

**Shenzhen Honor Electronic
Co., Ltd.**

2025 Semi-Annual Report

2025-053

August 2025

Section 1 Important Tips, Contents and Interpretation

The company's board of directors, board of supervisors, directors, supervisors, and senior management ensure that the contents of the semi-annual report are true, accurate and complete, and that there are no false records, misleading statements or major omissions, and bear individual and joint legal liabilities.

Wang Heqiu, the person in charge of the company, Zhang Shuyuan, the person in charge of accounting work, and Tan Qun, the person in charge of the accounting department (accounting officer), hereby confirm that the financial report in this semi-annual report is true, accurate and complete.

All directors have attended the board meeting for reviewing this semi-annual report.

Any content in this report that involves future plans, performance forecasts, etc., does not constitute a substantial commitment of the Company to any investors and related parties. Investors and related parties should maintain adequate risk awareness in this regard and should understand the differences between plans, forecasts and commitments.

The risks that the company may face are detailed in "X. Risks faced by the company and countermeasures" in Section 3 Management Discussion and Analysis of this report.

The profit distribution plan reviewed and approved by the board of directors of the company is: based on the total share capital registered on the equity registration date after deducting the share capital that has been repurchased in the company's special repurchase account, a cash dividend of RMB 4.34 (including tax) will be distributed to all shareholders for every 10 shares, and 0 bonus shares (including tax) will be distributed, and the capital reserve will not be converted into share capital.

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Reference file directory

- I. The original text of the 2025 semi-annual report with the signature of the legal representative.
2. Financial statements with the signatures and seals of the person in charge of the company, the person in charge of accounting work, and the person in charge of the accounting organization (accounting officer).
- III. The originals of all company documents and announcements publicly disclosed during the reporting period.
- IV. Other documents for reference.

The place where the above reference documents are prepared: the office of the board of directors of the company.

Paraphrase

Paraphrase	Depend on	Paraphrase content
The company, the company, Honor Electron, Shenzhen Honor Electron	Depend on	Shenzhen Honor Electronic Co., Ltd.
Ganzhou Honor Electron	Depend on	Honor Electron (Ganzhou) Electronics Co., Ltd., a wholly-owned subsidiary of the Company
Hong Kong Honor Electron	Depend on	Hong Kong Honor Electron Technology Co., Ltd., a wholly-owned subsidiary of the company
Vietnam Honor Electron	Depend on	Vietnam Honor Electron Technology Co., Ltd., a wholly-owned subsidiary of Hong Kong Honor Electron
Taiwan Honor Electron	Depend on	Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch, is the Hong Kong Honor Electron Branch
Dongguan Honor Electron	Depend on	Dongguan Honor Electron Electronics Co., Ltd., a wholly-owned subsidiary of the company
Shanghai Honor Electron	Depend on	Shanghai Honor Electron Electronic Technology Co., Ltd., a wholly-owned subsidiary of the company
(USA) Axnon	Depend on	Axnon Co., Ltd., formerly known as (U.S.) Honor Electron Technology Co., Ltd., is a wholly-owned subsidiary of the company
Hangzhou Yundian	Depend on	Hangzhou Yundian Technology Energy Co., Ltd., a holding subsidiary of the company
Shenzhen Zhilian	Depend on	Shenzhen Honor Electron Zhilian Technology Co., Ltd., a wholly-owned subsidiary of the company
MÉXICO HONOTO INDUSTRIES.A. deC.V.	Depend on	MÉXICO HONOTO INDUSTRIES.A. deC.V., a subsidiary of Hong Kong Honor Electron Holdings, is a joint stock company of Axatron (USA), and the company indirectly holds 100% of the shares.
Anbo	Depend on	Shanghai Anshibo Energy Technology Co., Ltd., the company's shareholding company
Bodian Cloud Branch	Depend on	Suzhou Bodian Yunke Energy Technology Co., Ltd., a shareholding company of the company
Suzhou Yundian, Suzhou Yundian Electronics, Yundian Electronics	Depend on	Suzhou Yundian Electronics Manufacturing Co., Ltd., formerly known as Suzhou Anshibo Energy Technology Co., Ltd., is a wholly-owned subsidiary of the company
Shenzhen Gnoli	Depend on	Shenzhen Gnoli Information Consulting Co., Ltd., formerly known as Shenzhen Gnoli Electronics Co., Ltd., is one of the controlling shareholders of the company
Wang Yueke Wang	Depend on	Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership), formerly known as Shenzhen Wangyuewang Investment Partnership (Limited Partnership), is one of the controlling shareholders of the Company
Tongju	Depend on	Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership), formerly known as Shenzhen Tongju Information Technology Consulting Partnership (Limited Partnership), is one of the shareholders of the Company
Articles of Association	Depend on	Articles of Association of Shenzhen Honor Electronic Co., Ltd.
General Meeting of Shareholders	Depend on	Shareholders' meeting of Shenzhen Honor Electronic Co., Ltd.
Board of directors	Depend on	Board of Directors of Shenzhen Honor Electronic Co., Ltd.
Supervisory Board	Depend on	Board of Supervisors of Shenzhen Honor Electronic Co., Ltd.
China Securities Regulatory Commission	Depend on	China Securities Regulatory Commission
Shenzhen Stock Exchange	Depend on	Shenzhen Stock Exchange

Company law	Depend on	Company Law of the People's Republic of China
Securities law	Depend on	Securities Law of the People's Republic of China
Accounting firm	Depend on	Tianzhi International Accounting Firm (Special General Partnership)
Yuan, ten thousand yuan, one hundred million yuan	Depend on	RMB yuan, RMB 10,000 yuan, RMB 100 million yuan
Reporting period	Depend on	January 1, 2025 to June 30, 2025
Same period last year, last period	Depend on	January 1, 2024 to June 30, 2024
Juchao Information Network	Depend on	GEM information disclosure website designated by the China Securities Regulatory Commission http://www.cninfo.com.cn

Section 2 Company Profile and Main Financial Indicators

I. Company Profile

Stock abbreviation	Honor Electron	Stock code	300870
Stock exchange	Shenzhen Stock Exchange		
Chinese name of the company	Shenzhen Honor Electronic Co., Ltd.		
Chinese abbreviation of the company (if any)	Honor Electron		
Legal representative of the company	Wang Heqiu		

II. Contact person and contact information

	Board secretary	Securities Affairs Representative
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E-mail	ir1@honor-cn.com	ir1@honor-cn.com

III. Other circumstances

1. Company contact information

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

■ Applicable Not Applicable

The company's registered address, company office address and its zip code, company website, e-mail address, etc., remained unchanged during the reporting period. For details, please refer to the 2024 annual report.

2. Information disclosure and preparation location

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

■ Applicable Not Applicable

The name and website of the stock exchange website and media where the company discloses the semi-annual report. The preparation of the company's semi-annual report has not changed during the reporting period. For details, please refer to the 2024 annual report.

3. Registration changes

Whether the registration status has changed during the reporting period

■ Applicable Not Applicable

The company's registration status has not changed during the reporting period. For details, please refer to the 2024 annual report.

IV. Major Accounting Data and Financial Indicators

Whether the company needs to retrospectively adjust or restate the accounting data of previous years

■ whether

	This reporting period	Same period last year	This reporting period increased or decreased compared with the same period of the previous year
Operating income (yuan)	2,120,390,317.38	1,599,246,706.68	32.59%
Net profit attributable to shareholders of listed companies (yuan)	133,702,958.92	86,338,983.16	54.86%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	127,365,874.75	78,483,044.70	62.28%
Net cash flow from operating activities (yuan)	238,371,784.22	65,026,742.54	266.58%
Basic earnings per share (yuan/share)	1.30	0.85	52.94%
Diluted earnings per share (yuan/share)	1.38	0.85	62.35%
Weighted average return on equity	5.66%	4.55%	1.11%
	At the end of the reporting period	End of last year	Increase or decrease at the end of the reporting period compared to the end of the previous year
Total assets (yuan)	5,669,689,399.27	5,322,208,927.88	6.53%
Net assets attributable to shareholders of listed companies (yuan)	2,481,415,498.04	2,170,660,904.37	14.32%

Net profit after deducting the impact of share-based payments

	This reporting period
Net profit after deducting the impact of share-based payment (yuan)	150,745,558.59

Whether the share capital of the company from the end of the reporting period to the disclosure date of the semi-annual report has changed due to the issuance of new shares, additional issuance, allotment, equity incentive exercise, repurchase, etc., and affects the amount of owner's equity

Yes ■ No

Preferred stock dividends paid	0.00
Perpetual bond interest paid (yuan)	0.00
Fully diluted earnings per share calculated with the latest share capital (yuan/share)	1.2212

V. Differences in accounting data under domestic and foreign accounting standards

1. The difference between net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards at the same time

■ Applicable Not Applicable

During the reporting period, there was no difference in net profit and net assets in the financial reports disclosed in accordance with international accounting standards and in accordance with Chinese accounting standards.

2. At the same time, the difference between net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and in accordance with Chinese accounting standards

■ Applicable Not Applicable

During the reporting period, there was no difference in net profit and net assets in the financial reports disclosed in accordance with overseas accounting standards and in accordance with Chinese accounting standards.

VI. Items and amounts of non-recurring gains and losses

Applicable ■ Not applicable Unit: Yuan

Projects	Amount	Description
Gains and losses on disposal of illiquid assets (including the write-off portion of the provision for asset impairment)	-857,296.46	Mainly due to the loss of disposal of non-current assets.
Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the company's profit and loss)	5,668,382.20	Mainly government subsidy income.
In addition to the effective hedging business related to the company's normal business operations, the gains and losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and the gains and losses from the disposal of financial assets and financial liabilities	1,273,172.91	It is mainly to accrue the income of wealth management products for the current period.
Profit and loss of entrusting others to invest or manage assets	761,872.62	It is the income from wealth management products actually received in the current period.
Other non-operating revenue and expenditure other than the above-mentioned items	-46,896.66	
Other profit and loss items that meet the definition of non-recurring profit and loss	400,377.19	
Less: Income tax impact amount	816,602.31	
Amount of impact on minority shareholders' equity (after tax)	45,925.32	
Total	6,337,084.17	

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable ☒ Not applicable

Other profit and loss items that meet the definition of non-recurring profit and loss are mainly the deduction of individual tax handling fees.

Explanation of the situation of defining the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profit and Loss" as recurring profit and loss items

☒ Applicable Not Applicable

The company does not define the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profit and Loss" as recurring profit and loss items.

Section 3 Management Discussion and Analysis

I. The main business of the company during the reporting period

(1) Main business

The company focuses on the field of power supply, mainly engaged in the research and development, production and sales of switching power supply products. As a fast-growing switching power supply company, the company is committed to providing customers with reliable, efficient and intelligent switching power supply products.

At present, the company's main products include power adapters, data center power supplies and other power supplies. The company's products are widely used in office electronics, network communication, security monitoring, smart home, new consumer electronic equipment, data centers, power battery equipment, pure electric vehicles, chemical composition equipment and many other fields.

1. Overview of the overall operation

In the first half of 2025, the global economy will struggle in a complex environment with multiple challenges. Against the background of geopolitical conflicts, rising trade protectionism and policy uncertainties in major economies, the momentum of economic growth will gradually slow down. In the face of the complexity of the external environment and fluctuations in demand, the company has always anchored its strategic development goals, deepened its efforts in the field of switching power supplies, relied on technological innovation-driven strategies, seized the opportunities of the artificial intelligence industry revolution, accelerated the development of core strategic businesses, and gave full play to its advantages in technology and products to rapidly grow its business and enhance its market competitiveness and profitability. During the reporting period, the company's revenue growth rate further improved, profitability continued to improve, and the overall trend of stable and high-quality development was maintained.

In terms of revenue, during the reporting period, the company achieved operating revenue of 2.120 billion yuan, a year-on-year increase of 32.59%. The main reason is that the revenue of the data center power supply business has achieved rapid growth, and the revenue of high-power server power supply has increased significantly. In the second quarter, the company achieved operating income of 1.232 billion yuan, a year-on-year increase of 36.39% and a month-on-month increase of 38.71%, setting a new single-quarter revenue record.

In terms of gross profit margin, the company's gross profit margin was 20.31% during the reporting period, a year-on-year decrease of 0.64 percentage points. By actively optimizing the customer and product structure, the company increased the proportion of shipments of high-value volume and high-margin products. However, due to the decline in the sales price of some products, the gross profit margin declined.

In terms of expenses, during the reporting period, the company's expenses amounted to 255 million yuan, a year-on-year decrease of 25.39%; the expense ratio was 12.03%, a year-on-year decrease of 0.69 percentage points. In the first half of the year, sales expenses were RMB 48,669,700, a year-on-year increase of 7.19%, and the sales expense ratio was 2.30%, a year-on-year decrease of 0.54 percentage points, mainly due to the increase in the company's sales scale. Administrative expenses were RMB 75,706,700, a year-on-year increase of 8.19%; the administrative expense ratio was 3.57%, a year-on-year decrease of 0.81 percentage points, mainly due to the increase in equity-based incentive expenses. R & D expenses were Rmb132mn, a year-on-year increase of 28.26%; R&D; expense ratio was 6.21%, a year-on-year decrease of 0.21 percentage points, mainly because the company continued to maintain R&D; investment in various product areas around its main business, which provided impetus for the long-term stable development of the business. Financial expenses were -91.81 million yuan, a significant increase over the same period last year, mainly due to the newly accrued interest expenses of convertible bonds and the decrease in foreign exchange gains year-on-year.

In terms of EBITDA, during the reporting period, the company's EBITDA was 257 million yuan, a year-on-year increase of 46.86%, mainly due to the increase in net profit.

In terms of net profit, during the reporting period, the company's net income attributable to parent was 134 million yuan, a year-on-year increase of 54.86%; the net profit margin was 6.31%, a year-on-year increase of 0.91 percentage points. In the second quarter, the company's net income attributable to parent was RMB 84,132,200, a year-on-year increase of 52.48% and a month-on-month increase of 69.72%; the net profit margin was 6.83%, a year-on-year increase of 0.72 percentage points and a month-on-month increase of 1.25 percentage points. Mainly due to the growth of revenue scale and the continuous improvement of profitability.

2. The main business of the company

(1) Power adapter: The steady development of the business highlights the resilience, waiting for the recovery of downstream demand

The company started the power adapter business in 2004, and its layout covers 3W-400W power range products, with a wide range of applications, including office electronics, network communication, security monitoring, smart home, new consumer electronic equipment and other fields. The company's power adapter business has developed for many years and has become the company's most mature and stable basic disk business.

During the reporting period, the operating income of the power adapter business was 826 million yuan, a year-on-year increase of 6.61%. Affected by global macroeconomic uncertainty, consumer demand

The cautious sentiment continued to affect the global consumer electronics market demand facing the challenge of slowing growth. The company actively expanded into new markets and new customers, and achieved positive growth in power adapter revenue.

During the reporting period, the gross profit margin of the power adapter business was 17.19%, a year-on-year decrease of 0.40 percentage points, mainly due to the downturn in the industry, and the decline in the value of some products and the level of gross profit margin.

With years of accumulation, the company's power adapter research and development technology has taken the lead in the industry, and has a good brand effect and customer reputation in the market. In the future, the combination of consumer electronics and artificial intelligence (AI) technology will accelerate the transformation and innovation of consumer electronics terminal equipment and promote the further development of the industry. In the huge market of 100 billion switching power supplies, the company will continue to expand more categories horizontally, cultivate vertically to gain more customer shares, and at the same time continue to improve operating efficiency, take multiple measures to enhance market competitiveness and operational anti-risk capabilities, and achieve steady development of the power adapter business.

(2) Data center power supply: high-power products continue to grow, consolidate first-mover advantage and increase market share

The data center power supply business is the focus of the company's long-term development strategy. After more than ten years of R&D; investment and business expansion, the company has become one of the major domestic data center power supply manufacturers, and related products have been highly recognized by head server manufacturers and downstream end customers.

In terms of product types, data center power supplies mainly include network security, communication and other data center power supplies, general-purpose server power supplies, and high-power server power supplies, covering full-power product series such as below 800 W, 800-2,000 W, and above 2,000 W. In terms of server power products and solutions, the company has launched core products including 3,200W titanium M-CRPS server power supply, 1,300W-3,600W titanium CRPS server power supply, 3,300W-5,500W titanium and ultra-titanium GPU server power supply, immersed liquid-cooled server power supply and rack power supply (Power Shelf) solutions, and the R&D; technology and products are at the leading level.

During the reporting period, the operating income of the data center power supply business was 962 million yuan, a year-on-year increase of 94.30%. The proportion of contribution to operating income continued to increase, which became the main factor driving the company's revenue growth. Among them, the high-power server power supply business achieved revenue of 662 million yuan, a significant increase of 216.47% over the same period last year, and the proportion of the overall revenue of the data center power supply business increased to 68.76%, maintaining a strong growth momentum.

During the reporting period, the gross profit margin of the data center power supply business was 23.54%, a year-on-year decrease of 2.70 percentage points, mainly due to the decrease in the unit price of some products due to market competition.

Relying on forward-looking layout and excellent R&D strength, the company's high-power server power supply products have been at the leading level in China and comparable to the international high-end level. It is one of the few power supply suppliers in the market that can achieve large-scale sales of high-power server power supplies. The company has successively shipped to well-known domestic server system manufacturers such as Inspur, Foxconn, Hixih, Lenovo, ZTE, and Xinhua 3. The company has also maintained close cooperation with domestic leading Internet companies and other end customers, and its comprehensive strength has been highly recognized by customers.

The increase in GPU computing power promotes the increase in the power consumption of AI servers, thereby driving the development of server power supply (PSU) to high power, high power density, high efficiency, and adaptation to HVDC architecture. The company will continue to focus on core competitiveness, take technological innovation as the engine, and actively seize the important opportunities of the technological revolution in the industry. It will focus on high power, high power density, high efficiency, third-generation semiconductor applications, high-efficiency liquid cooling compatible design, independent power supply cabinet (side car), high-voltage DC input and other core server power supply (PSU) technology directions, and provide industry customers with high-performance server power supply solutions with leading technology and rich products.

In the future, the company will continue to closely follow the upgrade trend of the server industry and the growth opportunities of the AI industry, actively seize the opportunities of domestic substitution, and accelerate the expansion of overseas markets. With excellent technical strength, high-quality and high-performance products, and leading cost competitiveness, the company will continue to tap existing and incremental customer needs.

(3) Other power sources: explore and extend the layout of new fields and maintain a stable development trend

The company adheres to the power supply industry and continuously develops new application areas around power supply technology, including lithium battery power tools and home appliance chargers, pure electric vehicle chargers, high-wattage power battery equipment chargers, chemical composition equipment, etc.

During the reporting period, the company's other power supply business revenue was 323 million yuan, a year-on-year increase of 0.41%. In the first half of the year, the global power tool market demand showed a weak trend. The company actively explored product layout in new areas, superimposed the introduction of new customers, and the income of other power supply business remained stable as a whole.

During the reporting period, the gross profit margin of other power supply business was 18.58%, a year-on-year decrease of 1.20 percentage points, mainly due to the low gross profit margin of some new products at the initial stage of introduction.

In the field of lithium battery power tools and home appliance chargers, in addition to consolidating the original supply ratio among customers, the company will strive to continuously expand new projects with existing customers through project experience, product quality, production capacity coordination, delivery capacity, etc., increase the supply ratio among existing customers, and continue to expand new customers and new markets to achieve steady and upward development of the business segment.

In addition, the new products invested by the company have achieved initial results in customer development. The business of power battery chargers and high-wattage power battery equipment chargers in the field of electric two-wheelers and tricycles is proceeding in an orderly manner. The company will continue to rely on its own R&D and innovation advantages, actively explore and research new products and new technologies, and continue to expand new application fields and groups through product extension, so as to help the business achieve a diversified layout.

(2) Business model

1. Procurement model

The company adopts a "centralized procurement" model. The raw materials purchased by the company mainly include semiconductors, resistors and capacitors, magnetic materials, wires, shells, etc. The company comprehensively predicts the procurement needs for a period of time in the future based on factors such as existing orders, market expectations and inventory materials, and conducts centralized procurement. It has formulated management systems such as "Contract Management Regulations", "Supplier Payment Management System", "Procurement Control Procedures", "Raw Materials, Outsourcing Suppliers Management Control Procedures", "Incoming Materials Test and Inspection Control Procedures" and other management systems.

2. Production mode

The company's production model is based on sales and production, that is, production is arranged according to orders. The company's production planning department conducts overall control and management of production, and timely handles related problems in the execution of orders to ensure that the production plan can be successfully completed. According to the production plan, the production department of the company organizes, controls and coordinates various specific activities and resources in the production process to meet the requirements for quality, output, cost control, etc., and complete the production plan. The company focuses on independent production, with a small amount of outsourcing processing and labor outsourcing.

3. Sales model

The company's sales model is divided into direct sales and trader sales. The company does not have an authorized distribution business model. The company's sales are mainly direct sales, with a small number of traders selling. The company's direct sales refer to direct sales to terminal brands and direct sales to electronic manufacturing service companies; trader sales refer to the company signing a sales contract with a trader, and the trader customer directly places a purchase order with the company when there is a purchase demand, and takes a buyout method to trade with the company.

4. R&D; model

Through years of R&D; accumulation, the company has established a relatively complete R&D; system and series of product R&D; standards. On this basis, it is guided by customer needs and faces different market segments to provide customers with customized products. Through the hierarchical R&D; model of standard series - customized products - regional safety certification, taking into account R&D; efficiency and precision, we continuously enrich related product categories, and obtain new profit growth points while meeting the individual needs of customers, improving customer satisfaction and stickiness, and improving the company's comprehensive competitiveness. The company's R&D; process mainly includes RFI, project review, EVT, DVT and other R&D; and design stages, as well as PVT and other production testing stages.

II. Analysis of core competitiveness

1. Rich resources and high stickiness of major customers, building brand awareness

The company's business focuses on global layout, actively explores the global market, and participates in international market competition. During the reporting period, the company's overseas sales customers include LG, HP, Walmart, Google, Roku, Honeywell, Technicolor, Sagemcom, TTI, etc.; well-known domestic customers include Inspur, Dahua, Hikvision, Pegatron, Star-Net, Foxconn, BYD, Huaqin, Lenovo, Xinhua San, etc.

Well-known customers have high requirements for supplier inspection. The company's performance in quality control, technological innovation, cost control, delivery and after-sales service has been fully recognized by customers. After a long and strict certification and testing process, the company has reached a stable cooperative relationship with well-known customers and has high customer stickiness.

With the increase in the concentration of the downstream market, the market gradually tends to have power supply manufacturers with advantages in quality management, production scale and high R&D; capabilities. The company will continue to consolidate its original advantages, improve the level of R&D; technical capabilities, quality management, expand production scale, and enhance internal management.

2. Firmly control the quality control, and the products have obtained multiple certifications from many countries

The company always puts product quality in the first place. The quality of power supply products is related to the stability of electronic equipment and the safety of users. At the same time, most of the company's downstream customers are world-renowned electronic product manufacturers and have strict requirements on power supply quality. Therefore, the company is committed to improving its own quality management system, emphasizing total quality (TQM) quality management thinking, and setting up a quality center specially. Strict quality control measures have been established in R & D, procurement, production, outsourcing, after-sales and other links.

With the excellent quality of its products, the company has been recognized by well-known downstream customers and has established a long-term and stable cooperative relationship with each other. In addition, the company has successively won honorary titles such as "Shenzhen Top 100 Quality Enterprises", "Shenzhen Strong Quality City Backbone Enterprise", and "Shenzhen 2017 Quality Career Contribution Award".

Under the long-term insistence on the quality of power products, the company's business covers many countries and regions around the world, and its products have obtained the qualifications to enter the international market. It has passed the product safety and electromagnetic compatibility certification in many countries and regions such as China CCC, Singapore PSB, South Korea KC, Japan PSE, Mexico NOM, South Africa NRCS, United States UL, United States FCC, Germany GS, European Union CE, India BIS, Russia EAC and so on.

3. The R&D; team and system are gradually improved, and the technological innovation strength is continuously enhanced

The company has been deeply involved in the field of power supply for many years, has in-depth research and development capabilities in multiple disciplines, and is good at integrating technologies in multiple fields for comprehensive research and development innovation. The company is equipped with a full-featured, all-round R&D; and product comprehensive laboratory, and product technical parameters can be independently designed, tested and experimented, ensuring the speed of R&D; and quality standards.

The company has R&D; centers in Shenzhen, Hangzhou, Shanghai and other places, which can cooperate with customers more efficiently and improve the company's overall R&D; service level. Relying on a high-level professional technical research and development team, the company's technological innovation strength has been continuously enhanced. As of June 30, 2025, the company has obtained 28 invention patents, 162 utility model patents, 34 design patents, and 96 software copyrights.

According to the market characteristics and technical characteristics of power products, the company builds multiple R&D; teams to serve customers accurately, establishes R&D; strategies from platform-based standard products to precise customization, and establishes R&D; projects based on customers' precise needs. The R&D; department implements dual-axis management of "technical indicators-market returns", the technical solutions are managed by the R&D; leader, and the market returns are managed by the business leader. Under the coordination of the business team, the company's R&D; team is directly responsible to the customer, To achieve a balance between technological innovation and market mechanisms.

In order to better serve customers and enhance the company's market competitiveness, the company further improves the internal R&D; system and sets up project R&D; and pre-research teams. In the process of tracking customer needs, the project R&D; team continuously improves the performance of existing products, enhances customers' cooperation intentions, and timely captures customer project needs and feeds them back to the pre-research team. The pre-research team is responsible for tracking the latest technological trends in the industry, and carrying out forward-looking technical research and technical reserves based on the new needs put forward by customers. It will help the company to analyze and adjust plans in conjunction with upstream and downstream changes in the industry, encourage the company to maintain the leading position in R&D; technology, and apply innovative technologies to practical and effective products, accelerate the project R&D; team to win customers, drive sales growth, and obtain market returns. The two teams cooperate with each other to form a good technology and information cycle and enhance the company's comprehensive strength in research and development.

III. Main business analysis

Overview

Please refer to the relevant content of "I. Main business of the company during the reporting period".

Year-on-year changes in major financial data

Unit: Yuan

	This reporting period	Same period last year	Year-on-year increase or decrease	Reason for change
Operating income	2,120,390,317.38	1,599,246,706.68	32.59%	Mainly due to the increase in sales volume during the current period.
Operating cost	1,689,839,207.09	1,264,283,479.02	33.66%	Mainly due to the increase in sales volume during the current period.
Selling expense	48,669,654.43	45,403,144.92	7.19%	No major changes.

Administration expense	75,706,654.46	69,975,542.95	8.19%	No major changes.
Finance expense	-918,070.90	-14,567,765.29	93.70%	Mainly due to the increase in the interest expense of convertible bonds in the current period and the decrease in foreign exchange gains in the current period.
Income tax expense	20,359,292.59	12,353,445.57	64.81%	Mainly due to the increase in the total profit of the current period.
R & D investment	131,678,915.35	102,663,290.33	28.26%	No major changes.
Net cash flow from operating activities	238,371,784.22	65,026,742.54	266.58%	Mainly due to the increase in the amount of goods sold in the current period.
Net cash flows from investing activities	146,779,338.16	-141,752,677.08	203.55%	Mainly due to the increase in wealth management products that have expired during the current period.
Net cash flow from financing activities	-106,608,074.73	-258,145.90	-41,197.61%	Mainly due to the repayment of bank loans in the current period.
Cash and cash equivalents	279,508,571.36	-67,655,463.13	513.14%	Mainly due to the increase in net cash flow from operating activities and investing activities during the current period.

Significant changes in the company's profit composition or source of profit during the reporting period

■ Applicable Not Applicable

There was no significant change in the company's profit composition or source of profit during the reporting period.

Products or services that account for more than 10%

Applicable ■ Not applicable Unit: Yuan

	Operating income	Operating cost	Gross margin	Increase or decrease in operating income over the same period of the previous year	Operating costs increased or decreased compared to the same period last year	Gross profit margin increased or decreased compared with the same period last year
Sub-product or service						
Computer, communications and other electronic equipment manufacturing	2,111,298,751.22	1,682,813,165.98	20.29%	32.63%	33.35%	-0.43%
Sub-product						
Power adapter	826,116,927.33	684,086,721.25	17.19%	6.61%	7.13%	-0.40%
Data Center Power Business	962,083,117.33	735,653,382.18	23.54%	94.30%	101.41%	-2.70%

Other power	323,098,706.56	263,073,062.55	18.58%	0.41%	1.91%	-1.20%
By regions						
Domestic sales	1,234,783,221.45	996,236,174.58	19.32%	46.82%	45.21%	0.90%
Overseas sales	885,607,095.93	693,603,032.51	21.68%	16.80%	19.96%	-2.06%
Sub-sales model						
Direct selling	2,120,390,317.38	1,689,839,207.09	20.31%	32.59%	33.66%	-0.64%

IV. Analysis of non-main business

Applicable ■ Not applicable Unit: Yuan

	Amount	% of total profit	Reasons for formation	Is it sustainable
Investment income	-12,141,014.87	-7.85%	Mainly due to the recognition of investment losses for participating companies based on the equity method.	No
Fair value change	1,273,172.91	0.82%	Mainly due to the increase in income from wealth management products accrued in the current period.	No
Asset impairment	-9,068,035.39	-5.86%	This is due to the increase in the provision for falling prices of inventories in the current period.	No
Non-operating income	14,709.57	0.01%		No
Non-operating expenses	906,838.66	0.59%	Mainly due to the loss of asset retirement in the current period.	No
Other income	15,380,094.94	9.94%	Mainly government subsidy income.	No
Credit impairment loss	-6,735,429.48	-4.35%	It is due to the provision for bad debts of accounts receivable.	No

V. Analysis of Assets and Liabilities

1. Significant changes in asset composition

Unit: Yuan

	At the end of the reporting period		End of last year		Proportion increase or decrease	Description of major changes
	Amount	% of total assets	Amount	% of total assets		
Monetary fund	1,381,477,504.12	24.37%	1,026,474,448.78	19.29%	5.08%	Mainly due to the increase in sales volume during the current period.
Accounts Receivable	1,478,432,615.59	26.08%	1,387,878,24	26.08%	0.00%	No major changes.2.93

Inventory	671,112,556.91	11.84%	464,660,221.88	8.73%	3.11%	Mainly due to the increase in sales volume during the current period.
Investment real estate	244,084,671.79	4.31%	247,119,393.91	4.64%	-0.33%	No major changes.
Long-term equity investment	70,129,254.31	1.24%	77,049,072.73	1.45%	-0.21%	No major changes.
Fixed assets	957,879,682.99	16.89%	960,690,289.12	18.05%	-1.16%	No major changes.
Construction in progress	174,576,424.72	3.08%	149,845,982.50	2.82%	0.26%	No major changes.
Right-of-use assets	87,471,503.22	1.54%	97,466,146.65	1.83%	-0.29%	No major changes.
Short-term loan	191,239,182.97	3.37%	236,768,406.69	4.45%	-1.08%	No major changes.
Contract liabilities	3,038,072.47	0.05%	1,792,045.73	0.03%	0.02%	Mainly due to the increase in advance receipts in the current period.
Long-term loan	194,872,789.66	3.44%	216,296,231.74	4.06%	-0.62%	No major changes.
Lease liabilities	61,928,282.99	1.09%	70,977,154.16	1.33%	-0.24%	No major changes.
Trading financial assets	80,639,646.89	1.42%	350,379,216.98	6.58%	-5.16%	Mainly due to the expiration of the purchase of wealth management products at the end of the period.
Notes receivable	101,051,953.31	1.78%	152,830,327.18	2.87%	-1.09%	Mainly due to the decrease in bank acceptance bills at the end of the period.
Receivables Financing	42,040,210.14	0.74%	17,854,895.54	0.34%	0.40%	This was due to the increase in bills receivable with high credit ratings at the end of the period.
Notes payable	755,287,692.60	13.32%	481,324,555.30	9.04%	4.28%	Mainly due to the increase in payment of bank acceptance bills in the current period.
Bonds payable	329,243,052.92	5.81%	546,110,938.58	10.26%	-4.45%	Mainly due to the conversion of convertible bonds in the current period.

2. Main overseas assets

Applicable ☒ Not applicable

The specific content of the asset	Reason for formation	Asset size	Location	Operating model	Control measures to ensure asset security	Income status	The proportion of overseas assets in the company's net assets	Is there a significant risk of impairment
Hong Kong Honor Electron Technology Co., Ltd	Investment establishment	Net assets of 371,706,500 yuan as of June 30, 2025	Hongkong	Self-employed	Parent company control	Net profit of RMB 22,731,100 from January to June 2025	14.98%	No

3. Assets and liabilities measured at fair value

Applicable ☒ Not applicable

Unit: Yuan

Projects	Beginning of the period	Gains and losses from changes in fair value for the current period	Changes in cumulative fair value included in equity	Impairment accrued in the current period	Purchase amount for the current period	Amount sold in the current period	Other changes	Ending number
Financial assets								
1. Transactional financial assets (excluding derivative financial assets)	350,379,216.98	2,035,045.53			433,000,000.00	704,774,615.62		80,639,646.89
Subtotal of financial assets	350,379,216.98	2,035,045.53			433,000,000.00	704,774,615.62		80,639,646.89
Receivables Financing	17,854,895.54	0.00			0.00	0.00	24,185,314.60	42,040,210.14
Other Current Assets	48,000,000.00	0.00			0.00	30,000,000.00	0.00	18,000,000.00
Total of the above	416,234,112.52	2,035,045.53			433,000,000.00	734,774,615.62	24,185,314.60	140,679,857.03
Financial liabilities	0.00							0.00

Other changes

It is the increase or decrease in the financing of accounts receivable.

Whether there was any significant change in the measurement attributes of the company's main assets during the reporting period

■ whether

4. Restricted asset rights as of the end of the reporting period

Projects	Book value (yuan)	Restricted reason
Monetary fund	227,366,257.83	Apply to the bank for a deposit for the issuance of a bank acceptance draft
Notes receivable	26,482,533.08	Apply to the bank for pledged bills receivable to issue a bank acceptance bill
Fixed assets	409,830,255.22	Apply for a loan from a bank to mortgage fixed assets
Intangible assets	25,417,533.37	Apply for a loan from a bank to mortgage intangible assets
Investment real estate	230,749,954.62	Apply for a loan from a bank mortgage investment real estate
Total	919,846,534.12	

VI. Analysis of investment status

1. Overall situation

Applicable ■ Not applicable

Investment in the reporting period (yuan)	Investment in the same period last year (yuan)	Range of change
591,200,245.27	272,416,488.50	117.02%

2. Significant equity investments obtained during the reporting period

■ Applicable Not Applicable

3. Major non-equity investments in progress during the reporting period

■ Applicable Not Applicable

4. Financial assets measured at fair value

Applicable ■ Not applicable Unit: Yuan

Asset class	Initial investment cost	Gains and losses from changes in fair value for the current period	Changes in cumulative fair value included in equity	Amount purchased during the reporting period	Amount sold during the reporting period	Cumulative investment income	Other changes	Amount at the end of the period	Source of funds
other	80,000,000.00	2,035,045.53	0.00	433,000,000.00	704,774,615.62	26,377,285.20	0.00	80,639,646.89	Raise funds
Total	80,000,000.00	2,035,045.53	0.00	433,000,000.00	704,774,615.62	26,377,285.20	0.00	80,639,646.89	--

5. Use of raised funds

Applicable ■ Not applicable

(1) Overall use of raised funds

Applicable ■ Not applicable Unit: ten thousand yuan

Year of recruit ment	How to raise	Securiti es listing date	Total funds raised	Net pro ceeds raised (1)	The total amount of funds raised in the current period	The total amount of funds raised has been used accumulatively (2)	Proport ion of use of raised funds at the end of the rep orting period (3) = (2)/(1)	The total amount of funds raised for change of purp ose during the rep orting period	The total amount of funds raised for cum ulative change of purpose	The pr oportion of the total amount of funds raised for the cumula tive change of purp ose	The total amount of funds raised has not been used	The pu rpose and des tination of the raised funds have not been used	Amou nt of funds raised after being idle for more than two years
2020	Initial public offerin g	August 24, 2020	93,129.3	84,908.98	5,329.1	87,603.86	103.17 %	0	25,000	29.44%	2.69	Deposited in the company's special account for raised funds	0
2024	Issue c onverti ble public to unsp ecified objects Compa ny bonds	July 26, 2024	64,452.65	63,241.99	15,691.69	19,879.11	31.43%	0	25,925.06	40.99%	44,042.44	Deposited in the company's special account for raised funds and	0Wealt h Man ageme nt Acc ount
Total	--	--	157,581.95	148,150.97	21,020.79	107,482.97	72.55%	0	50,925.06	34.37%	44,045.13	--	0

Description of the overall use of raised funds

(1) The actual amount of funds raised and the time when the funds are received

1. IPO in 2020: With the approval of the China Securities Regulatory Commission's "Approval for the Registration of the Initial Public Offering of Shenzhen Honor Electronic Co., Ltd." (Zheng Jian Li [2020] No. 1600), the company will IPO 25.30 million ordinary shares (A shares) with a par value of 1.00 yuan per share and an issue price of 36.81 yuan per share, The total amount of funds raised from the issuance is RMB 931,293,000.00. After deducting the issuance expenses (excluding VAT) of RMB 82,203,175.63, the actual net proceeds raised are RMB 849,089,824.37. The raised funds have been transferred to the company's designated account on August 17, 2020. Tianzhi International Accounting Firm (special general partnership) verified the availability of the raised funds and issued "Tian Vocational Zi [2020] No. 34586" and "Shenzhen Honor Electronic Co., Ltd. Capital Verification Report".

2. Issuance of convertible corporate bonds to unspecified objects in 2024: After the China Securities Regulatory Commission issued the "Approval for the Registration of Shenzhen Honor Electronic Co., Ltd.'s Issuance of Convertible Corporate Bonds to Unspecified Objects" (Zheng Jian Li [2024] No. 219), the company issued 6,445,265 convertible corporate bonds to unspecified objects on July 5, 2024, each with a face value of RMB 100, The total amount of funds raised was RMB 644,526,500.00. After deducting various issuance expenses of RMB 12,106,634.44, the actual net amount of funds raised was RMB 632,419,865.56. As of July 11, 2024, all the funds raised by the company's above-mentioned issuance have been put in place, which has been verified and confirmed by Tianzhi International Accounting Firm (Special General Partnership) with the capital verification report "Tian Vocational Zi [2024] No. 45591".
(2) Amount used in the reporting period and balance at the end of the reporting period
1. IPO in 2020: As of June 30, 2025, the funds raised from the IPO have invested a total of 876,038,659.66 yuan, and the balance of the special account for raised funds is 26,899.76 yuan, of which the net amount of interest income from raised funds, wealth management income and handling fees is 26,975,735.05 yuan
2. Issuance of convertible corporate bonds to unspecified objects in 2024: As of June 30, 2025, a total of 198,791,162.64 yuan has been invested in the proceeds from the issuance of convertible corporate bonds to unspecified objects, and the balance of the special account for raised funds is 440,424,371.11 yuan, of which the net amount of interest income from raised funds, wealth management income and handling fees is 6,795,668.19 yuan, The balance of cash management using idle raised funds is 80,000,000.00 yuan

(2) Projects committed to raising funds

Applicable ☒ Not applicable ☐ Unit: ten thousand yuan

Financing project name	Securities listing date	Commitment to investment projects and over-raised funds	Nature of the project	Whether the item has been changed (including some changes)	Net proceeds raised	Total committed investment of raised funds	Adjusted total investment (1)	Amount invested in the reporting period	Cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	The date when the project reaches the expected usable status	Benefits realized during the reporting period	Cumulative realized benefits as of the end of the reporting period	Whether the expected benefits are achieved	Whether the feasibility of the project has changed significantly
Commitment to investment projects															
2020 Initial Public Offering	August 24, 2020	Ganzhou Power Adapter Production Line Technical Transformation Project	Production construction	Yes	7,984.58	7,984.58	3,449.19	0	3,449.19	100.00 %	November 30, 2024	Not applicable	Not applicable	Not applicable	No

2020 Initial Public Offering	August 24, 2020	The surplus raised funds will permanently supplement the working capital	Replenishment	No	0	0	4,535.39	5,158.15	5,158.15	113.73%	Not applicable	Not applicable	Not applicable	Not applicable	No
2020 first public	2020 08	Ganzhou power adaptation	Production construction	Yes	30,275.52	30,275.52	5,275.52	0	5,912.02	112.07%	07 2024	Not applicable	Not applicable	Not applicable	No
Development bank	Month 24	Device expansion project									Month 31				
2020 Initial Public Offering	August 24, 2020	R & D center construction project	R & D projects	No	7,133	7,133	7,133	0	7,274.39	101.98%	September 30, 2022	Not applicable	Not applicable	Not applicable	No
2020 Initial Public Offering	August 24, 2020	Supplementary working capital	Replenishment	No	10,000	10,000	10,000	0	9,999.86	100.00%	Not applicable	Not applicable	Not applicable	Not applicable	No
2020 Initial Public Offering	August 24, 2020	Dongguan Honor Electron Information Equipment Manufacturing Center Project	Production construction	No	0	0	25,000	170.95	25,563.4	102.25%	January 16, 2024	Realized income of RMB 237,412,200	Realized income of RMB 1,019,179,400	No	No

Issuance of convertible corporate bonds to unspecified objects in 2024	July 26, 2024	Honor Electric's new headquarters and R&D; laboratory upgrade construction project	Production construction	No	27,914.1	27,914.1	27,027.58	2,930	7,117.42	26.33%	August 16, 2027	Not applicable	Not applicable	Not applicable	No
Issuance of convertible corporate bonds to unspecified objects in 2024	July 26, 2024	Supplementary working capital	Replenishment	No	11,500	11,500	10,289.35	9,767.9	9,767.9	94.93%	Not applicable	Not applicable	Not applicable	Not applicable	No
Issuance of convertible corporate bonds to unspecified objects in 2024	July 26, 2024	Project with an annual output of 1.45 million data center power supplies	Production construction	No	25,925.06	25,925.06	25,925.06	2,993.79	2,993.79	11.55%	January 22, 2027	Not applicable	Not applicable	Not applicable	No
Subtotal of Committed Investment Projects				--	120,732.26	120,732.26	118,635.09	21,020.79	77,236.12	--	--	Realized income of RMB 237,412,200	Realized income of RMB 1,019,179,400	--	--
Over-raised funds invested															
2020 Initial Public Offering	August 24, 2020	Dongguan Power Adapter Expansion Project	Production construction	No	4,800	4,800	4,800	0	4,824.01	100.50%	June 30, 2021	Realized income of 111,554,600 yuan	Realized income of RMB 1,131,146,600	No	No

2020 Initial Public Offering	August 24, 2020	Over-raised funds to supplement working capital	Replenishment	No	8,500	8,500	8,500	0	8,500	100.00 %	Not applicable	Not applicable	Not applicable	Not applicable	No
2020 Initial Public Offering	August 24, 2020	Shenzhen Honor Electron Power Supply Technical Transformation Project	Production construction	No	4,800.39	4,800.39	4,800.39	0	4,631.26	96.48 %	June 21, 2022	Not applicable	Not applicable	Not applicable	No
2020 Initial Public Offering	August 24, 2020	Pay part of the purchase price of the property	Production construction	No	10,000	10,000	10,000	0	10,000	100.00 %	Not applicable	Not applicable	Not applicable	Not applicable	No
2020 Initial Public Offering	August 24, 2020	The remaining over-raised funds will permanently supplement the working capital	Replenishment	No	2,122.45	2,122.45	2,122.45	0	2,122.45	100.00 %	Not applicable	Not applicable	Not applicable	Not applicable	No
Over-raised funds invested in subtotal				--	30,222.84	30,222.84	30,222.84	0	30,077.72	--	--	Realized income of 111,554,600 yuan	Realized income of RMB 1,131,146,600	--	--

Total	--	150,955.1	150,955.1	148,857.93	21,020.79	107,313.84	--	--	Realized income of 348,966,600 yuan	Realized income of RMB 2,150,326,600	--	--
Sub-project description of the situation and reasons for not reaching the planned progress and expected benefits (including the reasons for selecting "not applicable" for "whether the expected benefits have been achieved")	I. Project delays The meeting and the sixth meeting of the third board of supervisors in 2024 reviewed and approved the "Proposal on Terminating Part of the Raised Funds Investment Projects and Permanently Supplementing Liquidity with the Remaining Raised Funds", and held the company's second extraordinary general meeting of shareholders in 2024 on November 18, 2024 for deliberation and approval. 2020 IPO projects: (1) Ganzhou power adapter production line technological transformation project: Due to the development of the industry in recent years, the power supply industry cluster has been formed, which has provided the company with a good environment for R & D, production and sales. The company is in a rapid development stage as a whole. It will rationally and orderly carry out production capacity layout and construction in combination with long-term development strategy, future business layout and customer orders, and allocate resources rationally and effectively to maximize benefits and synergies. In 2021, under the unfavorable environment such as the impact of force majeure, tight supply of raw materials and shortage of goods, the company considered the strategic layout, the plan to increase production capacity and the profit performance, and the progress of the project experienced a certain delay. Under the circumstance that the implementation subject, total investment amount and use of funds of the raised funds investment projects remain unchanged, according to the current actual construction progress of the raised funds investment projects, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022, and reviewed and approved the "Proposal on the Extension of Some Raised Investment Projects", Agreed to extend the project's available status date to November 30, 2024. Since the construction of the "Ganzhou Power Adapter Production Line Technical Transformation Project", the overall downstream consumer electronics market demand has been relatively weak, and the company's power adapter business revenue growth rate is less than expected. After careful evaluation and evaluation, the company comprehensively considers the macro environment and changes in the market environment, combined with the actual situation of the market and the project, the overall business layout and strategic planning, it plans to terminate the "Ganzhou Power Adapter Production Line Technical Transformation Project". The remaining funds raised from the above-mentioned projects will be permanently supplemented with working capital. The company will hold the third board of directors for the seventh time in 2024 on October 28, 2024. (2) R&D; center construction project: Affected by the company's actual operating conditions, market environment, force majeure and other factors, the overall progress of the R&D; center project was slightly slower than expected. The company fully considered the project construction cycle and the use of funds. After careful consideration, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022. The "Proposal on Extension of Some Fund-raising Projects" was reviewed and approved, and it was agreed to extend the time for the project to reach the expected usable state until September 30, 2022. The R&D; center construction project does not produce direct economic benefits, but it can enhance the company's core technical capabilities and further enhance the company's core competitiveness. (3) Ganzhou power adapter expansion project: Due to the development of the industry in recent years, the power supply industry cluster has been formed, which has provided the company with a good environment for R & D, production and sales. The company is in a rapid development stage as a whole. Based on factors such as long-term development strategy, future business layout and customer orders, the company will carry out production capacity layout and construction in a reasonable and orderly manner, and allocate resources rationally and effectively to maximize benefits and synergies. In 2021, under the unfavorable environment such as force majeure, tight supply of raw materials and shortage of goods, the company took into account the strategic layout, the plan to increase production capacity and the profit performance, and the progress of the project experienced a certain delay. Under the circumstance that the implementation subject, total investment and use of funds of the raised funds investment projects remain unchanged, according to the current actual construction progress of the raised funds investment projects, the company held the third meeting of the second board of directors in 2022 and the second meeting of the second board of directors in 2022 on April 20, 2022, and reviewed and approved the "Proposal on the Extension of Some Raised Investment Projects", Agreed to extend the project's available status date to July 31, 2024. II. The circumstances and reasons why the project did not reach the expected return. The IPO project in 2020: Dongguan Power Adapter Expansion Project and Dongguan Honor Electron Information Equipment Manufacturing Center Project: reached the expected usable state on June 30, 2021 and January 16, 2024, respectively. Due to the adjustment of the company's production capacity, the benefits failed to meet the planned expectations.											

Description of major changes in the feasibility of the project	Dongguan Honor Electron Information Equipment Manufacturing Center Project (IPO project in 2020):The company held the sixth meeting of the second board of directors in 2021 and the fifth meeting of the second board of supervisors in 2021 on July 16, 2021, and held the first extraordinary general meeting of shareholders in 2021 on August 2, 2021. The Proposal on Changing the Use of Part of the Funds Raised was reviewed and approved respectively. According to the company's long-term development strategy and the development status of the power adapter industry, in order to better support the company's business development needs, improve production capacity and product structure layout, improve the efficiency of the use of raised funds, and protect the interests of small and medium shareholders, after the company's research and decision, it is planned to change the use of part of the raised funds in the original "Ganzhou Power Adapter Expansion Project" and invest in the newly raised investment project "Dongguan Honor Electron Information Equipment Manufacturing Center Project", The amount of raised funds to be changed is 250 million yuan, accounting for 29.44% of the total net raised funds. The main body of the newly-raised investment project is Dongguan Honor Electron Electronics Co., Ltd., a wholly-owned subsidiary of the company
The amount, purpose and progress of the use of over-raised funds	Applicable (1) Dongguan Power Adapter Expansion Project (IPO project in 2020):On September 17, 2020, the first meeting of the second board of directors in 2020 and the first meeting of the second board of supervisors in 2020 reviewed and approved the "Proposal on Using Over-raised Funds to Invest in Dongguan Power Adapter Expansion Project and Open a Special Account for Raised Funds", agreed to use part of the over-raised funds to invest in the Dongguan Power Adapter Expansion Project, and plans to use RMB 48.0 million of over-raised funds to invest in the Dongguan Power Adapter Expansion Project, The project reached its expected usable status on June 30, 2021.(2) Over-raised funds to supplement working capital (IPO project in 2020):The second meeting of the second board of directors in 2021 and the second meeting of the second board of supervisors in 2021 will be held on April 13, 2021. The 2020 annual general meeting of shareholders held on May 7, 2021 reviewed and approved the "Proposal on Permanently Supplementing Liquidity with Part of the Over-raised Funds", agreeing to use the over-raised funds of RMB 85 million to permanently supplement the liquidity to meet the company's daily operating needs, The supplementary working capital has been used up.(3) Shenzhen Honor Electron Power Technical Transformation Project (IPO project in 2020):On June 21, 2021, the company held the fourth meeting of the second board of directors in 2021 and the fourth meeting of the second board of supervisors in 2021. It reviewed and approved the "Proposal on Using Over-raised Funds to Invest in Shenzhen Honor Electron Power Transformation Project", agreed to use part of the over-raised funds to invest in Shenzhen Honor Electron Power Transformation Project, and plans to use RMB 48,003,900 of over-raised funds to invest in Shenzhen Honor Electron Power Transformation Project. The project reached its expected usable status on June 21, 2022. The committed investment amount of the project is RMB 48,003,900, the actual investment amount is RMB 46,312,600, and the remaining RMB 1,691,300 is used to supplement the company's working capital.(4) Payment of part of the purchase price of the property (IPO project in 2020):On October 11, 2021, the ninth meeting of the second board of directors in 2021 and the seventh meeting of the second board of supervisors in 2021 were held. The Proposal on Using Over-raised Funds to Pay Part of the Purchase Price of Real Estate was reviewed and approved, and it was agreed that the company should use over-raised funds of 100 million yuan to pay for part of the property price of the main commercial and podium building at No. 175 Hangcheng Avenue, Hangcheng Street, Bao'an District, Shenzhen. The funds have been used up. (5) The remaining over-raised funds will permanently supplement the working capital (IPO project in 2020):The fifth meeting of the third board of directors in 2024 and the fourth meeting of the third board of supervisors in 2024 were held on August 27, 2024. The first extraordinary general meeting of shareholders in 2024 held on September 18, 2024 reviewed and approved the "Proposal on Permanently Supplementing Liquidity with the Surplus Over-raised Funds", agreeing to use the remaining over-raised funds of RMB 21,081,273.83 (the balance as of August 5, 2024, Including interest and cash management income, the specific amount is subject to the actual amount at the time of transfer) to permanently supplement the working capital. The supplementary working capital has been used up.
There is an unauthorized change of the raised funds	Not applicable
Use, illegal occupation of raised funds	

Changes in the implementation location of investment projects with raised funds	Applicable
	Occurred in previous years
	Project with an annual output of 1.45 million data center power supplies (convertible corporate bonds will be issued to unspecified objects in 2024):The company held the fifth meeting of the third board of directors in 2024 and the fourth meeting of the third board of supervisors in 2024 on August 27, 2024. It reviewed and approved the "Proposal on Changing the Implementation Subject, Implementation Location and Project Name of Some Fund-raising Projects", and agreed to change the implementation subject of the company's fund-raising investment project "Dongguan Honor Electron Data Center Power Construction Project" from Dongguan Honor Electron, a wholly-owned subsidiary of the company, to Suzhou Yundian, a wholly-owned subsidiary of the company; The implementation location was changed from "No. 129, Hongmei Section, Wangsha Road, Hongmei Town, Dongguan City" to "No. 16, Shebang Road, Jiangling Street, Wujiang District, Suzhou City"; the project name was changed from "Dongguan Honor Electron Data Center Power Supply Construction Project" to "1.45 million units of data center power supply per year" (the specific project name is subject to subsequent actual filing).
Adjustments to the implementation of investment projects with raised funds	Not applicable
Preliminary investment and replacement of investment projects with raised funds	Applicable
	(1) IPO in 2020: The amount of self-raised funds invested in advance investment projects and paid issuance expenses is 10.1511 million yuan. Tianzhi International Accounting Firm (special general partnership) has verified the actual situation of the company's investment projects with self-raised funds in advance, It also issued Tian Vocational Zi [2020] No. 35186, "Assurance Report on Shenzhen Honor Electronic Co., Ltd.'s Pre-investment of Raised Funds with Self-raised Funds". The first meeting of the second board of directors of the company held on September 17, 2020 reviewed and approved the "Proposal on Using Raised Funds to Replace Pre-invested Raised Funds and Self-raised Funds Paid for Issuance Fees". The above funds have been replaced. (2) Issuance of convertible corporate bonds to unspecified targets in 2024: The amount of self-raised funds invested in advance investment projects and paid issuance expenses is RMB 27,233,700. Tianjian Certified Public Accountants (special general partnership) has verified the actual situation of the company's investment projects with self-raised funds invested in advance with raised funds as of August 27, 2024, And issued Tianjianshen [2024] No. 3-327 "Assurance Report on Shenzhen Honor Electronic Co., Ltd.'s Pre-investment of Self-raised Funds into Fund-raising Projects and Payment of Issuance Expenses". The fifth meeting of the third board of directors of the company held on August 27, 2024 reviewed and approved the "Proposal on Using Raised Funds to Replace Self-raised Funds for Pre-invested Fund-raising Projects and Paid Issuance Expenses", and agreed that the company and its wholly-owned subsidiaries should use RMB 27,233,700 of raised funds to replace self-raised funds invested in pre-investment projects and paid issuance expenses. The above funds have been replaced.
Temporarily supplement working capital with idle raised funds	Not applicable

The amount and reason for the balance of raised funds in the implementation of the project	Applicable
	2020 IPO projects:(1) The committed investment amount of Shenzhen Honor Electron's power supply technological transformation project is RMB 48,003,900, the actual investment amount is RMB 46,312,600, and the remaining RMB 1,691,300 is used to supplement the company's working capital. The remaining funds of RMB 1,691,300 are due to the company's active efforts to reduce procurement costs, reduce project construction costs, and save raised capital expenditures during the implementation of raised investment projects.(2) After the adjustment of the Ganzhou Power Adapter Expansion Project, the raised funds invested 52,755,200 yuan, and the actual accumulated investment amount was 59,122,700 yuan (including the raised capital of 52,755,200 yuan, including the net interest income and expenditure and wealth management income of 6,367,500 yuan). The surplus raised funds were 36,600 yuan to permanently supplement the working capital, and the surplus funds were 36,600 yuan in the process of implementing the fund-raising projects. Based on the principles of reasonableness, economy and effectiveness, the raised funds shall be used cautiously in strict accordance with the relevant regulations on the management of raised funds, and the control, supervision and management of the costs of each link of project construction shall be strengthened under the premise of ensuring the construction quality of raised investment projects, and the related costs and expenses of the project shall be reasonably reduced.(3) The committed investment amount of the technical transformation project of Ganzhou power adapter production line is 79,845,800 yuan, and the actual investment amount is 34,491,900 yuan. In order to improve the use efficiency of raised funds and reduce the investment risk of raised funds, according to the actual progress of the company's raised investment projects and changes in the market environment, the company terminated some of the raised funds and transferred the remaining raised funds of 51,432,300 yuan (including bank interest, The specific amount is subject to the balance of funds in the special account of the project at the time of actual carry-over) to be used to permanently supplement the working capital. As of June 30, 2025, the remaining raised funds of RMB 51,581,500 have been used to permanently supplement the working capital.
	(1) As of June 30, 2025, the unused proceeds of the initial public offering of RMB 26,900 were deposited in the company's special account for funds raised.(2) As of June 30, 2025, the unused raised funds of 360,424,400 yuan from the issuance of convertible corporate bonds to unspecified objects were deposited in the company's special account for raised funds, and the idle raised funds of 80 million yuan have not yet expired.
Problems or other circumstances in the use and disclosure of raised funds	Not applicable

(3) Change of projects with raised funds

Applicable ☒ Not applicable

Unit: ten thousand yuan

Financing project name	How to raise	Changed project	Corresponding original commitment project	The total amount of funds to be invested in the project after the change (1)	Actual investment amount during the reporting period	Actual cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	The date when the project reaches the expected usable status	Benefits realized during the reporting period	Whether the expected benefits are achieved	Whether the feasibility of the changed project has changed significantly
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2020 Initial Public Offering	Initial public offering	Dongguan Honor Electron Information Equipment Manufacturing Center Project	Ganzhou Power Adapter Expansion Project	25,000	170.95	25,563.4	102.25%	January 16, 2024	Realized income of RMB 237,412,200	No	No
2020 Initial Public Offering	Initial public offering	Ganzhou Power Adapter Production Line Technical Transformation Project	Ganzhou Power Adapter Production Line Technical Transformation Project	3,449.19	0	3,449.19	100.00%	November 30, 2024	Not applicable	Not applicable	No
Issuance of convertible corporate bonds to unspecified objects in 2024	Issuance of convertible corporate bonds to unspecified objects	Project with an annual output of 1.45 million data center power supplies	Dongguan Honor Electron Data Center Power Supply Construction Project	25,925.06	2,993.79	2,993.79	11.55%	January 22, 2027	Not applicable	Not applicable	No
Total	--	--	--	54,374.25	3,164.74	32,006.38	--	--	Realized income of RMB 237,412,200	--	--

Reasons for changes, decision-making procedures and information disclosure descriptions (by specific items)	1. Dongguan Honor Electron Information Equipment Manufacturing Center Project (IPO project in 2020): The overall demand is relatively weak, and the growth rate of the company's power adapter business operating income is less than expected. Based on the company's current business development and future planning, financial status, market demand and other factors, the company continues to adopt a cautious attitude towards the investment of raised funds, and the progress of project investment and construction has slowed down. After careful evaluation and evaluation, the company comprehensively considers the changes in the macro environment and the market environment, combined with the actual situation of the market and the project, the overall business layout and strategic planning, it believes that there is a large uncertainty in the project to achieve the expected benefits. Based on the principle of cautious use of the raised funds, the company plans to terminate the "Ganzhou Power Adapter Production Line Technical Transformation Project" and terminate the remaining raised funds of the raised funds investment project. The company held the sixth meeting of the second board of directors in 2021 and the fifth meeting of the second board of supervisors in 2021 on July 16, 2021, and held the first extraordinary general meeting of shareholders in 2021 on August 2, 2021. The Proposal on Changing the Use of Part of the Funds Raised was reviewed and approved respectively. The sponsor, Sinolink Securities Co., Ltd., issued a verification opinion. For details, please refer to the company's website on Juchao Information Network on July 17, 2021 (http://www.cninfo.com.cn) disclosed the "Announcement on Changing the Use of Part of the Funds Raised" and related announcements. The reason for this change of the company is first of all to take into account the gradual implementation of the strategic development plan, the Dongguan factory is close to the headquarters and it is relatively easy to recruit high-end R&D; technical talents and production workers, combined with production needs and logistics arrangements, the priority development of the Dongguan factory is in line with the company's current strategic development, and it is conducive to maximizing the company's interests and synergies, and further improving the industrial chain, thereby improving the efficiency of the use of raised funds and obtaining investment benefits of raised funds as soon as possible, Protect the interests of shareholders and small and medium investors. Secondly, the company has been deeply involved in the power adapter industry for many years and has established a good brand awareness and product reputation. In the future, the company will continue to expand its scale, expand product categories, continue to expand new markets and new customers, and seize the important development opportunities of the global power supply industry's transfer to China and the growth of downstream application market demand. The company's new fundraising projects will provide good support for the company's long-term development strategy. Based on the above reasons, the company decided to use the remaining funds raised from the original fund-raising investment project "Ganzhou Power Adapter Expansion Project" for this new fund-raising project "Dongguan Honor Electron Information Equipment Manufacturing Center Project". As of June 30, 2025, the Dongguan Honor Electron Information Equipment Manufacturing Center project has invested a total of 255,634,400 yuan. The funds raised for the above-mentioned projects have all been invested, and the special account for the raised funds will be cancelled accordingly. 2. Ganzhou power adapter production line technical transformation project (IPO project in 2020): The company held the seventh meeting of the third board of directors in 2024 and the sixth meeting of the third board of supervisors in 2024 on October 28, 2024, and held the second extraordinary general meeting of shareholders of the company in 2024 on November 18, 2024. The "Proposal on Terminating Part of the Raised Funds Investment Projects and Permanently Supplementing Liquidity with the Remaining Raised Funds" was reviewed and approved respectively. In the context of the macroeconomic environment and the lower-than-expected demand in the consumer electronics market, The company's power adapter business has been affected to a certain extent. "Ganzhou Power Adapter Production Line Technical Transformation Project" has been under construction since its inception, and the downstream consumer electronics market 51,432,300 yuan (including bank interest, the specific amount is subject to the balance of the project's special account at the time of actual carry-over) is used to permanently supplement the working capital. The remaining funds raised in the above-mentioned projects will permanently supplement the working capital, optimize the allocation of resources, effectively improve the efficiency of capital use, and reduce financial operating costs. As of June 30, 2025, the remaining raised funds of RMB 51,581,500 have been used to permanently supplement the working capital. 3. Project with an annual output of 1.45 million data center power supplies (convertible corporate bonds will be issued to unspecified targets in 2024): The company held the fifth meeting of the third board of directors in 2024 and the fourth meeting of the third board of supervisors in 2024 on August 27, 2024, and reviewed and approved the "Proposal on Changing the Implementation Subject, Implementation Location and Project Name of Some Fund-raising Projects", It was agreed to change the implementation entity of the company's fund-raising investment project "Dongguan Honor Electron Data Center Power Supply Construction Project" from Dongguan Honor Electron, a wholly-owned subsidiary of the company, to Suzhou Yundian, a wholly-owned subsidiary of the company; the implementation
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	nnual production of 1.45 million data center power supplies" (the specific project name is subject to subsequent actual filing). The fund-raising project involving the change of the implementation subject, implementation location and project name is the "Project with an annual output of 1.45 million data center power supplies". The project has not yet started to invest. In addition, the total investment of the project, the investment of raised funds, and the construction content of the project are unchanged. The changes to the above projects are adjusted based on the actual situation of the company, making full use of the base layout of the wholly-owned subsidiary, optimizing the company's resource allocation, in line with the company's development plan and actual needs, improving the efficiency of the use of raised funds, ensuring the smooth development of raised investment projects, and further improving the company's comprehensive competitiveness. The sponsor, Sinolink Securities Co., Ltd., issued a verification opinion. For details, please refer to the "Announcement on Changing the Implementation Subjects, Implementation Locations and Project Names of Some Fund-raising Projects" and related announcements disclosed by the company on the Juchao Information Network (http://www.cninfo.com.cn) on August 29, 2024. As of June 30, 2025, the project with an annual output of 1.45 million data center power supplies has invested a total of 29,937,900 yuan.
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Circumstances and reasons for not reaching the planned schedule or expected benefits (by specific project)	Not applicable
Description of major changes in the feasibility of the project after the change	No major changes in project feasibility

6. Entrusted wealth management, derivative investment and entrusted loans

(1) Entrusted financial management

Applicable ☒ Not applicable

Overview of entrusted wealth management during the reporting period

Unit: ten thousand yuan

Specific type	Source of funds for entrusted financial management	Entrusted financial management amount	Unexpired balance	Overdue amount	The amount of impairment accrued for overdue financial management has not been recovered
Bank wealth management products	Raise funds	21,000	8,000	0	0
Bank wealth management products	Own funds	4,800	1,800	0	0
Total		25,800	9,800	0	0

The specific situation of high-risk entrusted wealth management with large single amount or low security and poor liquidity

☒ Applicable Not Applicable

Entrusted wealth management is expected to be unable to recover the principal or there are other situations that may lead to impairment

☒ Applicable Not Applicable

(2) Derivatives investment

☒ Applicable Not Applicable

There was no derivative investment in the company during the reporting period.

(3) Entrusted loans

■ Applicable Not Applicable

There was no entrusted loan in the company during the reporting period.

VII. Major Asset and Equity Sale

1. The sale of major assets

■ Applicable Not Applicable

The company did not sell any major assets during the reporting period.

2. The sale of major equity

■ Applicable Not Applicable

VIII. Analysis of major holding companies

Applicable ■ Not applicable

Major subsidiaries and shareholding companies that have an impact on the company's net profit by more than 10%

Unit: Yuan

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Honor Electron (Ganzhou) Electronics Co., Ltd	Subsidiary	Mainly engaged in the production and processing of power adapters and other power products	126,675,603.00	221,787,660.30	172,223,711.57	89,610,057.20	4,507,760.35	3,824,565.35
Hong Kong Honor Electron Technology Co., Ltd	Subsidiary	Mainly engaged in the overseas sales of power adapters and other power products	113,146,724.00	1,006,872,888.17	371,706,549.74	743,476,327.25	28,684,273.97	22,731,031.16

Dongguan Honor Electron Electronics Co., Ltd	Subsidiary	Mainly engaged in the research and development, production and sales of power adapters and other power products	208,000,000.00	581,040,211.94	151,982,200.23	324,006,996.68	5,020,463.09	4,954,969.23
Hangzhou Yundian Technology Energy Co., Ltd	Subsidiary	Mainly engaged in the research and development of various power products and customer service	100,000,000.00	435,429,565.85	59,076,294.71	187,032,950.72	16,739,780.49	16,688,908.68
Suzhou Yundian Electronic Manufacturing Co., Ltd	Subsidiary	Mainly engaged in the production of server power supplies	50,000,000.00	691,947,125.94	82,457,012.02	458,791,855.00	30,698,047.21	23,178,776.13
Shanghai Continental	Subsidiary	Mainly engaged in		9,570,184	-	0.00	-	-
Tong Electronic Technology Co., Ltd		R & D and customer service of various power supply products	30,000,000.00	.36	519,101.21		16,118,887.29	16,067,023.01

Acquisition and disposal of subsidiaries during the reporting period

■ Applicable Not Applicable

Description of the main holding companies

IX. Structured entities controlled by the company

■ Applicable Not Applicable

X .Risks faced by the company and countermeasures

1. Market risk

Switching power supply products have a wide range of applications, a large market capacity, and a relatively large number of manufacturers. Relying on the advantages of technological innovation and quality control, the company has continuously expanded its business scale. On the one hand, with the further deepening of international industrial transfer and the rapid development of industry technology, the global division of labor system and market competition pattern may change; on the other hand, with the impact of the macroeconomic situation, the market prosperity of downstream related industries may fluctuate, which may cause some customers to reduce purchases from the company, resulting in the company facing a reduction in orders. The company has always insisted on analyzing and evaluating the market situation, predicting the development direction of the industry in advance and making reasonable plans and arrangements, keeping up with the development trend of the industry, strengthening market development, and making up for possible losses with market increments.

2. The risk of price fluctuations of main raw materials

The main raw materials required for the company's production and operation are semiconductors, resistors and capacitors, magnetic materials, wires, housings, etc. During the reporting period, the company's direct materials accounted for a relatively high proportion of the main business costs. In the future, affected by market demand and the macro environment, the purchase price of the company's main raw materials may fluctuate to a certain extent, which will lead to fluctuations in the company's product sales cost and gross profit margin. Therefore, the company may face the risk that fluctuations in the prices of major raw materials will adversely affect the company's operating results. The company will pay close attention to the price trend of raw materials, and reduce the impact of raw material price fluctuations on the company through strategies such as strategic inventory, centralized procurement, and payment forms.

3. Exchange rate fluctuation risk

During the reporting period, the company's export business was mainly settled in currencies such as US dollars and Hong Kong dollars, and there was uncertainty about exchange rate fluctuations. The company has the risk of fluctuations in operating performance due to changes in exchange rates. In order to deal with exchange rate risks, the company will pay close attention to changes in foreign exchange market, reasonably control the scale of foreign currency assets held, strengthen foreign exchange risk prevention, and select reasonable foreign exchange hedging tools according to business development needs to reduce the possible adverse effects of exchange rates.

4. Risk of declining gross profit margin

During the reporting period, the company's overall gross profit margin was relatively stable. Affected by factors such as fluctuations in the price of some materials and rising labor costs, the company's gross profit margin fluctuated to a certain extent. In the future, if there are major adverse changes in the factors affecting the company's gross profit margin, the company's gross profit margin may be at risk of further decline. In the future, the company will further summarize and optimize, formulate cost reduction strategies, and implement relevant effective measures to minimize the impact of material price fluctuations and rising labor costs.

5. Risk of trade friction

During the reporting period, the company's operating income from direct sales to the United States accounted for a small proportion. There is a risk that the company's operating results will fluctuate due to changes in tariff policies. In order to deal with tariff risks, the company always pays close attention to the situation of international politics and trade pattern, adheres to the development strategy of prudent operation and independent innovation, and strengthens the company's ability to resist international risks through a wide range of application fields, diversified customer structure, and global production capacity layout. The company has production capacity layout at home and abroad, and has two production bases in Vietnam and Mexico overseas. The company will continue to pay close attention to relevant policy changes, maintain active communication with customers, and allocate corresponding production capacity according to customer needs to reduce the possible adverse effects of tariffs.

6. Uncertain risks caused by force majeure

If force majeure occurs, it may affect the macro economy, which in turn will affect the development of some of the company's overseas business. The company will continue to pay attention to changes in the external environment, give full play to its own advantages, be cautious and pragmatic with a positive attitude, and innovate and adapt.

11. Registration form for reception research, communication, interviews and other activities during the reporting period

Applicable ☒ Not applicable

Reception time	Reception location	Reception	Reception object type	Reception object	The main content of the discussion and the information provided	Basic Information Index of the Survey
February 17 - February 21, 2025	Shenzhen	other	Mechanism	E Fund, Kaiyuan Securities, Yongying Fund, Dajia Assets, CSC Financial, Yuanlesheng Assets, China Asset Management, China Securities Asset Management, China Securities Asset Management, China Future Capital, SDIC UBS Fund, Guolian Fund, Jefferies, 3W Fund Management, China Orient Asset Management CI Global Asset Management, Citadel Global Equities, Dymon Asia Capital, East Capital Financial Services, Expecta	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from February 17 to February 21, 2025"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) Record Form of Investor Relations Activities from February 17 to February 21, 2025

				Capital, Franklin Templeton investment Mana gement, Greenwo ods Asset Manag ement, Mount Everest Fund, Neuberger Berman, Ninety One, Pinpoint Asset Manageme nt, CICC, Quanguo Fund, China Jiuying Assets, CICC Asset Management, Invesco Great Wall Fund, Yinhua Fund, Huashang Fund, Allianz, ICBC Credit Suisse Fund, Jinglin Assets, Panjing Investment, Shicheng Investment, Olu Capital, Value Partners, Shouzheng Fund, Templeton, Manulife, Dragonstone Capital, Capstone, JPMorgan Assets, Point 72 TriTree Capital Limited, etc		
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April 25, 2025	Shenzhen	other	Mechanism	Huayuan Securities, China International Capital Corporation, Zheshang Securities, Heyuan Fund, Kaiyuan Securities, Guosen Securities, Soochow Fund, Puhong Fund, Zhongtai Securities, China Merchants Securities, Tianfeng Securities, Gf Securities, Haitong Securities, Eastmoney Securities, Western Securities, Hongyun Fund, China Industrial Securities, Northeast Securities, Kaiyuan Securities, Furong Fund, Zhongtai Securities, Topsperity Securities, Minsheng Securities, Huaan Securities, BOC International, TERM15, Huaxin Securities, Caitong Securities, Cinda Aoya Fund, Everbright Securities, Orient Securities, Southwest Securities, CITIC Securities, Gf Securities Asset Management, Pacific Securities, Zheshang	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form on April 25, 2025"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) Investor Relations Activity Record Form for April 25, 2025
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				reat Wall Securities, Huatai Securities, etc		
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May 6 - May 9, 2025	Shenzhen, Shanghai	other	Mechanism	Cathay Pacific Haitong Securities, China Asset Management, Western Securities, Cathay Pacific Fund, Western Securities, Huashang Fund, Taiping Assets, Schroder Fund, Yuanxin Yongfeng Fund, Western Profit Fund, Invesco, Debon Fund, China Europe Fund, Soochow Securities, Qushi Assets, Li Assets, Caitongzheng Securities, Bosera Funds, Huishi Fund, Shenwan Asset Management, Zheshang Asset Management, Giant Private Equity, Hengyue Fund, CITIC Securities, Harvest Fund, Penghua Fund, C ITIC-Prudential Assets, Huabao Fund, Nomura Securities, Shenwan Hongyuan Securities, Capstone Assets, etc	For details, please refer to Juchao Information Network (www. cninfo.com.cn) "Investor Relations Activity Record Form from May 6 to May 9, 2025"	For details, please refer to Juchao Information Network (www. cninfo.com.cn)R ecord Form of Investor Relations Activities from May 6 to May 9, 2025
May 19, 2025	Door Finance	Online communication on network platform	Personal	Investors	For details, please refer to Juchao Information Network (www. cninfo.com.cn) "Investor Relations Activity Record Form on May 19, 2025"	For details, please refer to Juchao Information Network (www. cninfo.com.cn)I nvestor Relations Activity Record Form for May 19, 2025

May 20 - May 23, 2025	Shenzhen, Shanghai	other	Mechanism	Everbright Securities, China Asset Management, Xinhua Assets, China Industrial Securities, Bank of China Asset Management, Panhou Momentum, Lubomai Fund, Nantu Assets, Xinyuan Fund, Little Dolphin Investment, Huibaichuan Fund, Soochow Fund, Zhongyuan Agricultural Insurance, China Merchants Securities, Caitong Fund, Millennium Partners, Bmo Global Asset Management BOCI-Prudential Asset Management Limited, UBS Asset Management (Hong Kong) Limited, Schroder Invest Mgt, Blackrock, D. E. Shaw Investment Management (Shanghai) Co., Ltd, Gf Securities, Segafund Holdings, Yunfu Investment, Nanyin Wealth Management, Shuipu Fund, GF Asset Management, Southern Yunchen, Wells Fargo Fund, E Fund Fund, Newforth Investment, Sinolink Securities, Wit Equity, Cape of Hope Investment, etc	For details, please refer to Juchao Information Network (www.cninfo.com.cn) "Investor Relations Activity Record Form from May 20 to May 23, 2025"	For details, please refer to Juchao Information Network (www.cninfo.com.cn) Record Form of Investor Relations Activities from May 20 to May 23, 2025
				Wells Fargo Fund China		

12. The formulation and implementation of the market value management system and valuation enhancement plan

Whether the company has established a market value management system.

Yes ☒ No

Has the company disclosed its valuation enhancement plan?

☒ whether

The company held the fifth meeting of the third board of directors in 2025 on August 27, 2025, and reviewed and approved the "Proposal on Formulating the Market Value Management System". For the specific system content, please refer to the full text of the system disclosed by the company on www.cninfo.com.cn.

XIII. Implementation of the "Quality and Return Double Improvement" Action Plan

Has the company disclosed the announcement of the action plan for "double improvement of quality and return"?

☒ whether

Section 4 Corporate Governance, Environment and Society

I. Changes in the company's directors, supervisors and senior management

☒ Applicable Not Applicable

The company's directors, supervisors and senior management did not change during the reporting period. For details, please refer to the 2024 annual report.

II. Profit distribution and capitalization of capital reserve during the reporting period

Applicable ☒ Not applicable

Bonus shares for every 10 shares (shares)	0
Dividend per 10 shares (yuan) (tax included)	4.34
The share capital base of the distribution plan (shares)	107,826,132
Cash dividend amount (yuan) (tax included)	46,796,541.29
Amount of cash dividends in other ways (such as repurchasing shares) (yuan)	0.00
Total cash dividends (including other methods) (yuan)	46,796,541.29
Distributable profit (yuan)	724,134,350.09
The ratio of total cash dividends (including other methods) to total profit distribution	100.00%
The cash dividend distribution	
If the company's development stage is not easy to distinguish but there is a major capital expenditure arrangement, when the profit distribution is carried out, the proportion of cash dividends in this profit distribution should be at least 20%	
Detailed description of the plan for profit distribution or capital reserve transfer	
According to the company's semi-annual unaudited financial report for 2025, as of June 30, 2025, the distributable profit of the company's consolidated statement was 949,361,172.21 yuan, and the distributable profit of the parent company was 724,134,350.09 yuan. According to the principle that the company should determine the specific profit distribution ratio based on the principle of the lower of the profit available for distribution in the consolidated statement and the parent company's statement, as of June 30, 2025, the company's profit available for distribution is 724,134,350.09 yuan.	

Following the principle of rewarding shareholders and sharing the company's operating results with shareholders, under the circumstance of ensuring the company's healthy and sustainable development, the company plans to distribute profits based on the total share capital minus the balance of shares in the company's repurchase account. The profit distribution plan for the first half of 2025 is as follows:
109,481,432 shares after excluding the 1,655,300 shares of the company's current repurchase account (the company's shares held by the company through the repurchase special account will not participate in this profit distribution), a total of 107,826,132 shares are calculated based on this, and a cash dividend of 4.34 yuan (including tax) is distributed to all shareholders for every 10 shares, and a total cash dividend of 46,796,541.29 yuan (including tax) is distributed. No bonus shares will be given out in this distribution, and no capital reserve will be converted into share capital.
If the total share capital of the company that can participate in the equity distribution changes due to share repurchase, convertible bond conversion, equity incentive exercise, etc., after the release of the profit distribution plan and before its implementation, the total share capital will be distributed according to the principle that the distribution amount per share remains unchanged. The total amount will be adjusted.

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

■ Applicable Not Applicable

During the reporting period, the company did not have equity incentive plans, employee stock ownership plans or other employee incentive measures and their implementation.

IV. Disclosure of Environmental Information

Whether listed companies and their main subsidiaries are included in the list of companies that disclose environmental information according to law

■ whether

V. Social Responsibility

During the reporting period, the company actively fulfilled its obligations and assumed social responsibilities. While continuously creating value for shareholders, the company also actively assumes responsibilities to shareholders, employees, partners, society and other stakeholders.

(1) Protection of shareholders' rights and interests

In strict accordance with the requirements of the Company Law, the Rules for the Listing of Stocks on the Growth Enterprise Market of the Shenzhen Stock Exchange and other relevant laws and regulations, the company continued to improve its corporate governance structure; continuously improved its internal control system and control system, and continuously improved its standardized operation level. The company has established a regulatory system based on the Articles of Association, with the Rules of Procedure for the General Meeting of Shareholders, the Rules of Procedure for the Board of Directors, and the Rules of Procedure for the Board of Supervisors as the main structure. It has formed a governance system for the coordinated operation of the General Meeting of Shareholders, the Board of Directors and the Board of Supervisors. In order to reasonably return investors, the company actively implements the profit distribution policy to ensure the return on investment of shareholders.

(2) Protection of employees' rights and interests

The company protects the legitimate rights and interests of employees in accordance with the national "Labor Law", "Labor Contract Law" and other laws and regulations, and provides various guarantees for employees' career development and rights protection. The company has established a standardized performance appraisal system and a complete salary management system. The company actively fulfills its social responsibilities and employs 12 disabled employees. At the same time, it pays attention to the health and safety of employees and enriches the professional life of employees.

The company attaches great importance to employee training and career planning to improve employees' own quality and comprehensive ability. The company has carried out various trainings for employees of different levels and categories, including induction training for new employees and skill improvement training for management personnel. Each employing department makes suggestions on training content according to different types of work, and formulates detailed training plans to promote talent development. The company always puts the safety and health of employees in the first place, implements the "Safety Production Law", and always adheres to the principle of "safety first". The company actively promotes the construction of safety guarantee system, continuously introduces new safety management methods and safety concepts, improves employees' safety awareness, and ensures safe production.

(3) Protection of the rights and interests of suppliers and consumers

The development of the company is inseparable from the strong support and hand in hand of major suppliers. The company has formulated a complete procurement system and process, strictly abides by the relevant national laws and regulations on anti-bribery, anti-fraud, extortion and anti-money laundering, creates an honest and ethical business environment, and protects the legitimate rights and interests of every supplier.

Section 5 Important Matters

I. The company's actual controllers, shareholders, related parties, acquirers, and the company and other related parties have fulfilled their commitments during the reporting period and have not fulfilled their commitments as of the end of the reporting period

■ Applicable Not Applicable

During the reporting period, the company did not have any commitments that were fulfilled by the company's actual controllers, shareholders, related parties, acquirers, and the company and other related parties during the reporting period and had not been fulfilled by the end of the reporting period.

II. Non-operating capital occupation of the listed company by controlling shareholders and other related parties

■ Applicable Not Applicable

During the reporting period of the company, there was no non-operating capital occupation by controlling shareholders and other related parties of listed companies.

III. Violation of external guarantees

■ Applicable Not Applicable

During the reporting period, the company had no illegal external guarantees.

IV. Appointment and Dismissal of Accounting Firms

Has the semi-annual financial report been audited?

■ whether

The company's semi-annual report has not been audited.

V. Explanation of the Board of Directors, the Board of Supervisors and the Audit Committee on the "non-standard audit report" of the accounting firm during the reporting period

■ Applicable Not Applicable

VI. Explanation of the Board of Directors on the "non-standard audit report" of the previous year

■ Applicable Not Applicable

VII. Matters related to bankruptcy and reorganization

■ Applicable Not Applicable

During the reporting period, the company did not have any bankruptcy or reorganization related matters.

VIII. Litigation Matters

Major Litigation and Arbitration Matters

■ Applicable Not Applicable

During the reporting period, the company had no major lawsuits or arbitrations.

Other litigation matters

Applicable ☒ Not applicable

Basic Information on Litigation (Arbitration)	Amount involved (ten thousand yuan)	Whether to form estimated liabilities	Litigation (Arbitration) Progress	Litigation (Arbitration) Results and Impact	Enforcement of Litigation (Arbitration) Judgments	Disclosure date	Disclosure Index
Other litigation matters that cumulatively do not meet the disclosure standards for major litigation	927.09	No	Some cases closed, some pending	No significant impact	Some have been implemented, some are still under review		Not applicable

IX. Punishment and rectification

☒ Applicable Not Applicable

During the reporting period, there were no penalties and rectifications.

X .The integrity of the company and its controlling shareholders and actual controllers

☒ Applicable Not Applicable

11. Significant related party transactions

1. Related party transactions related to daily operations

☒ Applicable Not Applicable

During the reporting period, the company did not have any related transactions related to its daily operations.

2. Related party transactions arising from the acquisition and sale of assets or equity

☒ Applicable Not Applicable

During the reporting period, the company did not have any related transactions involving the acquisition or sale of assets or equity.

3. Related party transactions of joint foreign investment

☒ Applicable Not Applicable

During the reporting period, the company did not have any related transactions of joint foreign investment.

4. Related creditor's rights and debts

☒ Applicable Not Applicable

During the reporting period, there was no related creditor's rights and debts.

5. Transactions with financial companies that have an associated relationship

■ Applicable Not Applicable

There is no deposit, loan, credit or other financial business between the company and the financial company with an associated relationship, the financial company controlled by the company and the related party.

6. The transactions between the financial company controlled by the company and related parties

■ Applicable Not Applicable

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

7. Other major related transactions

■ Applicable Not Applicable

During the reporting period, the company had no other major related transactions.

12. Major contracts and their performance

1. Custody, contracting and leasing matters

(1) Custody

■ Applicable Not Applicable

There was no custody of the company during the reporting period.

(2) Contracting situation

■ Applicable Not Applicable

There was no contract in the company during the reporting period.

(3) Leasing

Applicable ■ Not applicable

Lease description

In order to improve economic efficiency and expand its business scale, the company expanded the lease of some dormitories around the company during the reporting period to improve the living environment of employees; leased office space in Suzhou and Hangzhou for daily operation and office, and leased warehouses in Dongguan and Ganzhou for storage and turnover materials. The above rental prices are fair, and the lessor has no relationship with the company. During the reporting period, the company leased out some of its own properties at a fair rental price, and the lessee had no relationship with the company.

Projects that bring the company's profit and loss to more than 10% of the company's total profit in the reporting period

■ Applicable Not Applicable

During the reporting period, there were no leasing projects that brought the company's profits and losses to more than 10% of the company's total profits during the reporting period.

2. Major guarantee

Applicable ☒ Not applicable

Unit: ten thousand yuan

External guarantees of the company and its subsidiaries (excluding guarantees to subsidiaries)										
Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Date of actual occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
The company's guarantee to its subsidiaries										
Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Date of actual occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
Dongguan Honor Electronics Co., Ltd	November 18, 2024	50,000	October 11, 2021	20,104	Joint liability guarantee			October 11, 2021 - October 2029 10 days	No	Yes
Hangzhou Yundian Technology Energy Co., Ltd	November 18, 2024	20,000	May 08, 2025	2,200	Joint liability guarantee			May 8, 2025 to April 21, 2027	No	Yes
Hangzhou Yundian Technology Energy Co., Ltd	November 18, 2024	20,000	June 06, 2025	6,000	Joint liability guarantee			June 6, 2025 to June 6, 2026	No	Yes
During the reporting period, the total amount of guarantees approved for subsidiaries (B1)		100,000		The total actual amount of guarantees to subsidiaries during the reporting period (B2)		8,200				
The total amount of guarantees approved for subsidiaries at the end of the reporting period (B3)		130,000		The total balance of actual guarantees to subsidiaries at the end of the reporting period (B4)		28,304				
Subsidiary's guarantee to subsidiary										

Guaranteed object name	Disclosure date of the announcement related to the guarantee amount	Guarantee amount	Date of actual occurrence	Actual guarantee amount	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Is it fulfilled?	Whether to guarantee a related party
The total amount of company guarantees (that is, the total of the first three items)										
The total amount of approved guarantees during the reporting period (A1 + B1 + C1)		100,000		The total amount of guarantees actually incurred during the reporting period (A2 + B2 + C2)		8,200				
The total amount of approved guarantees at the end of the reporting period (A3 + B3 + C3)		130,000		The total actual guarantee balance at the end of the reporting period (A4 + B4 + C4)		28,304				
The proportion of the total actual guarantee (ie A4 + B4 + C4) to the company's net assets				11.41%						
Of which:										
For unexpired guarantee contracts, a description of the circumstances in which the guarantee liability occurred during the reporting period or there is evidence that it is possible to bear joint and several liability for repayment (if any)				Not applicable						
Description of providing external guarantees in violation of the prescribed procedures (if any)				Not applicable						

Description of the specific circumstances of the use of compound guarantees

3. Major contracts for daily operations

Unit: Yuan

The name of the company that concluded the contract	The name of the other party to the contract	Total contract amount	Progress of contract performance	Amount of sales revenue recognized in the current period	Amount of accumulated sales revenue recognized	Accounts receivable collection	Whether there are major changes in the conditions affecting the performance of major contracts	Whether there is a significant risk that the contract cannot be performed
No	No		No			No		

4. Other major contracts

■ Applicable Not Applicable

There were no other major contracts in the company during the reporting period.

XIII. Explanation of other important matters

Applicable ■ Not applicable

1. Matters related to convertible bonds

According to the relevant laws and regulations and the relevant provisions of the Company's Prospectus for Issuing Convertible Corporate Bonds to Unspecified Objects, the conversion period of convertible corporate bonds issued by the Company shall start from the first trading day six months after the completion of the issuance of the convertible corporate bonds (July 11, 2024) to the expiry date of the convertible corporate bonds, That is, from January 13, 2025 to July 4, 2030 (in case of statutory holidays or rest days, it will be postponed to the first trading day thereafter; no interest will be accrued for interest payments during the postponement period). For details, please refer to the "Indicative Announcement on the Commencement of Equity Conversion of Eurocom Convertible Bonds" (Announcement No.: 2025-002) disclosed by the company on www.cninfo.com.cn.

In the first quarter of 2025, a total of 2,321,056 "Eurocom Convertible Bonds" were converted into shares (with a total face value of RMB 232,105,600), and a total of 5,206,759 "Honor Electron" shares were converted. As of the end of the first quarter of 2025, there are 4,124,209 "European Convertible Bonds" remaining, and the total remaining par value is

RMB 412,420,900. For details, please refer to the "Announcement on the Results of Convertible Bonds Conversion and Share Changes in the First Quarter of 2025" (Announcement No.: 2025-014) disclosed by the company on www.cninfo.com.cn.

In the second quarter of 2025, a total of 311,837 "European Convertible Bonds" were converted into shares (with a total face value of RMB 31,183,700)

706,722 shares of "Honor Electron". As of the end of the second quarter of 2025, there were 3,812,372 remaining "European Convertible Bonds" with a total remaining face value of RMB 381,237,200. For details, please refer to the "Announcement on the Results of Convertible Bonds Conversion and Share Changes in the Second Quarter of 2025" (Announcement No.: 2025-047) disclosed by the company on www.cninfo.com.cn.

2. On February 21, 2025, the company disclosed the "Announcement on Completion of the Change of the Controlling Shareholder's Equity Structure" (Announcement No.: 2025-009). The company received a notice from the controlling shareholder Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership), and learned that the change of the controlling shareholder's internal equity structure has completed the industrial and commercial registration procedures. For details, please refer to the relevant announcements disclosed by the company on the Juchao Information Network (<http://www.cninfo.com.cn>).

14. Major events of the company's subsidiaries

■ Applicable Not Applicable

Section 6 Changes in Shares and Shareholders

I. Changes in shares

1. Changes in shares

Unit: share

	Before this change		Increase or decrease in this change (+, -)					After this change	
	Quantity	Proportion	Issue new shares	Bonus shares	Provident fund conversion	other	Subtotal	Quantity	Proportion
I. Shares subject to sales restrictions	0	0.00%						0	0.00%
1. State shareholding									
2. State-owned legal person holding shares									
3. Other domestic shares	0	0.00%						0	0.00%
Of which: domestic legal person holdings	0	0.00%						0	0.00%
Shares held by domestic natural persons	0	0.00%						0	0.00%
4. Foreign shareholding	0	0.00%						0	0.00%
Of which: overseas legal person holdings									
Shares held by foreign natural persons	0	0.00%						0	0.00%
II. Unrestricted Shares	101,200,000	100.00%				5,913,481	5,913,481	107,113,481	100.00%
1. RMB ordinary shares	101,200,000	100.00%				5,913,481	5,913,481	107,113,481	100.00%

2. Domesti cally listed foreign shares									
3. Foreign shares listed overseas									
4. Its He									
III. Total number of shares	101,200,00 0	100.00%				5,913,481	5,913,481	107,113,48 1	100.00%

Reasons for changes in shares

Applicable ☒ Not applicable

According to the relevant laws and regulations and the relevant provisions of the company's "Prospectus for Issuing Convertible Corporate Bonds to Unspecified Objects", the conversion period of the company's convertible bonds starts from the first trading day six months after the completion of the issuance of the convertible corporate bonds (July 11, 2024) to the maturity date of the convertible corporate bonds, that is, from January 13, 2025 to July 4, 2030. For details, please refer to the "Indicative Announcement on the Commencement of Equity Conversion of Eurocom Convertible Bonds" (Announcement No.: 2025-002) disclosed by the company on www.cninfo.com.cn. The conversion of convertible bonds in the first half of 2025 resulted in an increase of 5,913,481 shares in the company's share capital.

Approval of changes in shares

Applicable ☒ Not applicable

After the "Approval for the Registration of Shenzhen Honor Electronic Co., Ltd.'s Issuance of Convertible Corporate Bonds to Unspecified Objects" issued by the China Securities Regulatory Commission (Zheng Jian Ke [2024] No. 219), the company issued 6,445,265 convertible corporate bonds to unspecified objects on July 5, 2024, each with a face value of RMB 100, The total amount of funds raised is RMB 644,526,500.00.

Transfer of share changes

☒ Applicable Not Applicable

Progress in the implementation of share repurchase

☒ Applicable Not Applicable

The progress of the implementation of the use of centralized bidding to reduce the shareholding of repurchased shares

☒ Applicable Not Applicable

The impact of share changes on financial indicators such as basic and diluted earnings per share, net assets per share attributable to common shareholders of the company in the most recent year and the most recent period is applicable ☒ Not applicable

For the impact of share changes on financial indicators such as basic and diluted earnings per share and net assets per share attributable to the company's common shareholders in the most recent year and the most recent period, please refer to "IV. Key Accounting Data and Financial Indicators" in "Section II Company Profile and Key Financial Indicators".

Other content that the company deems necessary or required to be disclosed by securities regulators

☒ Applicable Not Applicable

2. Changes in restricted shares

■ Applicable Not Applicable

II. Securities Issuance and Listing

■ Applicable Not Applicable

III. Number of shareholders and shareholding of the company

Unit: share

Total number of common shareholders at the end of the reporting period	17,175	The total number of preferred shareholders (if any) whose voting rights were restored at the end of the reporting period (see Note 8)	0	Shareholders holding special voting shares Total (if any)	0			
Shareholding of shareholders holding more than 5% of the shares or the top 10 shareholders (excluding shares lent through refinancing)								
Shareholder name	Nature of Shareholders	Shareholding ratio	Number of shares held at the end of the reporting period	Changes during the reporting period	Number of shares subject to sales restrictions	The number of shares held without selling restrictions	Pledge, mark or freeze	
							Share status	Quantity
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	Domestic non-state-owned legal person	27.29%	29,234,023	0	0	29,234,023	Not applicable	0
Shenzhen Genoli Information Consulting Co., Ltd	Domestic non-state-owned legal person	27.29%	29,234,023	0	0	29,234,023	Pledge	12,150,000
Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.39%	3,635,231	0	0	3,635,231	Not applicable	0
Ruizhong Life Insurance Co., Ltd.-own funds	other	1.31%	1,407,630	479934	0	1,407,630	Not applicable	0

Shanghai Pudong Development Bank Co., Ltd. - Yongying Digital Economy Smart Selection Hybrid Initiated Securities Investment Fund	other	1.11%	1,193,286	1193286	0	1,193,286	Not applicable	0
China Merchants Bank Co., Ltd. - Ruiyuan Growth Value Hybrid Securities Investment Fund	other	0.61%	657,400	657400	0	657,400	Not applicable	0
Zou Xiaodan	Domestic natural persons	0.59%	634,146	486546	0	634,146	Not applicable	0
HKSCC	Foreign legal person	0.58%	624,822	-618967	0	624,822	Not applicable	0
Bank of China Ltd. - SDIC UBS New Energy Hybrid Securities Investment Fund	other	0.52%	558,434	558434	0	558,434	Not applicable	0
China Merchants Bank Co., Ltd. - Southern China Securities 1000 Trading Open-end Index Securities Investment Fund	other	0.46%	490,703	490703	0	490,703	Not applicable	0

Strategic investors or general legal persons become the top 10 shareholders due to the placement of new shares (if any) (see Note 3)	No
Description of the above-mentioned shareholders' connected relationship or concerted action	The actual controllers of the company are Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsu and Wang Yuefei, and they act in concert. Among them, Wang Heqiu and Wang Yulin control 27.29% of the company's shares through Shenzhen Genoli Information Consulting Co., Ltd., Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsu and Wang Yuefei control 27.29% of the company's shares through Nanjing Wangyueke Wang Venture Capital Partnership (Limited Partnership), and Wang Heqiu is the executive partner and actual controller of Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership). In addition, the company does not know whether there is an associated relationship among the above-mentioned other shareholders, nor whether they are persons acting in concert as stipulated in the Administrative Measures for the Disclosure of Information Disclosure of Changes in Shareholding of Listed Companies.
Explanation of the above shareholders involved in entrusted/entrusted voting rights and abstention from voting rights	No
Special instructions for repurchase accounts among the top 10 shareholders (see Note 11)	The company repurchased 1,655,300 shares through a centralized auction transaction through a special securities repurchase account, accounting for 1.55% of the company's current total share capital.

Shareholding of the top 10 shareholders with unrestricted sales conditions (excluding shares lent through refinancing and locked shares by executives)

Shareholder name	The number of unrestricted shares held at the end of the reporting period	Type of shares	
		Type of shares	Quantity
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	29,234,023	RMB ordinary shares	29,234,023
Shenzhen Genoli Information Consulting Co., Ltd	29,234,023	RMB ordinary shares	29,234,023
Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership)	3,635,231	RMB ordinary shares	3,635,231
Ruizhong Life Insurance Co., Ltd.-own funds	1,407,630	RMB ordinary shares	1,407,630
Shanghai Pudong Development Bank Co., Ltd. - Yongying Digital Economy Smart Selection Hybrid Initiated Securities Investment	1,193,286	RMB ordinary shares	1,193,286
Fund			

China Merchants Bank Co., Ltd. - Ruiyuan Growth Value Hybrid Securities Investment Fund	657,400	RMB ordinary shares	657,400
Zou Xiaodan	634,146	RMB ordinary shares	634,146
Hong Kong Securities Clearing Company Limited	624,822	RMB ordinary shares	624,822
Bank of China Ltd. - SDIC UBS New Energy Hybrid Securities Investment Fund	558,434	RMB ordinary shares	558,434
China Merchants Bank Co., Ltd. - Southern China Securities 1000 Trading Open-end Index Securities Investment Fund	490,703	RMB ordinary shares	490,703
Description of the associated relationship or concerted action among the top 10 shareholders of tradable shares without tradable shares, and between the top 10 shareholders of tradable shares without tradable shares and the top 10 shareholders	The actual controllers of the company are Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsu and Wang Yuefei, and they act in concert. Among them, Wang Heqiu and Wang Yulin control 27.29% of the company's shares through Shenzhen Genoli Information Consulting Co., Ltd., Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsu and Wang Yuefei control 27.29% of the company's shares through Nanjing Wangyueke Wang Venture Capital Partnership (Limited Partnership), and Wang Heqiu is the executive partner and actual controller of Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership). In addition, the company does not know whether there is an associated relationship among the above-mentioned other shareholders, nor whether they are persons acting in concert as stipulated in the Administrative Measures for the Disclosure of Information Disclosure of Changes in Shareholding of Listed Companies.		
Description of the top 10 ordinary shareholders participating in the margin financing and securities lending business (if any) (see Note 4)	No		

Shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of tradable shares without selling restrictions participated in the refinancing business and lent shares

■ Applicable Not Applicable

The top 10 shareholders and the top 10 shareholders of tradable shares without selling restrictions have changed from the previous period due to refinancing, lending/return

■ Applicable Not Applicable

Whether the company has a voting rights difference arrangement

■ whether

Whether the top 10 common shareholders of the company and the top 10 common shareholders with unrestricted sales conditions conducted agreed repurchase transactions during the reporting period

■ whether

The top 10 ordinary shareholders of the company and the top 10 ordinary shareholders of unrestricted shares did not conduct agreed repurchase transactions during the reporting period.

IV. Changes in shareholding of directors, supervisors and senior management

■ Applicable Not Applicable

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

V. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

■ Applicable Not Applicable

The controlling shareholder of the company remained unchanged during the reporting period.

Change of actual controller during the reporting period

■ Applicable Not Applicable

The actual controller of the company did not change during the reporting period.

VI. Preferred Shares

■ Applicable Not Applicable

During the reporting period, the company did not have preferred shares.

Section 7 Bond Related Information

Applicable ☒ Not applicable

I. Corporate bonds

☒ Applicable Not Applicable

During the reporting period, the company did not have corporate bonds.

II. Corporate bonds

☒ Applicable Not Applicable

During the reporting period, the company did not have corporate bonds.

III. Debt financing instruments of non-financial enterprises

☒ Applicable Not Applicable

During the reporting period, the company did not have non-financial corporate debt financing instruments.

IV. Convertible corporate bonds

Applicable ☒ Not applicable

1. Issuance of convertible bonds

(1) Issuance of convertible corporate bonds

After the "Approval for the Registration of Shenzhen Honor Electronic Co., Ltd.'s Issuance of Convertible Corporate Bonds to Unspecified Objects" issued by the China Securities Regulatory Commission (Zheng Jian Ke [2024] No. 219), the company issued 6,445,265 convertible corporate bonds to unspecified objects on July 5, 2024, each with a face value of RMB 100, The total amount of funds raised is RMB 644,526,500.00, deducting various issuance expenses

After RMB 12,106,634.44, the actual net proceeds raised were RMB 632,419,865.56. As of July 11, 2024, all the funds raised by the above-mentioned issuance of the company have been put in place, which has been verified and confirmed by Tianzhi International Accounting Firm (Special General Partnership) with the capital verification report "Tian Vocational Zi [2024] No. 45591".

(2) Listing of convertible corporate bonds

With the approval of the Shenzhen Stock Exchange, the company will issue convertible corporate bonds to unspecified objects and be listed and traded on the Shenzhen Stock Exchange from July 26, 2024. The abbreviation of the bonds is "European Convertible Bonds" and the bond code is "123241".

(3) Conversion period of convertible corporate bonds

According to the relevant laws and regulations and the relevant provisions of the company's "Prospectus for Issuing Convertible Corporate Bonds to Unspecified Objects", the conversion period of the convertible corporate bonds in this issuance shall start from the first trading day six months after the end of the issuance of the convertible corporate bonds (July 11, 2024) to the expiry date of the convertible corporate bonds, That is, from January 13, 2025 to July 4, 2030 (in case of statutory holidays or rest days, it will be postponed to the first trading day thereafter; no interest will be accrued for interest payments during the postponement period).

2. Guarantors and top ten holders of convertible bonds during the reporting period

Convertible corporate bond name		Eurocom Convertible Bond			
Holders of convertible bonds at the end of the period		5,336			
Guarantor of the Company's Convertible Bonds		No			
Significant changes in the guarantor's profitability, asset status and credit status		No			
The top ten convertible bond holders are as follows:					
Serial number	Convertible Bond Holder Name	Nature of Convertible Bond Holder	The number of convertible bonds held at the end of the reporting period (sheets)	Amount of convertible bonds held at the end of the reporting period (yuan)	Proportion of convertible bonds held at the end of the reporting period
1	Agricultural Bank of China Co., Ltd. - Penghua Convertible Bond Securities Investment Fund	other	363,150	36,315,000.00	9.53%
2	Industrial and Commercial Bank Of China Ltd. - Caitong Value Momentum Hybrid Securities Investment Fund	other	245,760	24,576,000.00	6.45%
3	China Merchants Bank Co., Ltd. - Bosera China Securities Convertible Bonds and Exchangeable Bonds Trading Open-end Index Securities Investment Fund	other	188,234	18,823,400.00	4.94%
4	Industrial and Commercial Bank Of China Ltd. - China-Europe Convertible Bond Securities Investment Fund	other	158,780	15,878,000.00	4.16%
5	Bank of China Ltd. - China Xia Double Bond Enhanced Bond Securities Investment Fund	other	150,990	15,099,000.00	3.96%

6	China Merchants Bank Co., Ltd. - Huabao Convertible Bond Securities Investment Fund	other	113,000	11,300,000.00	2.96%
7	MORGAN STANLEY&CO.INTERNATIONALPLC.;	Foreign legal person	111,488	11,148,800.00	2.92%
8	Bank of China Ltd. - Ping An Strategic Pioneer Hybrid Securities Investment Fund	other	108,960	10,896,000.00	2.86%
9	Industrial and Commercial Bank Of China Ltd. - Golden Eagle Yuanfeng Bond Securities Investment Fund	other	104,400	10,440,000.00	2.74%
10	China Construction Bank Corporation - Wells Fargo Tianfeng Enhanced Yield Bond Securities Investment Fund	other	94,820	9,482,000.00	2.49%

3. Changes in convertible bonds during the reporting period

Applicable ☒ Not applicable Unit: Yuan

Convertible corporate bond name	Before this change	Increase or decrease in this change			After this change
		Conversion	Redemption	Sell back	
Eurocom Convertible Bond	644,526,500.00	263,289,300.00	0.00	0.00	381,237,200.00

4. Cumulative share conversion

Applicable ☒ Not applicable

Convertible corporate bond name	The start and end date of the conversion	Total issuance (sheets)	Total issued amount (yuan)	Cumulative conversion amount (yuan)	Cumulative number of shares converted (shares)	The proportion of the number of shares converted to the total issued shares of the company before the start of the conversion	Amount not yet converted (yuan)	The proportion of the unconverted amount to the total issued amount

Eurocom Convertible Bond	January 13, 2025 to July 4, 2030	6,445,265	644,526,500.00	263,289,300.00	5,913,481	5.84%	381,237,200.00	59.15%
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5. The previous adjustments and revisions of the conversion price

Convertible corporate bond name	Conversion price adjustment date	Adjusted conversion price (yuan)	Disclosure time	Conversion price adjustment instructions	The latest conversion price as of the end of the reporting period (yuan)
Eurocom Convertible Bond	October 08, 2024	44.56	September 25, 2024	On October 8, 2024, the company completed the implementation of the semi-annual equity distribution in 2024, and the conversion price of the "European Convertible Bonds" was adjusted from 44.86 yuan/share to 44.56 yuan/share. The effective date of the conversion price adjustment is October 8, 2024. For details, please refer to the "Announcement on Adjusting the Conversion Price of Convertible Corporate Bonds" (Announcement No.: 2024-058).	43.98

Eurocom Convertible Bond	May 28, 2025	43.98	May 22, 2025	On May 28, 2025, due to the completion of the company's 2024 annual profit distribution, according to the relevant provisions of the company's convertible bond conversion price adjustment, the conversion price of "Eurocom Convertible Bonds" was adjusted from 44.56 yuan/share to 43.98 yuan/share. The effective date of the conversion price adjustment is May 28, 2025. For details, please refer to the "Announcement on Adjusting the Conversion Price of Convertible Corporate Bonds" (Announcement No.: 2025-037)	43.98
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6. At the end of the reporting period, the company's liabilities, changes in credit standing, and cash arrangements for debt repayment in future years

1. For details of the company's liabilities and other relevant indicators at the end of the reporting period, please refer to this section "VI. Major accounting data and financial indicators of the company in the past two years as of the end of the reporting period"

2. Credit status

During the reporting period, CSCI Pengyuan Credit Rating Co., Ltd. was the company's credit rating agency. According to the rating report issued by the credit rating agency, the company's main credit rating was AA-, and the rating outlook was stable. The credit rating of the current bond was AA-. For details, please refer to the "Tracking Rating Report of Shenzhen Honor Electronic Co., Ltd. Related Bonds in 2025".

V. During the reporting period, the loss in the scope of the consolidated statement exceeded 10% of the net assets at the end of the previous year

■ Applicable Not Applicable

VI. Major accounting data and financial indicators of the company in the past two years as of the end of the reporting period

Unit: ten thousand yuan

Projects	At the end of the reporting period	End of last year	Increase or decrease at the end of the reporting period compared to the end of the previous year
Current ratio	1.50	1.55	-3.23%
Asset■liability ratio	56.23%	59.22%	-2.99%
Quick ratio	1.24	1.31	-5.34%
	This reporting period	Same period last year	This reporting period increased or decreased compared with the same period of the previous year
Net profit after deducting non-recurring gains and losses	12,736.59	7,848.3	62.28%
EBITDA total debt ratio	8.07%	5.56%	2.51%
Interest coverage multiple	11.74	12.39	-5.25%
Cash Interest Coverage Multiple	16.56	7.51	120.51%
EBITDA interest coverage multiple	17.88	20.25	-11.70%
Loan repayment rate	100.00%	100.00%	0.00%
Interest repayment rate	100.00%	100.00%	0.00%

Section 8 Financial Report

I. Audit report

Whether the semi-annual report is audited

■ whether

The company's semi-annual financial report has not been audited.

II. Financial Statements

The unit of the statement in the financial notes is: yuan

1. Consolidated Balance Sheets

Prepared by: Shenzhen Honor Electronic Co., Ltd. June 30, 2025 Unit: Yuan

Projects	Ending balance	Opening balance
Current assets:		
Monetary fund	1,381,477,504.12	1,026,474,448.78
Settlement reserve		
borrowed funds		
Trading financial assets	80,639,646.89	350,379,216.98
Derivative financial assets		
Notes receivable	101,051,953.31	152,830,327.18
Accounts Receivable	1,478,432,615.59	1,387,878,242.93
Receivables Financing	42,040,210.14	17,854,895.54
Advance payment	2,615,259.09	2,436,770.21
Premiums receivable		
Reinsurance accounts receivable		
Reserve for reinsurance contracts receivable		
Other receivables	24,484,615.23	32,062,887.63
Including: interest receivable	2,521,575.54	6,484,007.37
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	671,112,556.91	464,660,221.88
Among them: data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other Current Assets	56,500,435.01	75,512,858.49
Total current assets	3,838,354,796.29	3,510,089,869.62
Non-current assets:		
Issue loans and advances		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	70,129,254.31	77,049,072.73
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate	244,084,671.79	247,119,393.91
Fixed assets	957,879,682.99	960,690,289.12
Construction in progress	174,576,424.72	149,845,982.50
Productive biological assets		
Oil and gas assets		

Right-of-use assets	87,471,503.22	97,466,146.65
Intangible assets	66,932,703.14	68,707,096.81
Among them: data resources		
Development expenditure		
Among them: data resources		
Goodwill		
Long-term deferred expenses	179,236,838.24	163,060,861.52
Deferred Tax Assets	43,075,670.43	42,041,171.59
Other non-current assets	7,947,854.14	6,139,043.43
Total non-current assets	1,831,334,602.98	1,812,119,058.26
Total assets	5,669,689,399.27	5,322,208,927.88
Current Liabilities:		
Short-term loan	191,239,182.97	236,768,406.69
Borrowing from the Central Bank		
Borrowed funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	755,287,692.60	481,324,555.30
Account payables	1,332,209,888.38	1,241,849,626.93
Advance receipt	182,897.67	202,612.49
Contract liabilities	3,038,072.47	1,792,045.73
Financial assets sold for repurchase		
Deposits and interbank deposits		
Securities brokerage		
Acting as an agent for underwriting securities		
Employee compensation payable	80,900,957.37	90,476,493.28
Taxes payable	28,947,879.34	27,533,551.41
Other payables	23,744,713.23	26,978,522.85
Including: interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	73,106,154.07	73,358,459.81
Other current liabilities	64,635,652.53	85,974,026.74
Total Current Liabilities	2,553,293,090.63	2,266,258,301.23
Non-Current Liabilities:		
Insurance contract reserves		
Long-term loan	194,872,789.66	216,296,231.74
Bonds payable	329,243,052.92	546,110,938.58
Of which: preferred stock		
Perpetual bond		
Lease liabilities	61,928,282.99	70,977,154.16
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	24,698,348.40	28,743,011.46
Deferred Tax Liabilities	24,114,047.71	23,641,310.99
Other non-current liabilities		
Total Non-Current Liabilities	634,856,521.68	885,768,646.93
Total liabilities	3,188,149,612.31	3,152,026,948.16
Owners' equity:		
Capital stock	107,113,481.00	101,200,000.00
Other equity instruments	57,660,965.13	96,996,500.63
Of which: preferred stock		
Perpetual bond		
Capital reserve	1,387,063,866.43	1,107,211,415.49
Less: treasury shares	62,600,689.07	62,600,689.07
Other comprehensive income	-8,068,297.66	-899,483.16

Special reserve		
Surplus reserve	50,885,000.00	50,885,000.00
General risk preparation		
Undistributed profit	949,361,172.21	877,868,160.48
Total owner's equity attributable to parent Company	2,481,415,498.04	2,170,660,904.37
Minority interests	124,288.92	-478,924.65
Total owner's equity	2,481,539,786.96	2,170,181,979.72
Total liabilities and owners' equity	5,669,689,399.27	5,322,208,927.88

Legal representative: Wang Heqiu Person in charge of accounting work: Zhang Shuyuan Person in charge of accounting department: Tan Qun

2. Parent company balance sheet

Unit: Yuan

Projects	Ending balance	Opening balance
Current assets:		
Monetary fund	1,043,033,054.36	780,458,844.48
Trading financial assets	80,639,646.89	350,379,216.98
Derivative financial assets		
Notes receivable	101,051,953.31	152,830,327.18
Accounts Receivable	1,395,611,671.08	1,369,484,319.46
Receivables Financing	23,781,526.21	14,283,199.23
Advance payment	1,324,362.48	520,387.13
Other receivables	48,366,571.71	41,214,953.40
Including: interest receivable	2,521,575.54	6,484,007.37
Dividends receivable		
Inventory	295,327,750.33	209,090,423.50
Among them: data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other Current Assets	18,131,553.62	49,105,993.71
Total current assets	3,007,268,089.99	2,967,367,665.07
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	245,822,756.81	171,216,875.00
Long-term equity investment	649,329,920.44	638,177,934.45
Investment in other equity instruments		
Other non-current financial assets		
Investment real estate	244,084,671.79	247,119,393.91
Fixed assets	302,478,832.79	324,597,704.70
Construction in progress	96,276,777.46	78,974,800.05
Productive biological assets		
Oil and gas assets		
Right-of-use assets	10,615,139.61	14,780,225.98
Intangible assets	26,512,807.91	27,389,420.91
Among them: data resources		
Development expenditure		
Among them: data resources		
Goodwill		
Long-term deferred expenses	66,491,022.64	70,881,608.49
Deferred Tax Assets	20,023,756.03	18,737,890.13
Other non-current assets	4,924,515.47	5,534,306.83
Total non-current assets	1,666,560,200.95	1,597,410,160.45

Total assets	4,673,828,290.94	4,564,777,825.52
Current Liabilities:		
Short-term loan	150,236,604.08	186,568,406.69
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	765,798,184.46	531,324,555.30
Account payables	817,680,995.88	910,302,042.90
Advance receipt	182,897.67	202,612.49
Contract liabilities	2,850,819.69	1,276,116.53
Employee compensation payable	35,268,563.91	45,563,004.07
Taxes payable	15,191,353.00	12,723,379.80
Other payables	13,887,540.83	19,014,596.12
Including: interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	35,768,713.35	37,205,824.97
Other current liabilities	64,634,680.41	86,106,955.94
Total Current Liabilities	1,901,500,353.28	1,830,287,494.81
Non-Current Liabilities:		
Long-term loan	149,640,000.16	162,110,000.14
Bonds payable	329,243,052.92	546,110,938.58
Of which: preferred stock		
Perpetual bond		
Lease liabilities	1,877,411.77	4,869,461.58
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	20,091,560.15	23,377,118.81
Deferred Tax Liabilities	7,218,939.08	5,891,891.57
Other non-current liabilities		
Total Non-Current Liabilities	508,070,964.08	742,359,410.68
Total liabilities	2,409,571,317.36	2,572,646,905.49
Owners' equity:		
Capital stock	107,113,481.00	101,200,000.00
Other equity instruments	57,660,965.13	96,996,500.63
Of which: preferred stock		
Perpetual bond		
Capital reserve	1,387,063,866.43	1,107,211,415.49
Less: treasury shares	62,600,689.07	62,600,689.07
Other comprehensive income		
Special reserve		
Surplus reserve	50,885,000.00	50,885,000.00
Undistributed profit	724,134,350.09	698,438,692.98
Total owner's equity	2,264,256,973.58	1,992,130,920.03
Total liabilities and owners' equity	4,673,828,290.94	4,564,777,825.52

3. Consolidated income statement

Unit: Yuan

Projects	Half year 2025	Semi-annual 2024
I. Total operating income	2,120,390,317.38	1,599,246,706.68
Including: operating income	2,120,390,317.38	1,599,246,706.68
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating cost	1,953,529,447.29	1,472,984,216.71
Including: operating cost	1,689,839,207.09	1,264,283,479.02
Interest expense		
Fees and commissions		
Surrender money		
Net claims expense		
Withdrawal of net insurance liability reserves		
Policy dividend payout		
Reinsurance fees		
Taxes & surcharges	8,553,086.86	5,226,524.78
Selling expense	48,669,654.43	45,403,144.92
Administration expense	75,706,654.46	69,975,542.95
R&D; expenses	131,678,915.35	102,663,290.33
Finance expense	-918,070.90	-14,567,765.29
Including: interest expense	14,395,907.35	8,653,369.00
Interest income	12,038,877.18	7,260,774.98
Plus: other income	15,380,094.94	8,812,184.40
Investment income (losses are listed with "- ")	-12,141,014.87	-13,839,166.39
Including: investment income in associates and joint ventures	-12,902,887.49	-14,332,941.12
Measured at amortized costDerecognition of financial assets		
Exchange gains (losses are listed with "- ")		
Net exposure hedging gains (losses are listed with "- ")		
Gain from change in fair value (losses are listed with "- ")	1,273,172.91	175,019.18
Credit impairment loss (losses are listed with "- ")	-6,735,429.48	-9,148,620.63
Asset impairment loss (losses are listed with "- ")	-9,068,035.39	-12,788,995.21
Asset disposal gains (losses are listed with "- ")	-12,064.03	371,645.02
III. Operating profit (losses are listed with "- ")	155,557,594.17	99,844,556.34
Plus: non-operating income	14,709.57	1,317,291.90
Less: non-operating expenses	906,838.66	2,582,738.21
IV. Total profit (total loss is listed with "- ")	154,665,465.08	98,579,110.03
Less: income tax expense	20,359,292.59	12,353,445.57
V. Net profit (net loss is listed with "- ")	134,306,172.49	86,225,664.46
(1) Classified by business continuity		
1. Net profit from continuing operations (net loss is listed with "- ")	134,306,172.49	86,225,664.46
2. Net profit from discontinued operations (net loss is listed with "- ")		
(2) Classification by ownership		

1. Net profit attributable to shareholders of the parent company (net loss is listed with "- ")	133,702,958.92	86,338,983.16
2. Minority shareholders' gains and losses (net losses are listed with "- ")	603,213.57	-113,318.70
VI. Net after-tax other comprehensive income	-7,168,814.50	-8,309,088.88
After-tax net of other comprehensive income attributable to owners of the parent company	-7,168,814.50	-8,309,088.88
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measurement of defined benefit plan changes		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss	-7,168,814.50	-8,309,088.88
1. Other comprehensive income that can be transferred to profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedge reserve		
6. Foreign currency financial statement translation differences	-7,168,814.50	-8,309,088.88
7. Other		
After-tax net of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	127,137,357.99	77,916,575.58
Total comprehensive income attributable to owners of the parent company	126,534,144.42	78,029,894.28
Total comprehensive income attributable to minority shareholders	603,213.57	-113,318.70
VIII. Earnings per share:		
(1) Basic earnings per share	1.30	0.85
(2) Diluted earnings per share	1.38	0.85

If a business combination under the same control occurs in the current period, the net profit realized by the merged party before the merger is: RMB 0.00, and the net profit realized by the merged party in the previous period is: RMB 0.00. Legal representative: Wang Heqiu Person in charge of accounting work: Zhang Shuyuan Person in charge of accounting department: Tan Qun

4. Income statement of the parent company

Unit: Yuan

Projects	Half year 2025	Semi-annual 2024
I. Operating income	1,575,572,404.76	1,574,871,224.00
Less: operating costs	1,311,194,755.22	1,315,730,059.72
Taxes & surcharges	5,291,125.55	3,177,374.53
Selling expense	32,654,337.29	34,656,810.27
Administration expense	42,239,533.13	41,591,849.05
R&D; expenses	77,146,215.50	59,000,717.09
Finance expense	-10,294.94	-13,423,973.62
Including: interest expense	11,405,506.55	6,041,870.46
Interest income	12,470,691.17	8,935,673.23
Plus: other income	11,861,818.09	4,516,895.28
Investment income (losses are listed with "- ")	-12,128,683.86	-13,829,601.88
Including: investment income in associates and joint ventures	-12,852,268.81	-14,303,026.55
Derecognition of financial assets measured at amortized cost		
Net exposure hedging gains (losses are listed with "- ")		
Gain from change in fair value (losses are listed with "- ")	1,016,940.03	175,019.18
Credit impairment loss (losses are listed with "- ")	-5,294,017.70	-1,844,848.45
Asset impairment loss (losses are listed with "- ")	-6,879,534.78	-11,178,668.66
Asset disposal gains (losses are listed with "- ")	0.07	355,599.41
II. Operating profit (losses are listed with "- ")	95,633,254.86	112,332,781.84
Plus: non-operating income	263.60	34,222.96
Less: non-operating expenses	706,877.94	2,090,389.48
III. Total profit (total loss is listed with "- ")	94,926,640.52	110,276,615.32
Less: income tax expense	7,021,036.22	8,460,113.67
IV. Net profit (net loss is listed with "- ")	87,905,604.30	101,816,501.65
(1) Net profit from continuing operations (net loss is listed with "- ")	87,905,604.30	101,816,501.65
(2) Net profit from discontinued operations (net losses are listed with "- ")		
V. Net after-tax other comprehensive income		
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measurement of defined benefit plan changes		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. The fair value of the enterprise's own credit risk		

Change		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income that can be transferred to profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedge reserve		
6. Foreign currency financial statement translation differences		
7. Other		
VI. Total comprehensive income	87,905,604.30	101,816,501.65
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated cash flow statement

Unit: Yuan

Projects	Half year 2025	Semi-annual 2024
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	1,826,492,366.08	1,297,393,219.90
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposits and investment funds of policyholders		
Cash for interest, handling fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from brokerage of securities		
Tax refunds received	66,550,287.43	18,778,740.52
Receive other cash related to operating activities	173,505,333.92	142,455,243.90
Subtotal of cash inflow from operating activities	2,066,547,987.43	1,458,627,204.32
Cash paid for purchasing goods and accepting labor services	1,099,273,332.11	855,794,537.55
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbanks		

Cash for payment of original insurance contract claims		
Net increase in borrowing funds		
Cash for payment of interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to and for employees	395,675,577.77	268,541,426.91
Taxes paid	51,649,644.50	34,118,730.53
Other cash payments related to operating activities	281,577,648.83	235,145,766.79
Subtotal of cash outflows from operating activities	1,828,176,203.21	1,393,600,461.78
Net cash flow from operating activities	238,371,784.22	65,026,742.54
II. Cash flow from investing activities:		
Cash received from investment		44,000,000.00
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,050.00	812,449.93
Net cash received from disposal of subsidiaries and other business units		
Receipt of other cash related to investing activities	737,972,533.43	85,851,361.49
Subtotal of cash inflows from investing activities	737,979,583.43	130,663,811.42
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	158,200,245.27	143,416,488.50
Cash paid for investments		
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments related to investing activities	433,000,000.00	129,000,000.00
Subtotal of cash outflows from investing activities	591,200,245.27	272,416,488.50
Net cash flows from investing activities	146,779,338.16	-141,752,677.08
III. Cash flow from financing activities:		
Cash received from investment		
Including: cash received by the subsidiary from absorbing minority shareholders' investment		
Cash received from borrowing	137,990,810.25	100,000,000.00
Other cash received in connection with financing activities	60,000,000.00	60,000,000.00
Subtotal of cash inflows from financing activities	197,990,810.25	160,000,000.00
Cash paid for debt repayment	168,761,247.23	63,923,442.08
Cash paid for distribution of dividends, profits or interest payments	68,371,468.91	41,229,218.58
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	67,466,168.84	55,105,485.24
Subtotal of cash outflows from financing activities	304,598,884.98	160,258,145.90
Net cash flow from financing activities	-106,608,074.73	-258,145.90
IV. The impact of exchange rate changes on cash and cash equivalents	965,523.71	9,328,617.31
V. Net increase in cash and cash equivalents	279,508,571.36	-67,655,463.13

Add: balance of cash and cash equivalents at the beginning of the period	874,602,674.93	527,879,261.54
VI. Balance of cash and cash equivalents at the end of the period	1,154,111,246.29	460,223,798.41

6. Parent company cash flow statement

Unit: Yuan

Projects	Half year 2025	Semi-annual 2024
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	1,376,976,135.97	1,073,268,607.98
Tax refunds received	58,226,357.36	18,778,740.52
Receive other cash related to operating activities	168,871,933.02	133,132,284.25
Subtotal of cash inflow from operating activities	1,604,074,426.35	1,225,179,632.75
Cash paid for purchasing goods and accepting labor services	1,026,550,971.61	901,491,322.26
Cash paid to and for employees	156,559,403.22	130,202,308.57
Taxes paid	20,468,139.79	16,691,038.99
Other cash payments related to operating activities	254,313,640.17	204,196,758.18
Subtotal of cash outflows from operating activities	1,457,892,154.79	1,252,581,428.00
Net cash flow from operating activities	146,182,271.56	-27,401,795.25
II. Cash flow from investing activities:		
Cash received from investment		44,000,000.00
Cash received from investment income		
Disposal of fixed assets, intangible assets and other long-term	7,050.00	720,000.00
Net cash received from assets		
Net cash received from disposal of subsidiaries and other business units		
Receipt of other cash related to investing activities	734,678,012.88	64,473,424.67
Subtotal of cash inflows from investing activities	734,685,062.88	109,193,424.67
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	74,770,168.64	52,228,013.45
Cash paid for investments	10,000,000.00	12,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments related to investing activities	502,626,428.31	129,000,000.00
Subtotal of cash outflows from investing activities	587,396,596.95	193,228,013.45
Net cash flows from investing activities	147,288,465.93	-84,034,588.78
III. Cash flow from financing activities:		
Cash received from investment		
Cash received from borrowing	40,000,000.00	100,000,000.00
Other cash received in connection with financing activities		
Subtotal of cash inflows from financing activities	40,000,000.00	100,000,000.00
Cash paid for debt repayment	72,469,999.98	54,969,999.98

Cash paid for distribution of dividends, profits or interest payments	66,852,835.12	39,253,696.36
Other cash payments related to financing activities	6,382,545.90	29,737,279.40
Subtotal of cash outflows from financing activities	145,705,381.00	123,960,975.74
Net cash flow from financing activities	-105,705,381.00	-23,960,975.74
IV. The impact of exchange rate changes on cash and cash equivalents	2,314,369.41	8,426,353.91
V. Net increase in cash and cash equivalents	190,079,725.90	-126,971,005.86
Add: balance of cash and cash equivalents at the beginning of the period	628,587,070.63	375,887,905.82
VI. Balance of cash and cash equivalents at the end of the period	818,666,796.53	248,916,899.96

7. Consolidated Statement of Changes in Owners' Equity

Amount for the current period Unit: Yuan

Projects	Half year 2025														
	Owners' equity attributable to the parent company													Minority interest	Total owner's equity
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk preparation	Undistributed profit	Other			
Preferred stock		Perpetual bond	Other												
I. Balance at the end of the previous year	101,200,000.00			96,996,500.63	1,107,211,415.49	62,600,689.07	-899,483.16		50,885,000.00		877,868,160.48		2,170,660,904.37	-478,924.65	2,170,181,979.72
Plus: accounting policy changes															
Correction of previous errors															
Its															
He															
II. Balance at the beginning of the year	101,200,000.00			96,996,500.63	1,107,211,415.49	62,600,689.07	-899,483.16		50,885,000.00		877,868,160.48		2,170,660,904.37	-478,924.65	2,170,181,979.72
III. Amount of change in the current period (decrease is listed with "-")	5,913,481.00			-39,335,535.50	279,852,450.94		-7,168,814.50				71,493,011.73		310,754,593.67	603,213.57	311,357,807.24
(1) Total comprehensive income							-7,168,814.50				133,702,958.92		126,534,144.42	603,213.57	127,137,357.99

(2) Owner input and reduction of capital	5,913,481.00			-39,335,535.50	273,869,381.87							240,447,327.37		240,447,327.37
1. Common stock invested by the owner														
2. Capital invested by holders of other equity instruments	5,913,481.00			-39,335,535.50	256,826,782.20							223,404,727.70		223,404,727.70
3. Amount of share-based payment included in owner's equity					17,042,599.67							17,042,599.67		17,042,599.67
4. Other														
(3) Profit distribution										-62,209,947.19		-62,209,947.19		-62,209,947.19
1. Withdrawal of surplus reserves														
2. Take general risk reserves														
3. Distribution to owners (or shareholders)										-62,209,947.19		-62,209,947.19		-62,209,947.19
4. Other														
(4) Internal carry-over of owners' equity														
1. Capital reserve is converted into capital (or share capital)														
2. Conversion of surplus reserves to capital (or share capital)														
3. Surplus reserve to cover losses														
4. Defined benefit plan changes carried forward to retained earnings														

5. Other comprehensive income carried forward to retained earnings															
6. Other															
(5) Special reserve															
1. Withdrawal in this period															
2. Use in this period															
(6) Other					5,983,069.07								5,983,069.07		5,983,069.07
IV. Balance at the end of the period	107,113,481.00			57,660,965.13	1,387,063,866.43	62,600,689.07	-8,068,297.66		50,885,000.00		949,361,172.21		2,481,415,498.04	124,288.92	2,481,539,786.96

Amount of the previous year

Unit: Yuan

Projects	Semi-annual 2024														
	Owners' equity attributable to the parent company														Minority interest
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk preparation	Undistributed profit	Other			
		Preferred stock	Perpetual bond	Other											
I. Balance at the end of the previous year	101,200,000.00				1,089,736,446.16	62,600,689.07	3,778,013.64		50,885,000.00		674,284,970.82		1,857,283,741.55	-960,545.84	1,856,323,195.71
Plus: accounting policy changes															
Correction of previous errors															
other															
II. Balance at the beginning of the year	101,200,000.00				1,089,736,446.16	62,600,689.07	3,778,013.64		50,885,000.00		674,284,970.82		1,857,283,741.55	-960,545.84	1,856,323,195.71
III. Amount of change in the current period (decrease is listed with "-")					4,164,381.55		-8,309,088.88				52,493,785.16		48,349,077.83	-113,318.70	48,235,759.13

(1) Total comprehensive income							-8,309,088.88				86,338,983.16		78,029,894.28	-113,318.70	77,916,575.58
(2) Owner input and reduction of capital															
1. Common stock invested by the owner															
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payment included in owner's equity															
4. Other															
(3) Profit distribution											-33,845,198.00		-33,845,198.00		-33,845,198.00
1. Withdrawal of surplus reserves															
2. Take general risk reserves															
3. Distribution to owners (or shareholders)											-33,845,198.00		-33,845,198.00		-33,845,198.00
4. Other															
(4) Internal carry-over of owners' equity															
1. Capital reserve is converted into capital (or share capital)															
2. Conversion of surplus reserves to capital (or share capital)															
3. Surplus reserve to cover losses															
4. Defined benefit plan changes carried forward to retained earnings															

5. Other comprehensive income carried forward to retained earnings															
6. Other															
(5) Special reserve															
1. Withdrawal in this period															
2. Use in this period															
(6) Other					4,164,381.55							4,164,381.55			4,164,381.55
IV. Balance at the end of the period	101,200,000.00				1,093,900,827.71	62,600,689.07	-4,531,075.24		50,885,000.00		726,778,755.98		1,905,632,819.38	-1,073,864.54	1,904,558,954.84

8. Statement of changes in owner's equity of the parent company

Amount for the current period Unit: Yuan

Projects	Half year 2025											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	other	Total owner's equity
		Preferred stock	Perpetual bond	other								
I. Balance at the end of the previous year	101,200,000.00			96,996,500.63	1,107,211,415.49	62,600,689.07			50,885,000.00	698,438,692.98		1,992,130,920.03
Plus: accounting policy changes												
Correction of previous errors												
other												
II. Balance at the beginning of the year	101,200,000.00			96,996,500.63	1,107,211,415.49	62,600,689.07			50,885,000.00	698,438,692.98		1,992,130,920.03
III. Amount of change in the current period (decrease is listed with "-")	5,913,481.00			-39,335,535.50	279,852,450.94					25,695,657.11		272,126,053.55
(1) Total comprehensive income										87,905,604.30		87,905,604.30

(2) Owner input and reduction of capital	5,913,481.00			-39,335,535.50	273,869,381.87							240,447,327.37
1. Common stock invested by the owner												
2. Capital invested by holders of other equity instruments	5,913,481.00			-39,335,535.50	256,826,782.20							223,404,727.70
3. Amount of share-based payment included in owner's equity					17,042,599.67							17,042,599.67
4. Other												
(3) Profit distribution									-62,209,947.19			-62,209,947.19
1. Withdrawal of surplus reserves												
2. Distribution to owners (or shareholders)									-62,209,947.19			-62,209,947.19
3. Other												
(4) Internal carry-over of owners' equity												
1. Capital reserve is converted into capital (or share capital)												
2. Conversion of surplus reserves to capital (or share capital)												
3. Surplus												
Accumulate to make up for losses												
4. Defined benefit plan changes carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Other												

(5) Special reserve												
1. Withdrawal in this period												
2. Use in this period												
(6) Other					5,983,069.07							5,983,069.07
IV. Balance at the end of the period	107,113,481.00			57,660,965.13	1,387,063,866.43	62,600,689.07			50,885,000.00	724,134,350.09		2,264,256,973.58

Amount in the previous period Unit: Yuan

Projects	Semi-annual 2024											
	Capital stock	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	other	Total owner's equity
		Preferred stock	Perpetual bond	other								
I. Balance at the end of the previous year	101,200,000.00				1,089,736,446.16	62,600,689.07			50,885,000.00	563,126,910.24		1,742,347,667.33
Plus: accounting policy changes												
Correction of previous errors												
other												
II. Balance at the beginning of the year	101,200,000.00				1,089,736,446.16	62,600,689.07			50,885,000.00	563,126,910.24		1,742,347,667.33
III. Amount of change in the current period (decrease is listed with "-")					4,164,381.55					67,971,303.65		72,135,685.20
(1) Total comprehensive income										101,816,501.65		101,816,501.65
(2) Owner input and reduction of capital												
1. Common stock invested by the owner												
2. Capital invested by holders of other equity instruments												

3. Amount of share-based payment included in owner's equity												
4. Other												
(3) Profit distribution									-33,845,198.00		-33,845,198.00	
1. Withdrawal of surplus reserves												
2. Distribution to owners (or shareholders)									-33,845,198.00		-33,845,198.00	
3. Other												
(4) Internal carry-over of owners' equity												
1. Capital reserve is converted into capital (or share capital)												
2. Conversion of surplus reserves to capital (or share capital)												
3. Surplus reserve to cover losses												
4. Defined benefit plan changes carried forward to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Other												
(5) Special reserve												
1. Withdrawal in this period												
2. Use in this period												
(6) Other					4,164,381.55						4,164,381.55	
IV. Balance at the end of the period	101,200,000.00				1,093,900,827.71	62,600,689.07			50,885,000.00	631,098,213.89		1,814,483,352.53

III. Basic information of the company

Registered address and headquarters address: No. 19, Building 1, China Southern Airlines Pearl Garden, No. 175, Hangcheng Avenue, Sanwei Community, Hangcheng Street, Bao'an District, Shenzhen (one photo and multiple locations).

Legal representative: Wang Heqiu

The main business activities the company is actually engaged in: The company is mainly engaged in the research and development, production and sales of switching power supply products. The company's main products include power adapters, server power supplies and other power supplies. The company's products are widely used in office electronics, network communications, security monitoring, smart home, new consumer electronic equipment, data centers, power battery equipment, pure electric vehicles, chemical composition equipment and many other fields.

Financial statement approval date: This financial report was approved by the company's board of directors on August 27, 2025.

IV. Basis for preparation of financial statements

1. Compilation basis

The financial statements are based on the assumption of the company's going concern, based on actual transactions, in accordance with the relevant provisions of the Accounting Standards for Business Enterprises, and based on the important accounting policies and accounting estimates described below.

2. Continuing operations

For the 12 months since the end of the reporting period, the Company has no factors or other matters that have material doubts about its ability to continue as a going concern.

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates tips:

The following important accounting policies and accounting estimates of the Company are formulated in accordance with the Accounting Standards for Business Enterprises. Businesses not mentioned shall be implemented in accordance with the relevant accounting policies in the Accounting Standards for Business Enterprises.

1. Statement of Compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company on the basis of the above preparation comply with the requirements of the latest Accounting Standards for Business Enterprises issued by the Ministry of Finance and their application guidelines, interpretations and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises"), and truly and completely reflect the relevant information of the Company's financial status, operating results and cash flows.

In addition, the preparation of this financial report refers to the presentation and disclosure requirements of the "Regulations No. 15 for the Preparation and Reporting of Information Disclosure by Companies Offering Securities to the Public - General Provisions on Financial Reporting" (revised in 2023) issued by the China Securities Regulatory Commission.

2. Accounting period

The company's fiscal year runs from January 1 to December 31 of the Gregorian calendar.

3. Business cycle

The company takes 12 months as a business cycle.

4. Standard currency for bookkeeping

The company uses Renminbi as the functional currency for bookkeeping.

5. The method for determining the importance standard and the basis for selection

Applicable ☒ Not applicable

Projects	Materiality standard
Significant single provision for bad debt receivables	≥ RMB 1 million
Important accounts payable	≥ RMB 1 million
Important advance receipts	≥ RMB 1 million
Important construction in progress	Investment budget ≥ RMB 5 million
Important joint ventures or associates	The book value of the investment in a joint venture or associate accounts for ≥ 1% of the company's total assets

6. Accounting treatment of business combinations under the same control and not under the same control

1. Accounting treatment of business combinations under the same control

The company acquires a business combination under the same control in one transaction or through multiple transactions step by step. The assets and liabilities acquired in the business combination are measured according to the book value of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the book value of the net assets obtained by the company and the book value of the combined consideration paid (or the total face value of the issued shares) shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

2. Accounting treatment of business combinations not under common control

The difference between the merger cost and the fair value share of the acquiree's identifiable net assets obtained in the merger on the purchase date shall be recognized as goodwill by the Company; If the merger cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the acquiree and the measurement of the merger cost shall be reviewed first. After the review, if the merger cost is still less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the difference shall be included in the current profit and loss.

A step-by-step realization of a business combination not under the same control through multiple transactions shall be processed in the following order:

(1) Adjust the initial investment cost of long-term equity investment. If the equity held before the purchase date is accounted for using the equity method, it shall be re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value shall be included in the current investment income; If the equity of the acquiree held before the purchase date involves other comprehensive income under the equity method and changes in other owners' equity, it shall be converted into the current income on the purchase date, except for other comprehensive income arising from the remeasurement of the net liabilities or changes in net assets of the defined benefit plan and changes in the fair value of other equity instrument investments held by the investee.

(2) Recognize goodwill (or the amount included in the current profit and loss). Comparing the initial investment cost of the long-term equity investment after the first step adjustment with the fair value share of the identifiable net assets of the subsidiary on the purchase date, the former is greater than the latter, and the difference is recognized as goodwill; the former is less than the latter, and the difference is included in the current profit and loss.

The situation where the equity is disposed of step by step through multiple transactions to the loss of control of the subsidiary:

(1) The principle of judging whether each transaction in the process from the step-by-step disposal of equity to the loss of control of the subsidiary is a "package deal"

The terms, conditions and economic effects of the disposal of each transaction of an equity investment in a subsidiary are subject to one or more of the following circumstances, which generally indicate that multiple transactions should be accounted for as a package transaction:

- 1) These transactions were entered into at the same time or taking into account the influence of each other;
- 2) These transactions as a whole can achieve a complete commercial outcome;
- 3) The occurrence of one transaction depends on the occurrence of at least one other transaction;
- 4) A transaction is uneconomical on its own, but economical when considered together with other transactions.

(2) The accounting treatment method of each transaction in the process from the step-by-step disposal of equity to the loss of control of the subsidiary is a "package transaction"

If the disposal of the equity investment in a subsidiary until the loss of control is a package transaction, each transaction shall be accounted for as a transaction in which the subsidiary is disposed of and the control is lost; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal investment before the loss of control shall be recognized as other comprehensive income in the consolidated financial statements, and shall be transferred to the profit and loss for the period when the control is lost.

In the consolidated financial statements, the remaining equity should be remeasured at its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the original shareholding ratio and the share of the company's net assets calculated continuously from the date of purchase, shall be included in the investment income in the period of loss of control. Other comprehensive income related to the equity investment of an atomic company shall be converted into current investment income or retained income when control is lost.

(3) The accounting treatment method for each transaction in the process from the step-by-step disposal of equity to the loss of control of the subsidiary is not a "package deal"

If the disposal of the investment in the subsidiary does not lose control, the difference between the disposal price in the consolidated financial statements and the share of the net assets of the subsidiary corresponding to the disposal investment shall be included in the capital reserve (capital premium or share capital premium). If the capital premium is insufficient to offset, the retained earnings shall be adjusted.

If the disposal of the investment in the subsidiary loses control, in the consolidated financial statements, the remaining equity shall be remeasured at its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the original shareholding ratio and the share of the net assets of the original subsidiary that should be continuously calculated from the date of purchase, shall be included in the investment income in the current period of loss of control. Other comprehensive income related to the equity investment of the original subsidiary shall be converted into current investment income or retained income when control is lost.

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

The consolidation scope of the company's consolidated financial statements shall be determined on the basis of control.

Control means that the Group has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power over the investee to influence the amount of its return. Related activities refer to activities that have a significant impact on the return of the investee. The relevant activities of the investee should be judged according to the specific circumstances, usually including the sale and purchase of goods or services, the management of financial assets, the purchase and disposal of assets, Research And Development activities, and financing activities.

The company judges whether to control the investee on the basis of comprehensive consideration of all relevant facts and circumstances. Once changes in relevant facts and circumstances lead to changes in the relevant elements involved in the definition of control, the Company shall re-evaluate.

The consolidated financial statements are based on the financial statements of the parent company and its subsidiaries, and based on other relevant information, are prepared by the Company in accordance with the Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements.

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

1. Identification and classification of joint venture arrangements

A joint venture arrangement refers to an arrangement that is jointly controlled by two or more participants. A joint venture arrangement has the following characteristics: (1) each participant is bound by the arrangement; (2) two or more participants exercise joint control over the arrangement. No one participant can control the arrangement alone, and any one participant with common control over the arrangement can prevent other participants or a combination of participants from controlling the arrangement alone.

Joint control refers to the common control of an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be unanimously agreed by the participants who share the control rights before decision-making.

Joint venture arrangements are divided into joint operations and joint ventures. Joint operation refers to a joint arrangement in which the joint venture party enjoys the assets related to the arrangement and assumes the liabilities related to the arrangement. A joint venture refers to a joint arrangement in which the joint venture party has rights only to the net assets of the arrangement.

2. Accounting treatment of joint arrangements

The joint operation participants shall recognize the following items related to their share of interests in the joint operation, and perform accounting treatment in accordance with the relevant accounting standards for enterprises: (1) recognize the assets held separately and the assets held jointly according to their share; (2) recognize the liabilities borne separately and the liabilities jointly borne according to their share; and (3) recognize the income from the sale of their share of the output of the joint operation; (4) Recognize the income generated by the joint operation from the sale of output according to its share; (5) recognize the expenses incurred separately, and recognize the expenses incurred by the joint operation according to its share.

The parties to the joint venture shall account for the investment in the joint venture in accordance with the "Accounting Standards for Enterprises No. 2 - Long-term Equity Investment".

9. Criteria for determining cash and cash equivalents

Cash in the cash flow statement refers to the company's cash on hand and deposits that can be used for payment at any time. Cash equivalents refer to investments that are held for a short period of time (generally within three months from the date of purchase), are highly liquid, are easy to convert into known amounts of cash, and have little risk of value changes.

10. Foreign currency business and foreign currency statement translation

1. Foreign currency business translation

When foreign currency transactions are initially confirmed, they are converted into RMB amounts at the spot exchange rate on the transaction date. On the balance sheet date, monetary items in foreign currencies are converted at the spot exchange rate on the balance sheet date, and the exchange differences arising from different exchange rates are included in the current profits and losses, except for the exchange differences on the principal and interest of foreign currency special loans related to the acquisition and construction of assets eligible for capitalization; non-monetary items in foreign currencies measured at historical cost are still converted at the spot exchange rate on the transaction date, and their RMB amounts are not changed; Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date when the fair value is determined, and the difference is included in the current profit and loss or other comprehensive income.

2. Foreign currency financial statement translation

The assets and liabilities items in the balance sheet are converted using the approximate exchange rate of the spot exchange rate on the balance sheet date; the owner's equity items are converted using the spot exchange rate on the transaction date except for the "undistributed profit" item; the income and expense items in the income statement are converted using the spot exchange rate on the transaction date or the approximate exchange rate on the spot exchange rate on the transaction date. The translation difference of the foreign currency financial statements arising from the above translation is recognized as other comprehensive income.

11. Financial instruments

1. Confirmation and derecognition of financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

Buying and selling financial assets in a conventional way is recognized and derecognized according to the accounting on the transaction date. The conventional way of buying and selling financial assets refers to the collection or delivery of financial assets within the time limit stipulated by laws and regulations or common practice in accordance with the terms of the contract. The trading day refers to the date on which the company promises to buy or sell financial assets.

If the following conditions are met, the financial asset (or part of the financial asset, or part of a group of similar financial assets) is derecognized, that is, it is written off from its account and balance sheet:

(1) The right to receive cash flow from financial assets expires;

(2) transferred the right to receive cash flows from financial assets, or assumed the obligation to pay the full amount of cash flows received to a third party in a timely manner under a "pass-through agreement"; and (a) substantially transferred almost all the risks and rewards in the ownership of the financial assets, or (b) gave up control of the financial assets although substantially neither transferred nor retained almost all the risks and rewards in the ownership of the financial assets.

2. Classification and measurement of financial assets

The company's financial assets are classified at the time of initial recognition according to the company's business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost, financial assets measured at fair value and whose changes are included in other comprehensive income, and financial assets measured at fair value and whose changes are included in current profit and loss. Subsequent measurement of financial assets depends on their classification.

The company's classification of financial assets is based on the company's business model of managing financial assets and the cash flow characteristics of financial assets.

(1) Financial assets measured at amortized cost

Financial assets that meet the following conditions are classified as financial assets measured at amortized cost: The company's business model for managing the financial assets is to collect contractual cash flows; the contract terms of the financial assets stipulate that the cash flows generated on a specific date are only the payment of principal and interest based on the outstanding principal amount. For such financial assets, the effective interest method is adopted, and subsequent measurement is carried out at amortized cost, and the gains or losses arising from their amortization or impairment are included in the current profits and losses.

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

Financial assets that meet the following conditions are classified as financial assets measured at fair value and whose changes are included in other comprehensive income: The company's business model for managing the financial assets is to both collect contractual cash flows and sell financial assets; the contractual terms of the financial assets stipulate that the cash flows generated on a specific date are only the payment of principal and interest based on the outstanding principal amount. For such financial assets, fair value is used for subsequent measurement. Its discount or premium is amortized using the effective interest method and recognized as interest income or expense. Except for impairment losses and exchange differences of foreign currency monetary financial assets, which are recognized as current profits and losses, changes in the fair value of such financial assets are recognized as other comprehensive income. Until the financial assets are derecognized, their accumulated gains or losses are transferred to current profits and losses. Interest income related to such financial assets is included in the current profit and loss.

(3) Equity instrument investments measured at fair value with changes included in other comprehensive income

The Company irrevocably chooses to designate part of the non-trading equity instrument investments as financial assets measured at fair value and whose changes are included in other comprehensive income, and only the relevant dividend income is included in the current profit and loss, and the changes in fair value are recognized as other comprehensive income until the financial asset is derecognized, and its accumulated gains or losses are transferred to retained earnings.

(4) Financial assets measured at fair value and whose changes are included in the current profit and loss

The above-mentioned financial assets measured at amortized cost and financial assets other than financial assets measured at fair value and whose changes are included in other comprehensive income are classified as financial assets measured at fair value and whose changes are included in current profits and losses. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, financial assets can be designated as financial assets that are measured at fair value and whose changes are included in the current profit and loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are included in the current profit and loss.

All affected related financial assets are reclassified when and only when the Company changes its business model for managing financial assets.

For financial assets that are measured at fair value and whose changes are included in the current profit and loss, the relevant transaction costs are directly included in the current profit and loss, and the relevant transaction costs of other types of financial assets are included in their initial recognition amount.

3. Classification and measurement of financial liabilities

The company's financial liabilities are classified at the time of initial recognition as: financial liabilities measured at amortized cost and financial liabilities measured at fair value and whose changes are included in the current profit and loss.

Financial liabilities that meet one of the following conditions can be designated as financial liabilities measured at fair value and whose changes are included in current profits and losses at the time of initial measurement: (1) the designation can eliminate or significantly reduce accounting mismatches; (2) According to the company's risk management or investment strategy stated in the official written document, the management and performance evaluation of the financial liability portfolio or the portfolio of financial assets and financial liabilities is carried out on the basis of fair value, and reported to key management personnel within the company on this basis; (3) the financial liability contains embedded derivatives that need to be separated separately.

The Company determines the classification of financial liabilities at the time of initial recognition. For financial liabilities that are measured at fair value and whose changes are included in the current profit and loss, the relevant transaction costs are directly included in the current profit and loss, and the relevant transaction costs of other financial liabilities are included in their initial recognition amount.

Subsequent measurement of financial liabilities depends on their classification:

(1) Financial liabilities measured at amortized cost

For such financial liabilities, the effective interest method is used, and subsequent measurement is carried out at amortized cost.

(2) Financial liabilities measured at fair value and whose changes are included in the current profit and loss

Financial liabilities measured at fair value and whose changes are included in the current profit and loss include transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at fair value at the time of initial recognition and whose changes are included in the current profit and loss.

4. Offsetting of financial instruments

If the following conditions are met at the same time, the financial assets and financial liabilities are listed in the balance sheet as the net amount after offsetting each other: there is a statutory right to offset the recognized amount, and such statutory right is currently enforceable; it is planned to settle on a net basis, or to realize the financial asset and pay off the financial liability at the same time.

5. Impairment of financial assets

The Company recognizes loss provisions on the basis of expected credit losses for financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive income, and financial guarantee contracts. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be collected by the company discounted at the original effective interest rate, that is, the present value of the total cash shortage.

The Company estimates the expected credit losses of financial assets measured at amortized cost and financial assets measured at fair value with changes included in other comprehensive income (debt instruments) on a single or combined basis, taking into account all reasonable and evidence-based information, including forward-looking information.

(1) General model of expected credit loss

If the credit risk of the financial instrument has increased significantly since its initial recognition, the Company measures its loss allowance at an amount equivalent to the expected credit loss over the entire life of the financial instrument; if the credit risk of the financial instrument has not increased significantly since its initial recognition, the Company measures its loss allowance at an amount equivalent to the expected credit loss of the financial instrument within the next 12 months. The resulting increase or reversal of the loss provision shall be included in the current profit and loss as an impairment loss or gain. For the Company's specific assessment of credit risk, please refer to the note "IX. Risks Related to Financial Instruments".

Usually more than 30 days overdue, the company believes that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

Specifically, the Company divides the process of credit impairment of financial instruments that have not suffered credit impairment at the time of purchase or origin into three stages, and there are different accounting treatments for the impairment of financial instruments at different stages:

The first stage: the credit risk has not increased significantly since the initial recognition

For financial instruments at this stage, the enterprise should measure the loss provision based on the expected credit loss in the next 12 months, and calculate the interest income based on its book balance (that is, without deducting the impairment provision) and the actual interest rate (if the instrument is a financial asset, the same below).

The second stage: credit risk has increased significantly since initial recognition but credit impairment has not yet occurred

For financial instruments at this stage, the enterprise should measure the loss provision according to the expected credit loss for the entire duration of the instrument, and calculate the interest income according to its book balance and actual interest rate.

The third stage: credit impairment occurs after initial recognition

For financial instruments at this stage, the enterprise should measure the loss provision according to the expected credit loss for the entire duration of the instrument, but the calculation of interest income is different from that of financial assets in the first two stages. For financial assets that have experienced credit impairment, enterprises should calculate interest income based on their amortized cost (book balance minus provision for impairment, that is, book value) and actual interest rate.

For financial assets whose credit impairment has occurred at the time of purchase or origin, the enterprise shall only recognize the change in expected credit loss for the entire duration after initial recognition as loss provision, and calculate interest income based on its amortized cost and credit-adjusted effective interest rate.

(2) For financial instruments with lower credit risk on the balance sheet date, the Company chooses not to compare with the credit risk at the time of initial recognition, and directly assumes that the credit risk of the instrument has not increased significantly since the initial recognition.

If the enterprise determines that the default risk of the financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligation in the short term, and even if there are adverse changes in the economic situation and business environment over a longer period of time, it will not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligation, then the financial instrument may be regarded as having low credit risk.

(3) Receivables and lease receivables

The Company adopts a simplified model of expected credit loss for receivables specified in Accounting Standard for Business Enterprises No. 14 - Income, which do not contain significant financing components (including the case where the financing component of contracts not exceeding one year is not considered according to the standard), and its loss provision is always measured according to the amount of expected credit loss over the entire lifetime.

For receivables with significant financing components and lease receivables regulated by Accounting Standard for Business Enterprises No. 21-Leases, the Company made an accounting policy choice and chose to use a simplified model of expected credit losses, that is, to measure the loss provision in an amount equivalent to the expected credit losses over the entire lifetime.

6. Transfer of financial assets

If the company has transferred almost all the risks and rewards of the ownership of the financial asset to the transferee, the recognition of the financial asset shall be terminated; if the company retains almost all the risks and rewards of the ownership of the financial asset, the recognition of the financial asset shall not be terminated.

If the company neither transfers nor retains almost all the risks and rewards in the ownership of financial assets, it shall be dealt with in the following situations: if it has given up control of the financial asset, it shall terminate the recognition of the financial asset and recognize the resulting assets and liabilities; if it has not given up control of the financial asset, the relevant financial assets shall be recognized according to the extent of its continued involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

If the financial assets continue to be involved by providing financial guarantees for the transferred financial assets, the assets formed by the continued involvement shall be recognized according to the lower of the book value of the financial assets and the amount of financial guarantees. The amount of financial guarantee refers to the maximum amount that will be required to be repaid among the consideration received.

12. Notes receivable

For the receivables specified in the Accounting Standards for Business Enterprises No. 14 - Income, which do not contain significant financing components (including the case where the financing components of contracts not exceeding one year are not considered according to the standards), the Company adopts the simplified model of expected credit loss, that is, the loss provision is always measured according to the amount of expected credit loss throughout the lifetime, and the resulting increase or reversal of the loss provision is included in the current profit and loss as an impairment loss or gain.

For receivables with significant financing components, the Group chooses to use a simplified model of expected credit losses, that is, its loss allowance is always measured at the amount of expected credit losses throughout its lifetime.

Simplified model of expected credit losses: Always measure its loss allowance by the amount of expected credit losses throughout its lifetime.

The Company estimates the expected credit loss on notes receivable on a single or combined basis, taking into account all reasonable and evidence-based information, including forward-looking information.

Combination name	The basis for determining the combination
Bank Acceptance Draft	Banks with lower credit risk
Commercial acceptance bill	Businesses with higher credit risk

13. Accounts receivable

For the receivables specified in the Accounting Standards for Business Enterprises No. 14 - Income, which do not contain significant financing components (including the case where the financing components of contracts not exceeding one year are not considered according to the standards), the Company adopts the simplified model of expected credit loss, that is, the loss provision is always measured according to the amount of expected credit loss throughout the lifetime, and the resulting increase or reversal of the loss provision is included in the current profit and loss as an impairment loss or gain.

For receivables with significant financing components, the Company chooses to use a simplified model of expected credit losses, that is, its loss allowance is always measured at the amount of expected credit losses throughout its lifetime.

Simplified model of expected credit losses: Always measure its loss allowance by the amount of expected credit losses throughout its lifetime.

The Company estimates expected credit losses on accounts receivable on a single or combined basis, taking into account all reasonable and evidence-based information, including forward-looking information. And using a simplified model of expected credit losses, the loss provision is always measured according to the expected credit losses for the entire duration. The accrual method is as follows:

1. At the end of the period, the accounts receivable that have objective evidence that they have been impaired shall be separately tested for impairment, and the impairment loss shall be recognized according to the difference between the present value of its estimated future cash flows and its book value, and the provision for bad debts shall be made.

2. When a single financial asset cannot evaluate the information of expected credit loss at a reasonable cost, it is feasible to evaluate whether the credit risk has increased significantly on the basis of combination. On the basis of the actual loss rate of accounts receivable in previous years, the judgment of future recovery risk and the analysis of credit risk characteristics, the Company determines the expected credit loss rate and makes provision for bad debts accordingly.

Combination name	Withdrawal method
Aging credit risk feature portfolio	Expected credit loss
Related party nature combination	Expected credit loss

For accounts receivable classified as a combination of aging credit risk characteristics, the Company compiles a comparison table between the aging combination of accounts receivable and the expected credit loss rate for the entire duration with reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, and calculates expected credit losses.

The impairment ratio of expected credit losses based on the combination of aging credit risk characteristics:

Aging	Expected credit loss ratio
Within 1 year (including 1 year)	5%
1 ~ 2 years (including 2 years)	10%
2 ~ 3 years (including 3 years)	20%
3 ~ 4 years (including 4 years)	50%
More than 4 years	100%

3. The Company classifies accounts receivable from subsidiaries within the scope of consolidation that have no significant risk of recovery into related party portfolios, and makes provision for impairment based on expected credit losses.

14. Receivables financing

Financial assets that meet the following conditions are classified as financial assets measured at fair value and whose changes are included in other comprehensive income: The company's business model for managing the financial assets is to both collect contractual cash flows and sell financial assets; the contractual terms of the financial assets stipulate that the cash flows generated on a specific date are only the payment of principal and interest based on the outstanding principal amount.

The company transfers the receivables held by the company in the form of discounts or endorsements, and this type of business is relatively frequent and involves a large amount, and its management business model is essentially to collect contractual cash flows and sell them. According to the relevant provisions of the financial instrument standards, they are classified into financial assets measured at fair value and whose changes are included in other comprehensive income.

15. Other receivables

The determination method and accounting treatment method of expected credit loss of other receivables

The Company adopts the general model of expected credit loss for other receivables [see Note V. (11) Financial Instruments for details].

The Company measures the loss provision for other receivables according to the following circumstances: ① For financial assets whose credit risk has not increased significantly since the initial recognition, the Company measures the loss provision according to the amount of expected credit loss in the next 12 months; ② For financial assets whose credit risk has increased significantly since the initial recognition, the Company measures the loss provision according to the amount equivalent to the expected credit loss over the entire life of the financial instrument; ③ For the purchase or generation of financial assets that have experienced credit impairment, the Company shall measure the loss provision at an amount equivalent to the expected credit loss during the entire duration. For other receivables, the Company cannot obtain sufficient evidence of a significant increase in credit risk at a reasonable cost at the level of individual instruments, and it is feasible to assess whether the credit risk has increased significantly on the basis of combination. Therefore, the Company groups other receivables according to the common risk characteristics of financial instrument type, credit risk rating, initial recognition date and remaining contract term and considers whether the credit risk has increased significantly on the basis of combination.

1. The expected credit loss is measured on a portfolio basis, and the Company accrues the expected credit loss ratio according to the corresponding aging portfolio. The impairment ratios for expected credit losses based on the combination of aging credit risk characteristics are as follows:

Aging	Expected credit loss ratio of other receivables
Within 1 year (including 1 year)	5%
1 ~ 2 years (including 2 years)	10%
2 ~ 3 years (including 3 years)	20%
3 ~ 4 years (including 4 years)	50%
More than 4 years	100%

2. The Company classifies accounts receivable from subsidiaries within the scope of consolidation without significant risk of recovery into related party portfolios, and makes provision for impairment based on expected credit losses.

3. The Company separately conducts impairment tests on other receivables with significantly different credit risk characteristics such as the debtor's credit status has deteriorated significantly, the possibility of future repayment is low, and credit impairment has already occurred.

16. Contract assets

1. Recognition methods and standards of contract assets

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between the fulfillment of performance obligations and payments from customers. The consideration (except receivables) to which the Company has transferred goods or provided services to customers is shown as contract assets.

2. Determination method and accounting treatment method of expected credit loss of contract assets

For contract assets that do not contain significant financing components, the Company adopts a simplified model of expected credit losses, that is, the loss provision is always measured at an amount equivalent to the expected credit loss for the entire lifetime, and the resulting increase or reversal of the loss provision is included in the current profit and loss as an impairment loss or gain.

For contract assets with significant financing components, the Company chooses to adopt a simplified model of expected credit losses, that is, the loss provision is always measured at an amount equivalent to the expected credit loss for the entire lifetime, and the resulting increase or reversal of the loss provision is included in the current profit and loss as an impairment loss or gain.

17. Inventory

1. Classification of inventory

Inventory refers to the finished products or commodities held by the enterprise for sale in daily activities, the products in the production process, the products in the entrusted process, the materials and materials consumed in the production process or the provision of labor services, etc.

The company's inventory is divided into raw materials, products in progress, goods in stock, goods shipped, etc.

2. Valuation method for issued inventory

The inventory issued adopts the weighted average method at the end of the month.

3. The basis for determining the net realizable value of inventories and the method of accruing inventory depreciation reserves

On the balance sheet date, inventories are measured at the lower of cost and net realizable value, and inventory depreciation reserves are made based on the difference between the cost of the inventory category and the net realizable value. For inventories directly used for sale, the net realizable value shall be determined by the estimated selling price of the inventory minus the estimated selling expenses and relevant taxes in the normal production and operation process; for inventories that need to be processed, the net realizable value shall be determined by the estimated selling price of the finished products produced in the normal production and operation process minus the estimated costs to be incurred at the time of completion, estimated selling expenses and relevant taxes; On the balance sheet date, if part of the same inventory has a contract price agreement and other parts do not have a contract price, the net realizable value shall be determined respectively, and the corresponding cost shall be compared, and the amount of provision for inventory depreciation shall be determined respectively.

4. Inventory system

The inventory system of inventory adopts the perpetual inventory system.

5. Amortization method of low-value consumables and packaging

Amortization is carried out according to the one-off write-off method.

18. Long-term equity investment

1. Determination of investment cost

(1) In the case of a business combination under the same control, if the merging party pays cash, transfers non-cash assets, assumes debts or issues equity securities as the merger consideration, the initial investment cost shall be the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party on the merger date. The difference between the initial investment cost of the long-term equity investment and the book value of the combined consideration paid or the total face value of the issued shares is adjusted to the capital reserve (capital premium or share capital premium); if the capital reserve is insufficient to offset, the retained earnings are adjusted.

If a business combination under the same control is realized step by step, the initial investment cost of the investment shall be the share of the book owner's equity of the merged party on the merger date calculated based on the shareholding ratio. The difference between the initial investment cost and the book value of the original long-term equity investment plus the sum of the book value of the newly paid consideration for further shares obtained on the merger date shall be adjusted to the capital reserve (capital premium or share capital premium). If the capital reserve is insufficient to offset, the retained earnings shall be offset.

(2) In the case of a business combination not under the same control, the fair value of the merger consideration paid on the purchase date shall be used as its initial investment cost.

(3) Except for the formation of a business combination: if it is obtained by paying cash, the actual purchase price paid shall be used as its initial investment cost; if it is obtained by issuing equity securities, the fair value of the issued equity securities shall be used as its initial investment cost; if the investor invests, the value agreed in the investment contract or agreement shall be used as its initial investment cost (except if the value agreed in the contract or agreement is not fair).

2. Subsequent measurement and profit and loss recognition method

Long-term equity investments in which the Company can exercise control over the investee are accounted for using the cost method in the Company's individual financial statements; long-term equity investments with common control or significant influence are accounted for using the equity method.

When the cost method is adopted, the long-term equity investment is priced at the initial investment cost. Except for the declared but not yet issued cash dividends or profits included in the actual payment or consideration when the investment is obtained, the cash dividends or profits declared and distributed by the investee are recognized as current investment income, and whether the long-term investment is impaired is considered according to the relevant asset impairment policy.

When the equity method is adopted, if the initial investment cost of a long-term equity investment is greater than the fair value share of the investee's identifiable net assets at the time of investment, it shall be included in the initial investment cost of the long-term equity investment; if the initial investment cost of the long-term equity investment is less than the fair value share of the investee's identifiable net assets at the time of investment, the difference shall be included in the current profit and loss, and the cost of the long-term equity investment shall be adjusted at the same time.

When the equity method is adopted, after the long-term equity investment is obtained, the investment profit and loss shall be recognized and the book value of the long-term equity investment shall be adjusted according to the share of the net profit and loss realized by the invested entity that should be enjoyed or shared. When confirming the share that should be entitled to the net profit and loss of the investee, based on the fair value of the identifiable assets of the investee at the time of acquisition of the investment, according to the company's accounting policies and accounting period, and offsetting the internal transaction gains and losses that occur with associates and joint ventures, the part attributable to the invested enterprise shall be calculated according to the shareholding ratio (but if the internal transaction losses are asset impairment losses, they shall be fully recognized), and the net profit of the investee shall be recognized after adjustment. Calculate the part that should be distributed according to the profit or cash dividend declared by the investee, and reduce the book value of the long-term equity investment accordingly. The company recognizes the net loss incurred by the investee, and the book value of the long-term equity investment and other long-term equity that substantially constitutes the net investment in the investee is written down to zero, unless the company has the obligation to bear additional losses. For other changes in the owner's equity of the investee other than the net profit and loss, the book value of the long-term equity investment is adjusted and included in the owner's equity.

3. Determine the basis for controlling and having significant influence on the investee

Control refers to having the power over the investee, enjoying variable returns by participating in the relevant activities of the investee, and having the ability to use the power over the investee to influence the amount of return; significant influence means that the investor has the power to participate in decision-making on the financial and operating policies of the investee, but cannot control or jointly control the formulation of these policies with other parties.

4. Disposal of long-term equity investments

(1) Partial disposal of long-term equity investments in subsidiaries without loss of control

When a long-term equity investment in a subsidiary is partially disposed of without losing control, the difference between the disposal price and the book value corresponding to the disposal investment shall be recognized as the current investment income.

(2) Circumstances where control of the subsidiary is lost due to partial disposal of equity investment or other reasons

If part of the equity investment is disposed of or the control of the subsidiary is lost due to other reasons, the book value of the long-term equity investment corresponding to the equity sold shall be carried forward, and the difference between the sale proceeds and the book value of the long-term equity investment shall be recognized as investment income (loss); at the same time, the remaining equity shall be recognized as a long-term equity investment or other relevant financial assets based on its book value. If the remaining equity after disposal can exercise joint control or have a significant influence on the subsidiary, it shall be accounted for in accordance with the relevant provisions of the conversion of the cost method to the equity method.

5. Impairment test method and impairment provision method

For investments in subsidiaries, associates and joint ventures, if there is objective evidence on the balance sheet date that they are impaired, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount.

19. Investment real estate

Investment real estate measurement model

Cost method measurement

Depreciation or amortization method

1. Investment real estate includes leased land use rights, land use rights held and ready to be transferred after appreciation, and leased buildings.

2. Investment real estate is initially measured according to cost, and subsequent measurement is carried out using the cost model, and depreciation or amortization is carried out using the same method as fixed assets and intangible assets. On the balance sheet date, if there are signs that the investment real estate is impaired, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount.

20. Fixed assets

(1) Confirmation conditions

The fixed assets of a company refer to the tangible assets held for the production of goods, the provision of labor services, the lease or the operation and management, and the useful life exceeds one fiscal year.

Fixed assets are recorded at the actual cost at the time of acquisition, and depreciation is accrued using the average life method from the month after they reach the expected usable state.

(2) Depreciation method

Category	Depreciation method	Depreciation period	Residual value rate	Annual depreciation rate
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Houses and buildings	Life average method	20-50 years	5.00%	4.75%-1.90%
Machine equipment	Life average method	5-10 years	5.00%	9.50%-19.00%
Means of transport	Life average method	4-10 years	5.00%	9.50%■23.75%
Electronic equipment and others	Life average method	3-5 years	5.00%	19.00%■31.67%

21. Construction in progress

1. When the construction in progress reaches the expected usable state, it shall be transferred to fixed assets according to the actual cost of the project. If it has reached the expected usable state but has not yet completed the final accounts, it shall be transferred to the fixed assets according to the estimated value. After the final accounts are completed, the original provisional estimated value shall be adjusted according to the actual cost, but the original depreciation shall not be adjusted.

2. On the balance sheet date, if there are signs that the construction in progress is impaired, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount.

22. Borrowing costs

1. Recognition principles for capitalization of borrowing costs

The company's borrowing costs, which can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions, are capitalized and included in the cost of the relevant assets; other borrowing costs are recognized as expenses when incurred and included in the current profit and loss.

2. Period of capitalization of borrowing costs

(1) Capitalization begins when the borrowing costs meet the following conditions: 1) the expenditure on the asset has been incurred; 2) the borrowing costs have been incurred; and 3) the acquisition, construction or production activities necessary to bring the asset into its intended usable or saleable state have started.

(2) If an asset that meets the capitalization conditions is abnormally interrupted during the acquisition, construction or production process, and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended; the borrowing costs incurred during the interruption period shall be recognized as current expenses until the acquisition, construction or production activities of the asset restart.

(3) When the purchased, constructed or produced assets that meet the capitalization conditions reach the intended usable or saleable state, the borrowing costs shall cease to be capitalized.

3. Capitalized amount of borrowing costs

Where special loans are borrowed for the purpose of purchasing, constructing or producing assets that meet the capitalization conditions, the amount of interest that should be capitalized shall be determined based on the interest expenses actually incurred in the current period of the special loans (including the amortization of discounts or premiums determined according to the effective interest rate method), minus the interest income obtained by depositing the unused borrowed funds in the bank or the investment income obtained by making temporary investments; If general borrowings are occupied for the acquisition, construction or production of assets that meet the capitalization conditions, the amount of interest that should be capitalized for general borrowings shall be calculated and determined based on the weighted average number of accumulated asset expenditures exceeding the asset expenditures of special borrowings multiplied by the capitalization rate of general borrowings.

23. Intangible assets

(1) The useful life and its determination basis, estimate, amortization method or review procedure

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

2. Intangible assets with a limited useful life shall be amortized systematically and reasonably according to the expected realization method of the economic benefits related to the intangible assets within the useful life. If the expected realization method cannot be reliably determined, the straight-line method shall be used for amortization.

Land use rights are amortized evenly over the remaining useful life (usually 50 years), and software is amortized evenly over 3-5 years.

3. For intangible assets with a definite useful life, if there are signs of impairment on the balance sheet date, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount; intangible assets with indefinite useful life and intangible assets that have not yet reached the usable state, regardless of whether there are signs of impairment, shall be tested for impairment every year. The company currently has no intangible assets with uncertain useful lives.

(2) The collection scope of R&D; expenditure and related accounting treatment methods

Expenses in the research phase of internal research and development projects are included in the current profit and loss when incurred. Expenditures in the development stage of an internal research and development project are recognized as intangible assets if the following conditions are met: (1) it is technically feasible to complete the intangible asset so that it can be used or sold; and (2) it has the intention to complete the intangible asset and use or sell it; (3) the way in which the intangible asset generates economic benefits, including the ability to prove that the product produced by the intangible asset exists in the market or the intangible asset itself exists in the market, and the intangible asset will be used internally, which can prove its usefulness; (4) it has sufficient technical, financial and other resource support to complete the development of the intangible asset and has the ability to use or sell the intangible asset; and (5) the expenditure attributable to the development stage of the intangible asset can be reliably measured.

24. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual amount and amortized evenly in installments over the benefit period or the specified period. If the long-term deferred expense item cannot benefit future accounting periods, all the amortized value of the item that has not been amortized shall be transferred to the current profit and loss.

25. Contract liabilities

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between the fulfillment of performance obligations and customer payments. The obligation of the Company to transfer goods or provide services to customers for the consideration received or receivable from customers is listed as contract liabilities.

26. Employee compensation

(1) Accounting treatment of short-term compensation

During the accounting period when employees provide services, the company recognizes the actual short-term compensation as a liability and includes it in the current profit and loss or the cost of related assets. Among them, non-monetary benefits are measured at fair value.

(2) Accounting treatment of post-employment benefits

The employees of the company have participated in the basic social endowment insurance organized and implemented by the local labor and social security departments. The company pays endowment insurance premiums to the local social basic endowment insurance agency on a monthly basis based on the locally prescribed social basic endowment insurance payment base and proportion. After the employees retire, the local labor and social security departments have the responsibility to pay the basic social pension to the retired employees. During the accounting period when the employees provide services, the company will recognize the amount payable according to the above-mentioned social security regulations as a liability and include it in the current profit and loss or the cost of related assets.

(3) Accounting treatment of dismissal benefits

The Company terminates the labor relationship with the employee before the expiration of the labor contract, or proposes to compensate the employee to encourage the employee to accept the reduction voluntarily. When the Company cannot unilaterally withdraw the plan to terminate the labor relationship or the reduction proposal and confirm the costs and expenses related to the reorganization involving the payment of dismissal benefits, the liabilities arising from the compensation for the termination of the labor relationship with the employee shall be recognized and included in the current profit and loss.

27. Share-based payment

1. Types of share-based payments

Includes equity-settled share-based payments and cash-settled share-based payments.

2. How to determine the fair value of equity instruments

(1) If there is an active market, it shall be determined according to the quoted price in the active market.

(2) If there is no active market, it shall be determined by using valuation techniques, including reference to prices used in recent market transactions by parties familiar with the situation and voluntarily trading, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method and option pricing models, etc.

3. The basis for confirming the best estimate of exercisable equity instruments

Estimates are made based on the latest obtained follow-up information such as changes in the number of exercisable employees.

4. Relevant accounting treatment for the implementation, modification and termination of share-based payment plans

(1) Equity-settled share-based payments

Equity-settled share-based payments that are exercisable in exchange for employee services immediately after the grant are included in the relevant costs or expenses based on the fair value of the equity instruments on the grant date, and the capital reserve is adjusted accordingly. For equity-settled share-based payment in exchange for employee services after completing the service within the waiting period or meeting the specified performance conditions, on each balance sheet date during the waiting period, based on the best estimate of the number of exercisable equity instruments, the services obtained in the current period are included in the relevant costs or expenses at the fair value on the date of grant of the equity instruments, and the capital reserve is adjusted accordingly.

If the fair value of the services of other parties can be reliably measured, the share-based payment settled in exchange for the services of other parties shall be measured at the fair value of the services of other parties on the acquisition date; if the fair value of the services of other parties cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, the equity instruments shall be measured at the fair value of the services on the acquisition date and included in the relevant costs or expenses, and the owner's equity shall be increased accordingly.

(2) Cash-settled share-based payments

Cash-settled share-based payments in exchange for employee services that are exercisable immediately after the grant are included in the relevant costs or expenses at the fair value of the liabilities assumed by the Group on the date of grant, and the liabilities are increased accordingly. For cash-settled share-based payments in exchange for employee services after completing the service within the waiting period or meeting the specified performance conditions, the services obtained in the current period are included in the relevant costs or expenses and corresponding liabilities on each balance sheet date during the waiting period, based on the best estimate of the exercisability, according to the fair value of the liabilities assumed by the Company.

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

If the modification increases the fair value of the equity instruments granted, the Company will recognize the increase in the obtained services according to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the Company will recognize the increase in the fair value of the increased equity instruments as the increase in the obtained services; if the Company modifies the vesting conditions in a way that is beneficial to the employees, the Company will consider the revised vesting conditions when dealing with the vesting conditions.

If the modification reduces the fair value of the equity instruments granted, the Company continues to recognize the amount of services obtained based on the fair value of the equity instruments at the grant date, regardless of the reduction in the fair value of the equity instruments; if the modification reduces the number of equity instruments granted, the Company will treat the reduction as the cancellation of the equity instruments granted; If the vesting conditions are modified in a way that is not conducive to the employees, the revised vesting conditions will not be considered when dealing with the vesting conditions.

If the Company cancels the granted equity instrument or settles the granted equity instrument within the waiting period (except for cancellation due to non-fulfillment of the vesting condition), the cancellation or settlement will be treated as an accelerated vesting, and the amount originally recognized within the remaining waiting period will be immediately recognized.

28. Income

Disclosure of accounting policies used for revenue recognition and measurement by business type

1. Recognition of revenue

The Company's revenue primarily consists of sales of power adapters and server power supplies.

The Company fulfills its performance obligations in the contract, that is, recognizes revenue when the customer obtains control of the relevant product. Obtaining control of the relevant commodity refers to being able to dominate the use of the commodity and obtain almost all economic benefits from it.

2. According to the relevant provisions of the revenue standard, the Company determines that the relevant performance obligations are "performance obligations performed within a certain period of time" or "performance obligations performed at a certain point in time", and revenue is recognized according to the following principles.

(1) If the company meets one of the following conditions, it is a performance obligation within a certain period of time:

① When the company performs the contract, the customer obtains and consumes the economic benefits brought by the company's performance.

② The customer can control the assets under construction in the process of the company's performance.

③ The assets produced by the company in the process of performance are irreplaceable, and the company has the right to receive payment for the accumulated performance part during the entire contract period.

For performance obligations performed within a certain period of time, the Company recognizes revenue according to the performance progress during that period, unless the performance progress cannot be reasonably determined. The company considers the nature of the commodity and adopts the output method or the input method to determine the appropriate performance progress.

(2) For performance obligations that are not performed within a certain period of time, but are performed at a certain point in time, the Company recognizes revenue when the customer obtains control of the relevant product.

When judging whether a customer has obtained control of a product, the Company considers the following indications:

① The company has the current right to receive payment for the product, that is, the customer has the current payment obligation for the product.

② The company has transferred the legal ownership of the commodity to the customer, that is, the customer already has the legal ownership of the commodity.

③ The company has transferred the commodity to the customer in kind, that is, the customer has physical possession of the commodity.

④ The company has transferred the main risks and rewards of the ownership of the product to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the product. ⑤ The customer has accepted the product.

⑥ Other signs that the customer has obtained control of the product.

The specific policy of the company's revenue recognition:

The products sold by the company to domestic customers are delivered to the location designated by the buyer, and the sales revenue is recognized after the customer signs for it; the products sold by the company to overseas customers are exported by customs declaration, and the sales revenue is recognized after the customs declaration procedures are completed; the products traded by the company and the customer through the supplier managed inventory (VMI) method are recognized as sales revenue after the customer actually receives the goods.

3. Income measurement

The company shall measure revenue based on the transaction price allocated to each individual performance obligation. When determining the transaction price, the Company considers the influence of factors such as variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to customers.

(1) Variable consideration

The company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration should not exceed the amount of the accumulated recognized revenue that will most likely not be reversed materially when the relevant uncertainty is eliminated. When an enterprise assesses whether the accumulated recognized income is very likely to be reversed, it should also consider the possibility of income reversal and its proportion.

(2) Significant financing component

If there is a significant financing component in the contract, the company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the product. The difference between the transaction price and the contract consideration shall be amortized using the effective interest method during the contract period.

(3) Non-cash consideration

If the customer pays the non-cash consideration, the company determines the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration cannot be reasonably estimated, the Company indirectly determines the transaction price with reference to the individual selling price of the commodity it promises to transfer to the customer.

(4) Consideration payable to customers

For the consideration payable to the customer, the consideration payable shall be offset against the transaction price, and the current income shall be offset against the later of the recognition of the relevant revenue and the payment (or commitment to pay) the customer consideration, except that the consideration payable to the customer is to obtain other clearly distinguishable commodities from the customer.

If the consideration paid by the enterprise to the customer is to obtain other clearly distinguishable commodities from the customer, the purchased commodities shall be confirmed in a manner consistent with other purchases by the enterprise. If the consideration payable by the enterprise to the customer exceeds the fair value of the clearly distinguishable commodity obtained from the customer, the transaction price shall be offset by the excess amount. If the fair value of the clearly distinguishable commodity obtained from the customer cannot be reasonably estimated, the enterprise shall offset the transaction price in full against the consideration payable to the customer.

Similar businesses adopt different business models and involve different revenue recognition methods and measurement methods

29. Government subsidies

1. Government grants include government grants related to assets and government grants related to earnings.

2. If the government subsidy is a monetary asset, it shall be measured according to the amount received or receivable; if the government subsidy is a non-monetary asset, it shall be measured at fair value, and if the fair value cannot be obtained reliably, it shall be measured at the nominal amount.

3. Government subsidies use the gross method:

(1) Government subsidies related to assets are recognized as deferred income and included in profit and loss in installments over the useful life of the relevant assets in a reasonable and systematic manner. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the balance of the relevant deferred income that has not been distributed shall be transferred to the profit and loss of the current period of asset disposal.

(2) Government subsidies related to income, which are used to compensate related expenses or losses in subsequent periods, are recognized as deferred income, and are included in the current profit and loss during the period when the relevant expenses are recognized; if they are used to compensate related expenses or losses that have occurred, they are directly included in the current profit and loss.

4. Government subsidies use the net method:

(1) Government subsidies related to assets to offset the book value of related assets;

(2) Government subsidies related to income, which are used to compensate related expenses or losses in subsequent periods, are recognized as deferred income, and the related costs are offset during the period when the related expenses are recognized; if they are used to compensate related expenses or losses that have been incurred, the related costs are directly offset.

5. The company uses the gross method to account for the government subsidies received.

6. For government subsidies that include both asset-related parts and income-related parts, different parts are accounted for separately; if it is difficult to distinguish, the whole is classified as income-related government subsidies.

7. The company will include the government subsidies related to the company's daily activities as other income according to the substance of the economic business; the government subsidies that are not related to the company's daily activities should be included in the non-operating income and expenditure.

8. The company will obtain the policy preferential loan interest discount according to the two situations where the finance will allocate the interest discount funds to the lending bank and the finance will directly allocate the interest discount funds to the company:

(1) If the finance department allocates the interest subsidy funds to the lending bank, and the lending bank provides loans to the company at a policy-based preferential interest rate, the company chooses to conduct accounting treatment according to the following methods:

1) The actual loan amount received is used as the entry value of the loan, and the relevant borrowing costs are calculated according to the loan principal and the policy preferential interest rate.

2) The fair value of the loan is used as the entry value of the loan and the borrowing cost is calculated according to the effective interest method. The difference between the amount actually received and the fair value of the loan is recognized as deferred income. Deferred income is amortized using the effective interest method over the duration of the loan to offset related borrowing costs.

(2) If the finance company directly allocates the interest discount funds to the company, the company will offset the relevant borrowing costs with the corresponding interest discount.

30. Deferred Tax Assets/Deferred Tax Liabilities

1. According to the difference between the book value of assets and liabilities and their tax bases (if the tax bases of items not recognized as assets and liabilities can be determined in accordance with the provisions of the tax law, the difference between the tax bases and their book amounts), the Deferred Tax Assets or Deferred Tax Liabilities are calculated and recognized at the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are liquidated.

2. Confirm that the Deferred Tax Assets are limited to the taxable income that is likely to be obtained to offset the deductible temporary differences. On the balance sheet date, if there is a conclusive evidence that it is likely to obtain sufficient taxable income in the future period to offset the deductible temporary differences, the Deferred Tax Assets that have not been recognized in the previous accounting period are recognized.

3. On the balance sheet date, the book value of the Deferred Tax Assets is reviewed. If it is likely that sufficient taxable income cannot be obtained in the future to offset the benefits of the Deferred Tax Assets, the book value of the Deferred Tax Assets is written down. The amount written down is reversed when it is probable that sufficient taxable income will be obtained.

4. The current income tax and Deferred Income Taxes of the Company are included in the current profit and loss as income tax expenses or income, but do not include the income tax arising from the following circumstances: (1) business combination; (2) transactions or events recognized directly in owner's equity.

31. Lease

(1) Accounting treatment method for lease as lessee

When the Company is the lessee, on the start date of the lease term, in addition to short-term leases and low-value asset leases that choose to use simplified treatment, right-of-use assets and lease liabilities are recognized for the lease.

After the start date of the lease term, the Company adopts the cost model for subsequent measurement of the right-of-use assets. With reference to the relevant depreciation provisions of the "Accounting Standards for Business Enterprises No. 4 - Fixed Assets", depreciation is made for the right-of-use assets. If the lessee can reasonably determine that it obtains the ownership of the leased asset when the lease term expires, it shall make depreciation within the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining useful life of the leased asset. In accordance with the "Accounting Standards for Business Enterprises No. 8 - Asset Impairment", the Company determines whether the right-of-use assets are impaired and accounts for the identified impairment losses.

The Company calculates the interest expense of the lease liability for each period of the lease term at a fixed periodic interest rate and includes it in the current profit and loss. If it should be included in the cost of relevant assets in accordance with the "Accounting Standards for Business Enterprises No. 17 - Borrowing Costs" and other standards, those provisions shall prevail.

For short-term leases and low-value asset leases, the Company chooses not to recognize right-of-use assets and lease liabilities, and the lease payments for short-term leases and low-value asset leases are included in the relevant asset cost or current profit and loss on a straight-line basis during each period of the lease term.

(2) Accounting treatment method for leasing as a lessor

(1) Finance lease

If the Company is the lessor, on the start date of the lease term, it recognizes the finance lease receivables for the finance lease, and terminates the recognition of the finance lease assets, and calculates and recognizes the interest income for each period of the lease term at a fixed cyclical interest rate.

(2) Operating lease

The Company, as the lessor, adopts the straight-line method to recognize the lease receipts from operating leases as rental income during each period of the lease term. The initial direct expenses incurred related to the operating lease are capitalized, apportioned on the same basis as the rental income during the lease term, and included in the current profit and loss in installments. For the fixed assets in the operating lease assets, the company shall use the depreciation policy of similar assets to accrue depreciation; for other operating lease assets, it shall be amortized in a systematic and reasonable manner in accordance with the applicable enterprise accounting standards for the assets. In accordance with the "Accounting Standards for Business Enterprises No. 8 - Asset Impairment", the Company determines whether the operating lease assets are impaired and conducts corresponding accounting treatments.

32. Changes in significant accounting policies and accounting estimates

(1) Changes in important accounting policies

■ Applicable Not Applicable

(2) Changes in significant accounting estimates

■ Applicable Not Applicable

(3) From 2025 onwards, the new accounting standards will be implemented for the first time to adjust the relevant items of the financial statements at the beginning of the year when the first implementation of the new accounting standards

■ Applicable Not Applicable

VI. Taxes

1. Main taxes and tax rates

Tax	Tax basis	Tax rate
VAT	Taxable income	5%,6%,9%,13%
Urban maintenance and construction tax	Actual turnover tax paid	5%,7%
Corporate income tax	Taxable income	See the table below for details
Education surcharge	Actual turnover tax paid	3%
Local education fee surcharge	Actual turnover tax paid	2%

If there are taxpayers with different corporate income tax rates, the disclosure statement

Taxpayer name	Income tax rate
Shenzhen Honor Electronic Co., Ltd.	15.00%
Honor Electron (Ganzhou) Electronics Co., Ltd	15.00%
Dongguan Honor Electron Electronics Co., Ltd	15.00%
Hong Kong Honor Electron Technology Co., Ltd	16.50%
Vietnam Honor Electron Technology Co., Ltd	20.00%
Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch	20.00%
(USA) Axnon LLC	21.00%
Hangzhou Yundian Technology Energy Co., Ltd	15.00%
Shenzhen Honor Electron Zhilian Technology Co., Ltd	25.00%
Suzhou Yundian Electronic Manufacturing Co., Ltd	25.00%
Shanghai Honor Electron Electronic Technology Co., Ltd	25.00%
MÉXICO HONOTO INDUSTRIES A.de C.V	30.00%

2. Tax incentives

Note 1: On December 26, 2024, Shenzhen Municipal Bureau of Industry and Information Technology, Shenzhen Municipal Bureau of Finance, and Shenzhen Municipal Taxation Bureau of the State Administration of Taxation identified the company as a high-tech enterprise (certificate number: GR202444200421), valid for three years, and the company enjoys a preferential tax rate of 15%.

Note 2: According to the relevant tax policies of the Announcement on Continuing the Enterprise Income Tax Policy for the Western Development by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation (Announcement No. 23 of 2020 of the Ministry of Finance), from January 1, 2021 to December 31, 2030, the enterprise income tax will be levied at a reduced rate of 15% for enterprises in encouraged industries located in the western region. Honor Electron (Ganzhou) Electronics Co., Ltd. enjoys preferential corporate income tax policies.

Note 3: On December 28, 2023, Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, and Guangdong Provincial Taxation Bureau of the State Administration of Taxation identified Dongguan Honor Electron as a high-tech enterprise (certificate number: GR 202344007059), valid for three years, and Dongguan Honor Electron enjoys a preferential tax rate of 15%.

Note 4: On December 8, 2023, Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Taxation Bureau of the State Administration of Taxation identified Hangzhou Yundian as a high-tech enterprise (certificate number: GR202333005336), valid for three years, and Hangzhou Yundian enjoys a preferential tax rate of 15%.

VII. Notes to Consolidated Financial Statements

1. Monetary funds

Unit: Yuan

Projects	Ending balance	Opening balance
Cash on hand	108,239.51	28,961.12
Bank deposit	1,146,559,631.39	867,133,852.15
Other monetary funds	234,809,633.22	159,311,635.51
Total	1,381,477,504.12	1,026,474,448.78
Including: the total amount of money deposited abroad	154,456,055.95	181,745,107.71

Other instructions

The balance of other monetary funds at the end of the period was 234,809,633.22 yuan, of which the ending balance of the special securities account for repurchase was 7,443,375.39 yuan, the ending balance of the bank acceptance bill margin was 227,366,257.83 yuan, and the bank acceptance bill margin was 227,366,257.83 yuan as restricted funds.

2. Transactional financial assets

Unit: Yuan

Projects	Ending balance	Opening balance
Financial assets measured at fair value and whose changes are included in the current profit and loss	80,639,646.89	350,379,216.98
Of which:		
Of which: debt instrument investment	80,639,646.89	350,379,216.98
Of which:		
Total	80,639,646.89	350,379,216.98

Other instructions:

3. Notes receivable

(1) Classification of bills receivable

Unit: Yuan

Projects	Ending balance	Opening balance
Bank acceptance note	66,991,105.17	136,066,471.06
Commercial acceptance note	34,060,848.14	16,763,856.12
Total	101,051,953.31	152,830,327.18

(2) Disclosure by classification according to bad debt accrual method

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Bills receivable with provision for bad debts on a single-item basis	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
Of which:										
Notes receivable with provision for bad debts by portfolio	102,844,629.53	100.00%	1,792,676.22	1.74%	101,051,953.31	153,712,635.40	100.00%	882,308.22	0.57%	152,830,327.18
Of which:										
Commercial acceptance bill	35,853,524.36	34.86%	1,792,676.22	5.00%	34,060,848.14	17,646,164.34	11.48%	882,308.22	5.00%	16,763,856.12

Bank Acceptance Draft	66,991,105.17	65.14%	0.00	0.00%	66,991,105.17	136,066,471.06	88.52%	0.00	0.00%	136,066,471.06
Total	102,844,629.53	100.00%	1,792,676.22	1.74%	101,051,953.31	153,712,635.40	100.00%	882,308.22	0.57%	152,830,327.18

Provision for bad debts by combination Category name: Commercial acceptance bills are provided for bad debts based on aging as a credit risk feature

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year	35,853,524.36	1,792,676.22	5.00%
Total	35,853,524.36	1,792,676.22	

Description of the basis for determining the combination:

If the provision for bad debts of bills receivable is made according to the general model of expected credit loss:

■ Applicable Not Applicable

(3) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Notes receivable with expected credit loss by portfolio	882,308.22	910,368.00				1,792,676.22
Total	882,308.22	910,368.00				1,792,676.22

Among them, the amount of bad debt provision recovery or reversal in the current period is important:

■ Applicable Not Applicable

(4) Notes receivable pledged by the company at the end of the period

Unit: Yuan

Projects	Pledged amount at the end of the period
Bank acceptance note	0.00
Commercial acceptance note	27,876,350.61
Total	27,876,350.61

(5) Notes receivable that have been endorsed or discounted by the company at the end of the period and have not yet matured on the balance sheet date

Unit: Yuan

Projects	Termination amount at the end of the period	Unrecognized amount at the end of the period
Bank acceptance note		64,561,924.71
Total		64,561,924.71

4. Accounts receivable

(1) Disclosure by age

Unit: Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,549,832,967.62	1,454,498,796.43
1 to 2 years	6,602,380.42	7,557,175.15
2 to 3 years	1,305,995.60	539,581.11
More than 3 years	10,813,493.93	10,599,711.29
3 to 4 years	290,934.05	741.29
4 to 5 years	6,839,514.30	9,651,252.01
More than 5 years	3,683,045.58	947,717.99
Total	1,568,554,837.57	1,473,195,263.98

(2) Disclosure by classification according to bad debt accrual method

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Accounts receivable with provision for bad debts on a single-item basis	11,869,223.87	0.76%	11,869,223.87	100.00%	0.00	11,899,044.89	0.81%	11,899,044.89	100.00%	0.00
Of which:										
Accounts receivable by portfolio with provision for bad debts	1,556,685,613.70	99.24%	78,252,998.11	5.03%	1,478,432,615.59	1,461,296,219.09	99.19%	73,417,976.16	5.02%	1,387,878,242.93
Of which:										
Total	1,568,554,837.57	100.00%	90,122,221.98	5.75%	1,478,432,615.59	1,473,195,263.98	100.00%	85,317,021.05	5.79%	1,387,878,242.93

Category name of provision for bad debts by single item: Accounts receivable with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Yihaihua (Hong Kong) Technology Co., Ltd	4,042,759.83	4,042,759.83	4,026,000.29	4,026,000.29	100.00%	Not expected to be recovered
Sichuan Yihaihua Technology Co., Ltd	2,971,390.41	2,971,390.41	2,971,390.41	2,971,390.41	100.00%	Not expected to be recovered
Beijing Yixin Huiming Technology Co., Ltd	1,229,423.99	1,229,423.99	1,229,423.99	1,229,423.99	100.00%	Not expected to be recovered
E-POWER(HK) TEC HNOLOG YCO.,LIMITED	3,148,634.21	3,148,634.21	3,135,581.34	3,135,581.34	100.00%	Not expected to be recovered
other	506,836.45	506,836.45	506,827.84	506,827.84	100.00%	Not expected to be recovered
Total	11,899,044.89	11,899,044.89	11,869,223.87	11,869,223.87		

Provision for bad debts by combination Category name: Accounts receivable with provision for bad debts by aging combination

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	1,549,741,785.53	77,487,089.30	5.00%
1-2 years (including 2 years)	6,228,568.17	622,856.81	10.00%
2-3 years (including 3 years)	715,260.00	143,052.00	20.00%
Total	1,556,685,613.70	78,252,998.11	

Description of the basis for determining the combination:

If the provision for bad debts of accounts receivable is made according to the general model of expected credit loss:

■ Applicable Not Applicable

(3) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Provision for bad debts on a single-item basis	11,899,044.89	-29,821.02				11,869,223.87
Provision for bad debts by portfolio	73,417,976.16	4,878,487.58			-43,465.63	78,252,998.11
Total	85,317,021.05	4,848,666.56			-43,465.63	90,122,221.98

Among them, the amount of bad debt provision recovery or reversal in the current period is important:

Unit: Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality of determining the original bad debt provision ratio
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(4) Accounts receivable and contract assets of the top five accounts receivable and contract assets at the end of the period collected by the owing party

Unit: Yuan

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	As a percentage of the combined ending balance of accounts receivable and contract assets	The ending balance of the provision for bad debts of accounts receivable and the provision for impairment of contract assets
First place	285,153,260.14	0.00	285,153,260.14	18.18%	14,257,663.01
Second place	141,502,566.36	0.00	141,502,566.36	9.02%	7,075,128.32
Third place	87,707,692.15	0.00	87,707,692.15	5.59%	4,385,726.90
Fourth place	68,018,909.05	0.00	68,018,909.05	4.34%	3,400,945.45
Fifth place	67,834,471.98	0.00	67,834,471.98	4.32%	3,391,723.60
Total	650,216,899.68	0.00	650,216,899.68	41.45%	32,511,187.28

5. Receivables financing

(1) Classification of accounts receivable financing

Unit: Yuan

Projects	Ending balance	Opening balance
Bank Acceptance Draft	42,040,210.14	17,854,895.54
Total	42,040,210.14	17,854,895.54

(2) Receivable financing that has been endorsed or discounted by the company at the end of the period and is not yet due on the balance sheet date

Unit: Yuan

Projects	Termination amount at the end of the period	Unrecognized amount at the end of the period
Bank Acceptance Draft	128,095,250.88	0.00
Total	128,095,250.88	0.00

6. Other receivables

Unit: Yuan

Projects	Ending balance	Opening balance
Interest receivable	2,521,575.54	6,484,007.37
Other receivables	21,963,039.69	25,578,880.26
Total	24,484,615.23	32,062,887.63

(1) Interest receivable

1) Classification of interest receivable

Unit: Yuan

Projects	Ending balance	Opening balance
Margin interest income	564,081.53	362,332.22
Interest accrued on time deposits	1,957,494.01	6,121,675.15
Total	2,521,575.54	6,484,007.37

2) Disclosure by classification of bad debt accrual method

Applicable ☒ Not applicable ☐ Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Provision for bad debts on a single-item basis	2,521,575.54	100.00%			2,521,575.54	6,484,007.37	100.00%			6,484,007.37
Of which:										
Of which:										
Total	2,521,575.54	100.00%			2,521,575.54	6,484,007.37	100.00%			6,484,007.37

Provision for bad debts by single item Category name: Interest receivable with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Margin interest collection	362,332.22		564,081.53			Bank interest,
Enter						Low loss rate
Interest accrued on time deposits	6,121,675.15		1,957,494.01			Bank interest, lower loss ratio
Total	6,484,007.37		2,521,575.54			

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

Unit: Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2025 in the current period				

The division basis of each stage and the proportion of bad debt provision

Changes in the book balance with significant changes in the amount of loss reserves in the current period

■ Applicable Not Applicable

(2) Other receivables

1) Classification of other receivables by nature of payment

Unit: Yuan

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Deposit and security deposit	15,527,369.41	20,126,983.61
Receivables	3,032,600.36	3,948,748.76
Withholding and paying social security provident fund	3,003,535.78	3,041,467.88
other	7,739,450.42	4,868,092.31
Total	29,302,955.97	31,985,292.56

2) Disclosure by age

Unit: Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	12,649,721.37	22,601,309.67
1 to 2 years	9,816,121.52	3,718,394.58
2 to 3 years	1,523,297.20	1,265,926.94
More than 3 years	5,313,815.88	4,399,661.37
3 to 4 years	2,548,948.62	3,286,699.95
4 to 5 years	1,689,764.65	
More than 5 years	1,075,102.61	1,112,961.42
Total	29,302,955.97	31,985,292.56

3) Disclosure by classification of bad debt accrual method

Applicable ■ Not applicable

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Provision for bad debts on a single-item basis	2,829,203.63	9.66%	2,829,203.63	100.00%	0.00	2,866,873.56	8.96%	2,838,409.74	99.01%	28,463.82
Of which:										
Provision for bad debts by portfolio	26,473,752.34	90.34%	4,510,712.65	17.04%	21,963,039.69	29,118,419.00	91.04%	3,568,002.56	12.25%	25,550,416.44
Of which:										
Total	29,302,955.97	100.00%	7,339,916.28	25.05%	21,963,039.69	31,985,292.56	100.00%	6,406,412.30	20.03%	25,578,880.26

The name of the category of provision for bad debts according to a single item: other receivables for which provision for bad debts is made according to a single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Tekway Technology Co., Ltd	1,159,021.67	1,159,021.67	1,154,216.86	1,154,216.86	100.00%	Not expected to be recovered
Shenzhen Jingweixin Technology Co., Ltd	617,698.05	617,698.05	617,698.05	617,698.05	100.00%	Not expected to be recovered
SHENZHEN ALEXANDER POWER ELECTRONIC TECHNOLOGY CO.,LTD	544,521.30	544,521.30	542,263.95	542,263.95	100.00%	Not expected to be recovered
Great Star(HK) Electronics Company Limited	390,830.43	390,830.43	389,210.22	389,210.22	100.00%	Not expected to be recovered
other	154,802.11	126,338.29	125,814.55	125,814.55	100.00%	Not expected to be recovered
Total	2,866,873.56	2,838,409.74	2,829,203.63	2,829,203.63		

Category name of provision for bad debts by combination: other receivables with provision for bad debts by aging combination

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	12,649,721.37	632,486.21	5.00%
1-2 years (including 2 years)	9,816,121.52	981,612.15	10.00%
2-3 years (including 3 years)	258,038.98	51,607.80	20.00%
3-4 years (including 4 years)	1,809,727.97	904,863.99	50.00%
4-5 years (including 5 years)	1,482,737.94	1,482,737.94	100.00%
More than 5 years	457,404.56	457,404.56	100.00%
Total	26,473,752.34	4,510,712.65	

Description of the basis for determining the combination:

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

Unit: Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2025	3,568,002.56		2,838,409.74	6,406,412.30
Balance at January 1, 2025 in the current period				
Provision for the current period	985,601.02		-9,206.11	976,394.91
Other changes	-42,890.93			-42,890.93
Balance at June 30, 2025	4,510,712.65		2,829,203.63	7,339,916.28

The division basis of each stage and the proportion of bad debt provision

Changes in the book balance with significant changes in the amount of loss reserves in the current period

■ Applicable Not Applicable

4) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	other	
Provision for bad debts on a single-item basis	2,838,409.74	-9,206.11				2,829,203.63
Provision for bad debts by portfolio	3,568,002.56	985,601.02			-42,890.93	4,510,712.65
Total	6,406,412.30	976,394.91			-42,890.93	7,339,916.28

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

Unit: Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the proportion of the original bad debt provision
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5) Other receivables of the top five ending balances collected by the owing party

Unit: Yuan

Unit name	Nature of money	Ending balance	Aging	As a percentage of the total ending balance of other receivables	Ending balance of bad debt provision
First place	Deposit, security deposit	7,981,839.00	1-2 years	27.24%	798,183.90
Second place	Deposit, security deposit	3,012,684.00	1-5 years	10.28%	1,989,212.00
Third place	Insurance claims receivable	2,743,284.16	Within 1 year	9.36%	137,164.21
Fourth place	other	2,056,249.78	Within 1 year	7.02%	102,812.48
Fifth place	Deposit, security deposit	1,500,000.00	1-2 years	5.12%	97,500.00
Total		17,294,056.94		59.02%	3,124,872.59

7. Prepayments

(1) Prepayments are shown by age

Unit: Yuan

Aging	Ending balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	2,571,983.34	98.35%	2,321,779.19	95.28%
1 to 2 years	43,275.75	1.65%	114,991.02	4.72%
Total	2,615,259.09		2,436,770.21	

Explanation of the reasons why the prepayments with an age of more than 1 year and an important amount are not settled in time:

(2) Prepayments of the top five ending balances collected by prepayment objects

Unit name	Ending balance	Proportion of total prepayments (%)
First place	786,163.56	30.06
Second place	260,000.00	9.94
Third place	231,600.00	8.86
Fourth place	187,200.00	7.16
Fifth place	152,909.26	5.85
Total	1,617,872.82	61.86

Other instructions:

8. Inventory

Do companies need to comply with real estate industry disclosure requirements?

No

(1) Inventory classification

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Inventory impairment provision or contract performance cost impairment provision	Book value	Book balance	Inventory impairment provision or contract performance cost impairment provision	Book value
Raw materials	245,595,245.38	21,475,833.48	224,119,411.90	194,006,783.10	19,238,605.23	174,768,177.87
In product	19,064,464.26		19,064,464.26	1,314,042.95		1,314,042.95
Goods in stock	244,194,731.30	11,380,756.59	232,813,974.71	220,451,614.73	14,289,775.77	206,161,838.96
Issue goods	168,674,275.45	178,117.96	168,496,157.49	82,743,764.92	327,602.82	82,416,162.10
Entrusted processing materials	26,618,548.55		26,618,548.55			
Total	704,147,264.94	33,034,708.03	671,112,556.91	498,516,205.70	33,855,983.82	464,660,221.88

(2) Inventory impairment provision and contract performance cost impairment provision

Unit: Yuan

Projects	Opening balance	Increase in the current period		Amount of reduction in the current period		Ending balance
		Accrue	other	Reverse or resell	other	
Raw materials	19,238,605.23	4,939,371.01		2,702,142.76		21,475,833.48
Goods in stock	14,289,775.77	4,032,375.77		6,941,394.95		11,380,756.59
Issue goods	327,602.82			149,484.86		178,117.96
Total	33,855,983.82	8,971,746.78		9,793,022.57		33,034,708.03

Inventory depreciation reserve by combination Unit: Yuan

Combination name	End of period			Beginning of the period		
	Ending balance	Reserve for falling prices	Proportion of provision for falling price	Opening balance	Reserve for falling prices	Proportion of provision for falling price

The accrual standard for the provision of inventory depreciation by combination

(3) Explanation that the ending balance of inventory includes the capitalized amount of borrowing costs

(4) Explanation of the amortization amount of contract performance costs in the current period

(5) Other debt investments due within one year

■ Applicable Not Applicable

9. Other Current Assets

Unit: Yuan

Projects	Ending balance	Opening balance
Retained tax credits and input tax to be certified	38,500,435.01	27,512,858.49
Large denomination certificate of deposit	18,000,000.00	48,000,000.00
Total	56,500,435.01	75,512,858.49

Other instructions:

10. Long-term equity investment

Unit: Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period								Ending balance (book value)	Ending balance of impairment provision
			Addition al investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Changes in other equity	Declaration of cash dividends or profits	Provision for impairment	other		
I. Joint venture												
Shenzhen Hangheng Enterprise Headquarters Management Co., Ltd	744,017.13	0.00			-50,618.68						693,398.45	
Subtotal	744,017.13	0.00			-50,618.68						693,398.45	
II. Joint ventures												
Shanghai Anshibo Energy Technology Co., Ltd	76,305,055.60				-12,852,268.81		5,983,069.07				69,435,855.86	
Subtotal	76,305,055.60				-12,852,268.81		5,983,069.07				69,435,855.86	
Total	77,049,072.73				-12,902,887.49		5,983,069.07				70,129,254.31	

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

■ Applicable Not Applicable

The recoverable amount is determined based on the present value of the expected future cash flows

■ Applicable Not Applicable

Reasons for discrepancies between the foregoing information and the information used in previous years' impairment tests or external information

The reason for the difference between the information used in the previous year's impairment test and the actual situation of the current year

Other instructions

11. Investment real estate

(1) Investment real estate using cost measurement model

Applicable ■ Not applicable

Unit: Yuan

Projects	Houses, buildings	Land use right	Construction in progress	Total
I. Original book value				
1. Opening balance	276,849,084.13			276,849,084.13
2. Increase in the current period				
(1) Outsourcing				
(2) Inventory\ fixed assets\ transfer in construction in progress				
(3) Increase in business combinations				
3. Amount of reduction in the current period				
(1) Disposal				
(2) Other transfers				
4. Ending balance	276,849,084.13			276,849,084.13
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	29,729,690.22			29,729,690.22
2. Increase in the current period	3,034,722.12			3,034,722.12
(1) Provision or amortization	3,034,722.12			3,034,722.12
3. Amount of reduction in the current period				
(1) Disposal				
(2) Other transfers				
4. Ending balance	32,764,412.34			32,764,412.34
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Accrual				

3. Amount of reduction in the current period				
(1) Disposal				
(2) Other transfers				
4. Ending balance				
IV. Book value				
1. Book value at the end of the period	244,084,671.79			244,084,671.79
2. Book value at the beginning of the period	247,119,393.91			247,119,393.91

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

■ Applicable Not Applicable

The recoverable amount is determined based on the present value of the expected future cash flows

■ Applicable Not Applicable

Reasons for discrepancies between the foregoing information and the information used in previous years' impairment tests or external information

The reason for the difference between the information used in the previous year's impairment test and the actual situation of the current year

Other instructions:

(2) Investment real estate using fair value measurement model

■ Applicable Not Applicable

12. Fixed assets

Unit: Yuan

Projects	Ending balance	Opening balance
Fixed assets	957,879,682.99	960,690,289.12
Total	957,879,682.99	960,690,289.12

(1) Fixed assets

Unit: Yuan

Projects	Houses and buildings	Machine equipment	Means of transport	Electronic equipment and others	Total
I. Original book value:					
1. Opening balance	632,536,190.90	544,901,132.00	9,044,758.79	132,408,176.62	1,318,890,258.31
2. Increase in the current period	1,711,373.24	47,396,378.64	17,017.32	3,452,193.41	52,576,962.61
(1) Acquisition		43,325,655.05	27,458.40	3,593,514.49	46,946,627.94
(2) Transfer of construction in progress	92,822.27	8,677,602.68		42,166.59	8,812,591.54
(3) Increase in business combinations					
(3) Exchange rate changes	1,618,550.97	-4,606,879.09	-10,441.08	-183,487.67	-3,182,256.87
3. Amount of reduction in the current period		6,591,729.33		936,272.72	7,528,002.05
(1) Disposal or scrapping		6,591,729.33		936,272.72	7,528,002.05
4. Ending balance	634,247,564.14	585,705,781.31	9,061,776.11	134,924,097.31	1,363,939,218.87
II. Accumulated depreciation					
1. Opening balance	73,071,298.75	210,801,058.36	4,621,420.34	69,706,191.74	358,199,969.19
2. Increase in the current period	9,930,015.14	36,535,266.40	404,887.53	7,639,942.16	54,510,111.23
(1) Accrual	9,930,015.14	36,535,266.40	404,887.53	7,639,942.16	54,510,111.23
3. Amount of reduction in the current period		5,797,850.02		852,694.52	6,650,544.54
(1) Disposal or scrapping		5,797,850.02		852,694.52	6,650,544.54
4. Ending balance	83,001,313.89	241,538,474.74	5,026,307.87	76,493,439.38	406,059,535.88
III. Provision for impairment					
1. Opening balance					
2. Increase in the current period					
(1) Accrual					
3. Amount of reduction in the current period					
(1) Disposal or scrapping					
4. Ending balance					
IV. Book value					
1. Book value at the end of the period	551,246,250.25	344,167,306.57	4,035,468.24	58,430,657.93	957,879,682.99
2. Book value at the beginning of the period	559,464,892.15	334,100,073.64	4,423,338.45	62,701,984.88	960,690,289.12

(2) Fixed assets leased out through operating leases

Unit: Yuan

Projects	Book value at the end of the period
Houses and buildings	2,662,583.14
Electronic equipment and others	178,871.83
Total	2,841,454.97

(3) The situation of fixed assets for which the title certificate has not been completed

Unit: Yuan

Projects	Book value	Reasons for not completing the title certificate
Vietnam Honor Electron Housing and Buildings	58,239,230.58	In process

Other instructions

(4) Impairment test of fixed assets

■ Applicable Not Applicable

13. Construction in progress

Unit: Yuan

Projects	Ending balance	Opening balance
Construction in progress	174,576,424.72	149,845,982.50
Total	174,576,424.72	149,845,982.50

(1) Construction in progress

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Bao'an Aviation City Innovation Industry R&D; Joint Base Project	87,059,766.25		87,059,766.25	76,861,871.54		76,861,871.54
Mexico factory construction project	39,941,457.76		39,941,457.76	46,820,880.46		46,820,880.46
Suzhou Yundian Factory Decoration Project	119,100.00		119,100.00	9,046,256.87		9,046,256.87

Ganzhou Power Adapter Expansion Project	5,134,833.05		5,134,833.05	4,260,736.94		4,260,736.94
Equipment and software installation engineering	35,622,485.15		35,622,485.15	11,446,815.38		11,446,815.38
Ganzhou Power Supply Production Line Technical Transformation Project				1,047,067.33		1,047,067.33
Dongguan Honor Electron Information Equipment Manufacturing Center Project				362,353.98		362,353.98
Vietnam Honor Electron Plant Construction Project	4,621,961.95		4,621,961.95			
Dongguan Honor Electron Workshop Renovation and Upgrade Project	2,076,820.56		2,076,820.56			
Total	174,576,424.72		174,576,424.72	149,845,982.50		149,845,982.50

(2) Changes in important construction projects in progress during the current period

Unit: Yuan

Name of project	Budget	Opening balance	Increase in the current period	Amount of fixed assets transferred in the current period	Other reductions in the current period	Ending balance	The proportion of the cumulative investment in the project to the budget	Project progress	Cumulative amount of interest capitalization	Including: the amount of interest capitalized in the current period	Interest capitalization rate for the current period	Source of funds
Bao'an Aviation City Innovation Industry R&D; Joint Base Project	124,862,763.34	76,861,871.54	10,197,894.71			87,059,766.25	69.72%	69.72				Raised funds, others

Ganzhou Power Adapter Expansion Project	6,842,493.60	4,260,736.94	874,096.11			5,134,833.05	75.04%	75.04				Raised funds, others
Suzhou Yundian Factory Decoration Project	11,082,954.12	9,046,256.87	64,800.00		8,991,956.87	119,100.00	82.21%	82.21				other
Mexico factory construction project	69,422,602.73	46,722,011.54	5,212,155.88	1,551,030.09	10,540,548.50	39,941,457.76	98.69%	98.69				other
Total	212,210,813.79	136,890,876.89	16,348,946.70	1,551,030.09	19,532,505.37	132,255,157.06						

(3) Impairment test of construction in progress

■ Applicable Not Applicable

14. Right-of-use assets

(1) Right-of-use assets

Unit: Yuan

Projects	Houses and buildings	Total
I. Original book value		
1. Opening balance	148,696,366.39	148,696,366.39
2. Increase in the current period	5,905,693.67	5,905,693.67
(1) New lease	5,849,619.01	5,849,619.01
(2) Changes in the original value caused by changes in exchange rates	56,074.66	56,074.66
3. Amount of reduction in the current period		
4. Ending balance	154,602,060.06	154,602,060.06
II. Accumulated depreciation		
1. Opening balance	51,230,219.74	51,230,219.74
2. Increase in the current period	15,900,337.10	15,900,337.10
(1) Accrual	15,900,337.10	15,900,337.10
3. Amount of reduction in the current period		
(1) Disposal		
4. Ending balance	67,130,556.84	67,130,556.84
III. Provision for impairment		
1. Opening balance		
2. Increase in the current period		
(1) Accrual		
3. Amount of reduction in the current period		
(1) Disposal		
4. Ending balance		

IV. Book value		
1. Book value at the end of the period	87,471,503.22	87,471,503.22
2. Book value at the beginning of the period	97,466,146.65	97,466,146.65

(2) Impairment test of right-of-use assets

■ Applicable Not Applicable

Other instructions:

15. Intangible assets

(1) Intangible assets

Unit: Yuan

Projects	Land use right	Patent right	Non-patent technology	Software	Total
I. Original book value					
1. Opening balance	75,175,621.57			15,535,063.60	90,710,685.17
2. Increase in the current period	-312,386.90			331,905.30	19,518.40
(1) Acquisition				245,884.12	245,884.12
(2) Internal R & D					
(3) Increase in business combinations					
(2) Foreign currency conversion effect	-312,386.90			-13,093.86	-325,480.76
Ring					
(3) Transfer of construction in progress				99,115.04	99,115.04
3. Amount of reduction in the current period					
(1) Disposal					
4. Ending balance	74,863,234.67			15,866,968.90	90,730,203.57
II. Accumulated amortization					
1. Opening balance	9,671,965.63			12,331,622.73	22,003,588.36
2. Increase in the current period	969,975.73			823,936.34	1,793,912.07
(1) Accrual	969,975.73			823,936.34	1,793,912.07
3. Amount of reduction in the current period					
(1) Disposal					
4. Ending balance	10,641,941.36			13,155,559.07	23,797,500.43
III. Provision for impairment					

1. Opening balance					
2. Increase in the current period					
(1) Accrual					
3. Amount of reduction in the current period					
(1) Disposal					
4. Ending balance					
IV. Book value					
1. Book value at the end of the period	64,221,293.31			2,711,409.83	66,932,703.14
2. Book value at the beginning of the period	65,503,655.94			3,203,440.87	68,707,096.81

Intangible assets formed through the company's internal research and development at the end of the period accounted for 0.00% of the balance of intangible assets

(2) The situation of land use rights for which the title certificate has not been completed

Unit: Yuan

Projects	Book value	Reasons for not completing the title certificate
Land use rights of Honor Electron, Vietnam	11,504,496.13	In process

Other instructions

(3) Impairment test of intangible assets

■ Applicable Not Applicable

16. Long-term deferred expenses

Unit: Yuan

Projects	Opening balance	Increase in the current period	Amortization amount for the current period	Other reductions	Ending balance
Factory decoration project	83,050,059.33	23,755,638.19	8,477,342.49	63,412.80	98,264,942.23
Decoration of Pearl Office Headquarters Building	65,731,760.77		3,769,767.04		61,961,993.73
Canteen decoration project	2,623,005.98		152,345.46		2,470,660.52
Dormitory decoration project	11,590,464.97		706,571.94		10,883,893.03
Office renovation project	65,570.47	1,949,620.65	125,166.18	1,132.59	1,888,892.35
Other amortization		3,537,242.52	299,865.57	-5,630.67	3,243,007.62

Park infrastructure project		339,805.83	19,794.54		320,011.29
Shop decoration project		212,282.57	8,845.10		203,437.47
Total	163,060,861.52	29,794,589.76	13,559,698.32	58,914.72	179,236,838.24

Other instructions

17. Deferred Tax Assets/Deferred Tax Liabilities

(1) Unoffset Deferred Tax Assets

Unit: Yuan

Projects	Ending balance		Opening balance	
	Deductible temporary differences	Deferred Tax Assets	Deductible temporary differences	Deferred Tax Assets
Provision for assets impairment	28,665,541.97	4,556,528.70	30,543,048.63	4,906,584.76
Unrealized profit on internal transactions	18,435,682.42	2,765,352.36	13,732,152.42	2,059,822.85
Credit impairment provision	70,297,389.25	10,738,671.91	63,935,559.24	9,766,028.70
Share-based payment	15,444,636.97	2,326,849.80	5,629,493.44	848,125.20
Lease liabilities	87,817,962.41	19,281,375.93	96,293,984.16	20,560,884.55
Income recognition tax will vary	2,621,051.43	393,157.71	2,621,051.43	393,157.71
Deferred income	20,091,560.15	3,013,734.02	23,377,118.81	3,506,567.82
Total	243,373,824.60	43,075,670.43	236,132,408.13	42,041,171.59

(2) Unoffset Deferred Tax Liabilities

Unit: Yuan

Projects	Ending balance		Opening balance	
	Taxable temporary differences	Deferred Tax Liabilities	Taxable temporary differences	Deferred Tax Liabilities
Technology and Intellectual Property Licensing	36,871,474.02	5,530,721.10	23,119,834.14	3,467,975.12
Gains and losses from changes in fair value of trading financial assets	639,646.89	95,947.03	1,379,216.98	206,882.55
Right-of-use assets	83,811,430.04	18,487,379.58	93,024,104.89	19,966,453.32
Total	121,322,550.95	24,114,047.71	117,523,156.01	23,641,310.99

(3) Deferred Tax Assets or liabilities shown as net of offset

Unit: Yuan

Projects	The balance of Deferred Tax Assets and liabilities at the end of the period	The ending balance of Deferred Tax Assets or liabilities after offset	The initial offset amount of Deferred Tax Assets and liabilities	Opening balance of Deferred Tax Assets or liabilities after offset
Deferred Tax Assets		43,075,670.43		42,041,171.59
Deferred Tax Liabilities		24,114,047.71		23,641,310.99

(4) Details of unrecognized Deferred Tax Assets

Unit: Yuan

Projects	Ending balance	Opening balance
Deductible temporary differences	31,586,850.90	25,693,809.26
Deductible losses	232,307,086.11	244,387,634.26
Total	263,893,937.01	270,081,443.52

(5) Deductible losses on unrecognized Deferred Tax Assets will expire in the following years

Unit: Yuan

Year	Amount at the end of the period	Amount at the beginning of the period	Remarks:
2025			
2026	37,875,029.93	46,963,103.41	
2027	50,278,138.78	65,262,488.10	
2028	88,989,466.85	88,989,466.85	
2029	40,530,699.83	43,172,575.90	
2030	14,633,750.72		
Total	232,307,086.11	244,387,634.26	

Other instructions

18. Other non-current assets

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for engineering equipment	7,947,854.14		7,947,854.14	6,139,043.43		6,139,043.43
Total	7,947,854.14		7,947,854.14	6,139,043.43		6,139,043.43

Other instructions:

19. Assets with restricted ownership or use rights

Unit: Yuan

Projects	End of period				Beginning of the period			
	Book balance	Book value	Restricted type	Restricted situation	Book balance	Book value	Restricted type	Restricted situation
Monetary fund	227,366,257.83	227,366,257.83	Special purpose	Apply to the bank for a deposit for the issuance of a bank acceptance draft	151,871,773.85	151,871,773.85	Special purpose/freeze	Apply to the bank for the security deposit for the issuance of bank acceptance bills, and the funds frozen by the people's court in disputes over contract sales
Notes receivable	27,876,350.61	26,482,533.08	Pledge	Apply to the bank for pledged bills receivable to issue a bank acceptance bill	7,752,366.89	7,364,748.55	Pledge	Apply to the bank for pledged bills receivable to issue a bank acceptance bill
Fixed assets	445,888,541.04	409,830,255.22	Mortgage	Apply for a loan from a bank to mortgage fixed assets	445,888,541.04	415,352,814.52	Mortgage	Apply for a loan from a bank to mortgage fixed assets
Intangible assets	28,294,100.00	25,417,533.37	Mortgage	Apply for a loan from a bank to mortgage intangible assets	28,294,100.00	25,700,474.35	Mortgage	Apply for a loan from a bank to mortgage intangible assets
Investment real estate	248,452,170.72	230,749,954.62	Mortgage	Apply for a loan from a bank mortgage investment real estate	248,452,170.72	233,254,948.00	Mortgage	Apply for a loan from a bank mortgage investment real estate
Total	977,877,420.20	919,846,534.12			882,258,952.50	833,544,759.27		

Other instructions:

20. Short-term loans

(1) Classification of short-term borrowings

Unit: Yuan

Projects	Ending balance	Opening balance
Guaranteed loan	21,000,000.00	
Credit loan	150,000,000.00	140,000,000.00
Bill discount	20,000,000.00	96,701,491.47
Interest payable	239,182.97	66,915.22
Total	191,239,182.97	236,768,406.69

Description of the classification of short-term borrowings:

21. Notes payable

Unit: Yuan

Kind	Ending balance	Opening balance
Bank Acceptance Draft	755,287,692.60	481,324,555.30
Total	755,287,692.60	481,324,555.30

The total amount of due and unpaid notes payable at the end of the period is RMB 0.00.

22. Accounts payable

(1) Accounts payable presentation

Unit: Yuan

Projects	Ending balance	Opening balance
Within 1 year (including 1 year)	1,324,465,319.32	1,235,011,683.43
1-2 years (including 2 years)	3,722,153.48	4,972,085.09
More than 2 years	4,022,415.58	1,865,858.41
Total	1,332,209,888.38	1,241,849,626.93

23. Other payables

Unit: Yuan

Projects	Ending balance	Opening balance
Other payables	23,744,713.23	26,978,522.85
Total	23,744,713.23	26,978,522.85

(1) Other payables

1) List other payables by nature of payment

Unit: Yuan

Projects	Ending balance	Opening balance
Shipping and storage fees	9,794,130.92	9,775,569.69
Rent, utility bills, testing fees	8,717,584.50	6,855,999.06
Deposit, security deposit	3,351,044.00	4,282,793.34
other	1,881,953.81	6,064,160.76
Total	23,744,713.23	26,978,522.85

24. Advance receipts

(1) List of advance receipts

Unit: Yuan

Projects	Ending balance	Opening balance
Within 1 year (including 1 year)	0.00	21,458.84
1-2 years (including 2 years)	2,495.00	52,115.90
More than 2 years	180,402.67	129,037.75
Total	182,897.67	202,612.49

25. Contract liabilities

Unit: Yuan

Projects	Ending balance	Opening balance
Accounts receivable in advance	3,038,072.47	1,792,045.73
Total	3,038,072.47	1,792,045.73
Important contract liabilities with an age of more than 1 year Unit: Yuan		
Projects	Ending balance	Reasons for non-payment or carry-over

Amount and reason for significant changes in book value during the reporting period

Unit: Yuan

Projects	Amount of change	Reason for change

26. Employee compensation payable

(1) List of employee compensation payable

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	90,074,935.14	360,812,522.31	370,562,265.07	80,325,192.38
II. Post-employment benefits-defined contribution plan	401,558.14	25,034,094.81	24,859,887.96	575,764.99
III. Dismissal benefits		215,264.23	215,264.23	
Total	90,476,493.28	386,061,881.35	395,637,417.26	80,900,957.37

(2) List of short-term compensation

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Salaries, bonuses, allowances and subsidies	89,772,252.02	337,841,147.95	347,782,811.31	79,830,588.66
2. Employee welfare expenses		7,362,664.15	7,361,558.55	1,105.60
3. Social insurance premiums	302,683.12	8,315,580.63	8,238,302.63	379,961.12
Including: medical insurance premiums	297,092.94	6,786,037.18	6,757,577.11	325,553.01
Work injury insurance	5,590.18	1,047,185.96	998,368.03	54,408.11
Maternity insurance premiums		482,357.49	482,357.49	
4. Housing Provident Fund		6,658,054.50	6,544,517.50	113,537.00
5. Trade union funds and employee education funds		635,075.08	635,075.08	
Total	90,074,935.14	360,812,522.31	370,562,265.07	80,325,192.38

(3) List of defined contribution plans

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic pension insurance	310,565.31	23,849,145.65	23,709,102.96	450,608.00
2. Unemployment insurance premiums	10,013.92	998,917.46	994,849.65	14,081.73
3. Enterprise annuity payment	80,978.91	186,031.70	155,935.35	111,075.26
Total	401,558.14	25,034,094.81	24,859,887.96	575,764.99

Other instructions:

27. Taxes payable

Unit: Yuan

Projects	Ending balance	Opening balance
VAT	10,734,394.77	5,558,948.65
Corporate income tax	9,199,124.67	18,864,871.08
Personal income tax	3,542,429.74	2,071,189.33
Urban maintenance and construction tax	719,397.83	109,676.38
Education surcharge	326,885.38	49,252.95
Local education surcharge	217,923.59	32,835.30
Land use tax	75,151.36	19,138.00
Property tax	3,399,797.36	182,568.78
Stamp duty	732,774.64	645,070.94
Total	28,947,879.34	27,533,551.41

Other instructions

28. Non-current liabilities due within one year

Unit: Yuan

Projects	Ending balance	Opening balance
Long-term borrowings due within one year	43,036,885.90	43,111,856.08
Bonds payable due within one year	382,192.62	322,263.25
Lease liabilities due within one year	29,687,075.55	29,924,340.48
Total	73,106,154.07	73,358,459.81

Other instructions:

29. Other current liabilities

Unit: Yuan

Projects	Ending balance	Opening balance
Pending write-off tax	73,727.82	108,515.44
Unconfirmed notes	64,561,924.71	85,865,511.30
Total	64,635,652.53	85,974,026.74

Changes in short-term bonds payable:

Unit: Yuan

Bond name	Face value	Coupon rate	Issue date	Bond maturity	Issue amount	Opening balance	Current issue	Interest at face value	Premium and discount amortization	Repayment in the current period		Ending balance	Whether in breach of contract
Total													

Other instructions:

30. Long-term loans

(1) Classification of long-term borrowings

Unit: Yuan

Projects	Ending balance	Opening balance
Mortgage loan	194,872,789.66	216,296,231.74
Total	194,872,789.66	216,296,231.74

Description of long-term loan classification:

Other descriptions, including interest rate ranges:

31. Bonds payable

(1) Bonds payable

Unit: Yuan

Projects	Ending balance	Opening balance
Convertible corporate bonds	329,243,052.92	546,110,938.58
Total	329,243,052.92	546,110,938.58

(2) Changes in bonds payable (excluding other financial instruments such as preferred stocks and perpetual bonds classified as financial liabilities)

Unit: Yuan

Bond name	Face value	Coupon rate	Issue date	Bond maturity	Issue amount	Opening balance	Current issue	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Conversion of shares in the current period	Ending balance	Whether in breach of contract
Eurocom Convertible Bond	100.00	Note 1	July 05, 2024	6 years	644,526,500.00	546,110,938.58		382,192.62	6,510,399.14		223,378,284.80	329,243,052.92	No
Total					644,526,500.00	546,110,938.58		382,192.62	6,510,399.14		223,378,284.80	329,243,052.92	

Note 1: Eurocom convertible bonds are issued for 6 years, and the coupon rates are: 0.10% in the first year, 0.30% in the second year, 0.60% in the third year, 1.00% in the fourth year, 1.50% in the fifth year, and 2.00% in the sixth year.

(3) Description of convertible corporate bonds

Projects	Conversion conditions	Conversion time
Eurocom Convertible Bond	The initial conversion price of Eurocom convertible bonds is 44.86 yuan/share. Due to the semi-annual profit distribution in 2024, the conversion price will be adjusted to 44.56 yuan/share from October 8, 2024. Due to the annual profit distribution in 2024, the conversion price will be adjusted to 43.98 yuan/share from May 28, 2025.	The conversion period starts from the first trading day six months after the issuance of the convertible corporate bonds (July 11, 2024) and ends on the maturity date of the convertible corporate bonds, that is, from January 13, 2025 to July 4, 2030 (in case of statutory holidays or rest days, it will be extended to the first trading day thereafter); During the postponement period, no additional interest will be accrued). As of June 30, 2025, a total of 2,632,893 Eurocom convertible bonds have been converted into ordinary shares of the company, and the number of converted shares is 5,913,481.

32. Lease liabilities

Unit: Yuan

Projects	Ending balance	Opening balance
Lease Payment Amount	101,383,474.73	108,776,172.34
Less: unrecognized financing charges	-9,768,116.19	-7,874,677.70
Reclassification to non-current liabilities due within one year	-29,687,075.55	-29,924,340.48
Total	61,928,282.99	70,977,154.16

Other instructions

33. Deferred income

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Government subsidy	28,743,011.46		4,044,663.06	24,698,348.40	Government grants related to assets
Total	28,743,011.46		4,044,663.06	24,698,348.40	

Other instructions:

34. Share capital

Unit: Yuan

	Opening balance	Increase or decrease in this change (+, -)					Ending balance
		Issue new shares	Bonus shares	Provident fund conversion	other	Subtotal	
Total number of shares	101,200,000.00				5,913,481.00	5,913,481.00	107,113,481.00

Other instructions:

From January to June 2025, the amount of Eurocom's convertible bonds into shares is 263,289,300 yuan, and the number of shares formed by the conversion is 5,913,481 shares.

35. Other equity instruments

(1) Basic information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Financial instruments issued	Release time	Dividend rate or interest rate	Issue price	Quantity	Amount	Expiry date or renewal	Conversion conditions	Conversion situation
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Convertible corporate bonds	July 5, 2024	Year 1 0.10%, Year 2 0.30%, Year 3 0.60%, Year 4 1.00%, Year 5 1.50%, Year 6 2.00%	100	6,445,265.00	644,526,500.00	July 4, 2030	The initial conversion price of Eurocom Convertible Bonds is 44.86 yuan/share. Due to the semi-annual profit distribution in 2024, the conversion price will be adjusted to 44.56 yuan/share from October 8, 2024. Due to the annual profit distribution in 2024, the conversion price will be adjusted to 43.98 yuan/share from May 28, 2025.	For details, please refer to "VII. 31 (3) Description of Convertible Corporate Bonds" in the notes to this financial statement
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(2) Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Unit: Yuan

Financial instruments issued	Beginning of the period		Increase in the current period		Decrease in the current period		End of period	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Convertible corporate bonds	6,445,265.00	96,996,500.63			2,632,893.00	39,335,535.50	3,812,372.00	57,660,965.13
Total	6,445,265.00	96,996,50			2,632,893	39,335,53	3,812,372	57,660,960.63005.50.005.13

Changes in other equity instruments in the current period, explanations of reasons for changes, and the basis for relevant accounting treatments:

Other instructions:

36. Capital reserve

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (equity premium)	1,019,057,603.93	256,826,782.20		1,275,884,386.13
Other capital reserves	88,153,811.56	23,025,668.74		111,179,480.30
Total	1,107,211,415.49	279,852,450.94		1,387,063,866.43

Other explanations, including changes in the current period and explanations of reasons for changes:

Capital reserve change system:

(1) Debt-to-equity swap occurred in the current period, increasing the capital reserve by RMB 256,826,782.20;

(2) The company's implementation of the equity incentive plan confirmed that the share-based payment increased the capital reserve by RMB 17,042,599.67 in the current period;

(3) The adjustment of long-term equity investment equity increased by RMB 5,983,069.07.

37. Treasury stocks

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Treasury stock	62,600,689.07			62,600,689.07
Total	62,600,689.07			62,600,689.07

Other explanations, including changes in the current period and explanations of reasons for changes:

38. Other comprehensive income

Unit: Yuan

Projects	Opening balance	Amount in the current period						Ending balance
		Amount before income tax for the current period	Less: It is included in other comprehensive income in the previous period and transferred to profit and loss in the current period	Less: Included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
II. Other comprehensive income reclassified into profit or loss	-899,483.16	-7,168,814.50				-7,168,814.50		-8,068,297.66
Foreign currency financial statement translation difference	-899,483.16	-7,168,814.50				-7,168,814.50		-8,068,297.66
Total other comprehensive income	-899,483.16	-7,168,814.50				-7,168,814.50		-8,068,297.66

Other explanations, including the adjustment of the effective part of the cash flow hedging gains and losses to the initial recognition amount of the hedged item:

39. Surplus Reserve

Unit: Yuan

Projects	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	50,885,000.00			50,885,000.00
Total	50,885,000.00			50,885,000.00

A description of the surplus reserve, including the changes in the current period and the reasons for the changes:

40. Undistributed profits

Unit: Yuan

Projects	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	877,868,160.48	674,284,970.82
Adjust the undistributed profit at the beginning of the later period	877,868,160.48	674,284,970.82
Add: Net profit attributable to owners of the parent company for the current period	133,702,958.92	86,338,983.16

Less: distributed profit	62,209,947.19	33,845,198.00
Undistributed profit at the end of the period	949,361,172.21	726,778,755.98

Details of undistributed profit at the beginning of the adjustment period:

- 1) Due to the retrospective adjustment of the "Accounting Standards for Business Enterprises" and related new regulations, the undistributed profit at the beginning of the period will be affected by RMB 0.00.
- 2) Due to the change of accounting policy, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB 0.00.
- 4) The change in the scope of consolidation due to the same control affects the undistributed profit at the beginning of the period by RMB 0.00.
- 5) The total impact of other adjustments on the undistributed profit at the beginning of the period is RMB 0.00.

41. Operating income and operating costs

Unit: Yuan

Projects	Amount in the current period		Amount in the previous period	
	income	Cost	income	Cost
Main business	2,111,298,751.22	1,682,813,165.98	1,591,864,173.44	1,261,951,991.44
Other business	9,091,566.16	7,026,041.11	7,382,533.24	2,331,487.58
Total	2,120,390,317.38	1,689,839,207.09	1,599,246,706.68	1,264,283,479.02

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have signed contracts but have not been fulfilled or not yet fulfilled is RMB 1,083,268,035.03, of which RMB 1,083,268,035.03 is expected to be recognized as revenue in 2025.

Information about variable consideration in the contract:

Major contract changes or major transaction price adjustments

Unit: Yuan

Projects	Accounting treatment	Amount of impact on revenue
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Other instructions

42. Taxes and surcharges

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Urban maintenance and construction tax	1,979,577.51	328,510.66
Education surcharge	913,233.64	140,790.27
Property tax	3,582,366.14	3,441,123.38
Land use tax	94,289.36	38,276.00
Vehicle and vessel use tax	7,806.40	7,460.16
Stamp duty	1,330,635.65	1,168,159.05
Local education supplement	608,822.43	93,860.21

Other taxes	36,355.73	8,345.05
Total	8,553,086.86	5,226,524.78

Other instructions:

43. Administrative expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Employee compensation	37,233,126.89	28,712,964.81
depreciation and amortization	15,426,212.91	18,472,158.68
Consultation fee	7,197,679.27	4,023,799.36
Office expenses	4,965,994.17	6,016,150.36
Property water and electricity bills	1,627,286.70	3,741,441.65
Share-based payment	1,516,475.25	0.00
Hospitality	1,477,066.17	2,055,559.69
Travel expenses	1,338,610.05	1,856,548.68
Renovation and maintenance costs	1,219,062.39	1,014,490.72
other	3,705,140.66	4,082,429.00
Total	75,706,654.46	69,975,542.95

Other instructions

44. Selling expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Employee compensation	30,778,161.01	23,833,664.70
Sample testing fee	3,813,990.19	1,864,901.92
Hospitality	3,685,831.15	6,313,490.41
Share-based payment	3,549,197.21	0.00
Depreciation And Amortization	1,776,745.04	856,434.92
Travel expenses	1,775,793.59	2,052,801.97
Office expenses	582,182.77	667,970.84
Storage fee	312,425.03	554,811.22
Property water and electricity bills	84,184.07	94,213.88
Publicity and exhibition fee	9,344.62	417,651.89
After-sales service fee	0.00	1,660,258.00
Renovation and maintenance costs	0.00	54,424.67
Customs fees	0.00	5,351,398.91
other	2,301,799.75	1,681,121.59
Total	48,669,654.43	45,403,144.92

Other instructions:

45. R&D; expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Staff and labor costs	93,793,917.73	73,495,380.83
Depreciation and prepaid expenses	13,420,582.33	9,361,047.86

Share-based payment	9,795,784.22	0.00
Direct input cost	8,358,481.33	11,351,088.64
Other expenses	6,310,149.74	8,455,773.00
Total	131,678,915.35	102,663,290.33

Other instructions

46. Financial expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Interest expense	14,395,907.35	8,653,369.00
Less: interest income	12,038,877.18	7,260,774.98
Exchange gains and losses	-4,082,688.12	-16,672,518.10
Financial institution fees	807,587.05	712,158.79
Total	-918,070.90	-14,567,765.29

Other instructions

47. Other income

Unit: Yuan

Sources of other income	Amount in the current period	Amount in the previous period
Government subsidy	5,980,382.20	5,541,114.12
VAT deduction	8,999,335.55	2,995,253.80
Withholding tax handling fee refund	400,377.19	275,816.48
Total	15,380,094.94	8,812,184.40

48. Gain from change in fair value

Unit: Yuan

Sources of Gain from change in fair value	Amount in the current period	Amount in the previous period
Trading financial assets	1,273,172.91	175,019.18
Total	1,273,172.91	175,019.18

Other instructions:

49. Investment income

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Long-term equity investment income accounted for by the equity method	-12,902,887.49	-14,332,941.12
Investment income from disposal of trading financial assets	761,872.62	473,424.67
Interest income from time deposits	0.00	20,350.06
Total	-12,141,014.87	-13,839,166.39

Other instructions

50. Credit impairment losses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Bad debt loss on notes receivable	-910,368.00	-940,245.89
Bad debt loss on accounts receivable	-4,848,666.57	-11,583,305.03
Bad debt loss on other receivables	-976,394.91	3,374,930.29
Total	-6,735,429.48	-9,148,620.63

Other instructions

51. Asset impairment loss

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
I. Inventory depreciation loss and contract performance cost reduction	-9,068,035.39	-12,788,995.21
Value loss		
Total	-9,068,035.39	-12,788,995.21

Other instructions:

52. Asset disposal income

Unit: Yuan

Sources of asset disposal proceeds	Amount in the current period	Amount in the previous period
Disposal of fixed assets	-12,064.03	371,645.02
Total	-12,064.03	371,645.02

53. Non-operating income

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period	Amount included in non-recurring gains and losses for the current period
other	14,709.57	1,317,291.90	14,709.57
Total	14,709.57	1,317,291.90	14,709.57

Other instructions:

54. Non-operating expenses

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period	Amount included in non-recurring gains and losses for the current period
Loss on disposal of non-current assets	845,232.43	2,082,711.47	845,232.43
other	61,606.23	500,026.74	61,606.23
Total	906,838.66	2,582,738.21	906,838.66

Other instructions:

55. Income tax expense

(1) Income tax expense statement

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Current income tax expense	21,075,239.85	17,307,902.66
Deferred Income Taxes expense	-715,947.26	-4,954,457.09
Total	20,359,292.59	12,353,445.57

(2) Accounting profit and income tax expense adjustment process

Unit: Yuan

Projects	Amount in the current period
Total profit	154,665,465.08
Income tax expense at statutory/applicable tax rate	23,199,819.76
The impact of different tax rates applied to subsidiaries	1,779,141.87
Effect of adjusting income tax for previous periods	1,737,082.37
Impact of non-deductible costs, expenses and losses	2,077,652.35
The impact of deductible temporary differences or deductible losses on Deferred Tax Assets not recognized in the current period	5,893,963.39
Use previous years' deductible losses	-4,007,144.83
The impact of additional deductions for technology development expenses	-11,108,152.77
The impact of overseas corporate income tax policy	954,210.44
other	-167,279.99
Income tax expense	20,359,292.59

Other instructions:

56. Other comprehensive income

For details, please refer to Note 38. Other comprehensive income.

57. Cash flow statement items

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Note margin recovered	151,438,854.25	118,353,484.10
Interest income	12,793,417.04	6,509,363.82
Government subsidy	2,035,504.11	14,493,920.82
Current payment	6,024,239.98	783,151.25
Other payments	1,213,318.54	2,315,323.91
Total	173,505,333.92	142,455,243.90

Description of other cash received related to operating activities:

Other cash paid related to operating activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Note deposit paid	226,933,338.23	168,970,160.75
Cash management expenses + sales expenses + R&D; expenses	51,340,405.00	55,507,408.45
Current payment	2,489,923.18	963,450.34
Fees	584,225.30	402,446.96
Other payments	229,757.12	9,302,300.29
Total	281,577,648.83	235,145,766.79

Description of other cash paid related to operating activities:

(2) Cash related to investing activities

Other cash received related to investing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Financial products	737,972,533.43	85,851,361.49
Total	737,972,533.43	85,851,361.49

Significant cash received related to investing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Net disposal of 60% equity of Shanghai Anshibo, a subsidiary		44,000,000.00
Total		44,000,000.00

Description of other cash received related to investing activities:

Other cash paid related to investing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Financial products	433,000,000.00	129,000,000.00
Total	433,000,000.00	129,000,000.00

Significant cash paid related to investing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
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Description of other cash paid related to investing activities:

(3) Cash related to financing activities

Other cash received in connection with financing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Bank acceptance drafts, letter of credit discounts	60,000,000.00	60,000,000.00
Total	60,000,000.00	60,000,000.00

Description of other cash received in connection with financing activities:

Other cash paid related to financing activities

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Bank acceptance drafts, letter of credit discounts	50,000,000.00	45,000,000.00
House rental	17,266,168.84	10,045,761.84
Bond issuance costs	0.00	59,723.40
other	200,000.00	0.00
Total	67,466,168.84	55,105,485.24

Description of other cash paid in connection with financing activities:

Changes in various liabilities arising from financing activities

Applicable ☒ Not applicable Unit: Yuan

Projects	Opening balance	Increase in the current period		Decrease in the current period		Ending balance
		Change in cash	Non-cash change	Change in cash	Non-cash change	
Short-term loan	236,768,406.69	197,990,810.25	586,177.87	197,337,805.15	46,768,406.69	191,239,182.97
Long-term loans (including part due within one year)	259,408,087.82		190,001.74	21,423,442.08	264,971.92	237,909,675.56
Lease liabilities (including part due within one year)	100,901,494.64		22,894,522.92	17,266,168.84	14,914,490.18	91,615,358.54
Bonds payable	546,110,938.58				216,867,885.66	329,243,052.92
Total	1,143,188,927.73	197,990,810.25	23,670,702.53	236,027,416.07	278,815,754.45	850,007,269.99

58. Supplementary information on cash flow statement

(1) Supplementary information on cash flow statement

Unit: Yuan

Supplementary information	Amount for the current period	Amount of the previous period
1. Adjusting net profit to cash flow from operating activities:		
Net profit	134,306,172.49	86,225,664.46
Add: asset impairment provision	15,803,464.87	21,937,615.84
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	57,544,833.35	48,849,870.82
Depreciation of right-of-use assets	15,900,337.10	10,170,286.52
Amortization of intangible assets	1,332,651.99	1,441,590.02
Amortization of long-term deferred expenses	13,559,698.32	7,573,109.99
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains are listed with "- ")	12,064.03	-371,645.02
Loss of scrapping of fixed assets (income is listed with "- ")	845,232.43	2,082,711.47
Loss from changes in fair value (gains are listed with "- ")	-1,273,172.91	-175,019.18
Financial expenses (income is listed with "- ")	12,391,531.44	-4,827,414.12
Investment loss (gains are listed with "- ")	12,141,014.87	13,839,166.39
Decrease in Deferred Tax Assets (increases are listed with "- ")	-1,034,498.84	-3,892,994.58
Increase in Deferred Tax Liabilities (decrease by	472,736.72	-1,061,462.51
Fill in with "- ")		
Decrease in inventory (increases are marked with "- ")	-215,520,370.42	-143,953,600.90
Decrease in operating receivables (increases are listed with "- ")	-51,979,097.98	-191,870,520.02
Increase in operating payables (decrease is listed with "- ")	302,321,071.07	219,059,383.36
other	-58,451,884.31	
Net cash flow from operating activities	238,371,784.22	65,026,742.54
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Debt to capital		
Convertible corporate bonds maturing within one year		
Finance lease of fixed assets		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	1,154,111,246.29	460,223,798.41
Less: opening balance of cash	874,602,674.93	527,879,261.54
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Cash and cash equivalents	279,508,571.36	-67,655,463.13

(2) Composition of cash and cash equivalents

Unit: Yuan

Projects	Ending balance	Opening balance
I. Cash	1,154,111,246.29	874,602,674.93
Of which: cash on hand	108,239.51	28,961.12
Bank deposits that can be used for payment at any time	1,146,559,631.39	867,133,852.15
Other monetary funds that can be used for payment at any time	7,443,375.39	7,439,861.66
III. Balance of cash and cash equivalents at the end of the period	1,154,111,246.29	874,602,674.93

59. Notes to items in the statement of changes in owner's equity

Explain the names of "other" items and the adjusted amount that adjusted the balance at the end of the previous year:

No

60. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: Yuan

Projects	Foreign currency balance at the end of the period	Converted exchange rate	RMB balance converted at the end of the period
Monetary fund			612,038,617.44
Of which: US dollars	84,901,335.07	7.1586	607,774,704.59
EUR			
HKD	218,625.14	0.9120	199,375.20
Vietnamese dong	7,606,364,712.00	0.0003	2,086,641.98
New Taiwan Dollar	2,761,064.00	0.2462	679,875.92
Mexican peso	3,407,950.87	0.3809	1,298,019.75
Accounts Receivable			574,817,218.26
Of which: US dollars	78,531,638.58	7.1586	562,176,587.94
EUR			
HKD	333,118.40	0.9120	303,787.33
Vietnamese dong	44,971,072,237.00	0.0003	12,336,842.99
Long-term loan			
Of which: US dollars			
EUR			
HKD			
Other receivables			13,692,982.34
Of which: US dollars	1,442,834.00	7.1586	10,328,671.47
Vietnamese dong	12,013,036,260.00	0.0003	3,295,517.19
New Taiwan Dollar	279,380.00	0.2462	68,793.68
Account payables			250,677,353.73
Of which: US dollars	34,336,858.95	7.1586	245,803,838.51
Vietnamese dong	17,765,258,541.00	0.0003	4,873,515.22
Other payables			3,666,757.46
Of which: US dollars	93,083.47	7.1586	666,347.33
HKD	318,772.01	0.9120	290,704.13
Vietnamese dong	9,414,891,693.00	0.0003	2,582,772.34
New Taiwan Dollar	515,494.00	0.2462	126,933.66
Employee compensation payable			10,851,122.67

Of which: Hong Kong dollars	2,803,024.00	0.9120	2,556,217.74
Vietnamese dong	24,456,495,881.00	0.0003	6,709,111.77
New Taiwan Dollar	6,440,111.00	0.2462	1,585,793.16

Other instructions:

(2) The description of overseas business entities, including important overseas business entities, should disclose their main overseas business locations, accounting standard currency and the basis for selection, and the reasons for changes in accounting standard currency should also be disclosed.

Applicable ☒ Not applicable

1. The main business place of Hong Kong Honor Electron Technology Co., Ltd., a subsidiary of the Company, is Hong Kong, with Hong Kong dollar as the functional currency.

2. The main business place of Vietnam Honor Electron Technology Co., Ltd., a subsidiary of the Company, is Vietnam, and the Vietnamese dong is the functional currency for accounting.

3. The main place of business of the company's subsidiary (USA) Axnon Co., Ltd. is the United States, and the US dollar is the functional currency for accounting.

4. The main place of business of MÉXICO HONOTO INDUSTRY S.A.de C.V., a subsidiary of the Company, is Mexico, and the Mexican peso is the standard currency for accounting.

61. Lease

(1) The Company as the lessee

Applicable ☒ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☒ Applicable Not Applicable

Simplify lease fees for short-term leases or low-value assets

Applicable ☒ Not applicable

Projects	Number of current period	Number of previous periods
Short-term rental expenses	5,990,427.81	2,613,042.26
Total	5,990,427.81	2,613,042.26

Circumstances involving sale and leaseback transactions

(2) The company acts as the lessor

Operating lease as lessor

Applicable ■ Not applicable Unit: Yuan

Projects	Rental income	Including: income related to variable lease payments not included in lease receipts
China Southern Airlines Pearl Garden shops for rent	1,843,395.48	
Ganzhou factory for rent	155,878.92	
Dongguan container supermarket rental	15,137.61	
Dongguan express cabinet venue for rent	8,256.90	
Total	2,022,668.91	

Finance lease as lessor

■ Applicable Not Applicable

Undiscounted lease receipts for each of the next five years

■ Applicable Not Applicable

Reconciliation of Undiscounted Lease Receipts to Net Lease Investment

(3) Recognize financial lease sales gains and losses as a manufacturer or distributor

■ Applicable Not Applicable

VIII. R&D; expenditure

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Staff and labor costs	93,793,917.73	73,495,380.83
Depreciation and prepaid expenses	13,420,582.33	9,361,047.86
Share-based payment	9,795,784.22	0.00
Direct input cost	8,358,481.33	11,351,088.64
Other expenses	6,310,149.74	8,455,773.00
Total	131,678,915.35	102,663,290.33
Including: cost-based R&D; expenditure	131,678,915.35	102,663,290.33

IX. Interests in other entities

1. Interests in subsidiaries

(1) Composition of enterprise groups

Unit: Yuan

Subsidiary name	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding ratio		How to get
					Direct	Indirect	

Honor Electron (Ganzhou) Electronics Co., Ltd	126,675,603.00	Jiangxi Province	Ganzhou City, Jiangxi Province	Mainly engaged in the production and processing of power adapters and other power products	100.00%		Merge under the same control
Hong Kong Honor Electron Technology Co., Ltd	113,146,724.00	Hongkong	Hongkong	Mainly engaged in the overseas sales of power adapters and other power products	100.00%		Investment establishment
Dongguan Honor Electron Electronics Co., Ltd	208,000,000.00	Guangdong Province	Dongguan City, Guangdong Province	Mainly engaged in the research and development, production and sales of power adapters and other power products	100.00%		Investment establishment
(USA) Axnon LLC	6,575,500.00	U.S	U.S	Mainly engaged in the sales and customer service of various power products	100.00%		Investment establishment
Hangzhou Yundian Technology Energy Co., Ltd	100,000,000.00	Zhejiang Province	Hangzhou City, Zhejiang Province	Mainly engaged in the research and development of various power products and customer service	80.00%		Investment establishment
Shenzhen Honor Electron Zhilian Technology Co., Ltd	20,000,000.00	Guangdong Province	Shenzhen City, Guangdong Province	Mainly engaged in customer service for various power products	100.00%		Investment establishment
Suzhou Yundian Electronic Manufacturing Co., Ltd	50,000,000.00	Jiangsu Province	Suzhou City, Jiangsu Province	Mainly engaged in the production of server power supplies	100.00%		Investment establishment

Shanghai Honor Electron Electronic Technology Co., Ltd	30,000,000.00	Shanghai	Shanghai	Mainly engaged in the research and development of various power products and customer service	100.00%		Investment establishment
Vietnam Honor Electron Technology Co., Ltd	109,969,120.05	Vietnam	Vietnam	Mainly engaged in the production and overseas sales of various power products		100.00%	Investment establishment
MÉXICOHONOTO INDUST RYS.A.de C.V.	30,476,349.52	Mexico	Mexico	Mainly engaged in the production and overseas sales of various power products		100.00%	Investment establishment

Explanation that the shareholding ratio in the subsidiary is different from the voting rights ratio:

The basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

For important structured entities included in the scope of consolidation, the basis for control is:

Basis for determining whether a company is an agent or a principal:

Other instructions:

(2) Important non-wholly owned subsidiaries

Unit: Yuan

Subsidiary name	Minority shareholding ratio	Profit and loss attributable to minority shareholders for the current period	Dividends declared to minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
Hangzhou Yundian Technology Energy Co., Ltd	20.00%	603,213.57		124,288.92

Explanation that the shareholding ratio of minority shareholders of the subsidiary is different from the voting rights ratio:

Other instructions:

(3) Main financial information of important non-wholly owned subsidiaries

Unit: Yuan

Subsidiary name	Ending 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
Hangzhou Yundian Technology Energy Co., Ltd	411,077,226.04	24,352,339.81	435,429,565.85	374,415,625.51	1,937,645.63	376,353,271.14	185,494,394.35	24,198,113.13	209,692,507.48	170,238,291.01	2,487,422.51	172,725,713.52

Unit: Yuan

Subsidiary name	Amount in the current period				Amount in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Hangzhou Yundian Technology Energy Co., Ltd	187,032,9	16,688,90	16,688,90	24,452,16	59,731,06	-	-	-
	50.72	8.68	8.68	4.36	8.31	3,135,150.64	3,135,150.64	5,859,236.27

Other instructions:

2. Interests in joint ventures or associates

(1) Important joint ventures or associates

Name of joint venture or associate	Main place of business	Place of registration	Nature of business	Shareholding ratio		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
Shanghai Anshibo Energy Technology Co., Ltd	Shanghai	Shanghai	Mainly engaged in the research and development of various power products and customer service	30.00%		Equity method accounting

A description of the shareholding ratio in a joint venture or joint venture that is different from the voting rights ratio:

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

(2) Main financial information of important associates

Unit: Yuan

	Balance at the end of the period/amount incurred in the current period	Balance at the beginning of the period/Amount incurred in the previous period
	Shanghai Anshi Expo	Shanghai Anshi Expo
Current assets	335,784,404.70	337,703,439.43
Non-current assets	109,416,048.00	108,871,927.21
total assets	445,200,452.70	446,575,366.64
Current liabilities	374,764,642.26	354,160,013.81
Non-Current liabilities	15,906,827.24	20,331,904.33
Total liabilities	390,671,469.50	374,491,918.14
Minority interests		
Shareholders' equity attributable to common shareholders of parent company	54,528,983.20	72,083,448.50
Share of net assets calculated by shareholding ratio	16,358,694.96	24,717,414.49
Adjustment matters		
-- goodwill		
--Unrealized profit on internal transactions		
--other		
Book value of equity investment in associates	69,435,855.86	76,305,055.60
Fair value of equity investments in associates with publicly quoted prices		
Operating income	185,548,167.30	95,861,991.90
Net profit	-42,454,221.97	-41,513,493.43
Net profit from discontinued operations		
Other comprehensive income	-100,243.33	2,585.99
Total comprehensive income	-42,554,465.30	-41,510,907.44
Dividends received from associates during the year		

Other instructions

(3) Consolidated financial information of insignificant joint ventures and associates

Unit: Yuan

	Balance at the end of the period/amount incurred in the current period	Balance at the beginning of the period/Amount incurred in the previous period
Joint venture:		
Total book value of investments	693,398.45	744,017.13
The total number of the following items calculated according to the shareholding ratio		
--net profit	-50,618.68	-29,914.57
--total comprehensive income	-50,618.68	-29,914.57
Associates:		
The total number of the following items calculated according to the shareholding ratio		

Other instructions

X .government subsidies

1. Government subsidies recognized by the amount receivable at the end of the reporting period

■ Applicable Not Applicable

Reasons for not receiving the estimated amount of government grants at the estimated time

■ Applicable Not Applicable

2. Liability items involving government subsidies

Applicable ■ Not applicable Unit: Yuan

Accounting subjects	Opening balance	New subsidy amount in this period	Amount included in non-operating income for the current period	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Related to assets/income
Deferred income	28,743,011.46			4,044,663.06		24,698,348.40	Related to assets
Total	28,743,011.46			4,044,663.06		24,698,348.40	

3. Government subsidies included in current profits and losses

Applicable ■ Not applicable

Unit: Yuan

Accounting subjects	Amount in the current period	Amount in the previous period
Other income	5,980,382.20	5,541,114.12

Other instructions

XI. Risks associated with financial instruments

1. Various risks arising from financial instruments

The Company's main financial instruments include monetary funds, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, other payables, etc. The main risks arising from the Company's financial instruments are credit risk, market risk and liquidity risk.

(1) Credit risk

Credit risk refers to the risk of financial losses incurred by the other party due to the non-performance of obligations by financial instruments.

The Company manages credit risk by portfolio classification. Credit risk mainly arises from bank deposits and accounts receivable. The Company's bank deposits are mainly deposited in banks with higher credit ratings, and the Company expects that bank deposits are not subject to significant credit risk.

For accounts receivable, the Company sets relevant policies to control credit risk exposure. The company evaluates the debtor's credit qualifications based on the debtor's financial status, credit history and other factors such as current market conditions, and sets the corresponding amount of arrears and credit period. The Company's maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet. The Company has not provided any guarantees that may expose the Company to credit risk.

For quantitative data on the Company's credit risk exposure arising from accounts receivable and other receivables, please refer to the disclosures in Notes VII, (IV) and VII and (VI) hereto.

(2) Market risk

The risks to the Group from changes in market interest rates are mainly related to the Group's long-term liabilities with floating interest rates.

Market risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk mainly includes exchange rate risk and interest rate risk.

1. Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The risk of foreign exchange changes faced by the Company is mainly related to the Company's operating activities, due to the sales of the operating units in currencies other than its functional currency.

For the listing of foreign currency financial assets and foreign currency financial liabilities of the Company at the end of the period, please refer to Note VII. (60) Description of foreign currency monetary items.

2. Interest rate risk

The company's interest rate risk arises from interest-bearing debts such as bank loans. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, and financial liabilities with fixed interest rates expose the Company to fair value interest rate risk.

(3) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when the company fulfills its settlement obligations by delivering cash or other financial assets.

When managing liquidity risk, the Company maintains and monitors cash and cash equivalents that management believes are sufficient to meet the Company's operating needs and reduce the impact of cash flow fluctuations. The Company's management monitors the use of bank borrowings and ensures compliance with borrowing agreements.

The company's goal is to use a variety of financing means to maintain a balance between continuity and flexibility in financing.

The company regards bank borrowings and estimated cash flows from operations as its main sources of funds. The company can meet its own continuous operation requirements by utilizing operating cash flow and unused loan lines.

2. Financial assets

(1) Classification of transfer methods

Applicable ■ Not applicable Unit: Yuan

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Termination confirmation	of	Judgment basis for termination of confirmation
Endorsement	Bank acceptance bills not yet due in notes receivable	64,561,924.71	Confirmation terminated	not	Since the bank acceptance bills in the bills receivable are accepted by banks with low credit ratings, the endorsed bank acceptance bills do not affect the right of recourse, and the credit risk and deferred payment risk related to the bills have not been transferred, so the recognition has not been terminated.
Endorsement	Bank acceptance bills not yet due in receivables financing	128,095,250.88	Terminate confirmation		Since the bank acceptance bills in the financing of receivables are accepted by banks with higher credit ratings, the credit risk and deferred payment risk are small, and the interest rate risk related to the bills has been transferred to the bank, it can be judged that the main risks and rewards on the ownership of the bills have been transferred, so the confirmation is terminated.
Discount	Bank acceptance bills not yet due in notes receivable	0.00	Confirmation terminated	not	Since the bank acceptance bills in the bills receivable are accepted by banks with low credit ratings, the discounted bank acceptance bills do not affect the right of recourse, and the credit risk and deferred payment risk related to the bills have not been transferred, so the recognition has not been terminated.

Discount	Commercial acceptance bills not yet due in notes receivable	0.00	Confirmation terminated	not	Since the commercial acceptance bills in the bills receivable are accepted by the company, the credit risk and deferred payment risk are very high. After discounting, the credit risk and deferred payment risk related to the bills have not been transferred, so the recognition has not been terminated.
Discount	Receivables financing has not yet Bank acceptance bill due	0.00	Terminate confirmation		Due to receivables financingThe bank acceptance bill is accepted by the bank with higher credit rating, the credit risk and deferred payment risk are small, and the interest rate risk related to the bill has been transferred to the bank, it can be judged that the main risk and reward on the ownership of the bill have been transferred, so the confirmation is terminated.
Total		192,657,175.59			

(2) Financial assets derecognized due to transfer

Applicable ☒ Not applicable Unit: Yuan

Projects	How to transfer financial assets	Amount of derecognized financial assets	Gains or losses related to derecognition
Bank acceptance bills not yet due in receivables financing	Endorsement	128,095,250.88	0.00
Bank acceptance bills not yet due in receivables financing	Discount	0.00	0.00
Total		128,095,250.88	

(3) Financial assets that continue to be involved in the transfer of assets

☒ Applicable Not Applicable

Other instructions

12. Disclosure of fair value

1. End-of-period fair value of assets and liabilities measured at fair value

Unit: Yuan

Projects	Fair value at the end of the period			
	First-level fair value measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Ongoing fair value measurement	--	--	--	--
(1) Transactional financial assets			80,639,646.89	80,639,646.89
1. Financial assets measured at fair value with changes in current profit and loss			80,639,646.89	80,639,646.89
(1) Debt instrument investment			80,639,646.89	80,639,646.89
(2) Other Current Assets			18,000,000.00	18,000,000.00
(3) Receivable financing			42,040,210.14	42,040,210.14
Ongoing fair value measurement			140,679,857.03	140,679,857.03
Total assets				
II. Discontinuous fair value measurement	--	--	--	--

2. The basis for determining the market price of continuous and non-continuous first-level fair value measurement items

The Company does not hold ongoing and non-ongoing Tier 1 fair value measurement items.

3. Qualitative and quantitative information on the valuation techniques and important parameters used for ongoing and non-ongoing Level 2 fair value measurement items

The Company does not hold ongoing and non-ongoing Level 2 fair value measurement items.

4. Qualitative and quantitative information on the valuation techniques and important parameters used for ongoing and non-ongoing Level 3 fair value measurement items

The transactional financial assets measured at fair value at the third level held by the Company are wealth management products, and the Company estimates future cash flows based on the expected yield to determine their fair value.

The third-level fair value-measured receivables held by the Company are bank acceptance bills receivable, which have low credit risk and short remaining maturity, and the Company determines their fair value based on their par balance.

5. Fair value of financial assets and financial liabilities not measured at fair value

The Company's financial assets and financial liabilities not measured at fair value mainly include: monetary funds, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, other current liabilities, non-current liabilities due within one year, long-term borrowings and bonds payable, etc. The above financial assets and financial liabilities that are not measured at fair value have a small difference between the carrying value and the fair value.

XIII. Related parties and related transactions

1. The parent company of the company

Parent company name	Place of registration	Nature of business	Registered capital	Shareholding ratio of the parent company in the company	The proportion of voting rights of the parent company to the company
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	Nanjing City, Jiangsu Province	Equity investment	RMB 83 million	27.29%	27.29%
Shenzhen Genoli Information Consulting Co., Ltd	Shenzhen City, Guangdong Province	Equity investment	RMB 1.4 million	27.29%	27.29%

Description of the parent company of the enterprise

As of June 30, 2025, Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership) and Shenzhen Genoli Information Consulting Co., Ltd. each hold 27.29% of the company's equity, and together hold 54.58% of the company's equity, and are the company's controlling shareholders.

The ultimate controllers of the enterprise are Wang Heqiu, Wang Yulin, Wang Yuetian, Wang Yuefei and Shang Yunsi.

Other instructions:

2. The company's subsidiaries

For details of the company's subsidiaries, please refer to Note IX. Equity in other entities\ 1. Equity in subsidiaries.

3. The situation of the joint venture and joint venture of the enterprise

For details of the company's important joint ventures or associates, please refer to Note IX. Interests in other entities\ 2. Interests in joint venture arrangements or associates.

Other joint ventures or associates that have related party transactions with the company in the current period, or have related party transactions with the company in the previous period to form a balance are as follows:

Joint venture or joint venture name	Relationship with the company
-------------------------------------	-------------------------------

Other instructions

4. Related party transactions

(1) Related-party transactions involving the purchase and sale of goods, the provision and acceptance of labor services

Procurement of goods/acceptance of labor status table

Unit: Yuan

Related party	Related transaction content	Amount in the current period	Approved transaction amount	Whether the transaction limit is exceeded	Amount in the previous period
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Shenzhen Hangcheng Enterprise Headquarters Management Co., Ltd	Project management service fee	86,080.44		No	93,003.27
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Sales of goods/provision of services

Unit: Yuan

Related party	Related transaction content	Amount in the current period	Amount in the previous period
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Description of related party transactions for purchase and sale of goods, provision and acceptance of labor services

(2) Related guarantees

The company as the guarantor

Unit: Yuan

Guaranteed party	Guaranteed amount	Guarantee start date	Guarantee Expiry Date	Whether the guarantee has been fulfilled
Dongguan Honor Electron Electronics Co., Ltd	201,040,000.00	October 11, 2021	October 10, 2029	No
Hangzhou Yundian Technology Energy Co., Ltd	22,000,000.00	May 08, 2025	April 21, 2027	No
Hangzhou Yundian Technology Energy Co., Ltd	60,000,000.00	June 06, 2025	June 06, 2026	No

The company as the guaranteed party

Unit: Yuan

Guarantor	Guaranteed amount	Guarantee start date	Guarantee Expiry Date	Whether the guarantee has been fulfilled
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Description of related guarantees

The company as the guarantor

Note 1: On October 11, 2021, Dongguan Honor Electron, a subsidiary of the company, signed a fixed asset loan contract numbered GDK 476790120210153 with Bank of China Ltd. Dongguan Branch. Dongguan Honor Electron can apply to Bank of China Ltd. Dongguan Branch for a maximum loan amount of RMB 201.40 million. The joint and several liability guarantees are jointly undertaken by Shenzhen Honor Electronic Co., Ltd. for the debts under the above-mentioned contracts; and the joint and several liability guarantees for the debts under the above-mentioned contracts with Dongguan Honor Electron's own real estate as collateral. The guarantee numbers are GBZ 476790120210118 Maximum Guarantee Contract and GDY 47679012023093 Maximum Mortgage Contract respectively.

Note 2: On May 8, 2025, the Company signed the Contract No. 20250410963100000001 "Maximum Guarantee Contract" with Xiaoshan Sub-branch of Bank of Hangzhou Co., Ltd., agreeing to provide irrevocable joint and several liability guarantee for all bank financing contracts signed between Bank of Hangzhou and Hangzhou Yundian Technology Energy Co., Ltd. The period for determining the creditor's rights of the financing contract is from April 21, 2025 to April 21, 2027, and the maximum financing balance of the contract is RMB twenty-two million.

Note 3: On June 6, 2025, the Company and Ping An Bank Co., Ltd. Shenzhen Branch signed the "Maximum Guarantee Guarantee Contract" with the contract number of Pingyin Zhanjin Jiu Baozi No. 20250515 and agreed to provide irrevocable joint and several liability guarantee for the "Comprehensive Credit Line Contract" signed between Ping An Bank and Hangzhou Yundian Technology Energy Co., Ltd. The contract number is Pingyin Zhanjin Jiu Zongzi No. 202515 and 001. The period for determining the creditor's rights of the financing contract is from June 6, 2025 to June 6, 2026, and the maximum financing balance of the contract is RMB 10 million.

(3) Remuneration of key management personnel

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Key management compensation	7,970,212.54	5,761,255.88

XIV. Share-based payment

1. The overall situation of share-based payment

Applicable ☒ Not applicable Unit: Yuan

Grant object category	Granted in the current period		Exercise in the current period		Unlocked in this issue		Expiration of the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Company directors and senior managers	0	0.00	0	0.00	0	0.00	0	0.00
Middle management and core backbone	0	0.00	0	0.00	0	0.00	0	0.00
Total	0	0.00	0	0.00	0	0.00	0	0.00

Stock options or other equity instruments issued at the end of the period

Applicable ☒ Not applicable

Grant object category	Stock options outstanding at the end of the period		Other equity instruments issued at the end of the period	
	Range of exercise price	Remaining term of contract	Range of exercise price	Remaining term of contract
Company directors and senior managers	18.45/share	27 months	Not applicable	Not applicable
Middle management and core backbone	18.45/share	27 months	Not applicable	Not applicable

Other instructions

2. Equity-settled share-based payments

Applicable ☒ Not applicable Unit: Yuan

How to determine the fair value of equity instruments on the grant date	Option pricing model
Important parameters for the fair value of equity instruments on the grant date	The stock price volatility selects the historical volatility of the Shenzhen Stock Exchange
The basis for determining the number of exercisable equity instruments	Determined based on the number of grantees who have not separated at the end of each reporting period
Reasons for significant differences between the current estimate and the previous estimate	No
The cumulative amount of equity-settled share-based payments included in the capital reserve	26,817,413.70
The total amount of expenses recognized for equity-settled share-based payments in the current period	17,042,599.67

Other instructions

3. Cash-settled share-based payments

☒ Applicable Not Applicable

4. Share-based payment expenses for the current period

Applicable ☒ Not applicable Unit: Yuan

Grant object category	Equity-settled share-based payment fees	Cash-settled share-based payment fees
R&D; personnel	9,795,784.22	
Salesperson	3,549,197.21	
Production staff	2,181,142.99	
Manager	1,516,475.25	
Total	17,042,599.67	

Other instructions

5. Modification and termination of share-based payment

No

15. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

At the end of the reporting period, the company had no major commitments that should be disclosed.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

At the end of the reporting period, the Company had no material contingencies that should be disclosed.

(2) The company has no important contingencies that need to be disclosed and should also be explained

The company has no material contingencies that need to be disclosed.

XVI. Events after the balance sheet date

1. Profit distribution

The number of dividends to be distributed per 10 shares (yuan)	4.34
Proposed distribution of dividends for every 10 shares (shares)	0
The number of shares to be allocated for every 10 shares (shares)	0
The number of dividends per 10 shares declared after deliberation and approval (yuan)	4.34
For every 10 dividend shares (shares) declared for distribution after deliberation and approval	0
The number of shares (shares) for every 10 shares issued after deliberation and approval	0
	According to the company's semi-annual unaudited financial report for 2025, as of June 30, 2025, the distributable profit of the company's consolidated statement was 949,361,172.21 yuan, and the distributable profit of the parent company was 724,134,350.09 yuan. According to the principle that the company should determine the specific profit distribution ratio based on the principle of the lower of the profit available for distribution in the consolidated statement and the parent company's statement, as of June 30, 2025, the company's profit available for distribution is 724,134,350.09 yuan.
Profit distribution plan	Following the principle of rewarding shareholders and sharing the company's operating results with shareholders, under the circumstance of ensuring the healthy and sustainable development of the company, the company plans to distribute profits based on the total share capital minus the balance of shares in the company's repurchase special account. The profit distribution plan for the first half of 2025 is as follows: It is proposed to exclude the balance of shares in the company's current repurchase special account from the company's total share capital of 109,481,432 shares as of August 22, 2025
	After 1,655,300 shares (the company's shares held by the company through the special repurchase account did not participate in the profit distribution), a total of 107,826,132 shares were distributed. Based on this calculation, a cash dividend of RMB 4.34 (including tax) was distributed to all shareholders for every 10 shares, and a total cash dividend of RMB 46,796,541.29 (including tax) was distributed. No bonus shares will be given out in this distribution, and no capital reserve will be converted into share capital.

	If after the release of the profit distribution plan and before the implementation, the total share capital of the company changes due to share repurchase, convertible bond conversion, equity incentive exercise, etc., the total share capital that the company can participate in the equity distribution will be adjusted according to the principle that the distribution amount per share remains unchanged.
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2. Description of other events after the balance sheet date

On July 5, 2024, the company issued 6,445,265 convertible corporate bonds to unspecified objects, each with a face value of RMB 100. The total amount of funds raised was RMB 644,526,500.00. After deducting various issuance expenses of RMB 12,106,634.44, the actual net proceeds raised were RMB 632,419,865.56.

As of August 27, 2025, a total of 3,675,742 "Eurocom Convertible Bonds" have been converted into shares (with a total face value of 367,574,200 yuan), and a total of 8,283,920 "Honor Electron" shares have been converted. The remaining 2,769,523 "Eurocom Convertible Bonds" have a total face value of 276,952,300 yuan.

VII. Notes to the main items in the financial statements of the parent company

1. Accounts receivable

(1) Disclosure by age

Unit: Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	1,432,965,259.12	1,403,065,084.93
1 to 2 years	6,453,982.53	7,243,887.35
2 to 3 years	1,228,225.81	595,029.24
More than 3 years	7,975,309.18	7,786,511.33
3 to 4 years	188,797.85	0.00
4 to 5 years	6,838,793.34	6,838,793.34
More than 5 years	947,717.99	947,717.99
Total	1,448,622,776.64	1,418,690,512.85

(2) Disclosure by classification according to bad debt accrual method

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Accounts receivable with provision for bad debts on a single-item basis	571,406,488.45	39.44%	8,731,573.69	1.53%	562,674,914.76	616,360,519.12	43.45%	8,748,333.23	1.42%	607,612,185.89
Of which:										

Accounts receivable by portfolio with provision for bad debts	877,216,288.19	60.56%	44,279,531.87	5.05%	832,936,756.32	802,329,993.73	56.55%	40,457,860.16	5.04%	761,872,133.57
Of which:										
Total	1,448,622,776.64	100.00%	53,011,105.56	3.66%	1,395,611,671.08	1,418,690,512.85	100.00%	49,206,193.39	3.47%	1,369,484,319.46

Category name of provision for bad debts by single item: Accounts receivable with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Sichuan Yihaihua Technology Co., Ltd	2,971,390.41	2,971,390.41	2,971,390.41	2,971,390.41	100.00%	Not expected to be recovered
Yi Haihua (incense Hong Kong) Technology Co., Ltd	4,042,759.83	4,042,759.83	4,026,000.29	4,026,000.29	100.00%	Not expected to be recovered
Shenzhen Zhuiguang Intelligent Manufacturing Technology Co., Ltd	76,440.00	76,440.00	76,440.00	76,440.00	100.00%	Not expected to be recovered
Shenzhen Innovation Technology Co., Ltd	227,706.50	227,706.50	227,706.50	227,706.50	100.00%	Not expected to be recovered
Shandong Guojin Automobile Manufacturing Co., Ltd	200,612.50	200,612.50	200,612.50	200,612.50	100.00%	Not expected to be recovered
Beijing Yixin Huiming Technology Co., Ltd	1,229,423.99	1,229,423.99	1,229,423.99	1,229,423.99	100.00%	Not expected to be recovered
Suzhou Yundian Electronic Manufacturing Co., Ltd	140,341,054.85	0.00	118,935,668.30		0.00%	Consolidated related parties do not accrue
Dongguan Honor Electron Electronics Co., Ltd	2,261,721.04	0.00	13,560,389.78		0.00%	Consolidated related parties do not accrue
Hong Kong Honor Electron Technology Co., Ltd	122,174,169.32	0.00	76,658,100.95		0.00%	Consolidated related parties do not accrue

Hong Kong Business Hong Kong Honor Electron Technology Co., Ltd. Taiwan Branch	35,108,134.55	0.00	17,046,746.22		0.00%	Consolidated related parties do not accrue
(USA) Axnon LLC	172,569.04	0.00	0.00		0.00%	Consolidated related parties do not accrue
Vietnam Honor Electron Technology Co., Ltd	307,524,932.61	0.00	336,453,580.01		0.00%	Consolidated related parties do not accrue
Hangzhou Yundian Technology Energy Co., Ltd	29,604.48	0.00			0.00%	Consolidated related parties do not accrue
Honor Electron (Ganzhou) Electronics Co., Ltd	0.00	0.00	20,429.50		0.00%	Consolidated related parties do not accrue
Total	616,360,519.12	8,748,333.23	571,406,488.45	8,731,573.69		

Provision for bad debts by combination Category name: Accounts receivable with provision for bad debts by aging combination

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	870,272,460.02	43,513,623.06	5.00%
1-2 years (including 2 years)	6,228,568.17	622,856.81	10.00%
2-3 years (including 3 years)	715,260.00	143,052.00	20.00%
Total	877,216,288.19	44,279,531.87	

Description of the basis for determining the combination:

If the provision for bad debts of accounts receivable is made according to the general model of expected credit loss:

■ Applicable Not Applicable

(3) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Write off	other	
Provision for bad debts on a single-item basis	8,748,333.23	-16,759.54				8,731,573.69
Provision for bad debts by portfolio	40,457,860.16	3,821,671.71				44,279,531.87
Total	49,206,193.39	3,804,912.17				53,011,105.56

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

Unit: Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the proportion of the original bad debt provision
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(4) Accounts receivable and contract assets of the top five accounts receivable and contract assets at the end of the period collected by the owing party

Unit: Yuan

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	As a percentage of the combined ending balance of accounts receivable and contract assets	The ending balance of the provision for bad debts of accounts receivable and the provision for impairment of contract assets
First place	336,453,580.01	0.00	336,453,580.01	23.23%	0.00
Second place	283,765,168.14	0.00	283,765,168.14	19.59%	14,188,258.41
Third place	118,935,668.30	0.00	118,935,668.30	8.21%	0.00
Fourth place	76,658,100.95	0.00	76,658,100.95	5.29%	0.00
Fifth place	63,635,248.21	0.00	63,635,248.21	4.39%	3,181,762.41
Total	879,447,765.61	0.00	879,447,765.61	60.71%	17,370,020.82

2. Other receivables

Unit: Yuan

Projects	Ending balance	Opening balance
Interest receivable	2,521,575.54	6,484,007.37
Other receivables	45,844,996.17	34,730,946.03
Total	48,366,571.71	41,214,953.40

(1) Interest receivable

1) Classification of interest receivable

Unit: Yuan

Projects	Ending balance	Opening balance
Margin interest income	564,081.53	362,332.22
Interest accrued on time deposits	1,957,494.01	6,121,675.15
Total	2,521,575.54	6,484,007.37

2) Disclosure by classification of bad debt accrual method

Applicable ☒ Not applicable ☐ Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Provision for bad debts on a single-item basis	2,521,575.54	100.00%			2,521,575.54	6,484,007.37	100.00%			6,484,007.37
Of which:										
Of which:										
Total	2,521,575.54	100.00%			2,521,575.54	6,484,007.37	100.00%			6,484,007.37

Provision for bad debts by single item Category name: Interest receivable with provision for bad debts by single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
Margin interest income	362,332.22		564,081.53			Bank interest, lower loss ratio
Interest accrued on time deposits	6,121,675.15		1,957,494.01			Bank interest, lower loss ratio
Total	6,484,007.37		2,521,575.54			

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

Unit: Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2025 in the current period				

The basis for the division of each stage and the ratio of provision for bad debts

Changes in the book balance with significant changes in the amount of loss reserves in the current period

☒ Applicable ☐ Not Applicable

3) The provision for bad debts accrued, recovered or reversed in the current period

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	Other changes	

Among them, the amount of bad debt provision recovered or reversed in the current period is important:

Unit: Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the proportion of the original bad debt provision
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Other instructions:

4) Interest receivable actually written off in the current period

Unit: Yuan

Projects	Write-off amount
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Among the important write-offs of interest receivables

Unit: Yuan

Unit name	Nature of payment	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the payment is generated by a related party transaction
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Write-off instructions:

Other instructions:

(2) Other receivables

1) Classification of other receivables by nature of payment

Unit: Yuan

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
Royalties	39,189,879.11	24,771,948.55
Deposit and security deposit	4,574,214.37	9,152,366.35
Withholding and paying social security/provident fund	1,356,294.16	1,517,383.05
Current payment	671,580.64	671,580.64
other	3,650,503.21	1,636,405.23
Total	49,442,471.49	37,749,683.82

2) Disclosure by age

Unit: Yuan

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	33,292,618.91	33,445,519.42
1 to 2 years	11,883,440.16	14,180.67
2 to 3 years	126,751.98	112,571.31

More than 3 years	4,139,660.44	4,177,412.42
3 to 4 years	1,688,440.97	3,165,412.95
4 to 5 years	1,439,220.00	
More than 5 years	1,011,999.47	1,011,999.47
Total	49,442,471.49	37,749,683.82

3) Disclosure by classification of bad debt accrual method

Unit: Yuan

Category	Ending balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Withdrawal ratio		Amount	Proportion	Amount	Withdrawal ratio	
Provision for bad debts on a single-item basis	40,479,157.80	81.87%	617,698.05	1.53%	39,861,459.75	26,061,227.24	69.04%	617,698.05	2.37%	25,443,529.19
Of which:										
Provision for bad debts by portfolio	8,963,313.69	18.13%	2,979,777.27	33.24%	5,983,536.42	11,688,456.58	30.96%	2,401,039.74	20.54%	9,287,416.84
Of which:										
Total	49,442,471.49	100.00%	3,597,475.32	7.28%	45,844,996.17	37,749,683.82	100.00%	3,018,737.79	8.00%	34,730,946.03

The name of the category of provision for bad debts according to a single item: other receivables for which provision for bad debts is made according to a single item

Unit: Yuan

Name	Opening balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Withdrawal ratio	Reason for accrual
VIETNAM HONOR HIGH TECH COMPANY LIMITED	24,771,948.55		39,189,879.11			Related parties within the scope of consolidation do not accrue
Hong Kong Honor Electron Technology Co., Ltd	671,580.64		671,580.64			Related parties within the scope of consolidation do not accrue
Shenzhen Jingweixin Technology Co., Ltd	617,698.05	617,698.05	617,698.05	617,698.05	100.00%	Not expected to be recovered
Total	26,061,227.24	617,698.05	40,479,157.80	617,698.05		

Category name of provision for bad debts by combination: other receivables with provision for bad debts by aging combination

Unit: Yuan

Name	Ending balance		
	Book balance	Provision for bad debts	Withdrawal ratio
Within 1 year (including 1 year)	5,095,499.32	254,774.96	5.00%

1-2 years (including 2 years)	219,100.00	21,910.00	10.00%
2-3 years (including 3 years)	126,751.98	25,350.40	20.00%
3-4 years (including 4 years)	1,688,440.97	844,220.49	50.00%
4-5 years (including 5 years)	1,439,220.00	1,439,220.00	100.00%
More than 5 years	394,301.42	394,301.42	100.00%
Total	8,963,313.69	2,979,777.27	

Description of the basis for determining the combination:

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

Unit: Yuan

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance at January 1, 2025	2,401,039.74		617,698.05	3,018,737.79
Balance at January 1, 2025 in the current period				
Provision for the current period	578,737.53			578,737.53
Balance at June 30, 2025	2,979,777.27		617,698.05	3,597,475.32

The basis for the division of each stage and the ratio of provision for bad debts

Changes in the book balance with significant changes in the amount of loss reserves in the current period

■ Applicable Not Applicable

4) Provision for bad debts accrued, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: Yuan

Category	Opening balance	Amount of change in the current period				Ending balance
		Accrue	Take back or turn back	Resell or write off	other	
Provision for bad debts on a single-item basis	617,698.05					617,698.05
Provision for bad debts by portfolio	2,401,039.74	578,737.53				2,979,777.27
Total	3,018,737.79	578,737.53				3,597,475.32

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

Unit: Yuan

Unit name	Amount recovered or reversed	Turn back the reason	Recovery method	The basis and rationality for determining the proportion of the original bad debt provision
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5) Other receivables of the top five at the end of the period collected by the owing party

Unit: Yuan

Unit name	Nature of money	Ending balance	Aging	As a percentage of the total ending balance of other receivables	Ending balance of bad debt provision
First place	Royalties	39,189,879.11	Within 2 years	79.26%	0.00
Second place	Deposit, security deposit	3,012,684.00	1-5 years	6.09%	1,989,212.00
Third place	other	2,056,249.78	Within 1 year	4.16%	102,812.48
Fourth place	Withholding and paying social security	896,015.20	Within 1 year	1.81%	44,800.76
Fifth place	Current payment	671,580.64	Within 1 year	1.36%	0.00
Total		45,826,408.73		92.68%	2,136,825.24

3. Long-term equity investment

Unit: Yuan

Projects	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	632,446,855.99		632,446,855.99	614,425,670.26		614,425,670.26
Investment in associates and joint ventures	16,883,064.45		16,883,064.45	23,752,264.19		23,752,264.19
Total	649,329,920.44		649,329,920.44	638,177,934.45		638,177,934.45

(1) Investment in subsidiaries

Unit: Yuan

Investee	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period				Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduce investment	Provision for impairment	other		
Honor Electron (Ganzhou) Electronics Co., Ltd	121,226,890.98		161,327.15				121,388,218.13	

Hong Kong Honor Electron Technology Co., Ltd	113,424,312.43		483,981.47				113,908,293.90	
Dongguan Honor Electron Electronics Co., Ltd	208,325,703.76		567,871.60				208,893,575.36	
(USA) Axnon LLC	6,575,500.00		0.00				6,575,500.00	
Hangzhou Yundian Technology Energy Co., Ltd	94,577,509.58		5,420,592.07				99,998,101.65	
Shenzhen Honor Electron Zhilian Technology Co., Ltd	3,500,000.00		0.00				3,500,000.00	
Suzhou Yundian Electronic Manufacturing Co., Ltd	50,037,011.79		64,530.85				50,101,542.64	
Shanghai Honor Electron Electronic Technology Co., Ltd	16,740,235.82		11,290,617.14				28,030,852.96	
Vietnam Honor Electron Technology Co., Ltd	18,505.90		32,265.45				50,771.35	
Total	614,425,670.26		18,021,18				632,446,8	5.7355.99

(2) Investment in associates and joint ventures

Unit: Yuan

Investment unit	Opening balance (book value)	Opening balance of impairment provision	Changes in the current period								Ending balance (book value)	Ending balance of impairment provision
			Addition al investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Changes in other equity	Declaration of cash dividends or profits	Provision for impairment	other		
I. Joint venture												

II. Joint ventures												
Shanghai Anshibo Energy Technology Co., Ltd	23,752,264.19				-12,852,268.81		5,983,069.07				16,883,064.45	
Subtotal	23,752,264.19				-12,852,268.81		5,983,069.07				16,883,064.45	
Total	23,752,264.19				-12,852,268.81		5,983,069.07				16,883,064.45	

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

■ Applicable Not Applicable

The recoverable amount is determined based on the present value of the expected future cash flows

■ Applicable Not Applicable

Reasons for discrepancies between the foregoing information and the information used in previous years' impairment tests or external information

The reason for the difference between the information used in the previous year's impairment test and the actual situation of the current year

4. Operating income and operating costs

Unit: Yuan

Projects	Amount in the current period		Amount in the previous period	
	income	Cost	income	Cost
Main business	1,242,563,877.45	1,051,798,852.61	1,137,830,235.19	948,988,381.67
Other business	333,008,527.31	259,395,902.61	437,040,988.81	366,741,678.05
Total	1,575,572,404.76	1,311,194,755.22	1,574,871,224.00	1,315,730,059.72

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have signed contracts but have not been fulfilled or have not been fulfilled is 657,015,961.39 yuan, of which,

Rmb657,015,961.39 is expected to recognize revenue in 2025.

Major contract changes or major transaction price adjustments

Unit: Yuan

Projects	Accounting treatment	Amount of impact on revenue
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Other instructions:

5. Investment income

Unit: Yuan

Projects	Amount in the current period	Amount in the previous period
Long-term equity investment income accounted for by the equity method	-12,852,268.81	-14,303,026.55
Investment income from disposal of trading financial assets	723,584.95	473,424.67
Total	-12,128,683.86	-13,829,601.88

XVIII. Supplementary information

1. Current non-recurring profit and loss schedule

Applicable ☒ Not applicable Unit: Yuan

Projects	Amount	Description
Gains and losses on disposal of illiquid assets	-857,296.46	Mainly due to the loss of disposal of non-current assets.
Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the company's profit and loss)	5,668,382.20	Mainly government subsidy income.
In addition to the effective hedging business related to the company's normal business operations, the gains and losses from changes in fair value arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities	1,273,172.91	It is mainly to accrue the income of wealth management products for the current period.
Profit and loss of entrusting others to invest or manage assets	761,872.62	It is the income from wealth management products actually received in the current period.
Other non-operating revenue and expenditure other than the above-mentioned items	-46,896.66	
Other profit and loss items that meet the definition of non-recurring profit and loss	400,377.19	
Less: Income tax impact amount	816,602.31	
Amount of impact on minority shareholders' equity (after tax)	45,925.32	
Total	6,337,084.17	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable ☒ Not applicable

Other items of profit and loss that meet the definition of non-recurring profit and loss are mainly the deduction of individual tax handling fee refunds.

Description of the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profit and Loss" as recurring profit and loss items

■ Applicable Not Applicable

2. Return on equity and earnings per share

Profit for the reporting period	Weighted average return on equity	EPS	
		Basic earnings per share (yuan/share)	Diluted earnings per share (yuan/share)
Net profit attributable to common shareholders of the company	5.66%	1.30	1.38
Net profit attributable to common shareholders of the company after deducting non-recurring gains and losses	5.39%	1.24	1.32

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profit and net assets disclosed in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

■ Applicable Not Applicable

(2) Differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards at the same time

■ Applicable Not Applicable

(3) Explanation of the reasons for the differences in accounting data under the domestic and foreign accounting standards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the overseas institution shall be indicated

■ Applicable Not Applicable