	234,614,401.76	12,827,792.79	221,786,608.97	476,309,658.71	12,827,792.79	463,481,865.92
Investments in associates and joint ventures	6,242,039.74		6,242,039.74	5,836,162.11		5,836,162.11
Total	240,856,441.50	12,827,792.79	228,028,648.71	482,145,820.82	12,827,792.79	469,318,028.03

(1). Investments in subsidiaries

☒ Applicable ☐ N/A

In RMB

Investees	Opening balance (book value)	Opening balance of provision for impairment	Changes for the current period				Closing balance (book value)	Closing balance of provision for impairment
			Additional investment	Decreased investment	Provision for impairment	Others		
CINEAPP O Laser Cinema Technology (Beijing) Co., Ltd.	47,170,375.58		297,657.12				47,468,032.70	
Shenzhen Appotronics Software Technology Co., Ltd.	1,386,168.36						1,386,168.36	

Beijing Orient Appotronics Technology Co., Ltd.	5,900,000.00						5,900,000.00	
Shenzhen Appotronics Xiaoming Technology Co., Ltd.		12,000,000.00						12,000,000.00
Formovie (Beijing) Technology Co., Ltd.	3,325,738.82						3,325,738.82	
Qingda Appotronics (Xiamen) Technology Co., Ltd.	4,272,207.21	827,792.79					4,272,207.21	827,792.79
Shenzhen Appotronics Laser Display Technology Co., Ltd.	18,966,857.26						18,966,857.26	
Appotronics Hong Kong Limited	305,944,668.85		98,265.05	306,042,933.90				
JOVEAI Innovation	800,010.02						800,010.02	
Appotronics Technology (Changzhou) Co., Ltd.	2,000,000.00			2,000,000.00				
Shenzhen Appotronics Display Device Co., Ltd.	3,000,000.00						3,000,000.00	
Tianjin Bonian Film Partnership (LP)	26,954,120.20						26,954,120.20	
Formovie (Chongqing) Innovative Technology Co., Ltd.	29,947,919.62						29,947,919.62	
Shenzhen Qianhai Taishi Investment Partnership (LP)	13,813,800.00						13,813,800.00	
Shenzhen Muhe Information Technology Co., Ltd.			1,000,000.00				1,000,000.00	

Appotronics International Limited			30,127,358.78				30,127,358.78	
Appotronics Technology (Hong Kong) Limited			14,724,396.00				14,724,396.00	
Shenzhen Qingfeng Property Management Co., Ltd.			100,000.00				100,000.00	
Appotronics Intelligent Manufacturing (Shenzhen) Co., Ltd.			20,000,000.00				20,000,000.00	
Total	463,481,865.92	12,827,792.79	66,347,676.95	308,042,933.90			221,786,608.97	12,827,792.79

(2). Investments in associates and joint ventures

√ Applicable □ N/A

In RMB

Investee	Opening balance	Changes for the current period								Closing balance	Closing balance of provision for impairment
		Additional investment	Decreased investment	Investment profit or loss under equity method	Adjustment in other comprehensive income	Other equity changes	Declared cash dividends or profits	Provision for impairment	Others		
I. Joint venture											
Subtotal											
II. Associates											
Shenzhen Zhongjian Technology Co., Ltd.	5,836,162.11			-1,124,968.52					1,530,846.15	6,242,039.74	
Subtotal	5,836,162.11			-1,124,968.52					1,530,846.15	6,242,039.74	
Total	5,836,162.11			-1,124,968.52					1,530,846.15	6,242,039.74	

(3). Impairment test of long-term equity investments

□ Applicable √ N/A

Other information

“Others” in “changes for the current period” indicate an additional investment made by another shareholder, which diluted the amount of the equity interests held by the Company.

4. Operating revenue and operating costs

(1). Description of operating revenue and operating costs

√ Applicable □ N/A

In RMB

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Main business	1,634,247,969.49	1,325,107,966.02	1,120,351,462.42	792,526,113.10
Other business				
Total	1,634,247,969.49	1,325,107,966.02	1,120,351,462.42	792,526,113.10

(2). Breakdown of operating revenue and operating costs

□ Applicable √ N/A

Other information

√ Applicable □ N/A

In RMB

1) Breakdown of revenue from contracts with customers by the type of goods or services

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Laser optical engine	993,922,043.63	793,374,536.02	505,638,401.86	362,158,387.99
Complete laser projector	468,902,811.93	351,362,759.30	464,885,063.12	296,524,069.13
Others	171,423,113.93	180,370,670.70	149,827,997.44	133,843,655.98
Subtotal	1,634,247,969.49	1,325,107,966.02	1,120,351,462.42	792,526,113.10

2) Breakdown of revenue from contracts with customers by operating region

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Domestic	1,443,160,805.75	1,200,193,877.89	926,419,420.85	677,277,342.36
Overseas	191,087,163.74	124,914,088.13	193,932,041.57	115,248,770.74
Subtotal	1,634,247,969.49	1,325,107,966.02	1,120,351,462.42	792,526,113.10

3) Breakdown of revenue from contracts with customers by the transfer time of goods or services

Item	Current period	Prior period
Revenue recognized at a time point	1,634,247,969.49	1,120,351,462.42
Subtotal	1,634,247,969.49	1,120,351,462.42

(3). Description of performance obligations

√ Applicable □ N/A

In RMB

Item	Time when obligations are performed	Main payment provisions	Nature of the goods to be transferred by the Company	Main responsible person or not	Amounts to be refunded to customers by the Company	Type of quality warranty provided by the Company and relevant obligations
Sales of goods	Upon delivery of goods	The payment term is general a specific period following the delivery of products	Product	Yes	None	Quality warranty with the nature of guarantee
Total	-	-	-	-	-	-

(4). Description of allocation to remaining performance obligations

☐ Applicable ☒ N/A

(5). Material contract changes or material adjustment in transaction prices

☐ Applicable ☒ N/A

Other information

None

5. Investment income

☒ Applicable ☐ N/A

In RMB

Item	Current period	Prior period
Gains from long-term equity investment accounted for using the cost method	143,374,100.00	7,452,000.00
Gains from long-term equity investment accounted for using the equity method	-1,124,968.52	-163,837.89
Investment income from disposal of long-term equity investments	12,336,143.05	
Investment income from held-for-trading financial assets during the holding period		
Dividend income from investment in other equity instruments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of held-for-trading financial assets	24,563,565.81	12,364,698.33
Investment income from disposal of investment in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt		

investments		
Profits from debt restructuring		
Discounted losses of receivables financing	-3,173,096.28	
Total	175,975,744.06	19,652,860.44

Other information

None

6. Others

☐ Applicable ☒ N/A

XX. Supplementary Information

1. Breakdown of non-recurring profit or loss for the current period

☒ Applicable ☐ N/A

In RMB

Item	Amount	Description
Gain or loss on disposal of non-current assets, including write-off of provision for asset impairment	-40,059,802.75	VII.68, VII.74, and VII.75 of Section X
Government grants recognized in profit or loss for the current period (excluding government grants that are closely related to the business of the Company and are provided in accordance with established standards with continuous effects on the profit or loss of the Company according to the provisions of national policies)	9,369,178.91	XI of Section X
Profit or loss on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss on the disposal of financial assets and financial liabilities, other than those used in the effective hedging activities related to normal operating business of the Company	5,096,964.49	VII.70 of Section X
Profit or loss on entrusted investments or assets management	16,403,394.26	VII.68 of Section X
Reversal of impairment loss on receivables tested for impairment individually	518,247.41	
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of business combination involving entities under common control	13,795,087.49	
Other non-operating revenue and expenses	1,253,095.40	
Other profits or losses meeting the definition of non-recurring profit or loss	-3,214,287.11	
Less: Effect of income taxes	6,906,700.68	
Effects attributable to minority interests (net of tax)	435,680.58	
Total	-4,180,503.16	

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

Making Public Offering of Securities No. 1 - Non-recurring Profit or Loss as recurring profit or loss items.

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

2. Return on net assets and earnings per share

☒ Applicable ☐ N/A

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	1.01	0.06	0.06
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	1.16	0.07	0.07

3. Differences in accounting data under Chinese accounting standards and overseas accounting standards

☐ Applicable ☒ N/A

4. Others

☐ Applicable ☒ N/A

Chairman: LI Yi

Date of Approval for submission by the Board of Directors: April 28, 2025

Revision information

☐ Applicable ☒ N/A