Company Code: 603163 Company Abbreviation: Acter Group

Acter Technology Integration Group Co., Ltd.
2024 Annual Report

Important

I. The board of directors, board of supervisors, directors, supervisors and senior managers of the Company hereby guarantee the contents contained in the annual report (hereinafter referred to as "this Report") are true, accurate, intact and free of any false records, misleading statements or major omissions; otherwise, they shall bear the individual and joint legal liabilities arising therefrom.

II. All directors of the Company attended the board meeting.

III. ShineWing Certified Public Accountants LLP (special general partnership) has issued a standard unqualified audit report for the Company.

IV. Liang Jinli, the director of the Company, Chen Zhihao, the person in charge of accounting, and Xiao Jingxia, the director of accounting firm (accounting director) hereby declare that the financial statements set out in this Report are true, accurate and intact.

V. Proposals for profit distribution or conversion of provident fund to capital stock within the reporting period ratified in the form of board resolution

Through meticulous study, the board of directors of the Company proposed to distribute a cash dividend of RMB 7.5 (including tax) for every 10 shares to all shareholders on the basis of the total share capital of 100,000,000 shares at the end of 2024, with a total bonus amount of RMB 75 million (including tax); the stock was neither donated nor transferred to capital. The rest undistributed profits were carried forward for distribution in the subsequent years.

VI. Risk Disclosure of Forward-Looking Statements

√ Applicable□ N/A

The forward-looking statements in this Report, including the future plans, development strategies, etc. do not constitute the Company's substantial commitments to investors, who are kindly reminded of the investment risks.

VII. Whether there is non-operational appropriation of funds by controlled shareholders and other related parties

No

VIII. Whether there is any violation of the required decision-making procedures for the provision of external guarantees

No

IX. Whether more than half of the total directors are unable to guarantee the truthfulness, accuracy and intactness of the annual report disclosed by the Company

No

X. Significant Risk Warning

The Company has elaborated the possible relevant risks in this Report. For details, please refer to the possible risks mentioned in "(IV) Possible Risks in VI. Discussion and Analysis of the Company's Future Development of Section III: Management Discussion and Analysis".

XI. Others

□ Applicable √ N/A

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Catalog of Reference Documents	The full text and abstract of this Report signed by the present legal representative and sealed by the Company;
	The financial statements signed and stamped by the director of the Company, the person in charge of accounting, and the director of accounting firm (accounting director).
	The original audit report sealed by the accounting firm, and signed and sealed by the certified public accountants;
	The originals of all the Company's documents and the original manuscript of the announcements publicly disclosed in the newspapers designated by the CSRC within the reporting period.

Section I Definitions

I. Definitions

In this Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Definitions of the common terms		
The Company, we, Acter Group	refer to	Acter Technology Integration Group Co., Ltd.
Sheng Huei Limited	refers to	Sheng Huei (Suzhou) Engineering Co., Ltd., the predecessor of the Company
Sheng Huei International	refers to	Sheng Huei International Co., Ltd., a direct controlling shareholder of the Company
Acter (Taiwan)	refers to	Acter Co., Ltd., an indirect controlling shareholder of the Company
Suzhou Songhuei	refers to	Suzhou Songhuei Business Management Consulting Partnership (limited partnership), an employee shareholding platform of the Company
Suzhou Shengzhan	refers to	Suzhou Shengzhan Business Management Consulting Partnership (limited partnership), a platform for shareholding by the Company's employees
Acter (Shenzhen)	refers to	Shenghuei Engineering Technology (Shenzhen) Co., Ltd.
Shenzhen Dingmao	refers to	Shenzhen Dingmao Trading Co., Ltd.
Acter (Vietnam)	refers to	Sheng Huei Engineering Technology Company Limited
Acter (Hong Kong)	refers to	Acter International Limited
Acter (Singapore)	refers to	Acter Technology Singapore Pte. Ltd.
Acter (Indonesia)	refers to	Pt. Acter Technology Indonesia
Acter (Malaysia)	refers to	Acter Technology Malaysia Sdn. Bhd.
Acter (Thailand)	refers to	Acter Technology Company Limited
Space (Thailand)	refers to	Space Engineering Company Limited
New Point (Seychelles)	refers to	New Point Group Limited
Indonesia Joint Venture	refers to	PT ACTER INTEGRATION TECHNOLOGY INDONESIA
HER SUO (Taiwan)	refers to	HER SUO ENG., CO., LTD.
Enrich (Taiwan)	refers to	Enrich Tech Co., Ltd.
NOVA (Taiwan)	refers to	NOVA Technology Corp.
Winmega (Taiwan)	refers to	Winmega Technology Corp.
WASTE	refers to	WASTE Recovery Technology Inc.
Winmax (Shanghai)	refers to	Winmax Technology Corp.
Winmax (Suzhou)	refers to	Suzhou Winmax Technology Corp., which was previously known as Suzhou Guanbo Controlling Technology Co., Ltd.
Novatech (Singapore)	refers to	Novatech Engineering & Construction Pte. Ltd.
Rayzher Industrial	refers to	Rayzher Industrial Co., Ltd.
WNC	refers to	NEWEB VIETNAM CO., LTD.
SIMPLO	refers to	SIMPLO TECHNOLOGY (Vietnam) CO., LTD.
Wistron InfoComm	refers to	Wistron Info Comm (Vietnam) Co., Ltd.
ALPHA NETWORKS	refers to	ALPHA NETWORKS VIETNAM COMPANY LIMITED
UNIEQ	refers to	UNIEQ INTEGRATED TECHNOLOGY CO., LTD
Wafer Works	refers to	Wafer Works (Shanghai) Co., Ltd.
Reporting period	refers to	The period from January 1, 2024 to December 31, 2024
Articles of Association	refers to	The *Articles of Association of Acter Technology Integration Group Co., Ltd.*

Shareholders' meeting	refers to	Shareholders' meeting of Acter Technology Integration Group Co., Ltd.
Board of directors	refers to	The board of directors of Acter Technology Integration Group Co., Ltd.
Board of supervisors	refers to	The board of supervisors of Acter Technology Integration Group Co., Ltd.
CSRC	refers to	China Securities Regulatory Commission
Company Law	refers to	The *Company Law of the People's Republic of China*
Securities Law	refers to	The *Securities Law of the People's Republic of China*
RMB Yuan, RMB 10,000, RMB 100 Million	refers to	Renminbi/Chinese Yuan, RMB 10,000, RMB 100 million
Clean room	refers to	an enclosed space for high-end manufacturing industry, also known as clean plant and dust-free room, to control airborne particles, harmful gases, microorganisms, temperature, relative humidity, spatial airflow distribution, airflow speed in all directions, as well as vibration, static electricity, electromagnetic interference and noise, etc., in order to satisfy the production process of products.
Cleanliness	refers to	the concentration of the dust in the air within an air environment. Typically, it refers to the quantity of particles equal to or exceeding a specified particle size within a designated volume of air. High dust load means low cleanliness and vice versa.
System integration	refers to	the business of combining software, hardware and communication technology to satisfy users' needs of information processing. The separated parts of the integration are originally independent systems, and the parts of the integrated whole can work organically and with each other to bring out the overall effect and achieve the purpose of overall optimization.
Hook-up	refers to	the connection from the main system piping to the process equipment. The scope includes electricity, water supply and drainage pipes, process piping, exhaust systems, etc.
IC semiconductor	refers to	a semiconductor manufacturing process in which a number of parts and components such as transistors, resistors, capacitors, etc. are fabricated on a small monocrystalline silicon wafer and assembled into a complete electronic circuit using multi-layer wiring or tunnel wiring.
Package	refers to	the shell in which a semiconductor integrated circuit chip is mounted, which not only plays the role of placing, fixing, sealing, protecting the chip and enhancing the electrical and thermal properties, but also serves as a bridge between the internal and external circuits of chips.
BIM	refers to	the Building Information Modeling in short, which is a new tool for architecture, engineering and civil engineering, and is a computer-aided design tool based on three-dimensional graphics, object orientation and architecture.
PCB	refers to	The Printed Circuit Board in short, which is an important electronic component, the support body of electronic components, and the carrier for the electrical interconnection of electronic components.

SMT	refers to	the Surface Mounted Technology in short, which is a new generation of electronic assembly technology duly developed from the hybrid integrated circuit technology; applied with is the surface mounting technology of parts and components and backflow welding technology, it has become a new generation of assembly technology in electronic product manufacturing.
Boyuan Construction	refers to	Boyuan Construction Group Co., Ltd.

Section II Company Profile and Key Financial Indicators

I. Company Information

Full Legal Name in Chinese	圣晖系统集成集团股份有限公司
Short Legal Name in Chinese	圣晖集成
Full Legal Name in English	ACTER TECHNOLOGY INTEGRATION GROUP CO., LTD.
Short Legal Name in English	ACTER GROUP
Legal Representative	Liang Jinli

II. Contacts

	Board Secretary	Securities Representative
Name	Chen Zhihao	Gao Jiejie
Address	No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China	No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China
Tel.	0512-85186368	0512-85186368
Fax	0512-87773169	0512-87773169
E-mail	acter.china@acter.com.cn	603163@acter.com.cn

III. Basic Information

Registered Address	No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China
Historical Changes in Registered Address	N/A
Office Address	No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China
Zip Code of the Office Address	215151
The Company's Official Website	www.acter.com.cn
E-mail	acter.china@acter.com.cn

IV. Information Disclosure and Retention Site

Name and website of the media for the Company's disclosure of annual report	*China Securities Journal* (https://www.cs.com.cn/) *Shanghai Securities News* (https://www.cnstock.com/) *STCN* (http://www.stcn.com/) *Securities Daily* (http://www.zqrb.cn/)
Website of the stock exchange for publishing the Company's annual report	www.sse.com.cn
Retention site of the Company's annual report	The Company's board office at No. 189, Shilin Road, Xushuguan Economic Development Zone, Suzhou Hi-Tech Zone, Jiangsu Province, China

V. Corporate Stock

Corporate Stock				
Stock Type	Stock Exchange	Stock Abbreviation	Stock Code	Stock Abbreviation Before Change
A-share	Shanghai Stock Exchange	Acter Group	603163	N/A

VI. Other Relevant Information

Accounting firm hired by the Company (domestic)	Firm Name	ShineWing Certified Public Accountants LLP (special general partnership)
	Office Address	8/F, Block A, Fuhua Mansion, No. 8, Chaoyangmen North Street, Dongcheng District, Beijing, China
	Name of the Signatory Accountants	Liu Yuehua, Wang Ping
Sponsor institution for performing supervisory responsibilities continuously within the reporting period	Firm Name	Soochow Securities Co., Ltd.
	Office Address	No. 5, Xingyang Street, Suzhou Industrial Park
	Name of Signatory Sponsor Representative	Xia Jianyang, Zhang Boxiong
	Period of Continuous Supervision	October 13, 2022 to December 31, 2024

As the Company's project invested by raising fund has not been completed yet, the sponsor institution still needs to perform the supervisory responsibilities continuously for the funds raised.

VII. Key Accounting Data and Financial Indicators for the Previous Three Years

(I) Key Accounting Data

In RMB Yuan

Key accounting data	2024	2023	YoY change (%)	2022
Operating revenue	2,007,697,317.98	2,008,924,995.68	-0.06	1,627,895,120.49
Net profit attributable to shareholders of listed companies	114,402,314.36	138,590,474.42	-17.45	122,867,982.79
Net profit attributable to shareholders of the listed company after extraordinary gains and losses	114,319,346.13	136,061,341.30	-15.98	113,463,515.78
Net cash flows from operating activities	-3,708,149.80	133,522,931.23	-102.78	161,089,465.80
	End of 2024	End of 2023	YoY change (%)	End of 2022
Net assets attributable to shareholders of listed companies	1,110,435,199.21	1,082,257,514.27	2.60	1,009,348,273.61
Total assets	1,952,510,883.69	1,904,362,490.44	2.53	1,777,146,294.25

(II) Key Financial Indicators

Key financial indicators	2024	2023	YoY change (%)	2022
Basic earnings per share (RMB Yuan/share)	1.14	1.39	-17.99	1.51
Diluted earnings per share (RMB Yuan/share)	1.14	1.39	-17.99	1.51
Basic earnings per share after extraordinary gains and losses (RMB Yuan/share)	1.14	1.36	-16.18	1.4
Weighted average return on net assets (%)	10.56	13.67	Decreased by 3.11%	21.19
Weighted average return on equity after extraordinary gains and losses Average return on net assets (%)	10.55	13.42	Decreased by 2.87%	19.56

Explanation for key accounting data and financial indicators of the Company for the previous three years as of the end of the reporting period
□ Applicable √ N/A

VIII. Differences in Accounting Data under Domestic and Overseas Accounting Standards

(I) Difference in net profit and net assets attributable to shareholders of the listed company between the financial reports disclosed in accordance with international accounting standards and those disclosed in accordance with China accounting standards

□ Applicable √ N/A

(II) Difference in net profit and net assets attributable to shareholders of the listed company between the financial reports disclosed in accordance with overseas accounting standards and those disclosed in accordance with China accounting standards

□ Applicable √ N/A

(III) Explanation for the Differences between Domestic and Overseas Accounting Standards:

□ Applicable √ N/A

IX. Key Financial Data of 2024 by Quarter

In RMBYuan

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating revenue	353,047,565.61	578,343,469.68	515,339,248.32	560,967,034.37
Net profit attributable to shareholders of listed companies	17,806,679.56	39,171,814.21	17,114,418.83	40,309,401.76
Net profit after extraordinary gains and losses	17,655,539.65	39,359,568.97	16,897,269.60	40,406,967.91

attributable to shareholders of listed companies				
Net cash flows from operating activities	-36,492,059.85	-58,655,553.80	117,098,005.72	-25,658,541.87

Explanation for differences between quarterly data and data in disclosed periodic reports
□ Applicable √ N/A

X. Non-recurring Profit and Loss and Amount

√ Applicable□ N/A

In RMB Yuan

Non-recurring profit and loss items	Amount for 2024	Note (If applicable)	Amount for 2023	Amount for 2022
Profits or losses on disposal of non-current assets, including elimination of provision for asset impairment	-8,175.93		52,564.23	237,578.33
Government grants recognized in profit or loss for the current period, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	433,289.18		3,731,552.00	3,524,827.14
Profits or losses from changes in fair value of financial assets and liabilities held by non-financial enterprises and profits or losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal business operations				117,673.57
Occupancy fees charged to non-financial enterprises recognized in profit or loss for the period				
Profits or losses on entrusted investment or asset management				
Profits or losses on entrusted external loans				
Losses on assets due to force majeure, such as natural disasters				
Reversal of provision for impairment of receivables individually tested for impairment				
Gain arising from the difference between the cost of investment in subsidiaries, associates and joint ventures and the fair value of net				

identifiable assets of the investee at the time of investment acquisition				
Subsidiaries arising from a business combination under the same control Net gain or loss for the period from the beginning of the period to the date of the combination				
Gain or loss on exchange of non-monetary assets				
Profits or losses on debt restructuring				
One-time costs incurred by the enterprise due to discontinuation of relevant business activities, such as employee relocation expenses,				
One-time impact on profit or loss due to adjustments in tax, accounting and other laws and regulations.				
One-time share-based payment expenses recognized due to cancellation or modification of the share incentive plan				
Gains or losses arising from changes in the fair value of employee remuneration payable after the feasible date for cash-settled share-based payments				
Gains or losses from changes in fair value of investment properties subsequently measured using the fair value model				
Profits or losses from transactions with an apparent unfair price				
Gains or losses arising from contingencies unrelated to the Company's normal business operations				
Custodian fee income from entrusted operations				
Non-operating revenue and expenses other than those mentioned above	-317,988.82		-811,609.16	-840,019.94
Other profits or losses that meet the definition of non-recurring profits or losses				9,569,293.94
Less:Income tax effect	24,156.20		445,099.41	3,204,886.03
Effect of minority interests (after tax)			-1,725.46	
Total	82,968.23		2,529,133.12	9,404,467.01

The Company shall state why, if it recognizes the items not listed in the *Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-Recurring Profit and Loss* as non-recurring profit and loss items and that the amount of such items is large, or if it defines the non-recurring profit and loss items listed in the *Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-Recurring Profit and Loss* as recurring profit and loss.

□ Applicable √ N/A

XI. Items Measured at Fair Value

√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Closing balance	Current period changes	Amount of impact on current profit
Structured deposits		50,025,000.00	50,025,000.00	25,000.00
Strategic investments on Wafer Works		12,947,918.04	12,947,918.04	
Receivables financing	3,572,953.18	2,499,031.97	-1,073,921.21	
Total	3,572,953.18	65,471,950.01	61,898,996.83	25,000.00

XII. Others

□ Applicable √ N/A

Section III Management Discussion and Analysis

I. Discussion and Analysis of Operating Conditions

In 2024, China's domestic economy continued to recover moderately. However, the growth speed of investment on China’s manufacturing industry was affected generally by the fluctuation of the global supply chain, geopolitical conflicts, and insufficient domestic demand. In terms of domestic market, some clients from downstream were less willing to make investment or postponed their expansion plans. In consideration of the influential factors such as the stagnant construction industry and fiercer price war ascribed to the intensified homogenized competition, the Company's domestic main operating revenue in 2024 decreased by 15.45% YoY. Under the context of rebuilding the global industry chain, Southeast Asia's emerging markets attracted more investments from the semiconductor sector constantly. Countries such as Malaysia, Vietnam, and Singapore had formed certain industrial cluster effect. However, thanks to the significant achievements of the Company's forward-looking strategic layout in Southeast Asia, the Company’s overseas main operating revenue increased by 55.39% YoY in 2024, becoming a key pillar of the Group's second growth curve.

The engineering industry market is full of changes. Only by complying with the latest market trends and expanding the development potential of engineering undertaking, can the industry survive and even grow quickly under the market mechanism of selecting the superior and eliminating the inferior. In consideration of the fiercer competition in China's engineering sector, economic scale, operational efficiency, and integrated services play a decisive role in the success of this sector. A complete engineering framework and specialized technologies are the fundamental way to expand the development potential of engineering business and foster a favorable ecosystem. According to the present competitive pattern of the engineering industry, the ability to grasp the information about material supplies quickly and to render advanced engineering services for clients quickly are critical to occupying a leading status in the industry. After improving the efficiency of projects in the entire process systematically, optimizing the control over supply chain procurement cycle and implementing modular production systems, the Company’s management team has cultivated the capacities of implementing large-to-medium clean room and electromechanical engineering projects comprehensively and precisely. By leveraging the advantages of resource integration in the whole industry chain, the Company has formed an engineering closed loop which ranges from design deepening, prefabrication to on-site assembly, thus ensuring that clients in multiple fields can receive efficient response and quality assurance in clean space construction and electromechanical system integration, and enabling the Company to continuously fulfill the performance commitments of key project nodes.

In 2024, the Company's management upheld the business philosophy of “stable operation” in good faith, and focused on the Company’s core main business continuously. In the face of the complex, changeable market environment, the Company always maintained its strategic strength, and effectively avoided market risks by accurately controlling the development pace. As a result, the Company’s revenue scale in 2024 was basically the same as that in the same period of last year, laying a solid foundation for its long-term development.

II. Situation of the Company's Industry within the Reporting Period

(I) Basic Overview of the Industry within the Reporting Period

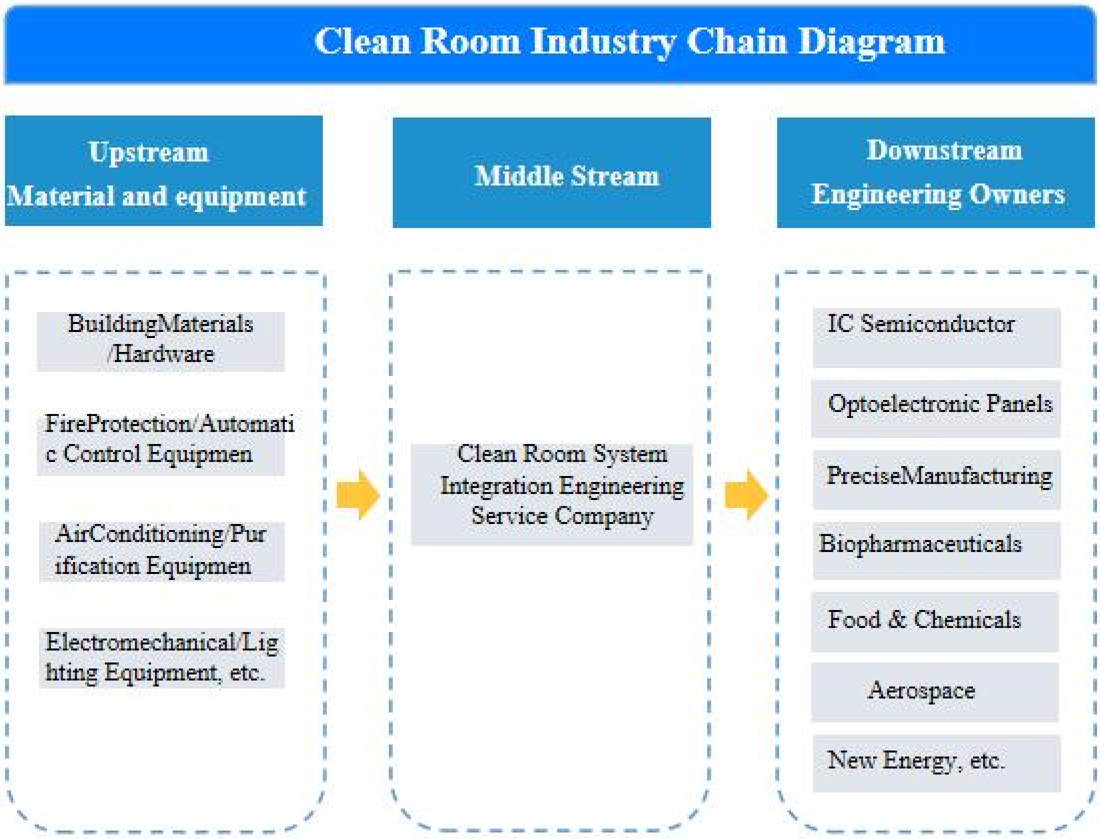
The Company's clean room engineering service belongs to the building installation industry.From the perspective of the industry chain, the clean room industry can be further divided into supply in upstream, construction in midstream and application in downstream. To be specific,

Upstream industry involves the suppliers of raw materials and equipment such as building materials, system equipment, and electromechanical equipment, and exerts direct influence on the progress and completion of projects. Their prices affect the industry's costs directly and the profits of industry enterprises significantly.

The Company's industry belongs to midstream, which mainly includes engineering service companies specialized in engineering survey, engineering design, and engineering construction.

Downstream cover the industries where clean rooms are required for production or operation. The major downstream industries of clean room engineering include IC semiconductor industry, precision manufacturing and photoelectricity, whose development significantly influences the future development of the enterprises in the industry.The IC semiconductor industry in the electronics sector is currently the primary downstream industry for clean room engineering, and its development exerts significant influence on the future development of the enterprises in the industry. It poses certain demand for clean room engineering services, which are fulfilled by the enterprises in the industry. With the continuous advancement of industrial technology, downstream industries have posed higher and new requirements for clean rooms constantly, including their design level, construction process and building materials, etc., which, as a result, requires the enterprises in the industry to continually research and develop new technologies, and apply new construction techniques to comply with the latest market needs.

The integration engineering service industry of clean room system refers to the engineering services for clients, such as the turnkey contracting services for clean room, which is provided between project owners and subcontractors of engineering materials, equipment and projects based on owner's needs and by virtue of the engineering technologies in different fields. The relationship among its upstream, midstream and downstream is shown in the figure below:



(II) Development Stage of Clean Room Industry

In 2024, China's clean room industry was under a mature development stage featured by large-scale expansion and technological upgrading. On the whole, the industry ushered its steady growth and technological innovation.

Benefited from the rapid development of strategic emerging industries such as semiconductors, PVs and biomedicine, especially the rigid demand for high-grade clean rooms in the semiconductor field which has become the core growth engine of the industry, the market scale of the clean room industry expanded constantly.

In terms of technological innovation, the industry is undergoing transformation to a high-end, refined direction. Breakthroughs have been made continuously to the key technologies such as air cleanliness control and temperature and humidity adjustment along with the increase of cleanliness requirements of semiconductor manufacturing process. The implementation of the new version policies such as the *Standard for Clean Room Design* and *Standard for Clean Workshop Design in Pharmaceutical Industry* further standardized the technical indicators such as nano-particle monitoring, energy conservation and consumption reduction, and pushed the further development of the industry standardization. The technical upgrading of industries such as domestic chips, new displays, and the soaring demand for high-grade clean rooms drove the industry's further development towards high-end direction.

At present, the distinct feature of the industry can be summarized as the coexistence of policies and challenges. The supporting policies for such industries as semiconductor, biomedicine, etc. in the "14th 5-year Planning" period imply the demand for clean room construction. The lower demand for traditional manufacturing industries and the lower industry profit margins have also led to obvious pressure of small and medium-sized enterprises, and structural adjustment of the local markets. Facing intensified competition in the domestic market, some enterprises made a layout on the overseas markets at a faster speed, such as Southeast Asian market, and endeavored to explore new growth potential.

Intellectualization and greening would become the main direction of industry upgrading. Clean room engineering was gradually integrated with intelligent monitoring system and energy-saving technology, with a view to reducing operating costs and responding to the "carbon peaking and carbon neutrality goals". The regional cluster effect was further highlighted. Electronic information industry clusters such as the Yangtze River Delta and the Pearl River Delta continued to attract high value-added clean room projects based on their industry chain advantages. In general, in 2024, the clean room industry in China made steady progress in terms of scale expansion and technology iteration.

(III) Cyclical Characteristics of the Clean Room Industry

The demand for clean rooms is closely related to the technology iteration and capacity expansion of downstream industries, such as semiconductors, new displays and new energy. The semiconductor industry is promoted by the technological upgrading of 5G and AI chips; the investment cycle is directly related to the demand of clean room engineering, thus forming the peak and valley of phased construction. The semiconductors, biomedicine, etc. were listed as key development domains in the "14th 5-year Planning" period, to promote the growth of clean room construction demands. Industrial policies promote the development of industries such as semiconductors and integrated circuits as well as the clean room engineering industry which belongs to an upstream industry. Therefore, the periodicity of this industry complies with that of national industrial policies, macroeconomics and downstream technology development.

(IV) The Company's Status in the Industry

As one of the most competitive enterprises in China's clean room engineering field, the Company focuses on providing clean room system total solutions for high-tech industries. It is also one of China's few engineering service companies that are specialized in different industrial fields and have accumulated the experience of project construction in different countries and regions at the same time. The Company has completed many projects in the industries such as semiconductors, precision manufacturing, photoelectric panels, biotechnology and medical care, commercial buildings, government projects, department stores and hospitals with high achievements in air conditioning, electromechanical engineering and clean rooms. It can provide clients with a series of professional technical services for project consultation, design, construction and management as well as system debugging, operation management and warranty maintenance.Based on its strong financial strength, rapid response service system, excellent engineering quality and technological innovation ability, the Company has successfully completed a number of benchmark projects in the industry. In the future, on the basis of intelligent construction and green low-carbon technology, the Company will continue to integrate industry chain resources in depth, bring forth engineering solutions featuring more scientific and technological content and sustainable value for global clients, contribute to the upgrading of high-tech industries, provide high-standard infrastructures for "Intelligent Manufacturing in China" continuously, and create more world-class excellent engineering models in specialized fields.

(V) Major Laws and Regulations Applicable to the Industry and the Impact of Industrial Policies

The current laws and regulations on the clean room system integration engineering services provided by the Company mainly specify the industry qualification management, industry business standards, and industry quality management. China has implemented strict qualification management for the clean room industry and established a strict market access mechanism. The level of qualification is directly related to enterprises' capacity of undertaking businesses.

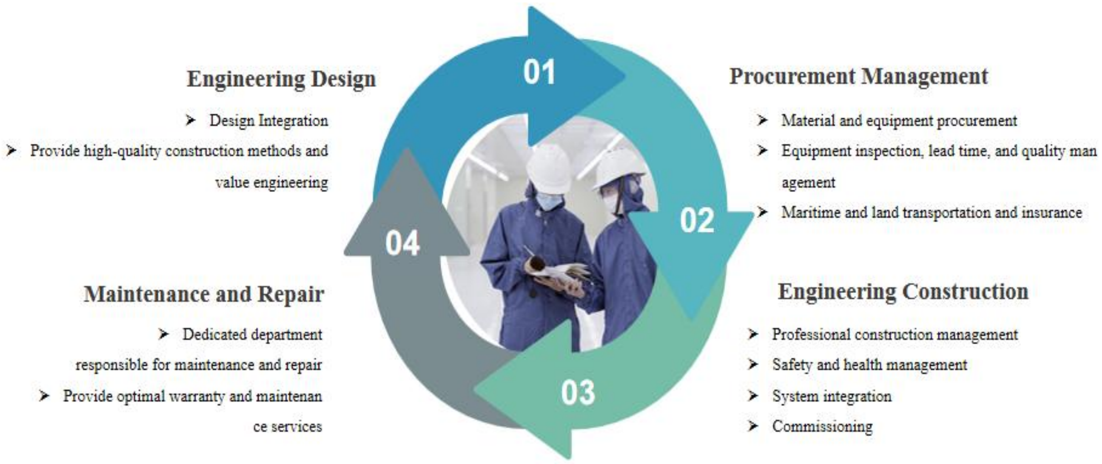
The industrial policy support for the main downstream industries served by the Company is conducive to the sustainable growth of the related industries, thus driving the overall market demand for clean room engineering. In recent years, China has promulgated relevant policies one after another, in order to promote the development of industries such as semiconductors, new displays, life sciences, and food and pharmaceuticals, thereby promoting the growth of the clean room industry demand. In addition, clean room engineering is part of the construction industry. Relevant national policies that have been promulgated successively for promoting the greening and intelligent development of the construction industry, the application of BIM technology and other information technologies used in clean room construction, and the development of prefabricated buildings have also driven the development of clean room engineering industry.

The Company and its subsidiaries have paid close attention to all key and latest policies and laws home and abroad continuously, adjust the Company's business strategy based on the latest market trend, in order to effectively grasp the impact on the Company's financial business. In recent years and as of the publication date of this Report, the Company hadn't received significant impact of the changes of important policies and laws home and abroad on its financial business.

III. The Company's Business within the Reporting Period

(I) Overview of the Company's Main Business

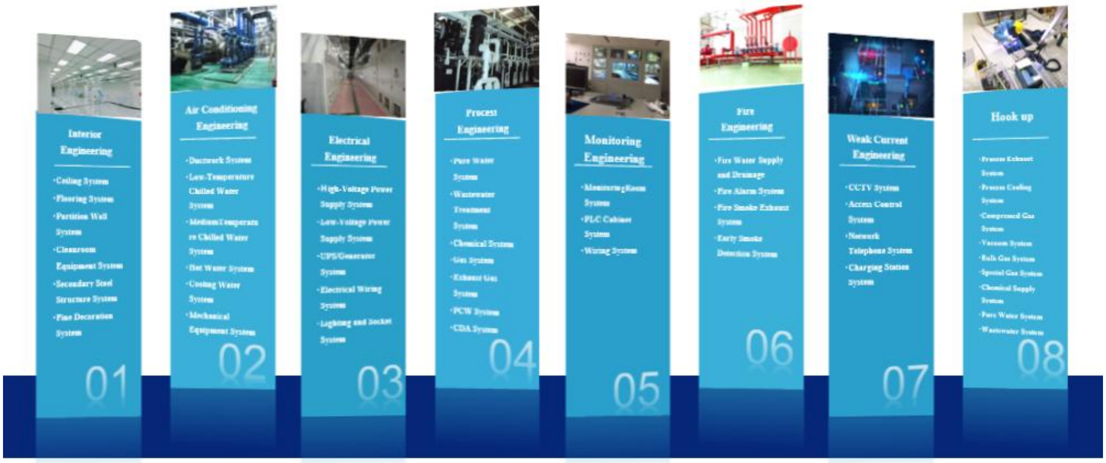
The Company's main business is to provide such services as clean room engineering, electromechanical engineering, etc. for the plant construction of the high-tech electronic industries such as IC semiconductor, optoelectronics, as well as relevant fields including food, pharmaceutical and cloud computing centers. To be specific, the business includes clean factory construction & planning, design suggestions, equipment, environment system integration engineering, and maintenance services of clean room.



The Company has the qualifications of Grade I General Contractor of Electromechanical Engineering, Grade I Specialized Contractor of Building Electromechanical Installation Engineering, General Contractor of Building Project Construction, Specialized Contractor of Electronic and Intelligent Engineering, Specialized Contractor of Building Decoration, Specialized Contractor of Firefighting Facilities Engineering, Grade II Specialized Contractor of Environmental Protection and the qualification for the installation, repairing and transformation (industrial pipe installation GC2) of pressure-bearing special equipment. Within the reporting period, the Company acquired the Grade B qualification of engineering design and building industry (building engineering) and Grade B qualification of engineering design and building decoration projects. All these construction qualifications best demonstrate the Company's solid technical strengths and professional capacity.

(II) Main Products and Their Uses

Different from other industries, the technology and R&D of clean room system integration engineering is aimed to tailor and provide the operating system and environment satisfying clients' needs by improving its application efficiency through reorganizing construction methods, and materials and equipment, and by integrating the specialized knowledge in different fields such as architecture, electromechanical engineering, air conditioning, fire protection, instrument control, distribution pipeline and engineering management based on the specific owner's needs.



The clean room system integration-related projects include clean room system integration engineering and hook-up works.

① Clean room system integration engineering refers to clean room system-related design and construction projects before the factory is put into use, including systems directly related to clean rooms (such as air handling systems, water treatment systems, airflow systems, air molecular pollution control systems, static control systems, etc.) and clean room support system engineering (such as piping systems, power systems, fire safety systems, etc.).

②Hook-up works refer to the secondary clean room supporting projects (such as power systems, water treatment systems, and airflow systems) for new equipment and production lines after the clean room is put into operation, on the premise of minimizing the impact on the cleanliness, air molecular pollution, vibration, temperature, humidity, pressure, and static electricity of the original clean room area. The design and construction precision and fault tolerance of hook-up works are relatively low. Other electromechanical installation projects refer to the electromechanical projects of non-clean room-related factory and office buildings, etc.

(III) Business Model

The Company, as the one-stop professional service provider of clean room system integration engineering solutions for advanced manufacturing industries, is capable of implementing a complete industry chain of system integrating, ranging from engineering design to procurement, construction, operation and maintenance. While implementing projects, the Company purchased the required equipment and materials centrally based on the specific project conditions, and subcontracted the clean room system project construction. The Company was also responsible for organizing and coordinating the contracting units of each system, supervising and guiding them, and coordinating the overall progress of the project. The Company earned profits by providing clients with clean room project total solutions.

1. Sales Mode

The Company mainly provides clean room engineering services for the large-scale enterprises in semiconductor, electronics and other industries. The Company's marketing staff obtains client resources by exploring new clients through searching market information, serving existing clients continuously, and cooperating with new clients recommended by the existing ones, etc., and makes contact with them on business. The Company mainly approaches clients through clients' bidding, invitation for bidding and commercial negotiation. The bidding mode of the Company is generally as follows: Obtaining bidding information, purchasing proposals, passing tenderer's qualification examinations, paying bidding deposit, preparing bidding documents, bidding for projects on sites, opening bid on site, obtaining the notification of successful bid and signing the contract, etc.

2. Procurement Mode

The Company procures construction materials in accordance with the contract signed with the owner or contractor, mainly including construction materials and equipment. The Company prepares the procurement plan based on the project cost budget and the requirements of the project execution schedule; prepares and executes the corresponding procurement plan based on the specific project. The person in charge of the project prepares the procurement plan according to the project progress, project material input plan, processing schedule of customized materials, etc., and the procurement period of each type of materials is clearly defined.

3. Engineering Contracting Mode

In accordance with the *Construction Law of the People's Republic of China*, *Civil Code of the People's Republic of China*, *Labor Law of the People's Republic of China*, *Provisions on the Administration of the Qualifications of Construction Enterprises* and other relevant laws and regulations, as well as the project construction contract signed with the owner, the Company subcontracts the clean room construction projects according to the specific clean room projects during the implementation stage. In case of any restrictive clauses or explicit provisions in the general contract, the Company shall obtain the consent of the owner before selecting the contracting manufacturer. The Company centrally coordinates, organizes, supervises, guides and uniformly manages the subcontractors of each system during the construction process.

The Company's Procurement Department is responsible for maintaining the list of suppliers and evaluating the subcontractors based on their qualifications, financial strength, engineering achievements, etc. In case of any subcontracting needs, the person in charge of the project will initiate a requisition for subcontracting, and the Procurement Department will sign a contract with the subcontractor, which is selected after comparing all subcontractors' experience, technology, price, etc. with the approval of the corresponding supervisor. Subsequently, the Company organizes engineers and technicians to give technical briefings to the subcontractors, and conducts training, supervision and management of the subcontractors in accordance with the terms of the contract, design documents and construction specifications to ensure the normal progress of the construction.

IV. Analysis of the Company's Core Competitiveness within the Reporting Period

√ Applicable□ N/A

(I) Excellent Engineering Performance and Extensive Business Scope

Upholding the "multi-client, multi-industry, multi-job, multi-region" development strategy, and on the basis of the Company's excellent service quality, efficient project execution ability and professional talent team, the Company has expanded its business to the central development cities of many countries and regions worldwide. By working with hundreds of world-renowned enterprises, the Company undertakes projects in the industries such as semiconductors, precision manufacturing, photoelectric panels, biotechnology and medical care, commercial buildings, government projects, department stores and hospitals, etc. It has accumulated rich engineering performance in such fields as air-conditioning, motor and clean room. As of the end of the reporting period, the Company had implemented over 450 clean room-related projects, including nearly 100 clean room projects of Class 100 and above. As one of China's few comprehensive contractors with cross-disciplinary and cross-border engineering service capabilities, the Company can provide clients with a series of specialized technical services, ranging from project consultation, design, construction, management to system debugging, operation management, warranty maintenance, etc. The Company is superior to its rivals in terms of the capacity of adapting to the cyclical fluctuations of business and effectively reducing operational risks.

The Group's global strategic layout continues to deepen, and significant achievements have been made to the coordinated development of domestic and overseas businesses. In terms of the domestic business, by taking Suzhou headquarters as the strategic center, the Company has built a marketing network system, which influences three major economic belts in East China, Central China and South China, and accurately covered the advanced manufacturing clusters through strategic distribution of regional hub cities such as Hefei, Zhengzhou, Changsha, Wuhan and Chongqing. Relying on the geographical advantages, the Company's each regional center has built a dual-core driving mode of "headquarters + region"; established a rapid response mechanism and a personal service system, to satisfy the technical needs of downstream high-end manufacturing clients fully.

The Company has good foresight for its layout in Southeast Asian market, where it has built an industry-leading multinational management system. Implemented the "Localization Strategy of Southeast Asia" since 2007: Stage 1: Established Vietnam Subsidiary (in 2007) as a regional office; Stage 2: Realized multi-point layout by establishing Malaysia Subsidiary (2011) and Indonesia Subsidiary (2013); Stage 3: Deepened the regional network, and established Thai Subsidiary (in 2019) to form strategic support covering major ASEAN economies. Realized three core advantages through the mechanism of "standardized output + localized transformation" based on the project management experience system duly established by Suzhou Headquarters based on over 20 years of experience: Firstly, build a transnational capacity collaboration network, apply the experience of "Intelligent Manufacturing in China" and comply with the local industrial policies, labor regulations and customs & tax mechanisms; secondly, cultivate a localized talent echelon, establish a multilingual service team to deeply integrate into the local business culture, and realize smooth communication throughout the project cycle; thirdly, establish a risk pre-control mechanism, effectively avoid trade barriers and ensure the project delivery cycle by the dual-track strategy of domestic procurement and local supply chain construction.

(II) High Project Quality and Stable Customer Relationship.

Quality and reputation are not only the Company’s extremely important intangible assets but also guarantee the Company’s development of clients and business.

Upholding the precise and profound positioning of "creating high-quality spaces" faithfully, the Company is committed to creating high-standard and high-quality clean room system integration solutions for clients. Based on its excellent professional ability, rigorous project management and in-depth insight into client needs, the Company has accumulated rich industry experience and good market reputation, and the "Acter" Brand takes prevalence in the field of clean room engineering construction.

The Company sticks to quality control in each link of clean room system integration. The Company creates a safe, efficient and reliable clean space for clients in the entire processing from careful planning and design in early stage of project to the implementation of strict standards in the construction process, and considerate repairing and warranty services after project completion. Within the reporting period, the Company was awarded the honors of the "Best Supplier", the "Best Safety Management Team", the "Excellent Safety Vendor" and the "Excellent Contractor" for many times, and its engineering services were well received by clients. The successful delivery of each project best demonstrates the Company's brand value, and every client's satisfactory feedback helps improve the reputation of the Company’s brand.

High-tech workshop in high-end electronics industry entails huge investment, and high stability of clean room. For the purpose of reducing investment risks and ensuring product yield, owners are apt to prefer leading, well-experienced engineering service enterprises with outstanding performance. Under the context of the rapid iteration and upgrading of high-tech industries such as semiconductor, electronic manufacturing and photoelectric display, Acter, as a system integration enterprise, has always worked with clients as closely as possible and witnessed each client’s growth in depth. The Company has made transformations from technological breakthrough to capacity expansion and from process optimization to intelligent transformation. Based on its professional technical team, flexible solutions and efficient service system, the Company offers tailored system integration services complying with clients’ development strategies so as to help them stand out in the fierce competition.

We feel blessed to establish a deep, stable cooperative relationship with outstanding enterprises in many industries during our development. Our clients cover the leading enterprises in various sub-sectors and well-known enterprises in the upstream and downstream of the industry chain.Relying on the stable customer group duly established through long-term efforts, the Company has formed the core resource advantages to ensure the sustainable development of its business.

(III) High-quality Management Team and Specialized Engineering Technicians

The Company always sees the construction of talent echelon as its core strategy. After more than 20 years of painstaking efforts, it has built an interdisciplinary management team capable of coping with all issues in the industry. The core management members have the working experience over 15 years on average, with the experience of project construction for leading enterprises in strategic emerging industries such as semiconductors and photoelectric displays for a long time; they have established in-depth understanding of the whole life cycle of clean room engineering industry while serving clients, and have the ability of cross-industry technology integration and forward-looking layout. Relying on the talent cultivation mechanism of "internal promotion + professional talent introduction", the Company ranks among the top in the industry in terms of the stability of middle management team. It has nearly 100 employees with more than 10-year experience, which ensures the continuity and iterative innovation ability of engineering technical services. As of the end of reporting period, the Company had 601 engineers and technicians, including 216 with vocational skills certificates; 48 registered Level A and B constructors specialized in architecture, electromechanical engineering, etc.; 76 with medium and senior titles.

In management practice, the Company breaks down the corporate strategy into quantifiable department and individual indicators through OKR target management system, to realize the synergistic value addition of organizational efficiency and employee value. By assigning well-experienced "masters" for new employees, the Company realizes accurate cultivation of core competencies such as construction technology and client management through "passing on experience". The method above also allows new employees to adapt to their post within a shorter period of time. In the "Reserve Supervisor Training Camp", the Company invites teachers and experts from prestigious colleges and universities and professional institutions to offer trainings on legal risk control, cost actuarial, green construction, etc. More than 100 reserve cadres have been cultivated through the camp, to improve the team management level and business management skills. In the Company's Magic Academy, the Company offers E-Learning system, and various offline trainings. Senior engineering personnel summarize and analyze closed cases, and offer offline courses for different specialized systems so that the trainees could understand the strengths and weaknesses of other projects while strengthening their own professional abilities, thus better exerting personal initiative and boosting operational efficiency. The management wisdom derived from industrial practice enables the Company to grasp the "intelligent, modular and low-carbon" development trend of clean room engineering, and to form differential advantages in such fields as EPC general contracting, intelligent O&M, etc., thus bringing strong supports for the Company's sustainable development.

(IV) Sound Financial Structure

Essentially speaking, the engineering system service providers subcontract the projects that they contract to a third party. On the basis of the nature of project contract, some of the materials and equipment required for construction are purchased by the subcontractors while the rest ones are purchased in advance according to the procurement procedure in order to satisfy the construction progress. Subcontractors must have sufficient capitals and need to pay capitals before undertaking large system integration projects, such as bid bond, performance bond, material & equipment price, outsourcing costs and warranty payment. Since its inception, the Company has established a sound financial structure and allocated sufficient operation funds to satisfy the needs of project operation. The Company also enjoys sufficient financing amount at financial organizations. Furthermore, the sound financial structure could also improve owners' trusts in the Company.

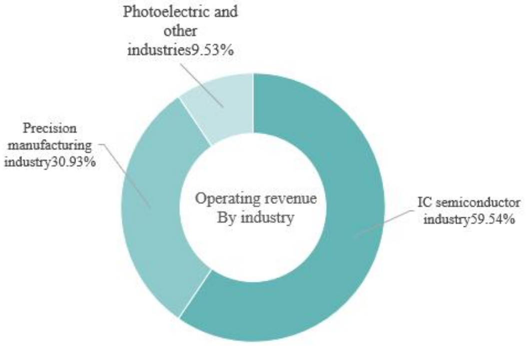
V. Main Operations within the Reporting Period

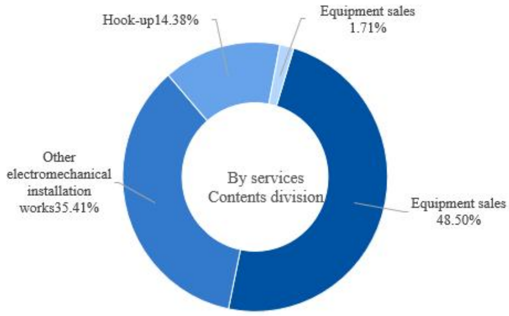
(I) Fierce Market Competition, Slow YoY increase of Operating Revenue

In 2024, China's domestic economy continued to recover moderately. However, the growth speed of investment on China's manufacturing industry was affected generally by the fluctuation of the global supply chain, geopolitical conflicts, and insufficient domestic demand. In terms of domestic market, some clients from downstream were less willing to make investment or postponed their expansion plans. In consideration of the influential factors such as the stagnant construction industry and fiercer price war ascribed to the intensified homogenized competition, the Company's operating revenue in 2024 decreased YoY and its gross profit rate dropped.

Within the reporting period, the Company's operating revenue was RMB 2,007.6973 million, a YoY decrease of 0.06%. The net profits belonging to the shareholders of listed company were RMB RMB 114.4023 million with a YoY decrease of 17.45%. The gross profit rate of the Company's main businesses in 2024 was 12.51% with a YoY decrease of 0.82%.

If the Company's main operating revenue in 2024 is divided based on the industries of downstream clients, the operating revenue of IC semiconductor industry accounts for 59.54% with a YoY decrease of 11.31%; that of precise manufacturing industry accounts for 30.93% with a YoY increase of 28.99% while that of photoelectricity and other industries accounts for 9.53% with a YoY increase of 6.56%. If however the Company's main operating revenue in 2024 is divided based on the specific contents of engineering services, the operating revenue of system integration engineering accounts for 48.50% with a YoY decrease of 35.89%; that of hook-up works accounts for 14.38%, with a YoY increase of 43.21%, that of other electromechanical installation engineer accounts for 35.41% with a YoY increase of 156.99% while that of equipment sales accounts for 1.71% with a YoY increase of 194.88%.





(II) Overseas market is gradually the key pillar of the Company's second growth curve

Under the context of global supply chain rebuilding and the vigorous development of the local electronics manufacturing enterprises in Southeast Asia, the Southeast Asian market ushered the robust growth potential of clean room engineering income, which is particularly significant in semiconductor and electronics manufacturing fields.

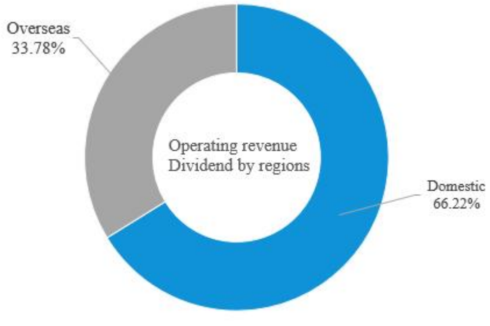
If the Company’s main operating revenue in 2024 is divided by region, the domestic and overseas main operating income was RMB 1,328 million and RMB 670 million, accounting for 66.22% and 33.78% of the total respectively. The overseas main operating revenue realized a YoY increase of 55.39%, which implies the Company’s robust power and remarkable achievements in the exploration of overseas market.

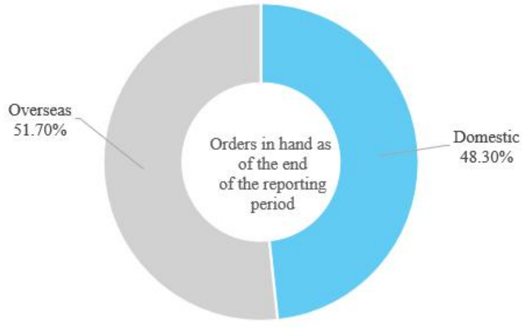
Within the reporting period, the Company actively promoted a total of 483 projects in process of different kinds, with a total amount of RMB 4,992.0922 million. To be specific, there were 309 domestic projects, the capital amount of which account for 64.70% and 174 overseas projects with a capital amount accounting for 35.30%. The above indicates the depth and width of the Company’s overseas market layout.

Among all the overseas subsidiaries, Acter (Vietnam) ranked among the top with 112 projects in process. Thanks to its excellent project execution capacity and considerate services, Acter (Vietnam) won the trust of many famous clients, such as Wistron InfoComm, WNC, ALPHA NETWORKS and SIMPLO. The total number of Acter (Vietnam)’s projects in process was 17, with a total amount of RMB 761 million and the main clients included UNIEQ.

As of the end of the reporting period, the balance of the Company’s orders in hand had been RMB 1,735 million (excluding tax), with a growth of 31.47% compared with the same period of last year. To be specific, the balance of the Company’s overseas orders in hand had been RMB 897 million, accounting for 51.70%, while that of the Company’s domestic orders in hand was RMB 838 million, accounting for 48.30%. For the very first time the proportion of balance of the Company’s overseas orders in hand became higher than that of the domestic ones, which implies that the Company has improved its influence on the overseas market gradually.

Southeast Asia has already become the Company’s key overseas region for business exploration. The Company’s subsidiaries in Malaysia, Indonesia, Thailand and Vietnam have realized efficient supplementation and supply collaboration of raw materials, technologies and manpower under the strong support of the Company. The Company’s business in various Southeast Asian countries has formed a dense network gradually through mutual linkage. All the local subsidiaries complemented with each other and made progress collaboratively, which contributes to a more flexible development space.





(III) Build the Client-oriented New Matrix Organization Pattern by Focusing on Suitable Strategies

Within the reporting period, the Company totally finished the construction of "grade and rank system" and made meticulous planning on the dual channels of employee management and specialty development. By building the rank channel systematically and evaluating post value in depth, the Company has established the matching relationship of rank and remuneration accurately. The Company also prepared specific standards for qualification and defined the post requirements and promotion criteria of employees at different levels, providing clear guidance for employees' occupational development and scientific bases for personnel selection. The Company finally aims to guide the employees to become more competent in specialized fields and realize self-improvement and development; and to help organizations allocate resources efficiently, thus laying a solid foundation on the Company's sustainable development and growth.

On the basis of ensuring the professionalism of functions, the Company also set the "integration service group" horizontally, to form the dual-track management framework of "vertical function + horizontal projects". Employees can not only make exploration in the specialized fields but also further improve their interdisciplinary capacity by working with other departments on projects. In this way, the Company could form an organic collaborative network consisting of technologies, manpower, capital, etc. based on the strategic priority; and improve the efficiency of seizing market opportunities in the fast-changing industry cycle through shortening decision-making chain and intensifying cross-department collaboration.

(IV) Constant Increase of Specialized Technician Reserves and Patents

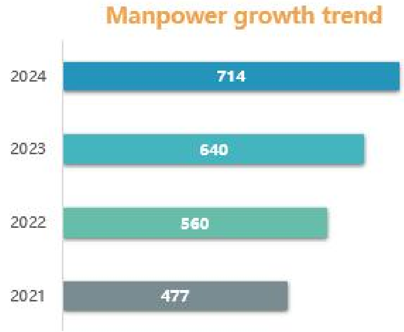
1. The steady growth of employees implies the Company's favorable development momentum. As of the end of the reporting period, the Company had a total of 714 employees, an increase of 11.56% compared with the same period of last year. In particular, the number of engineering technicians had reached 601 from 525. The number of employees with vocational skills certificates was 216, while the number of registered Level A and B constructors specialized in architecture, electromechanical engineering, etc. was 48; the number of employees with medium and senior titles was 76. The Company has built the 3D patent matrix of "skill certification + professional qualification + title echelon" constantly, which improves the Company's core competitiveness for large project bidding and technological innovation.

2. The Company implements the talent development strategy of "developing employees' potentials, promoting their awareness of independent learning". Within the reporting period, the Company offered internal and external courses and annual required courses for employees, who, through offline face-to-face teaching, were encouraged to discuss with lecturers in depth, thus promoting the bilateral knowledge transfer, realizing benign interaction, helping employees to improve their professional skills comprehensively and facilitating individual growth and enterprise development at the same time. Within the reporting period, the Company organized trainings of 80 sessions by investing RMB 0.2421 million. With a total length of 9,495.5 hours, the trainings involved 456 employees with the per capita training length of 20.8 hours and training coverage of 92%.

3. The Company deepens the construction of talent echelon continuously and focuses on the construction of talent cultivation system for grassroots managers and core backbones. Within the reporting period, the Company successfully held the 5th "Reserve Director Training Camp". Through the systematic training with regard to such specialized fields as legal risk control, cost actuarial, green construction, etc., the Company built the interdisciplinary talent reserve system empowered from different perspectives. The camp above has cultivated more than 200 reserved managers for the Company, thus improving team' lean management level and project full-cycle control capacity effectively, injecting innovation power for the Company's high-quality development and reinforcing the industry's core competitiveness constantly.

4. The Company improves the internal R&D system construction through different R&D modes, including independent R&D and industry-university-research cooperation, in order to cultivate its core competitiveness. To address the pain spots in the industry, the Company provided clients with more efficient, stable, eco-friendly and convenient clean room solutions on the "intelligent, green and high-end" principle and through implementing the key R&D projects, such as the research on efficient air purification technology, intelligent clean room management system, research on the green building materials of clean room, research on the energy-saving technologies of clean room, etc. As of the end of the reporting period, the Company had received 68 patents in total, including 11 invention patents and

57 patents for utility models. The quantity of patents licensed annually increased. All these patents safeguard the Company's technologies.



(I) Main Business Analysis

1. Analysis of changes in relevant items in the profit statement and cash flow statement

In RMB Yuan

Items	Amount this period	Amount in the same period of last year	Change (%)
Operating revenue	2,007,697,317.98	2,008,924,995.68	-0.06
Operating cost	1,755,007,424.22	1,738,841,241.47	0.93
Sales expenses	6,781,770.06	7,954,281.67	-14.74
Administrative expenses	62,519,012.85	59,193,009.85	5.62
Finance costs	-10,917,383.30	-5,530,329.32	N/A
R&D expenses	33,529,705.96	25,121,209.62	33.47
Net cash flows from operating activities	-3,708,149.80	133,522,931.23	-102.78
Net cash flows from investing activities	-78,315,303.53	106,839,659.13	-173.3
Net cash flows from fund-raising activities	-57,173,481.03	-75,002,375.36	N/A
Taxes and surcharges	3,455,150.25	4,370,539.18	-20.94
Other gains	433,289.18	3,731,552.00	-88.39
Investment income	814,005.65	1,661,794.44	-51.02
Gain on change in fair value	25,000.00	-119,888.89	120.85
Credit impairment loss	2,207,755.91	-3,860,633.85	157.19
Impairment loss on assets	-6,812,588.09	1,148,478.91	-693.18
Gain on disposal of assets	98,152.04	116,542.37	-15.78
Non-operating revenue	37,943.24	14,361.33	164.20
Non-operating expenses	365,007.19	889,948.63	-58.99
Income tax expense	36,650,409.77	40,713,458.90	-9.98
Minority interests	2,707,464.55	1,473,367.57	83.76
Changes in fair value of investments in other equity instruments	-2,052,072.90		N/A
Translation differences on foreign current statements	-3,756,476.25	290,286.73	-1,394.06
Net of tax of other comprehensive income attributable to minority shareholders	40,729.72	79,151.41	-48.54

Explanation for the changes in finance costs: The amount of finance costs was changed substantially compared with that in the same period of last year, which is caused by the interest income and large amount of exchange gain in this period;

Explanation for the changes in R&D expenses: R&D expenses increased by 33.47% YoY, which was attributable to the increase in R&D investment in this period;

Explanation for the changes in net cash flow generated by operating activities: The net cash flow generated by operating activities decreased by 102.78% YoY, which is caused by completion progress of the large engineering projects in this period which is earlier than settlement progress, large number of capitals paid in advance and collection speed lower than that of the same period last year;

Explanation for the changes in net cash flows from investing activities: The net cash flow generated by investing activities decreased by 173.30% YoY, which is caused by the reduction of structural deposits redeemed in this period;

Explanation for the changes in other gains: Other gains decreased by 88.39% YoY, which is caused by the listing reward received in the last period;

Explanation for the changes in investment income: The investment income decreased by 51.02% YoY, which is caused by the reduction of structural financial amount redeemed in this period;

Explanation for the changes in gain on fair value changes: The gain on fair value changes changed significantly on a YoY basis, which is caused by the changes of fair value of structural deposits in this period;

Explanation for the changes in credit impairment losses: The credit impairment losses changed significantly on a YoY basis, which is caused by the decrease of the accounts receivable in this period compared with that at the end of last year, switch-back of the bad debts accrued last year and the collections from clients with aging received in this period;

Explanation for the changes in impairment losses on assets: The impairment losses on assets decreased by 693.18% YoY, which is caused by the high amount of Boyuan Construction's quality margin receivable as accrued in full in this period;

Explanation for the changes in non-operating revenue: The non-operating revenue increased by 164.20% YoY, which is mainly caused by the income from vehicle sales in this period.

Explanation for the changes in non-operating revenue: The non-operating revenue decreased by 58.99% YoY, which is caused by the high amercement outlay in last period;

Explanation for the changes in minority interests: The minority interests increased by 83.76% YoY, which is caused by the increase of net profits of Thailand and Indonesia joint venture subsidiaries and the increase of minority interests in this period;

Explanation for the changes in fair value of investments in other equity instruments: The changes in fair value of investments in other equity instruments changed significantly compared with those in last period, which is caused by the large loss generated by stock price change after the strategic investment on Wafer Works in this period;

Explanation for the changes in translation differences of foreign currency statements: The translation differences of foreign currency statements decreased by 1,394.06% YoY, which is mainly caused by the large change of the translation differences of the Vietnam Subsidiary's foreign currency statements;

Explanation for the changes in the net of tax of other comprehensive income belonging to minority shareholders: The net of tax of other comprehensive income belonging to minority shareholders decreased by 48.54% YoY, which is caused by the large change of translation differences of the Indonesia Subsidiary's statements in this period;

Detailed description of significant changes in the Company's business type, profit composition or profit sources in this period

□ Applicable √ N/A

2. Revenue and Cost Analysis

√ Applicable□ N/A

Within the reporting period, the Company's main operating revenue decreased by 0.06% YoY and the cost increased by 0.89% YoY, due to the influence of downstream clients' lower investment scale and fierce horizontal competition in the industry.

(1). Information of Main Businesses by Industry, Product, Region and Distribution Mode

In RMB Yuan

Main business by industry						
By industry	Operating revenue	Operating cost	Gross profit rate (%)	YoY change in operating revenue (%)	YoY change in operating cost (%)	YoY change in gross profit (%)
IC semiconductor industry	1,193,694,566.59	1,080,909,463.28	9.45	-11.31	-10.22	Decreased by 1.10%
Precision manufacturing industry	620,054,067.90	524,535,271.19	15.40	28.99	33.57	Decreased by 2.91%
Photoelectricity industry	92,449,438.50	74,271,440.78	19.66	-8.82	-7.90	Decreased by 0.80%
Other industries	98,731,863.10	74,426,688.64	24.62	26.54	21.08	Increased by 3.41%
Total	2,004,929,936.09	1,754,142,863.89	12.51	-0.06	0.89	Decreased by 0.82%
Main business by product						
By product	Operating revenue	Operating cost	Gross profit rate (%)	YoY change in operating revenue (%)	YoY change in operating cost (%)	YoY change in gross profit (%)
Clean room engineering	1,260,776,524.50	1,104,372,600.54	12.41	-26.62	-26.24	Decreased by 0.45%
Including: System Integration	972,508,470.65	854,536,087.79	12.13	-35.89	-35.49	Decreased by 0.55%
Hook-up works	288,268,053.85	249,836,512.75	13.33	43.21	44.68	Decreased by 0.88%
Other electromechanical installation works	709,882,661.90	621,599,056.88	12.44	156.99	167.82	Decreased by 3.54%
Equipment sales	34,270,749.69	28,171,206.47	17.80	194.88	200.83	Decreased by 1.62%
Total	2,004,929,936.09	1,754,142,863.89	12.51	-0.06	0.89	Decreased by 0.82%
Main business by region						
By region	Operating revenue	Operating cost	Gross profit rate (%)	YoY change in operating revenue (%)	YoY change in operating cost (%)	YoY change in gross profit (%)
Domestic regions	1,327,689,940.14	1,181,790,467.84	10.99	-15.45	-14.85	Decreased by 0.62%
Including: East China	721,061,314.51	613,217,765.19	14.96	-10.02	-10.62	Increased by 0.58%
Central China	145,069,491.73	137,221,432.37	5.41	-58.75	-57.93	Decreased by 1.85%
South China	412,866,804.26	393,539,736.82	4.68	29.64	32.84	Decreased by 2.30%

Southwest regions	35,638,066.18	26,709,916.90	25.05	-54.37	-56.61	Increased by 3.87%
Other regions	13,054,263.46	11,101,616.56	14.96	-36.60	-37.97	Increased by 1.87%
Overseas regions	677,239,995.95	572,352,396.05	15.49	55.39	63.16	Decreased by 4.02%
Including: Vietnam	360,635,331.49	289,605,361.98	19.70	19.67	21.25	Decreased by 1.05%
Indonesia	57,012,155.85	49,219,528.00	13.67	313.44	385.03	Decreased by 12.74%
Thailand	177,252,404.73	156,293,783.05	11.82	59.22	68.22	Decreased by 4.72%
Other regions	82,340,103.88	77,233,723.02	6.20	780.41	769.17	Increased by 1.21%
Total	2,004,929,936.09	1,754,142,863.89	12.51	-0.06	0.89	Decreased by 0.82%

Explanation for main businesses by industry, product, region and distribution mode

The revenue and cost of the main business by industry, product and region changed significantly in this period. Influenced by such factors as the slow growth speed of macro economy, downstream clients' lower investment scale or their decision on investing on overseas regions such as the Southeast Asia, fierce horizontal competition in the industry, etc., the domestic revenue and cost decreased in this period; however, the overseas revenue and cost increased significantly in this period, due to the large amount of overseas projects undertaken in this period and large proportion of other electromechanical project installation works from clients in precision manufacturing industry in the total businesses.

(2). Analysis of production and sales volume

□ Applicable √ N/A

(3). Fulfilment of major purchase contracts and major sales contracts

□ Applicable √ N/A

(4). Cost analysis table

In RMB Yuan

By Industry							
By industry	Cost items	Amount this period	Proportion in the total cost for the current period (%)	Amount in the same period of last year	Proportion in the total costs for the same period of last year (%)	Proportion of change of the amount in this period compared with the same period of last year (%)	Remarks
Constructio	Equipment and materials	892,624,851.04	50.89	975,046,287.01	56.08	-8.45	

n and installation industry	Labor subcontracting	736,309,579.09	41.98	648,595,269.15	37.30	13.52	
	Labor cost	74,915,887.06	4.27	75,883,841.01	4.36	-1.28	
	Other expenses	50,292,546.70	2.86	39,201,537.58	2.26	28.29	
Total		1,754,142,863.89	100.00	1,738,726,934.75	100.00	0.89	

Explanation for other cost analysis

None

(5). Change of merger scope caused by the equity change of major subsidiaries within the reporting period

□ Applicable √ N/A

(6). Major changes or adjustments of the Company's business, products or services within the reporting period

□ Applicable √ N/A

(7). Major clients and major suppliers

A.The Company's major clients

√ Applicable□ N/A

The sales volume of the Company's top 5 clients amounted to RMB 765.109 million, accounting for 38.11% of the Company's total annual sales volume. To be specific, the sales volume of related party in the volume above amounted to RMB 0 million, accounting for 0.00% of the Company's total annual sales volume.

No.	Top 5 clients	Project revenue (RMB 10,000)	Proportion in the operating revenue (%)
1	Client 1	20,374.05	10.15
2	Client 2	17,793.33	8.86
3	Client 3	14,793.10	7.37
4	Client 4	13,735.90	6.84
5	Client 5	9,814.52	4.89
Total		76,510.90	38.11

The proportion of sales to a single client exceeding 50% of the total amount, the existence of new clients among the top 5 clients, or heavy reliance on a small number of clients within the reporting period

□ Applicable √ N/A

B.**The Company's major suppliers**

√ Applicable□ N/A

The procurement amount of the top 5 suppliers is RMB 214.4369 million, accounting for 12.67% of the total annual procurement amount; among them, the procurement amount of related parties among the top 5 suppliers is RMB 0 million, accounting for 0% of the total annual procurement amount.

No.	Top 5 suppliers	Procurement amount (RMB 10,000)	Proportion in the annual procurement amount (%)

1	Supplier 1	9,621.20	5.68
2	Supplier 2	3,610.61	2.13
3	Supplier 3	2,905.73	1.72
4	Supplier 4	2,755.30	1.63
5	Supplier 5	2,550.85	1.51
Total		21,443.69	12.67

The proportion of procurement from a single supplier exceeding 50% of the total amount, the existence of new suppliers among the top 5 suppliers, or heavy reliance on a small number of suppliers within the reporting period
□ Applicable √ N/A

Other notes:
None

3. Fees

√ Applicable□ N/A

In RMB Yuan

Items	2024		2023		Proportion of change of the amount in this period compared with the same period of last year (%)
	Amount	Proportion in operating revenue (%)	Amount	Proportion in operating revenue (%)	
Sales expenses	6,781,770.06	0.34	7,954,281.67	0.40	-14.74
Administrative expenses	62,519,012.85	3.11	59,193,009.85	2.95	5.62
R&D expenses	33,529,705.96	1.67	25,121,209.62	1.25	33.47
Finance costs	-10,917,383.30	-0.54	-5,530,329.32	-0.28	N/A
Total	91,913,105.57	4.58	86,738,171.82	4.32	5.97

4. R&D investment

(1).**Table of R&D investment**

√ Applicable□ N/A

In RMB Yuan

Expensed R&D investment in this period	33,529,705.96
Capitalized R&D investment in this period	0
Total of R&D investment	33,529,705.96
Proportion of total R&D investment in the operating revenue (%)	1.67
Proportion of capitalized R&D investment (%)	0

(2).Table of R&D personnel

√ Applicable□ N/A

Number of the Company’s R&D personnel	66

Proportion of the R&D personnel in the total number of the Company's staff (%)	9.24
Educational structure of R&D personnel	
Category of educational structure	Educational structure and number of R&D personnel
Doctorate	0
Master's degree	2
Bachelor 's degree	44
College degree	20
Senior high school and below	0
Age structure of R&D personnel	
Category of age structure	Number
Below 30 (excluding 30)	38
30-40 (including 30 but excluding 40)	20
40-50 (including 40 but excluding 50)	7
50-60 (including 50 but excluding 60)	1
60 and above	0

(3).Remarks

□ Applicable √ N/A

(4).Reason for significant changes in the composition of R&D personnel and its impact on the Company's development

□ Applicable √ N/A

5. Cash flow

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount in the same period of last year	Change (%)
Net cash flows from operating activities	-3,708,149.80	133,522,931.23	-102.78
Net cash flows from investing activities	-78,315,303.53	106,839,659.13	-173.30
Net cash flows from fund-raising activities	-57,173,481.03	-75,002,375.36	-23.77
Net increase in cash and cash equivalents	-135,100,740.92	167,656,624.74	-180.58

(II) Explanation for Significant Changes in Profit Due to Non-principal Business

□ Applicable √ N/A

(III) Analysis of Assets and Liabilities

√ Applicable□ N/A

1. Assets and liabilities

In RMB Yuan

Items	Closing balance of the current period	Proportion of closing balance of	Closing balance of last period	Proportion of closing balance of	Proportion of change of amount	Remarks

		the current period in the total assets (%)		last period in the total assets (%)	at the end of this period over the last period (%)	
Monetary fund	575,382,706.17	29.47	722,496,330.38	37.94	-20.36	
Trading financial assets	50,025,000.00	2.56			N/A	Note 1
Bills receivable	27,398,673.04	1.40	43,157,918.28	2.27	-36.52	Note 2
Accounts receivable	362,233,577.57	18.55	396,889,272.26	20.84	-8.73	
Receivables financing	2,499,031.97	0.13	3,572,953.18	0.19	-30.06	Note 3
Prepayments	110,647,060.26	5.67	89,024,613.33	4.67	24.29	
Other receivables	9,824,375.86	0.50	13,378,598.48	0.70	-26.57	
Inventory	3,585,610.06	0.18			N/A	Note 4
Contract assets	565,904,050.40	28.98	424,897,205.60	22.31	33.19	Note 5
Other current assets	121,512,159.50	6.22	97,604,166.69	5.13	24.49	
Long-term equity investment	2,342,859.23	0.12	2,332,022.40	0.12	0.46	
Investments in other equity instruments	12,947,918.04	0.66			N/A	Note 6
Investment properties	531,707.64	0.03	598,758.96	0.03	-11.20	
Fixed assets	56,924,292.01	2.92	38,895,511.08	2.04	46.35	Note 7
Construction in progress	2,577,156.79	0.13	13,103,863.94	0.69	-80.33	Note 8
Intangible assets	7,693,073.36	0.39	7,244,475.94	0.38	6.19	
Right-of-use assets	4,064,612.80	0.21	3,840,232.40	0.20	5.84	
Deferred income tax assets	12,755,515.14	0.65	12,482,616.81	0.66	2.19	
Other non-current assets	23,661,503.85	1.21	34,843,950.71	1.83	-32.09	Note 9
Short-term loan	23,866,103.44	1.22			N/A	Note 10
Accounts payable	598,788,193.06	30.67	629,857,317.33	33.07	-4.93	
Payroll payable	41,972,766.98	2.15	47,459,670.87	2.49	-11.56	
Tax payable	15,374,255.49	0.79	7,980,749.03	0.42	92.64	Note 11
Other payables	24,647,083.82	1.26	25,427,208.65	1.34	-3.07	
Contract liabilities	88,601,839.41	4.54	73,351,891.04	3.85	20.79	
Non-current liabilities due	2,421,048.35	0.12	1,748,003.79	0.09	38.50	Note 12

within one year						
Lease liabilities	1,585,929.64	0.08	2,150,631.55	0.11	-26.26	
Anticipation liabilities	11,183,840.39	0.57	11,292,847.91	0.59	-0.97	
Long-term payroll payable	65,569.85	0.00	632,325.46	0.03	-89.63	Note 13
Deferred income tax liabilities	17,711,782.30	0.91	14,496,782.15	0.76	22.18	
Capital stock	100,000,000.00	5.12	100,000,000.00	5.25	0.00	
Capital reserves	562,632,775.45	28.82	562,632,775.45	29.54	0.00	
Other comprehensive income	-2,502,891.67	-0.13	3,318,147.61	0.17	-175.43	Note 14
Special reserves	44,175,259.38	2.26	44,578,849.52	2.34	-0.91	
Earned surplus	45,818,775.40	2.35	39,501,301.38	2.07	15.99	
Undistributed profits	360,311,280.65	18.45	332,226,440.31	17.45	8.45	
Minority interest	15,857,271.75	0.81	7,707,548.39	0.40	105.74	Note 15

Other notes:

Note 1: The trading financial assets changed significantly compared with those of last period, which is caused by the purchase of structural deposit in this period;

Note 2: The bills receivable decreased by 36.52% YoY, which is caused by the acceptance of trade acceptance at the end of last period upon maturity in this period and the decrease of customers making payment using trade acceptance in this period compared with the same period of last year;

Note: The financing of accounts receivable decreased by 30.06% YoY, which is caused by the acceptance of bank acceptance at the end of last period upon maturity in this period and the decrease of customers making payment using bank acceptance in this period compared with the same period of last year;

Note 4: The inventory changed significantly in this period compared with last period, which is caused by the incomplete acquisition of engineering materials purchased on domestic market in this period;

Note 5: The contract assets increased by 33.19% YoY, which is caused by the completion progress of new projects in this period which is earlier than the settlement progress;

Note 6: The investment in other equity instruments changed significantly in this period compared with the last period, which is caused by the payment of strategic investment funds for Wafer Works and the loss generated the change of its stock price;

Note 7: The fixed assets increased by 46.35% YoY, which is caused by the transfer of completed decoration of Wuhan, Hefei and Chongqing subsidiaries into fixed assets in this period;

Note 8: The construction in process decreased by 80.33% YoY, which is caused by the transfer of completed offices of Wuhan and Hefei subsidiaries and renovation of the Company's workshop into fixed assets in this period;

Note 9: Other non-current assets decreased by 32.09%, which is caused by the reduction of immature quality margin above 1 year in this period;

Note 10: The short-term loan changed significantly compared with that of last period, which is caused by the borrowing by subsidiary from banks due to heavier overseas workload and tight capital demands;

Note 11: The tax payable increased by 92.64% YoY, which is mainly caused by the increase of overseas profits and increase of enterprise income tax payable;

Note 12: The non-current liabilities due within one year increased by 38.50% YoY, which is caused by the increase of the lease payable due within one year;

Note 13: The long-term payroll payable decreased by 89.63% YoY, which is caused by the reduction of overseas employee pension payable in this period;

Note 14: The other comprehensive income decreased by 175.43% YoY, which is caused by the large loss generated by the investment on Wafer Works and the translation difference of foreign currency statements in this period;

Note 15: The minority interest increased by 105.74% YoY, which is caused by the increase of net profits of Thailand and Indonesia joint venture subsidiaries and the increase of minority interests in this period;

2. Foreign assets

√ Applicable☐ N/A

(1) Asset scale

Including: Overseas assets of 531,547,073.79, (in RMB Yuan), accounting for 27.22% of the total assets.

(2) Explanation for the high proportion of overseas assets

□ Applicable √ N/A

3. Restrictions on major assets as of the end of the reporting period

√ Applicable□ N/A

In RMB Yuan

Items	Balance at the end of the year	Balance at the beginning of the year
Margin	486,724.06	12,499,607.35
Total	486,724.06	12,499,607.35

4. Others

□ Applicable √ N/A

(IV) Analysis on the Industry Operating Information

√ Applicable□ N/A

For details, please refer to “II. Situation of the Company’s Industry within the Reporting Period” in “Section III Management Discussion and Analysis”.

Analysis on the operating information of construction industry

1. Projects completed and accepted within the reporting period

√ Applicable□ N/A

In RMB 10,000

Breakdown by industry	House construction	Infrastructures	Specialized engineering	Architectural decoration	Others	Total
Number of projects		1	612	2	31	646
Total		1,128.44	141,265.57	1,313.11	3,921.16	147,628.28

√ Applicable□ N/A

In RMB 10,000

Project regions	Number of projects	Total
Domestic	446	97,147.46
Overseas	200	50,480.82
Including:		
Vietnam	162	35,694.15
Indonesia	21	4,309.40
Thailand	17	10,477.27
Total	646	147,628.28

Other notes:
□ Applicable √ N/A

2. Projects in process within the reporting period

√ Applicable□ N/A

In RMB 10,000

Breakdown by industry	House construction	Infrastructures	Specialized engineering	Architectural decoration	Others	Total
Number of projects			459	1	23	483
Total			493,321.07	28.17	5,859.98	499,209.22

√ Applicable□ N/A

In RMB 10,000

Project regions	Number of projects	Total
Domestic	309	322,980.36
Overseas	174	176,228.86
Including:		
Vietnam	112	75,450.44
Indonesia	38	12,835.88
Thailand	17	76,064.69
Others	7	11,877.85
Total	483	499,209.22

Other notes:
□ Applicable √ N/A

3. Major projects in process

√ Applicable□ N/A

In RMB 10,000

Items	Business	Items Amount	Construction	Completion	Income recogni	Income recogni	Amount collecte	Project progres	Payment

	mode	(excluding tax)	period	percentage	zed in this period	zed cumulatively	d cumulatively as of the end of this period (including tax)	s in line with expectations or not	progress in line with expectations or not
Project 1	Construction contract	33,174.16	580 days	84.00%	1,892.37	27,866.18	26,846.60	Yes	Yes
Project 2	Construction contract	38,713.91	491 days	91.66%	9,814.52	35,485.95	29,778.64	Yes	Yes
Project 3	Construction contract	29,415.39	716 days	69.26%	20,374.05	20,374.05	12,872.20	Yes	Yes
Project 4	Construction contract	64,970.88	13 months	22.70%	14,747.08	14,747.08	11,905.10	Yes	Yes

Other notes:

√ Applicable□ N/A

1. The cost inputs in this period and cumulative cost inputs are not disclosed after considering the Company’s commercial secrets and the sensitive information contained in the two items;

2. As the relevant transaction in Project 1 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals’ specific project status is not disclosed. For details of the relevant announcement, please refer to the No. 2023-005 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on March 10, 2023, and the difference in the contract amount is for the additional works to be incurred in the subsequent period;

3. As the relevant transaction in Project 2 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals’ specific project status is not disclosed. For details of the relevant announcement, please refer to the No. 2023-032 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on August 1, 2023, and the difference in the contract amount is for the additional works to be incurred in the subsequent period;

4. As the relevant transaction in Project 3 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals’ specific project status is not disclosed. For details of the relevant announcement, please refer to the No. 2024-011 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on March 15, 2024, and the difference in the contract amount is for the additional works to be incurred in the subsequent period;

5. As the relevant transaction in Project 5 includes some confidential terms and for the consideration of commercial secrets and strategic development, the rivals’ specific project status is not disclosed. For details of the relevant announcement, please refer to the No. 2025-001 announcement disclosed by the Company on the website of the Shanghai Stock Exchange on January 1, 2025, and the difference in the contract amount is for the additional works to be incurred in the subsequent period;

4. New projects signed accumulatively within the reporting period

√ Applicable□ N/A

A total of 742 new projects were signed accumulatively within the reporting period, with a total amount of RMB 2,562.1443 million (including tax) and RMB 2,394.345 million (excluding tax).

5. Orders in hand as of the end of the reporting period

√ Applicable□ N/A
The total amount of orders in hand as of the reporting period was RMB 1,734.6494 million (excluding tax). To be specific, the amount of projects for which contracts had been signed but which hadn't been commenced was RMB 0 million while that of the uncompleted part of the projects in process was RMB 1,734.6494 million.

Other notes:
□ Applicable √ N/A

6. Others

□ Applicable √ N/A

(V) Analysis on Investment Status

Overall analysis on the external equity investments

√ Applicable□ N/A

The amount of the Company's new external investments within the reporting period was RMB 55,627,347.35.

1. Significant equity investments

□ Applicable √ N/A

2. Significant non-equity investments

□ Applicable √ N/A

3. Financial assets measured at fair value

√ Applicable□ N/A

In RMB Yuan

Asset category	Opening balance	Gain or loss on fair value changes in this period	Accumulated fair value changes recognized in equity	Impairment provision in this period	Amount of procurement in this period	Amount sold/redeemed in this period	Other changes	Amount at the end of this period
Structured deposits		25,000.00			322,000,000.00	272,000,000.00		50,025,000.00
Investments in other equity instruments			-2,052,072.90		14,999,990.94			12,947,918.04
Receivables financing	3,572,953.18						-1,073,921.21	2,499,031.97
Total	3,572,953.18	25,000.00	-2,052,072.90		336,999,990.94	272,000,000.00	-1,073,921.21	65,471,950.01

Investment in securities

√ Applicable□ N/A

In RMB Yuan

Securities variety	Securities code	Securities abbreviatio	Initial investme	Capital source	Opening book	Gain or loss	Accumulated fair value	Amount of procurement	Amount sold	Investment gain or	Ending book value	Accounting items

		n	nt cost		value	on fair value changes in this period	changes recognized in equity	in this period	in this period	loss in this period		
Stock	688584	Wafer Works		Self-owned capital			-2,052,072.90	14,999,990.94			12,947,918.04	Investments in other equity instruments
Total	/	/		/			-2,052,072.90	14,999,990.94			12,947,918.04	/

Explanation for investment in securities
□ Applicable √ N/A

Investment in private equity funds
□ Applicable √ N/A

Investment in derivatives
□ Applicable √ N/A

4. Specific progress of major asset reorganization and integration within the reporting period

□ Applicable √ N/A

(VI) Sales of major assets and equities

□ Applicable √ N/A

(VII) Analysis on major holding and participating companies

√ Applicable□ N/A

Companies	Main business	Registered capital	Shareholding ratio (%)	Total assets (RMB Yuan)	Net assets (RMB Yuan)	Net profits (RMB Yuan)
Shenghuei Engineering Technology (Shenzhen) Co., Ltd.	Domestic clean room engineering businesses	RMB 35.2967 million	100.00	62,281,345.37	49,086,774.22	-7,274,234.00
Shenzhen Dingmao Trading Co., Ltd.	Domestic equipment purchase and sales	RMB 5 million	100.00	82,738,141.56	57,944,128.93	12,060,212.40
Acter International Limited	Overseas investment platform	HKD 25.327397 million	100.00	44,429,210.75	19,053,840.09	-4,305,548.81
Acter Technology Singapore Pte., Ltd.	Overseas investment platform	SGD 3.37585 million	100.00	16,219,435.15	16,092,229.42	-122,601.82
Sheng Huei Engineering Technology Company Limited	Overseas clean room engineering businesses	USD 5.5 million	100.00	257,605,626.36	152,834,586.89	50,514,542.95
PT Acter Technology Indonesia		IDR 10,100 million	100.00	44,473,734.20	19,974,129.10	-728,158.82
Acter Technology Malaysia Sdn. Bhd		MYR 11.319 million	100.00	31,537,341.60	16,600,589.62	3,103,044.22
Acter Technology Co., Ltd		THB 30 million	88.38	107,718,602.17	44,691,851.37	16,160,473.67
PT Acter Integration Technology Indonesia		IDR 50,050 million	67.00	29,563,123.56	24,506,258.45	2,512,817.39

Revenue and profits from main business of a single subsidiary and with net profits exerting 10% or above impact on the Company's total net profits:

In RMB Yuan

Companies	Revenue from main	Profit from main

	business	business
Shenzhen Dingmao Trading Co., Ltd.	77,868,668.69	17,434,590.91
Sheng Huei Engineering Technology Company Limited	360,627,466.29	71,137,722.88
Acter Technology Co., Ltd	177,154,879.75	20,861,096.70

(VIII) Structured Entities Controlled by the Company

□ Applicable √ N/A

VI. Discussion and Analysis of the Company's Future Development

(I) Industry Pattern and Trend

√ Applicable□ N/A

1. The demand from downstream industry provides broad market space for the clean room industry

As highlighted in the *2025 Government Work Report of the State Council*, we should develop new productive force according to the local conditions. Promote the safe and healthy development of emerging industries such as commercial spaceflight and low-altitude economy; cultivate the future industries actively, including bio-manufacturing, quantum science and technology, embodied artificial intelligence (AI) and 6G; speed up the digital transformation progress of manufacturing industry; promote the development of the new generation of intelligent terminals such as intelligent connected new energy vehicles (NEVs), AI mobile phone and computer, smart robot, etc. as well as intelligent manufacturing equipment vigorously.

Under the context of accelerated iteration of AI technologies worldwide, the international semiconductor giants and cloud service providers have paid more attention to the capital expenditure layout constantly, promoted the R&D of advanced manufacturing process from the strategic perspective and driven the faster iteration of AI chip, HBM storage chip and COWOS advanced package test technology. Such round of technological innovation wave is driving the coordinated development of the whole semiconductor industry chain——Demands have risen in all fields, such as the manufacturing of large silicon wafer and special semiconductor materials, technical breakthrough of core manufacturing equipment and advanced package tests and even SMT precise assembly in downstream. As reported by SEMI, the fields including smart phone, consumer electronics and NEVs will usher their further development. More specifically, the semiconductor segment with the fastest growth speed and largest proportion at present is server/data center/storage. The demands above are ascribed to AI application such as large AI model and big data processing. Relevant data show that the operating revenue of this part will rise to 34% in 2030 from 24% in 2024. The former industries have been upgraded constantly along with the constant progress of science and technology, which also contributes to workshop upgrading and expansion in order to satisfy the production needs. The favorable situation above gives the Company chances to receive more orders.

Clean room engineering serves as the fundamental project of advanced manufacturing industry and also an indispensable part for high-end manufacturing industries such as electronics industry. The development of advanced manufacturing industry is largely related to the quality and level of clean room. The development of relevant industries will surely promote the scale growth of clean room engineering. The electronic information industry, which is represented by IC semiconductor, photoelectric panel and precision manufacturing, is the main field of clean room engineering at present. All the favorable polices somewhat promote the development of clean room industry, besides the industries such as integrated circuit industry. With the scale growth of clean room industry, enterprises in the industry will embrace more opportunities and undertake more and larger projects, which lays a solid foundation for the industry's future development. The market demands in clean room industry will be high.

2. Green manufacturing and smart factory make transformation at a faster speed and clean room is developed by complying with the energy-saving and digital trend.

The focus of clean technologies differs based on the specific application fields.Under the driving effect of industry upgrading and green construction, the enterprises specialized in clean room system integration engineering have integrated the prefabricated construction technology and modular engineering system in depth by leveraging the full chain technology integration capacity; by focusing on standardized design, industrial prefabrication and intelligent O&M, they make fast deployment on the clean environment and optimize energy efficiency, providing sustainable solutions featuring high efficiency, low energy consumption and iteration for advanced and sophisticated fields such as semiconductor, biological medicine, etc.

In consideration of higher environmental protection awareness and introduction of emerging technologies, more attention will be paid to environmental protection in clean room production, so as to minimize environment contamination and realize production with a lower carbon emission standard. Through integration with other electromechanical equipment via the purification & air conditioning system mainly, the clean room can ensure the cleanliness grade is always within the production and operation standard. Clean room is indeed a huge energy consumption system. The reduction of energy consumption has always been a key indicator for assessing clean technology.In the face of higher pressure on energy conservation and environmental protection, to save costs, the clean room should be such designed to satisfy these traditional indicators such as temperature, humidity and cleanliness, etc. as well as the new ones, including energy conservation and efficiency increase, green and environmental protection, etc. Therefore, the clean room system integration total solution providers which are high in professionalism and strong in comprehensive strengths will be more competitive in the market.

More attention will be paid to the technological innovation in clean room service industry, along with the constant iteration and upgrading of technology. The emerging technologies, such as modular clean room and intelligent control system, have improved the construction efficiency and use effect of clean room.Traditional clean room projects, which are completed at project sites, are generally affected by many factors, such as site operation conditions, construction cycle, implementation and coordination difficulties, management difficulties, safety hidden dangers and surrounding environment. The BIM technology-based prefabricated "modular" design, manufacturing and installation integration methods could control the cleanliness effectively, and finish clean room system integration quickly, through changing the traditional operation order, effectively distributing and combining various trades and working orders, and assembling the modules prefabricated in processing plants on project sites. The methods could improve operation efficiency significantly, shorten construction period effectively, provide new development direction for the sustainability, industrialization and informatization of clean room, and will become the new development trend of clean room industry.

3. Overseas market has become the new strategic highland for clean room system integration engineering enterprises

The geopolitical tensions have reshaped the global economic pattern. To spread supply chain risks, explore the huge potential market and leverage the favorable policies on taxation, etc., many downstream clients have tried to explore the overseas market constantly to seek for the cooperation opportunities. Benefited from such transformation, the Southeast Asian countries have become a paradise for electronics manufacturing and investment thanks to their strategic location, skillful labor force and strong infrastructures. At present, Vietnam is focusing on SMT assembly industry, which is in the downstream of semiconductor industry, Thailand on PCB industry, which is in the upstream of the industry chain while Malaysia on manufacturing and package test industry. The semiconductor industry all over the world is shifting towards the Southeast Asian region, where the semiconductor manufacturers have posed higher demands on clean room engineering.

The local clean room engineering construction enterprises in Southeast Asia emerge one after another. However, in consideration of the high requirements of semiconductor industry for clean room stability and reliability, higher requirements have been proposed for the technical and comprehensive management level of the clean room engineering companies. In general, owners prioritize the engineering service providers with rich experience, outstanding performance and a leading status in the industry, in order to minimize investment risks and costs and ensure product yield. With the transfer of industry clients, not a few domestic clean room engineering construction enterprises gradually switch their attention to Southeast Asian regions according to the announcements released by relevant companies in the industry. They start to explore and occupy the overseas market successively through setting up subsidiaries and branches, increasing investment, etc. The Company has established its subsidiaries in Singapore, Malaysia, Vietnam, Indonesia, Thailand, etc. and supports them to establish sound systems and technologies by imparting them experience. Thanks to the early involvement in the Southeast Asian market, these subsidiaries can obtain relative advantages easily and have achieved certain advantages in the local market.

(II) The Company's Development Strategies

√ Applicable□ N/A

Along with the industry's development, promulgation of favorable national policies, and the Company's business development planning and constant improvement of its corporate governance, the Company continues to uphold the development strategy of "multiple clients, industries, types of work and regions" faithfully, imports ESG development concept and focuses on the clean room engineering services. To satisfy clients' needs, the Company has cultivated the independent innovation and R&D capacity by leveraging technology and R&D and on the basis of environmental protection and "green and energy-saving project" concept, in order to serve high-tech industries. The 5-step development path of "production", "sales", "people", "development" and "revenue" helps the Company become a world's leading enterprise specialized in the clean room system integration engineering services for high-tech industries.

(III) Operation Plan

√ Applicable□ N/A

1. Short-term business development plan

(1) Multi-dimensional layout, market exploration

With the expansion of regional layout of clients and the driving effect of a new round of factory expansion needs, the Company will further exert its advantages of multi-regional market layout further, deepen market competition advantages, cultivate differential niche and consolidate its key role in the industry chain continuously. On the basis of the continuous and high needs in the Southeast Asian regions, the Company will further explore the overseas market with more efforts. While expanding the business layout, the Company also tries to explore the clients in such fields as those related to AI upstream and downstream, full semiconductor industry chain, data center, industry-university-research base and labs of colleges and universities, etc.

(2) Fostering of a famous brand, setting off to a new journey

The Company will improve project management actively, lay special emphasis on the raw material supply chain and expansion of regional professional elite teams, and endeavor to ensure the quality and construction term of large and small projects under its diverse industries as well as the group's operation efficiency. By integrating and optimizing its existing marketing system, the Company will establish all-round one-stop marketing service systems, intensify the coordination of pre-sales, sales and after-sales links, improve service efficiency and quality, give timely response to clients' needs, solve their problems and enhance their loyalty.

(3) Energy conservation, environmental protection and sustainable green development

The Company has introduced the ESG development concept, combined the technical research on green development, emission reduction and intelligence with its daily operation and project managements, intensified modular and standard applications gradually and realized the low-carbon innovation of prefabricated buildings. By comprehensively integrating "green planning, procurement and working methods", the Company reduces its operation costs, improves the economic benefits, lowers environment impact and enhances its social corporate image and competitiveness by virtue of green engineering technologies.

(4) Industry-university cooperation for talent cultivation

①Continuing education and qualification improvement: The Company encourages its employees to participate in the continuing education, and apply for the practicing qualifications of architecture, environment, etc.; it has established incentive mechanisms, increased the proportion of employees with medium and high titles and supported the on-the-job learning of employees.

②Construction of talent echeolon: The Company cultivates middle-level managers through such ways as work shift change, improvement of educational background, external and internal training, post agent, etc.; cultivates grassroots managers and core backbones by mentoring and the "Reserve Manager Academy", etc. Upholding the idea of "selecting, cultivating, utilizing and retaining talents", the Company gives pertinent evaluations, cares and expectations for the employees, and cultivates excellent reserve managers and backbones to satisfy the business development needs.

③Management and training of high-level talents: The Company offers specialized management trainings for high-level talents to improve their strategic insight and leadership and to ensure the full quantity of high quality talents.

2. Long-term business development plan

(1) Implement corporate governance, deepen corporate culture and realize sustainable development: A favorable corporate governance structure and profound corporate culture play a basic role in ensuring the Company's stable development. The Company will not only further improve its corporate governance mechanism, optimize organizational structure and reinforce internal management but also continue to deepen the construction of corporate culture, carry forward the core values and cultivate active working atmosphere, in order to establish a united team and realize its sustainable development.

(2) The Company always focuses on the main business, optimizes its engineering technical ability continuously, integrates diverse and multiple projects, builds a comprehensive marketing service system, and tries to realize the goal of "carbon neutrality" and create a better future using core skills: To realize long-term development, the Company will focus on its main business continuously, optimize and improve its engineering technical capacity constantly, and expand the business field and service scope, in order to realize diverse development and integrate different projects. The Company has also established a comprehensive and efficient marketing system with a wide coverage, and helped clients realize the goal of "carbon neutrality" by leveraging its core skills and advantages, working together for creating a better future.

(3) The Company not only maintains the favorable cooperative relationship with the existing clients in domestic and Southeast Asian markets continuously but also tries to develop new clients; implements the multi-region strategy to improve the investment incomes and expand industry integration: On the basis of consolidating and maintaining the favorable cooperative relationship with the clients in domestic and Southeast Asian markets, the Company develops new clients actively in order to expand market shares. The Company also explores multi-regional operation mode, and prepares differential operation strategies based on the features and needs of local market in order to improve the investment income. In addition, through integrating industries and optimizing resource allocation, the Company has improved its comprehensive strength and competitiveness:

(4) Introduce talents, and cultivate operation management teams actively: Talent diversification drives the enterprise's innovation and further development. Upholding the talent concept of "openness and inclusiveness", the Company welcomes elites with different backgrounds and fields to inject new vitality and bring innovative thinking for the Company. At the same time, the Company attaches great importance to the cultivation and construction of operation management team, improves team members' comprehensive quality and management ability through internal trainings, external learning and exchanges, etc. in order to create a high-quality operation management team with strategic insight, innovation awareness and executive force.

(5) Deepen the professional technical ability of green development, energy conservation and environmental protection, and shoulder the responsibilities as a global citizen: In light of the tougher global environment issues, the Company takes the deepening of specialized technical abilities such as green development, energy conservation and environmental protection as one of its long-term development directions. By inputting R&D resources continuously, and strengthening technological innovation and R&D ability, the Company tries to make greater breakthroughs and progress in the green development, energy conservation and environmental protection field. The Company can provide advanced green development, energy conservation and environmental protection technologies and solutions for clients to help them lower energy consumption and pollutant discharge, thus contributing to the protection of the earth and promotion of sustainable development, and shouldering the responsibilities and mission as a global citizen.

(IV) Possible risks

√ Applicable□ N/A

1. Macro policy risk

The Company is mainly engaged in clean room engineering services for IC semiconductors, optoelectronics and other high-tech industries. The change of economic growth speed and macroeconomic fluctuation will affect the downstream industry, which is closely linked with the macroeconomic cycle, thus affecting the clean room engineering businesses. The Company faces the challenges of business expansion and operation stability when the economic growth speed slows down or macroeconomic situation is unstable.

2. Risk of competition at a low price

The domestic clean room engineering industry is mature and in fierce competition. Among all participants, the large construction organizations occupy the market by using general contracting mode, which, as a result, intensifies competition. The Company's status in the industry may drop, if it cannot take the lead in terms of technology, management, brand, process, etc. At the same time, gross profit rate is affected by many factors, such as industry competition, cost control, technical level, project management ability and client group, etc. If failing to improve its core competition in the future when competition will become fiercer, the Company will be exposed to the risks of gross profit rate fluctuation.

(V) Others

□ Applicable √ N/A

VII. Information and reasons for the Company's failure to disclose information in accordance with the Guidelines due to non-application of the Guidelines or for special reasons such as state or commercial secrets

□ Applicable √ N/A

Section IVCorporate Governance

I. Explanation for Corporate Governance

√ Applicable□ N/A

Within the reporting period, the Company continuously improved its corporate governance structure, internal management and internal control system and standardized its operation in accordance with the requirements of the *Company Law*, the *Securities Law*, relevant laws and regulations of the Shanghai Stock Exchange and based on its realities. The shareholders' meeting, the board of directors and the board of supervisors of the Company have clear division of powers and responsibilities and each of them performs its own duties, and the decision-making is independent, efficient and transparent. The board of directors of the Company has set up specialized committees such as the Remuneration and Appraisal Committee, the Audit Committee, the Nomination Committee and the Strategy and Sustainable Development Committee to further improve the corporate governance structure of the Company. Details of the corporate governance of the Company are as follows:

(I) The Company and its controlling shareholders: The controlling shareholders of the Company exercise their rights and obligations in accordance with laws, and effectively fulfill their obligations of good faith to the Company and other shareholders. The Company and its controlling shareholders are completely independent in five aspects, namely, business, assets, personnel, organization and finance, and the Company has a complete business system and the ability to operate independently in the market.

(II) The shareholders' meeting is the Company's highest authority. The Company strictly standardizes the convening, holding, and deliberation procedures of the shareholders' meeting as per the provisions and requirements of the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, and other regulations; invites lawyers to issue legal opinions on the legality of the shareholders' meeting, ensures the equal status of all shareholders, especially minority shareholders, fully exercises the legitimate rights and interests of shareholders, and ensures shareholders' right to know, participate, and vote on major corporate matters.

(III) The board of directors strictly exercises its powers in accordance with the *Company Law*, the *Articles of Association*, the *Rules of Procedure for the Board of Directors*, etc., including organizing and implementing the resolutions of the shareholders' meeting, deciding on the Company's business plans and investment plans, formulating the Company's annual financial budget, final settlement, and profit distribution plans, drafting major acquisition plans, and appointing or dismissing the Company's general manager and other senior managers.All directors faithfully and diligently perform their duties, actively participate in the decision-making of the Company's major matters, and actively attend relevant trainings. The specialized committees under the board of directors operate well, convene meetings and make resolutions as per relevant systems and could exert their roles normally.

(IV) The board of supervisors exercises its powers and functions in strict accordance with the *Company Law*, the *Articles of Association* and the *Rules of Procedure for the Board of Supervisors*, and performs its supervisory functions diligently and conscientiously, including the effective supervision of the fulfillment of duties by directors and senior managers as well as the operation of the Company in accordance with laws.

(V) The Company strictly follows the requirements of the *Information Disclosure Management System* and the *Registration Management System for Insiders*; by implementing measures such as insider registration and external information reporting registration, it strengthens the management of insiders, standardizes the review process for external information reporting, clarifies the obligations and responsibilities of relevant personnel to maintain the confidentiality of undisclosed information, and enhances the Company's awareness of information disclosure, which, as a result, effectively avoids the occurrence of violations in information disclosure. Meanwhile, the Company strengthens communication and interaction with investors, and pays attention to maintaining favorable relations with them.

Whether there is any material difference between the corporate governance and the laws, administrative regulations and CSRC's regulations on the governance of listed companies; if yes, state why.

□ Applicable √ N/A

II. Specific measures taken by the controlling shareholders and actual controllers of the Company to ensure the independence of the Company in terms of assets, personnel, finances, organization and business, as well as the solutions, work progress and follow-up plans in case of the Company's independence being affected.

□ Applicable √ N/A

Controlling shareholders, actual controllers and other parties controlled by them engaged in business that are same as or similar to the Company, horizontal competition and impact of significant changes in horizontal competition on the Company, solutions adopted, working progress and subsequent solution plans

□ Applicable √ N/A

III. Shareholders' meeting

Session of the meeting	Date of meeting	Index of searches on designated websites where resolutions are published	Date of publication of resolutions	Resolutions
The 1st interim shareholders' meeting in 2024	February 23, 2024	www.sse.com.cn	February 24, 2024	1. *Proposal on the Revision of the <Company's Articles of Association>* 2. *Proposal on the Revision and Formulation of Some Governance Mechanisms*
Annual shareholders' meeting in 2023	April 19, 2024	www.sse.com.cn	April 20, 2024	1. *Proposal on the Work Report of the Board of Directors for the Year 2023* 2. *Proposal on the Work Report of the Board of Supervisors for the Year 2023* 3. *Proposal on the Full Text and Summary of the*

				Annual Report for the Year 2023 4. *Proposal on the Financial Settlement Report for the Year 2023* 5. *Proposal on the Financial Budget Report for the Year 2024* 6. *Proposal on the Reappointment of the Accounting Firm* 7. *Proposal on the Total Estimated Guarantee for the Year 2024* 8. *Proposal on the Application for Comprehensive Credit Limit from Financial Institutions for the Year 2024* 9. *Proposal on the Profit Distribution Plan for the Year 2023*
The 2nd interim shareholders' meeting in 2024	September 12, 2024	www.sse.com.cn	September 13, 2024	1. *Proposal on the Change of Horizontal Competition Commitment by the Company's Indirectly Controlled Shareholders*

Request of holding an interim shareholders' meeting by the preferred shareholders whose voting rights have been restored

□ Applicable √ N/A

Explanation for shareholders' meeting

√ Applicable□ N/A

Within the reporting period, the Company held 3 shareholders' meeting, and the above meetings comply with the relevant laws and regulations and the Articles of Association in respect of the convening method, proceedings, voting method and contents of resolutions.

IV. Directors, Supervisors and Senior Managers

(I) Changes in Shareholdings and Remuneration of In-service and Outgoing Directors, Supervisors and Senior Managers within the Reporting Period

√ Applicable□ N/A

In Share

Name	Post	Gender	Age	Starting date of appointment	Expiration date of appointment	Shareholdings at the beginning of the year	Shareholdings at the end of the year	Changes of shares within the year	Reasons for change	Total pre-tax remuneration received from the Company within the reporting period (RMB 10,000)	Whether remuneration received from the Company's related parties or not
Liang Jinli	Chairman	Male	63	July 1, 2019	July 1, 2025	0	0	0	Unchanged	49.01	Yes
Chen Zhihao	Vice Chairman	Male	59	July 1, 2019	July 1, 2025	0	0	0	Unchanged	95.63	No
Zhu Qihua	Director and General	Male	52	July 1, 2019	July 1, 2025	0	0	0	Unchanged	94.26	No
Su Yuzhou	Director	Male	49	July 1, 2019	July 1, 2025	0	0	0	Unchanged	46.58	No
Shi Kang	Independent Director	Male	60	July 31, 2020	July 1, 2025	0	0	0	Unchanged	8.00	No
Wu Weihua	Independent Director	Male	54	July 1, 2019	July 1, 2025	0	0	0	Unchanged	8.00	No
Gu Hailan	Independent Director	Female	53	July 1, 2019	July 1, 2025	0	0	0	Unchanged	8.00	No
Huang Yaping	Chairwoman of the board	Female	49	July 1, 2019	July 1, 2025	0	0	0	Unchanged	37.92	No

Liao Chongyou	Supervisor	Male	48	July 1, 2019	July 1, 2025	0	0	0	Unchanged	61.38	No
Wang Yu	Supervisor	Female	44	July 1, 2019	July 1, 2025	0	0	0	Unchanged	29.60	No
Xiao Jingxia	Chief Financial Off	Female	56	July 1, 2019	July 1, 2025	0	0	0	Unchanged	29.51	No
Total	/	/	/	/	/				/	467.89	/

Name	Main working experience
Liang Jinli	Born in October 1962, with Chinese nationality of Taiwan, no permanent residence in foreign countries, master's degree of EMBA, senior engineer. He was the Engineering Manager of Gongshan Air Conditioning & Refrigeration Co., Ltd.; the Director and Chairman of the Board of Directors of Sheng Huei Limited; Supervisor of Winmax (Shanghai); and Supervisor of Winmax (Suzhou); Chairman of the Board of Directors of Hengji Construction Company Limited. Currently, he is the CEO and Chairman of Acter (Taiwan); Chairman of HERSUO (Taiwan); Director of Acter (Shenzhen); Director of Acter (Hong Kong); Director of New Point (Seychelles); Director of Sheng Huei International; Chairman of NOVA (Taiwan); Director of Acter (Singapore); Director of Acter (Malaysia); Director of Shenzhen Dingmao; Director and CEO of Enrich (Taiwan); Chairman of Winmega (Taiwan); Director of Novatech (Singapore); Chairman of Winmax (Suzhou); Chairman of Winmax (Shanghai); Managing Partner of Suzhou Songhuei; Director of Sheng Huei (Vietnam); Director of WASTE; Chairman of the Board of Directors of Rayzher Industrial; Director of Acter (Thailand); Director of Indonesia Joint Venture; Director of Winmax Technology Malaysia Sdn.Bhd.; He has been the Chairman of the Board of Directors of Acter Group since July 2019.
Chen Zhihao	Born in May 1966, with Chinese nationality of Taiwan, no permanent residence in foreign countries, bachelor's degree, senior engineer. He was the Deputy General Manager of Wuhan Ronghuei Industry and Trade Co., Ltd; the Deputy General Manager of Guangzhou Danli International Trade Co., Ltd; the Deputy General Manager of Zhongshan Acter Mechanical and Electrical Engineering Co., Ltd.; the Deputy General Manager and General Manager of Acter (Shenzhen); General Manager and Director of ShengHuei Limited; Director and Board Secretary of Acter Group. Currently, he isthe Director of Acter (Hong Kong); the Chairman of Acter (Shenzhen); the Chairman of Shenzhen Dingmao; the Director of Lantia Innovation Co., Ltd.; the Director of Acter (Singapore); the Director of Sheng Huei (Vietnam); the Director of Space (Thailand); and the Director of Indonesia Joint Venture; the Director of GREAT SERENE LIMITED; the President of Taiwan Compatriot Investment Enterprises Association of Suzhou; he has been the Vice Chairman and Board Secretary of Acter Group since July 2020.
Zhu Qihua	Born in April 1973, with Chinese nationality of Taiwan, no permanent residence in foreign countries, master degree in EMBA, mid-level engineer. He was the Assistant Manager of the Engineering Department of Kuang I Engineering Co., Ltd.; the Director of Acter (Taiwan), the Assistant Manager of the Engineering Department of Suzhou HongHuei Mechanical and Electrical Engineering Co., Ltd. and served as the Assistant Manager, Manager, Associate Manager, Deputy General Manager, General Manager and Director of Sheng Huei Limited. Currently, he is the Director and General Manager of Acter (Shenzhen); the Director and General Manager of Shenzhen Dingmao; the Supervisor of Sheng Huei (Vietnam); the Director of Acter (Hong Kong); the Director of Acter (Malaysia); the Director of Acter (Thailand); the Supervisor of Acter

	(Indonesia); the Supervisor of Indonesia Joint Venture; he has been the Director and General Manager of Acter Group since July 2019.
Su Yuzhou	Born in May 1976, with Chinese nationality of Taiwan, no permanent residence in foreign countries, bachelor's degree, senior engineer. He was anengineer of Acter (Taiwan) and the Manager of the Engineering Department of Sheng Huei Limited. Currently, he is the Managing Partner of SuzhouShengzhan; the Director of Space (Thailand); he has been the Manager of the Engineering Department and the Director of Acter Group since July 2019.
Shi Kang	Born on August 15, 1965, with Chinese nationality, no permanent residence in foreign countries, bachelor's degree. He was the Secretary of the Youth League Committee and President of the Youth League School of the School of Computer and Information Engineering of Jiangsu University; President of the Youth League School of Jiangsu University Youth League Committee; the Lecturer of the Specialized Vehicle Teaching and Research Department of the School of Automotive Engineering in Jiangsu University; the Assistant General Manager of Jiangsu University Industrial Corporation; the Professional Lecturer of the Automobile Teaching Department of the School of Automobile Engineering in Jiangsu University; the Director of Office of the School of Business Administration in Jiangsu University; the Deputy Secretary of the Party Committee and Vice Dean of the College of Finance and Economics in Jiangsu University; the Vice President and Deputy Secretary of Jiangsu University Press and Magazines; the Deputy Director of the Labor Union of Jiangsu University; the President, General Manager and Executive Director of Jiangsu University Press Co., Ltd.; and the Director of Jiangsu University Asset Management Co., Ltd. Currently, he is a Grade 5 staff member of the Logistics Department (Logistics Group) of Jiangsu University; he has been an Independent Director of Acter Group since July 2020.
Wu Weihua	Born in November 1971, with Chinese nationality, no permanent residence in foreign countries, master's degree, holding the practicing qualification of lawyer in China. He was a practicing lawyer of Suzhou Foreign Law Firm, a practicing lawyer of H&Z Group Law Firm, a practicing lawyer of Suzhou Renhai Fangzhou Law Firm, a Director of the Finance and Insurance Committee of Suzhou Lawyers Association, a member of Suzhou Hi-Tech District Government Lawyers' Advisory Group, and a Standing Director of the Bankruptcy Law Research Association of Jiangsu Law Society. Currently, he is a lecturer of Suzhou University of Science and Technology; a practicing lawyer of Jiangsu Lantern Law Firm; the Deputy Secretary-General of Small and Medium-sized Enterprises Committee of Jiangsu Federation of Industry and Commerce; the Vice President of Suzhou Bankruptcy Administrators' Association; a Director of Suzhou Lawyers' Association; and an Independent Director of Acter Group from July 2019 to the present.
Gu Hailan	Born in October 1972, with Chinese nationality, no permanent residence in foreign countries, master degree in MBA, Chinese certified public accountant. She was the Financial Manager of Kunshan Huaheng Welding Equipment Technology Co., Ltd; the Financial and Administrative Manager of Hangzhou Zhixing Automobile Co. Ltd. and Hangzhou Dongxingxing Auto Repair Co., Ltd.; the Chief Financial Officer of Kunshan Huaheng Welding Equipment Co., Ltd.; Chief Financial Officer, Deputy General Manager and Chief Financial Officer, Deputy General Manager and Board Secretary of Shanghai Qinsen Landscape Co., Ltd.; the Board Secretary and Chief Financial Officer of Origincell Technology Group Ltd. Currently, she is the Board Secretary and Chief Financial Officer of Jiaxing Hechang Elevator Control Technology Co., Ltd.; she has been an Independent Director of Acter Group since July 2019.
Huang Yaping	Born in February 1976, with Chinese nationality of Taiwan, permanent residence in the United States, master's degree. She was the Accounts Receivable Specialist of McAllister, the Finance Specialist of Texas Instruments Incorporated, the Finance Manager of Acter (Shenzhen), and the Manager of Administration Department of Sheng Huei Limited. Currently, she is the Supervisor of Shenzhen Dingmao; the Supervisor of Acter (Shenzhen); she has been the Chief Executive Officer and Chairman of the board of supervisors of Acter Group since July 2019.

Liao Chongyou	Born in May 1977, with Chinese nationality of Taiwan, no permanent residence in foreign countries and college degree. He was an engineer of MingSheng Electromechanical Co., Ltd., the Head of Engineering Department of SILPORT Technologies Inc., the Manager of Engineering Department of Acter (Taiwan) and the Associate Manager of the Engineering Department of Sheng Huei Limited. He has been the Associate Manager and Supervisor of the Engineering Department of Acter Group since July 2019.
Wang Yu	Born in June 1981, with Chinese nationality, no permanent residence in foreign countries, bachelor’s degree. She worked as a laborer in Haoweinai Precision Technology (Suzhou) Co., Ltd; a staff member of the Management Department of Suzhou Honghuei Mechanical and Electrical Engineering Co., Ltd. and the Director of the Management Department of Sheng Huei Limited. She has been the Assistant Manager, Deputy Manager and Employee Representative Supervisor of the Management Integration Department of Acter Group since July 2019.
Xiao Jingxia	Born in April 1969, with Chinese nationality, no permanent residence in foreign countries and bachelor’s degree. She was the Team Leader of the Audit Department of the First Joint Accounting Firm; the Assistant Manager of the Underwriting Department of Fubon Securities Co., Ltd.; the Financial Manager of Taiwan Green Point Enterprises Co., Ltd.; the Financial Director of Megaforce Compan Limited; the Accountant of Shen Chuan Paper (Suzhou) Co., Ltd.; the Finance Manager of Sheng Huei Limited; and the Supervisor of Suzhou Yumanchang Food Technology Co., Ltd. She has been the Chief Financial Officer of Acter Group since July 2019.

Other Information
□ Applicable √ N/A

(II) Occupation of In-service and Outgoing Directors, Supervisors and Senior Managers within the Reporting Period

1. Post in shareholder's site

√ Applicable□ N/A

Name of the staff	Name of shareholder	Position held in the shareholder's site	Starting date of appointment	Expiration date of appointment
Liang Jinli	Acter (Taiwan)	CEO and Chairman of the Board	August 1993	
Liang Jinli	Sheng Huei International	Director	May 2008	
Liang Jinli	Suzhou Songhuei	Managing Partner	April 2018	
Su Yuzhou	Suzhou Shengzhan	Managing Partner	April 2018	
Explanation for the post in shareholder's site	None			

2. Post in other organizations

√ Applicable□ N/A

Name of the staff	Name of other organizations	Post held in other organizations	Starting date of appointment	Expiration date of appointment
Liang Jinli	New Point (Seychelles)	Director	March 2008	
	Enrich (Taiwan)	Director and CEO	June 2014	
	HER SUO (Taiwan)	Chairman	April 1998	
	NOVA (Taiwan)	Chairman	March 2009	
	Winmega (Taiwan)	Chairman	July 2014	
	Novatech (Singapore)	Director	June 2016	
	Winmax (Shanghai)	Chairman	May 2023	
	Winmax (Suzhou)	Chairman	May 2023	
	Rayzher Industrial	Chairman	June 2021	
	WASTE	Director	October 2019	
	Acter (Singapore)	Director	November 2009	
	Acter (Malaysia)	Director	December 2011	
	Acter (Shenzhen)	Director	June 2005	
	Shenzhen Dingmao	Director	October 2012	
	Acter (Thailand)	Director	September 2019	
	Acter (Hong Kong)	Director	November 2007	
	Acter (Vietnam)	Director	September 2018	
	Hengji Construction Company Limited	Chairman	May 2023	August 12, 2024
	Indonesia Joint Venture	Director	April 2023	
	Winmax Technology Malaysia Sdn. Bhd.	Director	November 2024	
Chen Zhihao	Acter (Shenzhen)	Chairman	October 2009	
	Shenzhen Dingmao	Chairman	October 2012	
	Acter (Hong Kong)	Director	November 2007	
	Acter (Vietnam)	Director	July 2019	

	Acter (Singapore)	Director	October 2018	
	Space (Thailand)	Director	October 2019	
	Lantia Innovation Co., Ltd.	Director	September 2015	
	Indonesia Joint Venture	Director	April 2023	
	GREAT SERENE LIMITED	Director	September 2024	
	Taiwan Compatriot Investment Enterprises Association of Suzhou	President	September 2024	
Zhu Qihua	Acter (Shenzhen)	Director and General Manager	January 2018	
	Shenzhen Dingmao	Director and General Manager	January 2018	
	Acter (Hong Kong)	Director	July 2019	
	Acter (Vietnam)	Supervisor	December 2018	
	Acter (Malaysia)	Director	September 2019	
	Acter (Thailand)	Director	September 2019	
	Acter (Indonesia)	Supervisor	January 2023	
	Indonesia Joint Venture	Supervisor	April 2023	
Su Yuzhou	Space (Thailand)	Director	October 2019	
Huang Yaping	Acter (Shenzhen)	Supervisor	October 2018	
	Shenzhen Dingmao	Supervisor	October 2018	
Gu Hailan	Jiaxing Hechang Elevator Control Technology Co., Ltd.	Board Secretary and Chief Financial Officer	November 2022	
Shi Kang	Logistics Department (Logistics Group) of Jiangsu University	Grade 5 staff member	January 2024	
Wu Weihua	Suzhou University of Science and Technology	Lecturer	July 1993	
	Jiangsu Lantern Law Firm	Practicing lawyer	December 2004	
	Small and Medium-sized Enterprises Committee of Jiangsu Federation of Industry and Commerce	Deputy Secretary-General	October 2018	
	Suzhou Bankruptcy Administrators' Association	Vice President	June 2019	
	Suzhou Lawyers' Association	Director	February 2016	
Explanation for the post in other organizations	None			

(III) Remuneration of Directors, Supervisors and Senior Managers

√ Applicable□ N/A

Decision-making procedure for the remuneration of directors, supervisors and senior managers	With reference to the remuneration level of the Company's industry and the region, and taking into account the Company's actual operating conditions and job responsibilities, the Company shall draw up a plan and implement it after the approval by the board of directors and shareholders' meeting

	through consideration. Among them, the remuneration of directors and supervisors shall be decided by the shareholders' meeting, and that of senior managers shall be decided by the board of directors.
Whether a director recuses himself/herself from the discussion on his/her own remuneration by the board of directors or not	Yes
Details of the recommendations made by the Remuneration and Appraisal Committee or the special meeting of independent directors in respect of the remuneration of directors, supervisors and senior managers	On March 29, 2024, the Remuneration and Appraisal Committee approved the *Proposal on the Remuneration Plan for Senior Managers for the Year 2024* through consideration.
Basis for determining the remuneration of directors, supervisors and senior managers	Except for the allowance for the Company's independent directors, the remuneration of directors, supervisors and senior managers who are in receipt of remuneration from the Company shall be determined on the basis of the Company's overall remuneration policy, salary standards, the specific executive positions held by them in the Company, their work performance as well as the actual circumstances of the fulfillment of the Company's annual business plan.
Actual payment of remuneration to directors, supervisors and senior managers	The actual payment of the remuneration of directors, supervisors and senior managers was made on time in accordance with the relevant provisions mentioned above, and the remuneration data are true and accurate.
Total actual remuneration received by all directors, supervisors and senior managers as of the end of the reporting period	RMB 4.6789 million

(IV) Changes in the Company's Directors, Supervisors and Senior Managers

□ Applicable √ N/A

(V) Explanation for Penalties Imposed by Securities Regulators over the past three years

□ Applicable √ N/A

(VI) Others

□ Applicable √ N/A

V. Information on the Board Meeting Held within the Reporting Period

Session of the meeting	Date of meeting	Resolutions
The 10th meeting of the 2nd board of directors	January 19, 2024	1. *Proposal on the Revision of <the Company's Articles of Association>, and Revision, Formulation and Abolishment of Some Corporate Systems* 2. *Proposal on the Revision of the <Internal Control Manual>* 3. *Proposal on the Approval of the Company's 2024 Internal Audit Work Plan* 4. *Proposal to Request the Board of Directors' Confirmation of the Detailed Guarantees between the Company and Its Subsidiaries Holding Over 50% of Shares within the Scope of Consolidated Financial Statements*

The 11th meeting of the 2nd board of directors	February 7, 2024	1. *Proposal on Seeking the Board's Approval for Relevant Matters* 2. *Proposal on Convening 2024 1st Interim Shareholders' Meeting*
The 12th meeting of the 2nd board of directors	March 29, 2024	1. *Proposal on the Work Report of the General Manager for the Year 2023* 2. *Proposal on the Work Report of the Board of Directors for the Year 2023* 3. *Proposal on the Performance Report of Independent Directors for the Year 2023* 4. *Proposal on the Independence Evaluation of Independent Directors in 2023* 5. *Proposal on the Report of the Company's Post Performance Evaluation on Accounting Firm in 2023* 6. *Proposal on the Report on the Performance of the Audit Committee of the Board of Directors for the Year 2023* 7. *Proposal on the Internal Control Evaluation Report for the Year 2023* 8. *Proposal on the Internal Control System Declaration for the Year 2023* 9. *Proposal on the Company's Environment, Social and Governance (ESG) Report in 2023* 10. *Proposal on the Remuneration Plan for Senior Managers for the Year 2024* 11. *Proposal on the Full Text and Summary of the Annual Report for the Year 2023* 12. *Proposal on the Financial Settlement Report for the Year 2023* 13. *Proposal on the Financial Budget Report for the Year 2024* 14. *Proposal on the Reappointment of the Accounting Firm* 15. *Proposal on the Confirmation of Routine Related Transactions for the Year 2023 and the Expected Routine Related Transactions for the Year 2024* 16. *Proposal on the Total Estimated Guarantee for the Year 2024* 17. *Proposal to Request the Board of Directors' Confirmation of the Detailed Guarantees between the Company and Its Subsidiaries Holding Over 50% of Shares within the Scope of Consolidated Financial Statements* 18. *Proposal on the Application for Comprehensive Credit Limit from Financial Institutions for the Year 2024* 19. *Proposal on Providing Financial Support to the Holding Subsidiary* 20. *Proposal on the Special Report on the Deposit and Actual Use of Funds Raised by the Company in 2023* 21. *Proposal on Using Some Idle Own Funds for Cash Management* 22. *Proposal on the Profit Distribution Plan for the Year 2023* 23. *Proposal on the Company's 2024 R&D Plan* 24. *Proposal on Convening 2023 Annual Shareholders' Meeting* 25. *Proposal on the Revision of <Subsidiary Management System>*
The 13th meeting of the 2nd board of	April 29, 2024	1. *Proposal on the Q1 Report for 2024*

directors		
The 14th meeting of the 2nd board of directors	August 7, 2024	1. *Proposal on the Full Text and Summary of the Semi-Annual Report for the Year 2024* 2. *Proposal on the Special Semi-Annual Report on the Deposit and Actual Use of Funds Raised by the Company in 2024* 3. *Proposal on Providing Financial Support to the Holding Subsidiary* 4. *Proposal on Confirming that Overdue Accounts Receivable Exceeding Normal Credit for 3 Months Are Not Included in Fund Lending* 5. *Proposal on Seeking the Board's Approval for Relevant Matters*
The 15th meeting of the 2nd board of directors	August 27, 2024	1. *Proposal on the Change of Horizontal Competition Commitment by the Company's Indirectly Controlled Shareholders* 2. *Proposal on Convening 2024 2nd Interim Shareholders' Meeting*
The 16th meeting of the 2nd board of directors	October 25, 2024	1. *Proposal on the Q3 Report for 2024* 2. *Proposal on Seeking the Board's Approval for Relevant Matters* 3. *Proposal on Using Some Idle Raised Funds for Cash Management* 4. *Proposal on Confirming that Overdue Accounts Receivable Exceeding Normal Credit for 3 Months Are Not Included in Fund Lending*
The 17th meeting of the 2nd board of directors	December 13, 2024	1. *Proposal on the Postponement of Some Raised Investment Projects* 2. *Proposal on Name Change of the Strategy Committee of the Board of Directors and Revision of the Corresponding Work Rules* 3. *Proposal on the Formulation of <Management System of Public Opinions>* 4. *Proposal on the Company's 2024 "Improvement of Quality and Efficiency and Emphasis on Return" Action Program* 5. *Proposal to Request the Board of Directors' Confirmation of the Detailed Guarantees between the Company and Its Subsidiaries Holding Over 50% of Shares within the Scope of Consolidated Financial Statements*

VI. Fulfillment of Duties by Directors

(I) Directors' Attending of Board Meeting and Shareholders' Meeting

Directors	Independent director or not	Attending of board meeting						Attending of shareholders' meeting
		Required times of attending the board	Times of attending in person	Times of attending by telecommunication	Times of attending by proxy	Absences Times	Whether there have been two consecutive failures	Number of attending of shareholders' meeting

		meeting this year					to attend in person	
Liang Jinli	No	8	8	8	0	0	No	3
Chen Zhihao	No	8	8	0	0	0	No	3
Zhu Qihua	No	8	8	0	0	0	No	3
Su Yuzhou	No	8	8	8	0	0	No	3
Shi Kang	Yes	8	8	4	0	0	No	3
Wu Weihua	Yes	8	8	5	0	0	No	3
Gu Hailan	Yes	8	8	5	0	0	No	3

Explanation for two consecutive failures to attend in person
□ Applicable √ N/A

Times of board meeting during this year	8
Including: Times of on-site meetings	0
Times of meetings held via telecommunication	0
Times of meetings held on site and via communication	8

(II) Objections Raised by Directors to Matters Relating to the Company

□ Applicable √ N/A

(III) Others

□ Applicable √ N/A

VII. Specialized Committees under the Board of Directors

√ Applicable□ N/A

(I) Membership of Specialized Committees under the Board of Directors

Category of specialized committees	Members
Audit Committee	Liang Jinli, Wu Weihua and Gu Hailan
Nomination Committee	Liang Jinli, Shi Kang and Wu Weihua
Remuneration and Appraisal Committee	Liang Jinli, Shi Kang and Gu Hailan
Strategy and Sustainable Development Committee	Liang Jinli, Chen Zhihao and Zhu Qihua

(II) The Audit Committee held 7 meetings within the reporting period

Date of meeting	Contents of meetings	Important opinions and recommendations	Other fulfillment of duties
January 19, 2024	1. *Proposal on the Approval of the Company's 2024 Internal Audit Work Plan* 2. *Proposal to Request the Board of*	Passed after consideration	None

	Directors' Confirmation of the Detailed Guarantees between the Company and Its Subsidiaries Holding Over 50% of Shares within the Scope of Consolidated Financial Statements		
February 7, 2024	1. *Proposal on Seeking the Board's Approval for Relevant Matters*	Passed after consideration	None
March 29, 2024	1. *Proposal on the Report of the Company's Post Performance Evaluation on Accounting Firm in 2023* 2. *Proposal on the Report on the Performance of the Audit Committee of the Board of Directors for the Year 2023* 3. *Proposal on the Internal Control Evaluation Report for the Year 2023* 4. *Proposal on the Internal Control System Declaration for the Year 2023* 5. *Proposal on the Full Text and Summary of the Annual Report for the Year 2023* 6. *Proposal on the Financial Settlement Report for the Year 2023* 7. *Proposal on the Financial Budget Report for the Year 2024* 8. *Proposal on the Reappointment of the Accounting Firm* 9. *Proposal on the Confirmation of Routine Related Transactions for the Year 2023 and the Expected Routine Related Transactions for the Year 2024* 10. *Proposal on the Total Estimated Guarantee for the Year 2024* 11. *Proposal to Request the Board of Directors' Confirmation of the Detailed Guarantees between the Company and Its Subsidiaries Holding Over 50% of Shares within the Scope of Consolidated Financial Statements* 12. *Proposal on the Application for Comprehensive Credit Limit from Financial Institutions for the Year 2024* 13. *Proposal on Providing Financial Support to the Holding Subsidiary* 14. *Proposal on the Special Report on the Deposit and Actual Use of Funds Raised by the Company in 2023* 15. *Proposal on Using Some Idle Own Funds for Cash Management* 16. *Proposal on the Profit Distribution Plan for the Year 2023*	Passed after consideration	None
April 29, 2024	1. *Proposal on the Q1 Report for 2024*	Passed after	None

		consideration	
August 7, 2024	1. *Proposal on the Full Text and Summary of the Semi-Annual Report for the Year 2024* 2. *Proposal on the Special Semi-Annual Report on the Deposit and Actual Use of Funds Raised by the Company in 2024* 3. *Proposal on Providing Financial Support to the Holding Subsidiary* 4. *Proposal on Confirming that Overdue Accounts Receivable Exceeding Normal Credit for 3 Months Are Not Included in Fund Lending* 5. *Proposal on Seeking the Board's Approval for Relevant Matters*	Passed after consideration	None
October 25, 2024	1. *Proposal on the Q3 Report for 2024* 2. *Proposal on Seeking the Board's Approval for Relevant Matters* 3. *Proposal on Using Some Idle Raised Funds for Cash Management* 4. *Proposal on Confirming that Overdue Accounts Receivable Exceeding Normal Credit for 3 Months Are Not Included in Fund Lending*	Passed after consideration	None
December 13, 2024	1. *Proposal on the Postponement of Some Raised Investment Projects* 2. *Proposal to Request the Board of Directors' Confirmation of the Detailed Guarantees between the Company and Its Subsidiaries Holding Over 50% of Shares within the Scope of Consolidated Financial Statements* 3. *Proposal on Approving the Company's 2025 Internal Audit Work Plan*	Passed after consideration	None

(III) The Remuneration and Appraisal Committee held 1 meeting within the reporting period

Date of meeting	Contents of meetings	Important opinions and recommendations	Other fulfillment of duties
March 29, 2024	1. *Proposal on the Remuneration Plan for Senior Managers for the Year 2024*	Passed after consideration	None

(IV) The Strategy and Sustainable Development Committee held 1 meeting within the reporting period

Date of meeting	Contents of meetings	Important opinions and recommendations	Other fulfillment of duties
December 13, 2024	1. *Proposal on Name Change of the*	Passed after	None

	Strategy Committee of the Board of Directors and Revision of the Corresponding Work Rules	consideration	

(V) Details of Disagreements

□ Applicable √ N/A

VIII. Explanation for the Company's Risks Discovered by the Board of Supervisors

□ Applicable √ N/A

The board of supervisors had no disagreement on the supervised matters within the reporting period.

IX. Employees of the Parent Company and Major Subsidiaries within the Reporting Period

(I) Employees

Number of in-service employees of the parent company	456
Number of in-service employees of major subsidiaries	258
Total of in-service employees	714
Number of retired employees subject to expenses of parent company and major subsidiaries	1
Specialty composition	
Category of specialty composition	Number of employees of specialty composition
Production staff	0
Sales staff	5
Technical staff	601
Financial staff	31
Administrative staff	77
Total	714
Educational background	
Category of educational background	Number (person)
Bachelor 's degree	406
College	249
Below	44
Master's degree	15
Total	714

(II) Remuneration Policy

√ Applicable□ N/A

The Company always takes human resources as the core power for realizing sustainable development. It endeavors to build a scientific and reasonable remuneration system with market competitiveness in order to attract, motivate and retain excellent talents, thus promoting the realization of strategic goals. Within the reporting period, the Company determined the remuneration policy on the principle of "performance-orientation, long-term incentive and priority for shareholders' interests", and by fully considering the industry's features, market level and its operation status, in order to ensure that it is matched with the Company's long-term value growth.

The employee remuneration consists of fixed salary, performance bonus and long-term incentive salary. The fixed salary is determined based on the post value and market level and can safeguard employees' basic rights and interests; the performance bonus, which is linked with the Company's overall performance and personal performance, reflects the employees' short-term contribution and value creation; the long-term incentive salary is paid for the core management and key technicians with a view to promoting the long-term consistency of employees' and shareholders' interests. The Company's Remuneration Committee assesses the effectiveness of the policies regularly and adjusts the remuneration level by referring to the independent third party's data to strike a balance between competitiveness and cost control.

(III) Training plan

√ Applicable□ N/A

Upholding the idea that "talents drive company development", the Company regards the improvement of employees' capacity as the core for strategy implementation. Within the reporting period, the Company built the hierarchical and systematic training system by following the idea of "strategic adaptation, ability progress and innovation leadership", and highlighted four fields, including digital transformation, technical tackling, improvement of management efficiency and sustainable development, in order to facilitate employee growth and improvement of organization efficiency.

Reserve of strategic talents: As for the layout of emerging businesses (such as AI, and green and low-carbon field), the Company opened special technical research class, built industry-university-research training platform in partnership with colleges and universities, and industrial think tank and intensified the reserve of cutting-edge technologies;

Popularization of digitalization ability: Promote the application of digitalization and intelligence technology, intensify the involvement rate of technicians in digitalization skill trainings;

Leadership progress plan: Offer special trainings on strategy decision-making, cross-cultural collaboration and ESG governance for the medium and high-level managers, to improve the organization toughness;

Compliance and risk management: Deepen the education on compliance awareness of all staff, intensify the required courses such as industrial regulatory policies, anti-spam mechanism and information security, and consolidate the risk control bottom line.

(IV) Labor Outsourcing

√ Applicable□ N/A

Total working hours of labor outsourcing	18,960 hours
Total of reward paid for labor outsourcing (RMB 10,000)	39.12

X. Proposed Profit Distribution or Capitalization of Capital Reserves

(I) Formulation, Implementation or Adjustment of Cash Dividend Policy

√ Applicable□ N/A

In accordance with the CSRC's *Notice on Further Implementation of Matters Relating to Cash Dividends for Listed Companies*, the *Supervisory Guideline for Listed Companies No. 3 - Cash Dividends for Listed Companies*, etc., the Company has formulated the cash dividend policy; specified the decision-making procedures and mechanisms relating to profit distribution matters clearly in the Company's *Articles of Association*. As approved at the 18th meeting of the Company's 2nd board of directors after consideration, the Company proposes to distribute profits for the year 2024 by taking the total capital stocks registered on the registration date of equity for equity distribution. In the profit distribution this time, the Company plans to distribute cash bonus of RMB 7.5 (including tax) for every 10 shares to all shareholders. As of December 31, 2024, the Company's total capital stocks had been 100,000,000 shares, based on which, the total cash bonus to be distributed amounted to RMB 75,000,000 (including tax). The proportion of the Company's cash bonus this year was 65.56%. This profit distribution scheme was implemented as per the Company's *Articles of Association* and the resolutions made in the shareholders' meeting. This profit distribution scheme will be considered in the 2024 annual shareholders' meeting.

Within the reporting period, the Company did not adjust or change its profit distribution policy.

(II) Special Explanation for Cash Dividend Policy

√ Applicable□ N/A

Compliance with the Company's *Articles of Association* or the resolutions of the shareholders' meeting	√ Yes □ No
Whether the criteria and proportion of dividend distribution are clear and unambiguous	√ Yes □ No

Whether the relevant decision-making procedures and mechanisms are complete	√ Yes □ No
Whether the independent directors have performed their duties and played their due role	√ Yes □ No
Whether the small and medium-sized shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests are adequately protected	√ Yes □ No

(III) If the Company made profits and the parent company had positive profit available for distribution to shareholders but has not put forward a proposal for a cash profit distribution plan within the reporting period, the Company shall disclose in detail the reasons as well as the use of the undistributed profit and the plan for its utilization

□ Applicable √ N/A

(IV) Proposals for Profit Distribution and Capitalization of Capital Reserve for the Reporting Period

√ Applicable□ N/A

In RMB Yuan

Number of bonus shares per 10 shares (share)	0.00
Dividend per 10 shares (RMB Yuan) (including tax)	7.50
Dividend per 10 shares (share)	0.00
Cash dividend amount (including tax)	75,000,000.00
Net profit attributable to the listed company's common shareholders in the consolidated statement	114,402,314.36
Proportion of cash bonus amount in the net profits belonging to the listing company's common stockholders in the consolidated statements (%)	65.56
Amount of shares repurchased for cash included in cash dividends	0.00
Total amount of dividends (including tax)	75,000,000.00
Ratio of total dividend amount to net profit attributable to the listed company's common shareholders in the consolidated statement (%)	65.56

(V) Cash Bonus over the Past Three Accounting Years

√ Applicable□ N/A

In RMB Yuan

Cumulative amount of cash bonus over the past 3 accounting years (including tax) (1)	220,000,000.00
Amount cumulatively repurchased and cancelled over the past 3 accounting years (2)	0.00
Amount of cash bonus and amount cumulatively repurchased and cancelled over the past 3 accounting years (3)=(1)+(2)	220,000,000.00
Annual average net profits over the past 3 accounting years (4)	125,286,923.86
Proportion of cash bonus over the past 3 accounting years (%) (5)=(3)/(4)	175.60

Net profits belonging to listed company's common shareholders in the consolidated statements of the latest accounting year	114,402,314.36
Undistributed profits at the end of the parent company's statement year in the latest accounting year	183,059,743.47

XI. Status of the Company's Share Incentive Scheme, Employee Shareholding Plan or Other Employee Incentives and Their Impacts

(I) Where the relevant incentive matters have been disclosed in the interim announcement and there is no progress or change in subsequent implementation

□ Applicable √ N/A

(II) Incentives Not Disclosed in the Interim Announcement or With Subsequent Progress

Equity incentives
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

Employee Stock Ownership Plan
□ Applicable √ N/A

Other incentives
□ Applicable √ N/A

(III) Share Incentives Granted to Directors and Senior Managers within the Reporting Period

□ Applicable √ N/A

(IV) Evaluation Mechanism for Senior Managers and Establishment and Implementation of Incentive Mechanism within The Reporting Period

√ Applicable□ N/A

The Company has established performance evaluation system for all staff. The employee remuneration consists of fixed salary, performance bonus and long-term incentive salary. The fixed salary is determined based on the post value and market level and can safeguard employees' basic rights and interests; the performance bonus, which is linked with the Company's overall performance and personal performance, reflects the employees' short-term contribution and value creation; the long-term incentive salary is paid for the core management and key technicians with a view to promoting the long-term consistency of employees' and shareholders' interests.

XII. Construction and Implementation of Internal Control System within the Reporting Period

√ Applicable□ N/A

For the evaluation of the Company's internal control, please refer to the *Internal Control Evaluation Report for the Year 2024* disclosed by the Company on March 29, 2025 on the website of Shanghai Stock Exchange (www.sse.com.cn).

Explanation for the existence of significant deficiencies in internal control within the reporting period

□ Applicable √ N/A

XIII. Management Control over Subsidiaries within the Reporting Period

√ Applicable□ N/A

Within the reporting period, the Company formulated the *Management System for Subsidiaries* in accordance with the *Company Law*, the *Securities Law*, the *Self-disciplinary Supervision Guidelines for Listed Companies of Shanghai Stock Exchange No. 1 - Standardized Operation* and other laws and regulations as well as relevant provisions of the Company's *Articles of Association*, and by considering the Company's realities. The Company has strictly complied with the *Subsidiary Management System*, further strengthened the management of subsidiaries, established an effective control mechanism, and carried out risk control over its organization, resources, assets, investment and operation, so as to improve the overall operational efficiency and risk-resistant capability of the Company.

The subsidiaries operate in compliance with the law within the framework of the Company's overall policies and objectives, and report information on material matters to the Company in a timely, accurate, truthful and complete manner in strict accordance with the Company's *Information Disclosure Management System*. There is no information on material matters that shall have been disclosed.

XIV. Explanation for the Relevant Information of the Internal Control Audit Report

√ Applicable□ N/A

The Company has hired ShineWing Certified Public Accountants LLP for independently auditing the internal control of the Company and issued a standard unqualified opinion. Details of the internal control audit report can be found in the *Internal Control Audit Report for the Year 2024* disclosed by the Company on March 29, 2025 on the website of Shanghai Stock Exchange (www.sse.com.cn).

Whether to disclose the internal control audit report: Yes

Type of opinion of the internal control audit report: Standard unqualified opinion

XV. Self-Inspection and Rectification of Issues in the Special Action on the Governance of Listed Companies

In 2024, the Company carried out the self-inspection activities of the special action for governance of listed companies, and there were no rectification matters after self-inspection of the Company.

XVI. Others

□ Applicable √ N/A

Section V Environmental and Corporate Social Responsibility

I. Environmental Information

Whether to establish mechanisms related to environmental protection	Yes
Investment in environmental protection within the reporting period (RMB 10,000)	18.32

(I) Explanation for the environmental protection status of the Company and its major subsidiaries which are key emission units announced by the environmental protection authorities

□ Applicable √ N/A

(II) Explanation for the Environmental Protection of Companies Other Than Key Emission Units

□ Applicable √ N/A

(III) Information Related to the Protection of Ecology, Prevention of Pollution And Fulfillment of Environmental Responsibility

□ Applicable √ N/A

(IV) Measures for Reducing Carbon Emissions within the Reporting Period and Their Effects

Whether to take measures to reduce carbon emissions	Yes
Reduction of carbon dioxide equivalent emissions (t)	N/A
Type of carbon reduction measures (e.g., use of clean energy for power generation, use of carbon reduction technologies in production processes, R&D and production of new products that contribute to carbon reduction, etc.)	The Company implements pollution prevention for environmental factors involved in the construction and service process, controls and treats them in accordance with the regulations of relevant authorities, controls sewage and noise emissions, reduces construction dust and construction waste, saves energy and reduces consumption, rationally utilizes resources and energy, and prevents or reduces pollution to the environment; it also cooperates with suppliers and contractors to jointly prevent pollution and protect the ecological environment; takes strong measures to prevent pollution throughout the construction process.

Details

√ Applicable□ N/A

The Company has introduced modern environmental management measures and formulated environmental management systems such as the *Quality, Environment and Safety Management Manual*, *Safety and Civilized Construction Management Procedures* and *Energy Saving and Consumption Reduction Control Procedures* in strict accordance with GB/T24001-2016/ISO 14001:2015. The environmental management involved in the construction of electromechanical installation works, fire-fighting works and architectural works within the scope of qualification was evaluated by an external certification organization, and the Company has obtained ISO14001 certification.

II. Corporate Social Responsibility

(I) Whether to Disclose Social Responsibility Report, Sustainable Development Report or ESG Report Separately

√ Applicable□ N/A

For details, please refer to the *2024 Environmental, Social and Governance (ESG) Report of Acter Technology Integration Group Co., Ltd.* disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) on March 29, 2025 by the Company.

(II) Details of corporate social responsibility work

√ Applicable□ N/A

External donations and public welfare items	Number/content	Remarks
Total input (RMB 10,000)	25.90	
Including: Of which: Funds (RMB 10,000)	25.90	
Material Discount (RMB 10,000)	-	-
Number of persons benefited (person)	-	-

Details

√ Applicable□ N/A

Within the reporting period, the Company conscientiously fulfilled its corporate social responsibilities, actively promoted the harmonious development of the whole society, extensively participated in various social activities, and supported public welfare undertakings. Internally, the Company established and improved various rules and regulations internally, strengthened corporate culture construction, actively took various measures to protect the employees' legitimate rights and interests and improved their benefits. Externally, the Company has stuck to sharing its development achievements with society, actively engaged in public welfare and charity undertakings, called on employees to join the volunteer team, and input resources in multiple public welfare and charity areas such as earthquake relief, education assistance, and assistance to vulnerable groups, continuously fulfilling its corporate social responsibilities and shaping the image of a responsible enterprise.

Online public welfare delivers boundless love. Surrounded by the warm sunshine in June, the Acter Volunteer Group paid a visit to Suzhou Social Welfare General Hospital and had fun with the children on "Curious June 1, Children Dreams Fly". Accompanied by warmth, the volunteers joined hands, sang and danced with the little angels in the welfare home, weaving a holiday memory full of love and laughter in the public performance intertwined with colorful food and childlike interest, and appreciating the different warmth and touch of the childlike world.

Caring for education, warming the heart. The "Acter Scholarship" award, which was established in 2021and donated by the Company, is aimed to strengthen the exchange and cooperation between Wuhan University of Science and Technology and the Company, to promote the vigorous development of education of Wuhan University of Science and Technology, and to help outstanding students complete their studies smoothly. The scholarship is established for full-time undergraduate students in their third year of study, who demonstrate outstanding overall performance in the following four majors: Safety Engineering, Environmental Engineering, Building Environment and Energy Applications, and Water Supply and Drainage Science Engineering. The award is disbursed in the fourth year of university, with 20 students selected annually, each receiving a reward of RMB 3,000.

Boundless care and love. As our overseas business expands, the Company has deeply integrated into local communities, organizing a donation campaign for a Vietnamese childcare center serving children with intellectual disabilities. Silent yet boundless, love transcends all distances.

In the future, the Company will continue to actively fulfill its corporate social responsibilities, express the original intention of the enterprise to convey warmth and give back to society with practical actions; take the initiative to assume the social responsibilities bestowed upon enterprises in the new era, and achieve high-quality and sustainable development of the enterprise through hard work.

III. Consolidate and Expand the Results of Poverty Alleviation, Rural Revitalization, etc.

□ Applicable √ N/A

Details

□ Applicable √ N/A

Section VI Milestone Events

I. Fulfillment of Commitments

(I) Commitments Made by the Company's Actual Controllers, Shareholders, Connected Parties, Acquirers and Other Parties Related to the Company's Commitments within the Reporting Period or Continuing into the Reporting Period

√ Applicable□ N/A

Background of commitments	Type of commitment	Committed by	Commitment content	Date of commitment	Deadline for fulfillment set or not	Commitment period	Timely and strict compliance	If not fulfilled in time, please state why	If not fulfilled in time, next steps shall be indicated.
Commitments relating to the IPO	Restriction on Sale of Shares	Sheng Huei International, Acter (Taiwan)	Note 1	June 22, 2021	Yes	October 13, 2022 to October 12, 2025	Yes	N/A	N/A
Commitments relating to the IPO	Restriction on Sale of Shares	Suzhou Songhuei, Suzhou Shengzhan	Note 2	June 22, 2021	Yes	October 13, 2022 to October 12, 2023	Yes	N/A	N/A
Commitments relating to the IPO	Restriction on Sale of Shares	Liang Jinli, Chen Zhihao, Zhu Qihua, Su Yuzhou, Huang Yaping, Liao Chongyou, Wang Yu and Xiao Jingxia	Note 3	June 22, 2021	Yes	October 13, 2022 to October 12, 2023	Yes	N/A	N/A
Commitments relating to the IPO	Resolution of horizontal competition	Sheng Huei International, Acter (Taiwan)	Note 4	June 22, 2021	No	Long-term	Yes	N/A	N/A
Commitments relating to the IPO	Others	Acter Group, Sheng Huei International, Acter (Taiwan), directors and senior managers of the	Note 5	June 22, 2021	No	Long-term	Yes	N/A	N/A

		Company							
Commitments relating to the IPO	Others	Acter Group, Sheng Huei International, Acter (Taiwan), directors (excluding independent directors) and senior managers	Note 6	June 22, 2021	Yes	October 13, 2022 to October 12, 2025	Yes	N/A	N/A
Commitments relating to the IPO	Others	Acter Group, Sheng Huei International, Acter (Taiwan), directors, supervisors, senior managers, Suzhou SongHuei, Suzhou ShengZhan	Note 7	June 22, 2021	No	Long-term	Yes	N/A	N/A

Note 1:

The direct controlling shareholder of the Company, Sheng Huei International, and the indirect controlling shareholder of the Company, Acter (Taiwan), hereby undertook that:

(1) Within 36 months from the date of listing of the company's shares, the company will not transfer or entrust others to manage the shares issued before the public offering of the company directly or indirectly held by the Company, nor will the company repurchase such shares.

(2) Within 6 months after the listing of the company, if the closing price of the company's shares is lower than the issue price for 20 consecutive trading days, or if the closing price of the company's shares is lower than the issue price at the end of the 6-month period after the listing (or if such day is not a trading day, then it shall be the first trading day thereafter), the lock-up period for the Company's shareholdings in the company shall be automatically extended for 6 months. During the extended lock-up period, the company shall not transfer or delegate the management of the shares directly or indirectly held by the company that were issued prior to the public offering of the company, nor shall the company repurchase such shares.

(3) Within two years after the expiration of the aforesaid lock-up period, the Company shall reduce its shareholding in each year by not more than 25% of the total number of shares held by the company directly and indirectly at a price not lower than the issue price. The said issue price refers to the issue price of the company's IPO. In case of ex-rights and ex-dividends due to equity distribution, capitalization of provident fund, share allotment, etc., the ex-rights and ex-dividends shall be dealt with as per relevant provisions of the Shanghai Stock Exchange. The methods of share reduction include centralized bidding transactions, block trading, transfer by agreement and other methods in compliance with the regulations of the CSRC and the Shanghai Stock Exchange.

(4) The Company reduces the corporate shares held as per the provisions of the *Securities Law*, *Certain Provisions on Reduction of Shareholdings by Shareholders, Directors and Supervisors of Listed Companies*, *Implementing Rules for the Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Managers of Listed Companies of the Shanghai Stock Exchange*, *Rules for Listing of Stocks of the Shanghai Stock Exchange* and other relevant laws, regulations and standardized documents. If the CSRC and the Shanghai Stock Exchange issue other regulations before the company reduces its corporate shares held, the company undertakes to strictly comply with the regulations in force at the time of the reduction of the company's shareholding in the company to implement the reduction.

(5) In the event that the company violates the aforesaid undertakings, the proceeds from the transfer of the company's shares in breach of the undertakings ("proceeds from the transfer in breach of the undertakings") shall belong to the company. If the company fails to hand over the gains arising out of the illegal transfer above to the company, the company shall have the right to freeze the remaining shares of the Company held by the company and may withhold the cash dividends payable to the company for offsetting the gains from illegal transfer that the company shall hand over to the company, until the gains from illegal transfer that the company shall hand over are remedied.

Note 2:

The shareholders of the Company, Suzhou Songhuei and Suzhou Shengzhan, hereby undertook that:

(1) Within 12 months from the date of listing of the company's shares, the company will not transfer or delegate the management of the shares held directly or indirectly by the company prior to the public offering of the company's shares, nor will the company repurchase such shares.

(2) If the company reduces its holdings of the company's shares within two years after the expiration of the lock-up period for the company's shares, the price of such reduction shall not be less than the issue price of the company's IPO. The said issue price refers to the issue price of the company's IPO. In case of ex-rights and ex-dividends due to equity distribution, capitalization of provident fund, share allotment, etc., the ex-rights and ex-dividends shall be dealt with as per relevant provisions of the Shanghai Stock Exchange.

(3) In addition to the aforesaid lock-up period, in this period when the shareholders/partners of the company serve as directors/senior managers of the company, the shares of the company to be transferred by the company each year shall not exceed 25% of the total number of shares of the company directly or indirectly held by the company; and the shareholders of the company shall not transfer the shares of the company directly or indirectly held by the company within half a year after they have ceased to serve as directors/senior managers of the Company.

(4) The Company shall reduce the corporate shares held as per the *Securities Law*, *Certain Provisions on Reduction of Shareholdings by Shareholders, Directors and Supervisors of Listed Companies*, *Implementing Rules for the Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Managers of Listed Companies of the Shanghai Stock Exchange*, *Rules for the Listing of Stocks on the Shanghai Stock Exchange* and other relevant laws, regulations and standardized documents. If the CSRC and the Shanghai Stock Exchange have any other regulations before the company reduces its shareholding in the company, the company undertakes to strictly comply with the regulations in force at the time of the reduction of the company's shareholding in the company to implement the reduction.

(5) In the event that the company violates the aforesaid undertakings, the proceeds of the violation shall belong to the company. If the enterprise fails to hand over to the company the proceeds of the aforesaid violation of transfer, the company shall have the right to freeze the remaining shares of the company held by the enterprise and may withhold the cash dividends payable to the enterprise and apply them against the proceeds of the violation of transfer due to the company until it makes up for the proceeds of the violation of transfer due to the enterprise.

Note 3:

Directors, supervisors and senior managers who indirectly hold shares of the Company, Liang Jinli, Chen Zhihao, Zhu Qihua, Su Yuzhou, Huang Yaping, Liao Chongyou, Wang Yu and Xiao Jingxia hereby undertook that:

(1) Within 12 months from the date of listing of the company's shares, I will not transfer or delegate the management of the shares held by me directly or indirectly that were issued before the company's public offering, nor will the company repurchase such shares.

(2) Within 6 months after the listing of the company, if the closing price of the company's shares is lower than the issue price for 20 consecutive trading days, or if the closing price of the company's shares is lower than the issue price at the end of the 6-month period after the listing (or if that day is not a trading day, then it

is the first trading day thereafter), the lock-up period of the company's shares held by me shall be automatically extended for 6 months. During the extended lock-up period, I will not transfer or delegate the management of the shares held directly or indirectly by me that were issued prior to the public offering of the company, nor will the company repurchase such shares.

(3) If I reduce my holdings of the company's shares within two years after the expiration of the lock-up period, the price of such reduction shall not be less than the issue price of the company's IPO. The said issue price refers to the issue price of the company's IPO. In case of ex-rights and ex-dividends due to equity distribution, capitalization of provident fund, share allotment, etc., the ex-rights and ex-dividends shall be dealt with as per relevant provisions of the Shanghai Stock Exchange.

(4) In addition to the foregoing lock-up period, in this period in which I serve as a director, supervisor and senior manager of the Company, and if I leave office before the expiration of my term of office, during the term of office determined at the time of my assumption of office and within 6 months after the expiration of the term of office: ① The transfer of the shares shall not exceed 25% of the total number of the shares of the Company held directly or indirectly by me each year; and ② I shall not transfer the shares of the Company held directly or indirectly by me within 6 months of my leaving office.

(5) In case of reducing my shareholding in the Company, I will strictly comply with the provisions of the *Securities Law*, *Certain Provisions on Reduction of Shareholdings by Shareholders, Directors and Supervisors of Listed Companies*, *Implementing Rules for the Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Managers of Listed Companies on the Shanghai Stock Exchange*, *Rules for Listing of Stocks on the Shanghai Stock Exchange*, and other relevant laws, regulations and standardized documents. If the CSRC and the Shanghai Stock Exchange have other regulations before I reduce my shareholding in the Company, I undertake to strictly comply with the regulations in force at the time I reduce my shareholding in the Company.

(6) I will not refuse to fulfill the above undertakings due to change of position or departure from office. If I violate the above undertaking, the proceeds of the violation of the transfer shall belong to the Company. If I fail to hand over to the Company the proceeds of the aforesaid illegal transfer, the Company shall have the right to freeze the remaining shares of the Company held by me and may withhold the cash dividends payable to me and apply them against the proceeds of the illegal transfer due to the Company until it makes up for the proceeds of the illegal transfer due to me.

Note 4:

(I) Sheng Huei International, the direct controlling shareholder of the Company, has issued the *Commitment Letter on the Avoidance of Competition in the Same Industry* in respect of the avoidance of competition in the same industry, with specific commitments as follows:

1. As of the date of this commitment letter, except for the investment company, the Company and the subsidiaries directly or indirectly controlled by the Company have not engaged in any business which is or may be in the same line of competition with the Company and its subsidiaries in any manner, directly or indirectly, within or outside the PRC.

2. The Company and the subsidiaries directly or indirectly controlled by the Company will not in the future engage in any form of business or activity that constitutes or has the potential to constitute competition in the same line of business with the business operated by the Company and its subsidiaries, and will not, directly or indirectly, take a controlling interest in, acquire or merge with any enterprise or other economic organization that competes or is likely to compete with the business operated by the Company and its subsidiaries.

3. If the Company and its subsidiaries directly or indirectly controlled by the Company have any business opportunities to participate in or acquire shares in any business which may compete or may compete with the business operated by the Company and its subsidiaries, the Company will immediately notify the Company and provide such business opportunities to the Company and its subsidiaries in an appropriate manner with priority, and the Company and its subsidiaries will have priority to acquire the assets or equity involved in the business under the same conditions. The Company will immediately notify the Company of such business

opportunities in an appropriate manner, and the Company and its subsidiaries will have priority in acquiring the assets or equity interests involved in the relevant business under the same conditions, so as to avoid competing with the Company and its subsidiaries.

4. From the date of this Undertaking, if the Company further expands its main products and main business scope, the Company and other enterprises controlled by the Company at that time guarantee that they will not compete with the Company's expanded main products or main business; in case of competition with the Company's expanded main products or main business, the Company and other enterprises controlled by the Company at that time guarantee to withdraw from the competition with the Company in accordance with the following methods, including but not limited to

(1) Cessation of production of products that compete or may compete with the Company's expanded principal products;

(2) Cessation of the operation of businesses that compete or may compete with the Company's expanded main business;

(3) Incorporate into the Company, with the Company's consent, businesses that compete with the Company's expanded principal business;

(4) Transferring the business competing with the Company's expanded main business to an unrelated third party.

5. This commitment letter shall be effective from the date of issuance and shall remain effective in this period in which the Company is the controlling shareholder of Acter Group.

6. In case of any breach of the above undertakings, the Company is willing to bear the corresponding compensation liability arising from the breach of the above undertakings in accordance with laws.

(II) Acter (Taiwan), the indirect controlling shareholder of the Company, has issued the *Commitment Letter on the Avoidance of Competition in the Same Industry* in respect of avoidance of competition in the same industry. On August 28, 2024, Acter (Taiwan) changed the commitment on avoidance of competition in the same industry, with specific commitments as follows:

1. As of the date of this commitment letter, except for the investment company, the Company and the subsidiaries directly or indirectly controlled by the Company have not engaged in any business in any manner, directly or indirectly, other than in the Taiwan region of the PRC, that is in the same business competition or potential same business competition with the Company and its subsidiaries.

2. Except for the situation described in Article 3 of this commitment letter, the Company and the subsidiaries directly or indirectly controlled by the Company will not in the future engage in any form of business or activities that compete or potentially compete with the business operated by the Company and its subsidiaries in any manner, directly or indirectly, in other regions outside of the Taiwan region of China, and will not directly or indirectly, in other regions outside of the Taiwan region of China, take a controlling stake in, acquire, merge or amalgamate businesses that compete or potentially compete with the business operated by the Company and its subsidiaries.

3. If the Company and its subsidiaries directly or indirectly controlled by the Company have any business opportunities in other regions outside of the Taiwan region of China to participate in or acquire shares in any business that may compete or potentially compete with the business operated by the Company and its subsidiaries, the Company will immediately notify the Company and provide such business opportunities to the Company and its subsidiaries on a priority basis in an appropriate manner so that the Company and its subsidiaries can acquire the business involved on a priority basis under the same terms and conditions. The Company will immediately notify the Company to provide such business opportunities to the Company and its subsidiaries on a priority basis in an appropriate manner, and the Company and its subsidiaries will acquire the assets or equity involved in the relevant business on a priority basis under the same conditions, so as to avoid horizontal competition with the Company and its subsidiaries.

If Acter Group determines that the aforementioned business opportunity/operation aligns with the development needs of Acter Group and its subsidiaries but, due to objective factors beyond its control - such as changes in laws, regulations, policies, or force majeure events, such opportunity/operation is unsuitable for direct execution by Acter Group or its subsidiaries, or if direct execution by Acter Group or its subsidiaries would adversely affect the protection of Acter Group’s interests, then in support of Acter Group’s growth, the Company may, after full consultation with Acter Group, proceed with investment, acquisition, or interim cultivation of such opportunity/operation through the Company or other entities under the Company’s control. The Company hereby commits that, once the relevant business or assets meet the conditions for transfer to Acter Group or its subsidiaries, we shall prioritize the transfer of such business or assets to Acter Group or its subsidiaries at a fair price, provided that such transfer complies with applicable laws, regulations, regulatory requirements, and the interests of Acter Group.

4. From the date of this commitment letter, if Acter Group further expands its main products and main business scope, the Company and other enterprises controlled by the Company at that time guarantee that they will not compete with the Company's expanded main products or main business; in case of competition with Acter Group's expanded main products or main business, the Company and other enterprises controlled by the Company at that time guarantee that they will withdraw from the competition in accordance with the following methods The Company and other enterprises controlled by the Company at that time undertake to withdraw from competition with the Company in the following manner, including but not limited to the following:

(1) Cessation of production of products that compete or may compete with the Company's expanded principal products;

(2) Cessation of the operation of businesses that compete or may compete with the Company's expanded main business;

(3) Incorporate into the Company, with the Company's consent, businesses that compete with the Company's expanded principal business;

(4) Transferring the business competing with the Company's expanded main business to an unrelated third party.

5. This commitment letter shall be effective from the date of issuance and shall continue to be effective in this period in which the Company is an indirect controlling shareholder of the Company.

Note 5:

(I) In order to ensure that the Company's measures to fill the immediate returns can be effectively fulfilled, the Company's direct controlling shareholder, Sheng Huei International, and its indirect controlling shareholder, Acter (Taiwan), have made the following undertakings:

1. Do not intervene in the operation and management activities of the Company beyond their authority.

2. Do not encroach on the interests of the Company.

3. Do not harm the interests of the Company.

4. Do not effectively fulfill any commitments made by the Company in relation to the measures to fill in the returns. If the Company violates such commitments and causes losses to the Company or the investors, the Company is willing to bear the compensation liability to the Company or the investors in accordance with laws.

The Company, as the responsible party for the above undertakings, will be liable for compensation in accordance with laws if it violates the above undertakings and causes losses to the Company or investors.

(II) In order to guarantee that the Company's measures to fill in the immediate returns can be practically fulfilled, the directors and senior managers of the Company undertake that:

1. Do not transfer benefits to other units or individuals without compensation or on unfair terms, nor to use other means to harm the interests of the Company;

2. Restrain my consumption behavior in office;

3. Do not use the Company's assets to engage in investment and consumption activities unrelated to the performance of their duties;

4. Fully support the remuneration system when it is formulated by the Board of Directors or the Remuneration and Appraisal Committee to link the remuneration system with the implementation of the Company's measures to fill in the returns, and to vote in favor of the relevant motions when they are being considered (if I have the right to vote);

5. If the Company subsequently launches the equity incentive policy, I undertake to fully support the proposals in the meeting of the board of directors and shareholders’ meeting, which are to be announced and about the exercise conditions of the Company's equity incentives and the implementation of the Company's measures to fill in the returns; I will be willing to vote in favor of (if I have the right to vote) such motions;

6. After the date of this undertaking and before the completion of the implementation of the IPO and listing of the Company, if the CSRC makes any other new regulatory provisions on the measures and undertakings for filling the returns, and if the above undertakings fail to satisfy such provisions of the CSRC, I undertake to issue supplementary undertakings in accordance with the latest provisions of the CSRC at that time;

7. I undertake to effectively fulfill the relevant measures formulated by the Company to fill in the returns and any commitments I have made in relation to the measures to fill in the returns, and I am willing to bear the responsibility of compensating the Company or investors in accordance with laws in the event of any violation of such commitments by me and any loss caused to the Company or investors.

8. As one of the parties responsible for the measures to fill in the returns, if I violate the above undertakings or refuse to fulfill the above undertakings, I agree to be punished or take relevant management measures in accordance with the relevant regulations and rules formulated or issued by the CSRC and the Shanghai Stock Exchange and other securities regulatory authorities.

(III) In order to protect the right to know and interests of the small and medium-sized investors, the Company has conducted a careful analysis of the impact of the IPO on the dilution of the immediate returns, and has put forward specific measures and undertakings to cover the diluted immediate returns:

1. Comprehensively enhance the management level of the Company and improve the efficiency of capital utilization

To improve the Company's operational efficiency, strengthen budget management, control the Company's expenses, improve the efficiency of capital utilization, comprehensively and effectively control the Company's operation and risk management, and enhance operational efficiency and profitability. In addition, the Company will improve the remuneration and incentive mechanism, introduce outstanding talents in the market, fully exert employee’s working passion and explore their creativity and potentials. Through the above measures, the Company will comprehensively improve the operational efficiency, reduce costs and enhance the Company's operating results.

2. Strengthen the supervision of investment projects to ensure the reasonable and legal use of funds raised.

The Company has formulated the *Proceeds Management System* and other relevant systems, in order to standardize the use and management of the Company's issue proceeds and ensure that the issue proceeds are used in a standardized, safe and efficient manner. The board of directors has passed a resolution on the establishment of a special account for the use and management of the issue proceeds, which will be deposited in the special account designated by the board of directors and used for the specific purpose only. The Company will strictly manage the use of proceeds in accordance with relevant laws and regulations and the requirements of the *Proceeds Management System*, and will actively cooperate with the regulatory banks and sponsoring organizations in the inspection and supervision of the use of proceeds, so as to ensure that the proceeds are reasonably used in a normal manner and to reasonably guard against the risk of the use of proceeds.

3. Accelerate the investment progress of the fund-raising projects and strive to realize the expected benefits of the projects as soon as possible.

The implementation of the fund-raising investment projects of the Offering is in line with the Company's development strategy, which can effectively enhance the Company's business capacity and profitability, and is conducive to the Company's sustainable and rapid development. Prior to the availability of the proceeds, the Issuer intends to actively raise funds through a variety of channels to accelerate the investment progress of the fund-raising projects, and strive to realize the expected benefits of the projects as early as possible, so as to enhance the shareholders' returns in the next few years and to reduce the risk of dilution of the current returns caused by the Issue.

4. Further improve the profit distribution system and strengthen the investor return mechanism.

The Company has amended the *Draft Articles of Association* in accordance with relevant laws and regulations and established a sound and effective shareholder return mechanism. Upon completion of the Offering, the Company will, in accordance with relevant laws and regulations and the Company’s *Articles of Association (Draft)*, actively promote the distribution of profits to shareholders where the conditions for profit distribution are met, so as to effectively maintain and increase the returns to shareholders.

Note 6:

As per relevant provisions of the *Opinions on Further Promoting the Reform of the New Issue System of New Shares* issued by the CSRC, the *Proposal of Stabilizing the Share Price of Acter Technology Integration Group Co., Ltd.* was passed in the Company's 2021 2nd interim shareholders' meeting through consideration, in order to protect the interests of investors and further specify the measures to stabilize the share price of the Company when the share price of the Company is lower than the net asset per share within three years after the listing of the Company.

(I) Effective period of the Plan

The Plan shall be valid for three years from the date of listing of the Company's shares.

(II) Conditions for activation and cessation of the share price stabilization plan

1. Conditions for activation

Within three years after the listing of the Company's shares, if the closing price of the Company's shares for 20 consecutive trading days is lower than the Company's audited net asset value per share as of the end of the most recent period (in the event that the closing price of the said shares is not comparable with the Company's audited net asset value per share as of the end of the most recent period due to ex-rights and ex-dividend matters, the said net asset value per share shall be adjusted accordingly) and if the provisions of relevant laws, regulations and standardized documents relating to the buyback and holding of additional shares are also met, the plan shall be triggered, then the measures for stabilizing the Company's stock price by the Company, controlling shareholders, directors (excluding independent directors) and senior managers shall be taken.

2. Cessation Conditions

During the implementation period, if any of the following circumstances occurs, the implementation of the stock price stabilization measures and the fulfillment of the commitments shall be deemed to be completed and the announced stock price stabilization plan shall cease to be implemented:

① The closing price of the Company's shares for 5 consecutive trading days is higher than the Company's unaudited net assets per share for the latest period (if the closing price of the said shares is not comparable with the Company's audited net assets per share at the end of the latest period due to ex-rights and ex-dividend matters, the said net assets per share shall be adjusted accordingly);

② Continuing to repurchase or hold additional shares of the Company will result in the Company's shareholding distribution failing to meet the listing conditions;

③Continuing to hold additional shares will result in the need to fulfill the obligation to make a tender offer and it has not planned to implement the tender offer.

3. Specific measures of the share price stabilization plan

(1) Buyback by the Company

① The Company shall convene the board meeting within 10 trading days from the date of triggering the activation conditions of the share price stabilization measures in accordance with laws, regulations and the Articles of Association of the Company. The Board of Directors shall formulate a clear and specific buyback plan, the content of which shall include, but not be limited to, the types of shares to be repurchased by the Company, the number of ranges, the price ranges, the period of implementation, etc., and submit it to the Shareholders' Meeting of the Company for deliberation and approval; the buyback plan will become effective upon consideration and approval by the General Meeting. The buyback plan shall become effective after it is considered and approved by the general meeting of the Company. However, the program will not be implemented any longer, if the share price of the Company before or during the implementation of the share buyback plan already fails to meet the conditions for initiating measures to stabilize the Company's share price.

② After the share buyback plan is approved by the shareholders' meeting, the Company will notify creditors in accordance with laws and submit relevant materials to the competent authorities, such as the securities regulatory authorities and stock exchanges, for approval or filing. The buyback price of the Company shall not be higher than the Company's audited net asset value per share as of the end of the most recent period (if the closing price of the said shares is not comparable to the Company's audited net asset value per share as of the end of the most recent period due to ex-rights and ex-dividend matters, the said net asset value per share shall be adjusted accordingly), and the method of buyback of shares shall be by way of centralized competitive bidding and trading, by way of an offer, or by other methods approved by the securities regulatory authorities.

③If the share price of the Company triggers the above conditions for price stabilization measures several times in a fiscal year, the Company will continue to implement the above share price stabilization plan as per the following principles: I. The amount of funds used for share buyback in a single buyback shall not be higher than 10% of the audited net profit attributable to the shareholders of the parent company of the previous fiscal year; II. The total amount of buyback funds used to stabilize the share price in a single fiscal year shall not exceed 30% of the audited net profit attributable to shareholders of the parent company in the preceding fiscal year. If the above criteria are exceeded, the relevant share price stabilization measures will not be continued in the current year. However, in the event that circumstances requiring the activation of share price stabilization measures continue to arise in the following year, the Company will continue to implement the share price stabilization plan in accordance with the above principles.

(2) Increase in shareholdings by controlling shareholders

① If the board of directors fails to formulate and announce a share buyback plan within 10 trading days after triggering the obligation, or if the share buyback plan is rejected by the shareholders' meeting, or if the company fails to fulfill or is unable to fulfill the obligation to repurchase shares within 30 days after announcing the specific implementation plan for the buyback, or if the company fails to stabilize the closing price of its stock above the audited net asset value per share for more than 5 consecutive trading days after reaching the upper limit of the buyback plan, it will trigger the obligation for the controlling shareholder to increase its shareholding.

②On the premise of not affecting the company's listing conditions, the company's controlling shareholders shall be triggered within 3 trading days from the date of the obligation to increase the proposed plan to increase the company's shareholding (including the number of shares to be increased, price range, time, etc.), and in accordance with laws to carry out the necessary approvals, and notify the company within 3 trading days of approval, the company shall be in accordance with the relevant provisions of the disclosure of the plan for the increase in the purchase of shares. The Company shall disclose the plan to increase its shareholding in accordance with the relevant regulations. Three trading days after the Company discloses the plan to increase its shareholding in accordance with the plan, the Company shall commence the implementation of the plan to increase its shareholding in accordance with the plan.

③ The method for the controlling shareholder of the Company to increase its shareholding shall be by way of centralized bidding and trading, offer or other methods approved by the securities regulatory authorities, and the price of the additional shareholding shall not exceed the audited net asset value per share as of the end of the most recent period (in the event that the closing price of the aforesaid shares is not comparable with the audited net asset value per share as of the end of the most recent period due to ex-rights and ex-dividend, etc., the aforesaid net asset value per share shall be adjusted accordingly). However, if the share price of the Company no longer meets the conditions for activating the measures to stabilize the Company's share price prior to or in the course of the implementation of the plan to increase the shareholding of the Company, the plan may not be continued.

If the Company's share price triggers the above conditions for the need to take share price stabilization measures several times within a fiscal year, the controlling shareholder will continue to implement the share price stabilization plan in accordance with the above, but shall follow the following principles: I. The amount of funds used to increase shareholdings on a single occasion shall not be less than 20% of the amount of after-tax cash dividends received by the controlling shareholder from the Company on the most recent occasion; II. The amount of funds used to stabilize the share price to increase shareholdings in a single year shall not exceed 50% of the amount of after-tax cash dividends received by the controlling shareholder from the Company on the most recent occasion. If the above criteria are exceeded, the relevant share price stabilization measures will not be continued in the current year. However, in the event that circumstances requiring the activation of share price stabilization measures continue to arise in the following year, the Company will continue to implement the share price stabilization plan in accordance with the above principles. In the event that the share price stabilization measures are triggered in the following year, the amount of funds already used for share price stabilization in previous years will no longer be counted as part of the cumulative cash dividends.

(3) Increase in shareholdings by directors (excluding independent directors) and senior managers

①If the controlling shareholder of the Company fails to propose a plan to increase the shareholding of the Company within 10 trading days from the date of triggering the obligation to increase shareholding, or fails to commence the implementation of the plan to increase shareholding within 30 days from the date of the Company's announcement of the plan to increase shareholding, or if, after the controlling shareholder of the Company has reached the maximum limit of the plan to increase shareholding, the closing price of the Company's shares still fails to be stabilized at a level higher than the Company's audited net asset value per share as of the end of the most recent period for a period of more than 5 trading days, then the obligation of the Company's directors (excluding independent directors) and senior manager will be triggered to increase their holdings of the Company's shares.

② Without affecting the listing conditions of the company, the company's directors (excluding independent directors), senior manager shall be triggered within 3 trading days from the date of the obligation to increase the proposed plan to increase the company's shares (including the number of shares to be increased, the price range, time, etc.), and comply with the law to carry out the necessary approval procedures, and notify the company within 3 trading days of approval, the company shall disclose the plan to increase the acquisition of shares in accordance with the relevant provisions. Three trading days after the Company discloses the plan to increase its shareholding in accordance with the plan, the Company shall commence the implementation of the plan to increase its shareholding in accordance with the plan.

③ The directors (excluding independent directors) and senior manager of the Company will purchase the Company's shares through competitive bidding transactions to stabilize the Company's share price at a price not higher than the Company's audited net asset value per share as of the end of the most recent period (in the event that the closing price of the aforesaid shares is not comparable to the audited net asset value per share as of the end of the most recent period due to ex-rights and ex-dividend, etc., the aforesaid net asset value per share shall be adjusted accordingly). However, if the share price of the Company does not meet the conditions for the activation of measures to stabilize the Company's share price within 3 trading days of the disclosure of the Company's purchase plan or in the course of the implementation of the plan, the Company may cease to implement the above plan to increase the Company's shareholding. If the share price of the Company triggers the above conditions for price stabilization measures several times within a fiscal year, the directors (excluding independent directors) and senior manager of the Company will continue to implement the above share price stabilization plan, but shall comply with the following principles: I. The amount of funds used for the purchase of shares on a single occasion shall not be less than 20% of the after-tax remuneration that he/she received from the Company during the previous fiscal year while he/she was serving as a director or a senior manager; II. The amount of funds used to stabilize the share price in a single year shall not exceed 50% of the after-tax remuneration received from the Company in the previous fiscal year in this period in which he or she held the position of director or senior executive. If the above criteria are exceeded, the relevant share price stabilization measures will not be continued in the current year. However, in the event that circumstances requiring the activation of price stabilization measures continue to arise in the following year, the share price stabilization plan will continue to be implemented in accordance with the above principles.

If the Company appoints new directors (excluding independent directors) and senior managers, the Company will require the new directors and senior managers to fulfill the corresponding commitments made by the directors and senior manager when the Company was listed.

4. Restrictive measures for failure to activate share price stabilization measures

If the Company, controlling shareholders, directors (excluding independent directors) and senior managers fail to take the specific measures above for stabilizing the share price when the conditions for the activation of the price stabilization measures are met, the Company undertakes to accept the following restrictive measures:

(1) The Company, controlling shareholders, directors (excluding independent directors) and senior managers will publicly explain the reasons why the measures above are not taken and apologize to the Company's shareholders and public investors in the general meeting of the Company and in the disclosure media designated by the CSRC.

(2) The controlling shareholder of the Company undertakes that: (2) If the controlling shareholder fails to take the specific measures above for stabilizing the share price when the conditions for the initiation of the share price stabilization measures are met, the Company shall have the right to withhold or deduct the cash dividends payable to the unit in an amount equal to the amount used for the implementation of the Share Increase Plan.

(3) The directors (excluding independent directors) and senior managers of the Company undertake that: when the conditions for the activation of the share price stabilization measures are met, the Company shall have the right to withhold or reduce the remuneration and cash dividends payable to the Company if the Company fails to take the specific measures above for stabilizing the share price.

5. Legal Procedures of the Proposal

In the event that the Company needs to adjust the proposal which is inconsistent with the relevant provisions due to revisions of laws and regulations or changes in policies, such adjustments shall be approved by more than two-thirds of the total number of voting shares held by shareholders present at the shareholders' meeting.

Note 7:

(I) Restrictive measures by the Company regarding non-fulfillment of public commitments:

The Company will strictly fulfill all matters of public commitments made by the Company in connection with the IPO and listing of shares and actively accept social supervision. Unless otherwise specifically constrained, if the Company fails to fully and effectively fulfill the undertakings made in the course of its IPO and listing, the Company undertakes to take the following restrictive measures:

1. If the Company fails to fulfill its public commitments or if the fulfillment of the commitments is not conducive to the protection of the Company's rights and interests due to reasons other than force majeure, the Company shall propose to replace the original commitments with new commitments or propose to waive the fulfillment of the obligations under the commitments. The above changes shall be submitted to the shareholders' meeting for consideration, and the Company will provide shareholders with the means of internet voting and urge the shareholders involved in the commitment matters to abstain from voting. If new commitments are proposed to replace the original ones, the relevant commitments shall comply with the prevailing laws, regulations and the Company's Articles of Association; and the Company undertakes to accept the following constraints until the fulfillment of the commitments or the implementation of the corresponding remedial measures is completed:

(1) Publicly explain the specific reasons and apologize to the shareholders and public investors in the shareholders' meeting and the disclosure media designated by the CSRC;

(2) Reduction or suspension of the remuneration or allowances of directors, supervisors and senior manager who are personally liable for the Company's failure to fulfill the undertakings (if such persons are on the Company's payroll);

(3) Not to approve the application for voluntary departure of directors, supervisors and senior managers who have failed to fulfill their undertakings, but may make changes in their positions;

(4) In case of losses caused to investors, the Company will be liable to compensate investors in accordance with laws;

(5) In accordance with laws, regulations and the requirements of the relevant regulatory bodies to assume the corresponding responsibilities.

2. If the company fails to fulfill its public commitments or fails to fulfill its public commitments on schedule due to force majeure, the Company shall propose new commitments (the relevant commitments shall comply with the laws, regulations, articles of association and fulfill the relevant approval procedures) and shall be subject to the following constraints until the commitments have been fulfilled or the corresponding remedial measures have been implemented:

(1) Publicly explain the specific reasons and apologize to the shareholders and public investors in the shareholders' meeting and the disclosure media designated by the CSRC;

(2) To expeditiously study solutions for minimizing the loss of investors' interests and submit it to the shareholders' meeting for consideration, so as to protect the interests of the Company's investors as far as possible.

(II) Controlling Shareholders' Restrictive Measures on Failure to Fulfill Public Undertakings

Unless otherwise specifically constrained, if Sheng Huei International, the direct controlling shareholder of the Company, and Acter (Taiwan), the indirect controlling shareholder of the Company, fail to fully and effectively fulfill the undertakings they have made in the course of the IPO and listing of Acter Group, they undertake to take the following restrictive measures:

1. In the event that the Company fails to fully and effectively fulfill its obligations or responsibilities under the aforementioned undertakings, the Company undertakes to actively cooperate with the relevant regulatory authorities in their investigations and accept the corresponding penalties;

2. To compensate public investors with its own funds for direct losses suffered as a result of relying on the relevant undertakings to implement the transactions, with the amount of compensation to be determined on the basis of the amount negotiated between the Company and the investor, or in the manner or in the amount determined by the relevant regulatory authorities or judicial organs;

3. If income is obtained as a result of non-performance of the undertakings (i.e. such income cannot be obtained in the case of performance of the undertakings), the income obtained shall belong to the Company, which will pay the aforesaid income to the Company's designated account within 5 days of obtaining the income; and if losses are incurred by the Company or other investors as a result of the non-performance of the undertakings, the Company or other investors shall be held liable for compensation according to laws.

(III) Restrictive measures for directors, supervisors and senior managers of the Company in respect of non-fulfillment of the undertakings:

The directors, supervisors and senior manager of the Company undertake:

I have made relevant undertakings in the process of IPO and listing of shares of Acter Group, and if I fail to fulfill them, or if I am unable to fulfill them, or if I am unable to fulfill them on schedule (except for those due to relevant laws and regulations, policy changes, natural disasters, and other force majeure, and other objective reasons beyond my control), or if the fulfillment of the relevant undertakings will be detrimental to the safeguarding of the rights and interests of the Company and the investors, I will take the following measures:

1. Disclose the specific reasons why I have failed to fulfill my commitments, was unable to fulfill them or fulfill them on schedule in time through the Company;

2. Submit to the Company and its investors an application for change of undertakings or exemption from fulfillment of undertakings and submit it to the shareholders' meeting for consideration in order to protect the rights and interests of the Company and its investors. I will recuse myself from voting at the shareholders' meeting when the matter is considered (if I am a shareholder of the Company at that time);

3. Submit the proceeds from my breach of my undertaking to the Company.

If the Company or the investor suffers any loss by my failure in fulfilling undertaking or incapacity of fulfilling or fulfilling undertaking on time, I will compensate the Company or investors in accordance with laws and the following procedures:

1. I agree that the Company shall reduce or cease to pay my salary, bonus, allowance, dividend (if any), etc., and use the reduced or ceased salary, bonus, allowance, dividend (if any), etc., to implement the unfulfilled commitments or to compensate for the losses caused to the Company and the investors as a result of the unfulfilled commitments;

2. If I reduce my shareholding before the compensation is completed, the funds obtained from the reduction will be supervised by the Board of Directors of the Company and used exclusively for the fulfillment of the commitments or compensation until I have fulfilled my commitments or compensated for the losses incurred by the Company and the investors (if I am a shareholder of the Company at that time).

In the event that I fail to fulfill my commitments, unable to fulfill them or to fulfill them on schedule due to objective reasons beyond my control, such as the changes of relevant laws, regulations and policies, natural disasters, etc., I will make disclosure the reason in time via the Company and actively take measures to change my commitments, supplement my commitments and other means to safeguard the rights and interests of the Company and the investors.

I will not refuse to fulfill the above commitments due to change of position, dismission, etc.

(IV) Restrictive measures of Suzhou Songhuei and Suzhou Shengzhan against the failure to fulfill the commitments

The shareholders of the Company, Suzhou Songhuei and Suzhou Shengzhan, hereby undertook that:

As shareholders of the Company, unless otherwise specified, if the Company fails to fully and effectively fulfill the undertakings made in the course of the Company's IPO and listing, the Company undertakes to take the following restrictive measures:

1. If the Company fails to fully and effectively fulfill the obligations or responsibilities in the foregoing undertakings, the Company undertakes to actively cooperate with the relevant regulatory authorities in their investigations and accept the corresponding penalties;

2. Compensate public investors with its own funds for direct losses suffered as a result of relying on the relevant undertakings to implement the transactions, with the amount of compensation to be determined on the basis of the amount negotiated between the Company and the investor, or in the manner or in the amount determined by the relevant supervisory authorities or judicial organs;

3. If the Company obtains income from the failure in fulfilling the commitments (i.e. such income cannot be obtained in the case of fulfillment of the commitments), the income obtained shall belong to the Company, which shall pay the aforesaid income to the designated account of the Company within 5 days upon obtaining the income; and if the non-fulfillment of the commitments causes losses to the Company or other investors, the Company shall compensate for the losses to the Company or other investors according to laws.

(II) If there is a profit forecast for the Company's assets or projects and the reporting period is still in the profit forecast period, the Company shall make a statement on whether the assets or projects have met the original profit forecast and the reasons thereof.

□ Achieved □ Not achieved√ N/A

(III) Completion of Performance Commitments and Their Impact on the Impairment Test of Goodwill

□ Applicable √ N/A

II. Non-operational Appropriation of Funds by Controlling Shareholders and Other Connected Parties within the reporting period

□ Applicable √ N/A

III. Violation of Guarantees

□ Applicable √ N/A

IV. Explanation for the Board of Directors of the Company on the "Non-standard Opinion Audit Report" of the Accounting Firm

□ Applicable √ N/A

V. Explanation for the Company's Analysis of the Reasons for and Impact of Changes in Accounting Policies, Accounting Estimates or Correction of Material Accounting Errors

(I) Explanation for the Company's Analysis of the Reasons for and Impact of Changes in Accounting Policies and Accounting Estimates

□ Applicable √ N/A

(II) Explanation for the Company's Analysis of the Reasons for and Impact of the Correction of Significant Accounting Errors

□ Applicable √ N/A

(III) Communication with the Former Accounting Firm

□ Applicable √ N/A

(IV) Approval Procedures and Other Notes

□ Applicable √ N/A

VI. Appointment and Dismissal of Accounting Firm

In RMB Yuan

	Current Appointment
Name of domestic accounting firm	ShineWing Certified Public Accountants LLP (special general partnership)
Remuneration of domestic accounting firm	849,056.60
Years of audit experience of domestic accounting firm	3

Name of certified public accountants of the domestic accounting firm	Liu Yuehua, Wang Ping
Cumulative years of audit service of the certified public accountants of the domestic accounting firms	3
Name of overseas accounting firm	N/A
Remuneration of the overseas accounting firm	N/A
Years of audit by overseas accounting firms	N/A

	Firm name	Remuneration
Internal control audit accounting firm	ShineWing Certified Public Accountants LLP (special general partnership)	188,679.25
Financial consultant	N/A	
Sponsor	N/A	

Appointment and dismissal of accounting firm

√ Applicable□ N/A

The Company passed the *Resolution on the Re-appointment of Accounting Firm*, in the 12th meeting of the 2nd board of directors on March 29, 2024 and the 2023 annual shareholders' meeting on April 19, 2024, and agreed to re-appoint ShineWing Certified Public Accountants LLP as the auditing organization of the Company's annual financial report and internal control for the year of 2024.

Explanation for the reappointment of the accounting firm during the audit period

□ Applicable √ N/A

Explanation for the decrease of 20% or more in the audit fee as compared with that of the previous year

□ Applicable √ N/A

VII. Situations Facing the Risk of Delisting

(I) Reasons for Delisting Risk Warning

□ Applicable √ N/A

(II) Countermeasures to be Taken by the Company

□ Applicable √ N/A

(III) Circumstances and Reasons for Termination of Listing

□ Applicable √ N/A

VIII. Matters Relating to Bankruptcy and Reorganization

□ Applicable √ N/A

IX. Significant Litigation and Arbitration Matters

□ Major litigation and arbitration matters in the current year

√ No major litigation and arbitration matters in the current year

X. Punishment and Rectification on the Listed Company, Its Directors, Supervisors, Senior Managers, Controlling Shareholders and Actual Controllers Due to Suspect of Law Violations.

□ Applicable √ N/A

XI. Explanation for the Integrity Status of the Company, Its Controlling Shareholders and Actual Controllers within the reporting period

□ Applicable √ N/A

XII. Significant Related Transactions

(I) Related Party Transactions Related to Daily Operations

1. Matters disclosed in the interim announcement and with no progress or change in subsequent implementation

□ Applicable √ N/A

2. Matters disclosed in the interim announcement but with progress or changes in subsequent implementation

√ Applicable□ N/A

On March 29, 2024, the Company held the 12th meeting of the 2nd board of directors and the 10th meeting of the 2nd board of directors, on which, it approved the *Proposal on the Confirmation of Routine Related Transactions for the Year 2023 and the Expected Routine Related Transactions for the Year 2024* respectively through consideration. As of the end of the reporting period, the daily related party transactions between the Company and the proposed connected persons are as follows, and have not exceeded the projected amounts:

Category of related party transactions	Related party	Estimated amount for 2024 (RMB 10,000)	Actual amount in 2024 (RMB 10,000)
Rental of buildings to related parties	Suzhou Winmax Technology Corp. and its subsidiaries	400	343.14
Acceptance of rental housing from related parties		10	3.93
Total		410.00	347.07

For details of the relevant matters, please refer to the *Proposal on the Confirmation of Routine Related Transactions for the Year 2023 and the Expected Routine Related Transactions for the Year 2024* (Announcement No. 2024-014) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the designated media on March 30, 2024.

3. Matters not disclosed in the interim announcement

□ Applicable √ N/A

(II) Related Party Transactions Arising from the Acquisition or Disposal of Assets or Equity Interests

1. Matters disclosed in the interim announcement and with no progress or change in subsequent implementation

□ Applicable √ N/A

2. Matters Disclosed in the Interim Announcement but with Progress or Changes in Subsequent Implementation

□ Applicable √ N/A

3. Matters not disclosed in the interim announcement

□ Applicable √ N/A

4. If performance agreement is involved, the performance realization of the reporting period shall be disclosed

□ Applicable √ N/A

(III) Significant related party transactions of joint foreign investment

1. Matters disclosed in the interim announcement and with no progress or change in subsequent implementation

□ Applicable √ N/A

2. Matters disclosed in the interim announcement but with progress or changes in subsequent implementation

□ Applicable √ N/A

3. Matters not disclosed in the interim announcement

□ Applicable √ N/A

(IV) Related debt transactions

1. Matters disclosed in the interim announcement and with no progress or change in subsequent implementation

□ Applicable √ N/A

2. Matters disclosed in the interim announcement but with progress or changes in subsequent implementation

□ Applicable √ N/A

3. Matters not disclosed in the interim announcement

□ Applicable √ N/A

(V) Financial business between the Company and finance companies with which it has a connected relationship, and between the Company's holding company and connected parties

□ Applicable √ N/A

(VI) Others

□ Applicable √ N/A

XIII. Significant Contracts and Their Fulfillment

(I) Trusteeship, contracting and leasing matters

1. Trusteeship

□ Applicable √ N/A

2. Contracting

□ Applicable √ N/A

3. Leasing

□ Applicable √ N/A

(II) Guarantees

√ Applicable□ N/A

In RMB Yuan

External guarantees of the Company (excluding guarantees to subsidiaries)													
Guarantor	Relationship with the listed company	Guaranteed party	Amount of guarantee	Date of guarantee (signature date of agreement)	Guarantee starting date	Guarantee Guarantee expiration date	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount overdue	Counter-guarantee	Guarantee for related parties	Relationship Relationship

Total amount of guarantees incurred within the reporting period (excluding guarantees to subsidiaries)	0
Total guarantee balance at the end of the reporting period (A) (excluding guarantees to subsidiaries)	0
Guarantees by the Company and its subsidiaries to subsidiaries	
Total amount of guarantee incurred for subsidiaries within the reporting period	327,234,985.72
Total balance of guarantees to subsidiaries as of the end of the reporting period (B)	539,404,400.18
Status of total corporate guarantees (including guarantees to subsidiaries)	
Total amount of guarantees (A+B)	539,404,400.18
Proportion of total guarantees in the Company's net assets (%)	48.58
Including:	
Amount of guarantees in favor of shareholders, actual controllers and their related parties (C)	0
Amount of debt guarantees provided directly or indirectly for guaranteed objects with asset-liability ratio exceeding 70% (D)	0
Amount of the portion of total guarantees exceeding 50% of net assets (E)	0
Total amount of the above three guarantees (C+D+E)	0
Explanation for possible joint and several liability for outstanding guarantees	None
Description of guarantees	On the 12th meeting of the 2nd board of directors and the 10th meeting of the 2nd board of directors on March 29, 2024 and the 2023 shareholders' meeting on April 19, 2024, the Company passed the *Proposal on the Total Estimated Guarantee for the Year 2024* through consideration. According to the proposal above, the Company can provide guarantees for its subsidiaries, mutual guarantees between subsidiaries, and guarantees provided by subsidiaries for the Company, with the total amount not exceeding RMB 6,000

	million in 2024. For details, please refer to the *Announcement on the Estimated Total Guarantee Quota for 2024* (Announcement No. 2024-015) disclosed by the Company on March 30, 2024.

(III) Entrusted Cash Asset Management

1. Entrusted financial management

(1) Overall entrusted wealth management

√ Applicable□ N/A

In RMB Yuan

Type	Capital source	Amount incurred	Outstanding balance	Overdue amount not recovered
Bank financial products	Self-owned capital	60,000,000.00	50,000,000.00	

Others
□ Applicable √ N/A

(2) Individual entrusted financial management

□ Applicable √ N/A

Others
□ Applicable √ N/A

(3) Provision for impairment of entrusted finance

□ Applicable √ N/A

2. Entrusted loans

(1) Overall situation of entrusted loans

□ Applicable √ N/A

Others
□ Applicable √ N/A

(2) Individual entrusted loans

□ Applicable √ N/A

Others
□ Applicable √ N/A

(3) Provision for impairment of entrusted loans

□ Applicable √ N/A

3. Others

□ Applicable √ N/A

(IV) Other Significant Contracts

□ Applicable √ N/A

XIV.Explanation for the Progress of the Use of Proceeds

√ Applicable☐ N/A

(I) Overall utilization of proceeds raised

√ Applicable□ N/A

In RMB Yuan

Source of fund-raising	Time of arrival of the fund-raising	Total amount of fund-raising	Net proceeds (1)	Total committed investment of proceeds (2) in prospectus or offering circular	Amount of over-raised funds (3) = (1) – (2)	Cumulative total amount of proceeds invested as of the end of the reporting period (4)	Including: Cumulative total amount of over-raised funds invested as of the end of the reporting period (5)	Cumulative input progress of proceeds as of the end of the reporting period (%) (6)=(4)/(1)	Cumulative input progress of over-raised funds as of the end of the reporting period (%) (7)=(5)/(3)	Amount invested during the year (8)	Percentage of current year's input amount (%) (9)=(8)/(1)	Total amount of proceeds from change of use
IPO	September 29, 2022	545,000,000.00	485,347,160.34	485,347,160.34	0	469,133,737.18	0	96.66%	0	10,919,969.88	2.25%	/
Total	/	545,000,000.00	485,347,160.34	485,347,160.34	0	469,133,737.18	0	/	/	10,919,969.88	/	

Others

□ Applicable √ N/A

(II) Details of the fund-raising projects

√ Applicable□ N/A

1. Use of proceeds

√ Applicable□ N/A

In RMB 10,000

Source of fund-raising	Items	Project nature	Committed investment project in prospectus or offering circular	Related to changed investment?	Total amount of fund-raising plan (1)	Amount invested in this year	Cumulative total amount of proceeds invested as of the end of the reporting period (2)	Cumulative progress of inputs as of the end of the reporting period (%) (3)=(2)/(1)	Date project reaches intended useable condition	Closed or not	Whether the progress of inputs is in line with the planned schedule	Specific reasons why inputs did not progress as planned	Benefits realized during the year	Benefits realized or R&D results of the project	Has there been a significant change in the feasibility of the project, and if so, please provide details	Amount of savings
IPO	Supplement al Clean Room Project Supporting Working Capital Project	Operation management	Yes	No	43,764.42	0.00	43,988.47	100.51%	/	Yes	Yes	/	N/A	N/A	No	/
IPO	R&D Center Construction Project	R&D	Yes	No	2,539.50	456.01	686.65	27.04%	December 2025	No	Yes	/	N/A	N/A	No	/
IPO	Marketi	Operatio	Yes	No	2,230.8	635.9	2,238.2	100.33	Septem	Yes	Yes	/	N/A	N/A	No	/

	ng and Service Network Construction Project	n management			0	9	5	%	ber 2024						
Total	/	/	/	/	48,534.72	1,092.00	46,913.37	/	/	/	/	/		/	/	/

2. Detailed use of over-raised funds

□ Applicable √ N/A

(III) Changes in or Termination of Fund-raising Investments within the Reporting Period

□ Applicable √ N/A

(IV) Other use of proceeds within the reporting period

1. Prior investment and replacement of issue proceeds investment projects

□ Applicable √ N/A

2. Temporarily supplementing liquidity with idle proceeds

□ Applicable √ N/A

3. Cash management of idle issue proceeds and investment in related products

√ Applicable□ N/A

In RMB 10,000

Considered by the Board of Directors	Effective Consideration Amount of Proceeds Used for Cash Management	Starting Date	Ending date	Cash management balance at the end of the reporting period	Whether the maximum balance for the period exceeds the authorized amount
October 27, 2023	3,000.00	October 27, 2023	October 26, 2024	/	No
October 25, 2024	2,000.00	October 25, 2024	October 24, 2025	1,800.00	No

Others
None

4. Others

□ Applicable √ N/A

XV. Explanation for other significant matters that have a significant impact on investors' value judgment and investment decisions

□ Applicable √ N/A

Section VII Changes in Shares and Information about Shareholders

I. Changes in Share Capital

(I) Table of changes in shares

1. Table of changes in shares

The total number of shares and share capital structure of the Company remained unchanged within the reporting period.

2. Description of changes in shares

□ Applicable √ N/A

3. Impact of changes in shares on financial indicators such as earnings per share and net assets per share for the last year and the last period (if any)

□ Applicable √ N/A

4. Other disclosures deemed necessary by the Company or required by securities regulatory authorities

□ Applicable √ N/A

(II) Changes in restricted shares

□ Applicable √ N/A

II. Issuance and Listing of Securities

(I) Issuance of securities up to the reporting period

□ Applicable √ N/A

Explanation for securities issuance as of the reporting period (for bonds with different interest rates during the subsistence period, please explain separately)

□ Applicable √ N/A

(II) Changes in the total number of shares and shareholder structure of the Company and changes in the Company's asset and liability structure

□ Applicable √ N/A

(III) Existing internal employee shares

□ Applicable √ N/A

III. Shareholders and actual controllers

(I) Total number of shareholders

Total number of common shareholders as of the end of the reporting period (shareholder)	7,736
Total number of common shareholders as of the end of the month prior to the date of the annual report (shareholder)	9,998
Total number of preferred stockholders with voting rights restored as of the end of the reporting period (shareholder)	N/A
Total number of preferred stockholders with voting rights restored at the end of the month preceding the annual report disclosure date (shareholder)	N/A

(II) Shareholdings of top 10 shareholders and top 10 outstanding shareholders (or shareholders with unlimited rights to sell) as of the end of the reporting period)

Unit: Share

Shareholdings of the top 10 shareholders (excluding shares lent through transfer)						
Name of	Increase/decre	Number	Proportion (%)	Number	Pledged, marked or frozen	Nature of

shareholders (full name)	ase within the reporting period	of shares held at the end of the period		of shares held under limited selling conditions	Shareholding Status	Number	shareholders
SHENG HUEI INTERNATIONAL CO.LTD.	0	64,997,250	65.00	64,997,250	None	0	Overseas legal person
Suzhou Songhuei Enterprise Management Consulting Partnership (Limited Partnership)	0	8,122,500	8.12	0	None	0	Others
Suzhou Shengzhan Enterprise Management Consulting Partnership (Limited Partnership)	0	1,880,250	1.88	0	None	0	Others
Lin Xufeng	481,525	481,525	0.48	0	None	0	Domestic natural person
Lin Jiangwei	351,300	351,300	0.35	0	None	0	Domestic natural person
Li Wenzhi	348,300	348,300	0.35	0	None	0	Domestic natural person
Li Yuqin	77,000	300,000	0.30	0	None	0	Domestic natural person
Lin Songsheng	285,300	285,300	0.29	0	None	0	Domestic natural person
Zhan Shuifu	199,350	253,550	0.25	0	None	0	Domestic natural person
Qiang Fei	243,100	243,100	0.24	0	None	0	Domestic natural person

Shareholdings of the top 10 shareholders with unlimited sales conditions (excluding shares lent through transfer)			
Name of shareholders	Number of shares held in circulation with unlimited selling conditions	Type and number of shares	
		Type	Number
Suzhou Songhuei Enterprise Management Consulting Partnership (Limited Partnership)	8,122,500	RMB ordinary shares	8,122,500

Suzhou Shengzhan Enterprise Management Consulting Partnership (Limited Partnership)	1,880,250	RMB ordinary shares	1,880,250
Lin Xufeng	481,525	RMB ordinary shares	481,525
Lin Jiangwei	351,300	RMB ordinary shares	351,300
Li Wenzhi	348,300	RMB ordinary shares	348,300
Li Yuqin	300,000	RMB ordinary shares	300,000
Lin Songsheng	285,300	RMB ordinary shares	285,300
Zhan Shuifu	253,550	RMB ordinary shares	253,550
Qiang Fei	243,100	RMB ordinary shares	243,100
Ma Ruiliang	242,450	RMB ordinary shares	242,450
Description of buyback special accounts among the top 10 shareholders	None		
Explanation for the above shareholders' proxy voting rights, entrusted voting rights and waiver of voting rights	None		
Description of the above shareholders' affiliation or concerted action	None		
Description of preferred stockholders whose voting rights have been restored and the number of shares they hold	None		

Note: Among the top 10 ordinary shareholders as of the end of the reporting period, the 4th, 5th, 6th, 8th, and 10th shareholders were not listed in the Company's top 200 shareholder register at the beginning of the reporting period. As the Company could not accurately obtain their shareholding data as of the beginning of the reporting period (i.e., December 31, 2023), their shareholding quantities at the beginning of the reporting period have been calculated as zero for the purposes of this report.

Participation of shareholders holding 5% or more, top 10 shareholders, and top 10 shareholders with unlimited sales conditions in lending of shares in the transfer and financing business

□ Applicable √ N/A

Changes in the top 10 shareholders and top 10 shareholders with unlimited sales conditions in lending/return of shares in the transfer and financing business compared with the previous period

□ Applicable √ N/A

Number of shares held by the top 10 shareholders with limited selling conditions and the conditions of limited selling

√ Applicable□ N/A

Unit:Share

No.	Name of restricted shareholders	Number of	Listing and trading of shares subject to selling restrictions	Restricted shares

		shares subject to selling restrictions	Time of availability for listing and trading	Number of new shares available for listing and trading	
1	SHENG HUEI INTERNATIONAL CO.LTD.	64,997,250	October 13, 2025	0	Lock-up of shares for 36 months from the date of listing
Description of the above shareholders' affiliation or concerted action		None			

(III) Strategic investors or general corporations becoming top 10 shareholders as a result of placing of new shares

□ Applicable √ N/A

IV. Controlling shareholders and actual controllers

(I) Controlling shareholders

1. Legal person

√ Applicable□ N/A

Firm name	SHENG HUEI INTERNATIONAL CO., LTD..
Person in charge of the organization or legal representative	Liang Jinli
Date of Establishment	July 15, 2003
Main Businesses	Equity investment
Equity interests in other domestic and overseas listed companies held and participated in within the reporting period	None
Other information	None

2. Natural persons

□ Applicable √ N/A

3. Special Explanation for the absence of controlling shareholders of the Company

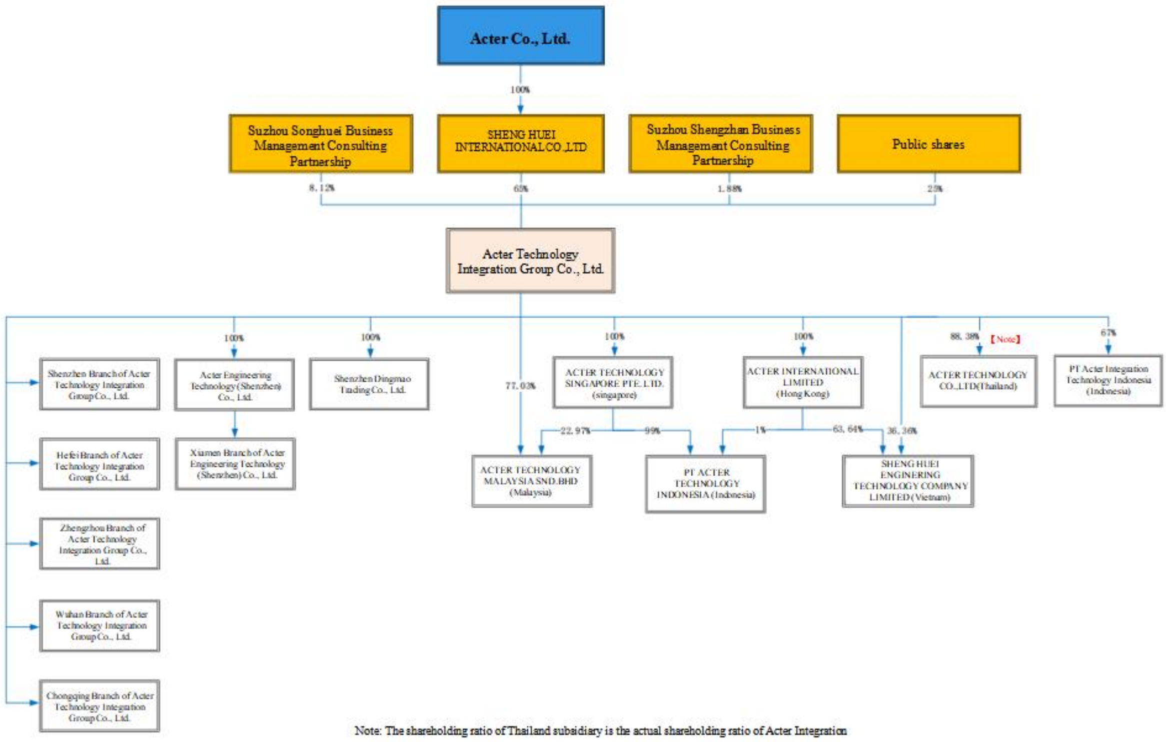
□ Applicable √ N/A

4. Explanation for the change of controlling shareholders within the reporting period

□ Applicable √ N/A

5. Block diagram of the ownership and control relationship between the Company and the controlling shareholders

√ Applicable□ N/A



Note: The shareholding ratio of Thailand subsidiary is the actual shareholding ratio of Acter Integration

(II) Situation of actual controllers

1. Legal person

□ Applicable √ N/A

2. Natural persons

□ Applicable √ N/A

3. Special explanation on the absence of actual controllers of the Company

□ Applicable √ N/A

4. Explanation for the change of control of the Company within the reporting period

□ Applicable √ N/A

5. Block diagram of the ownership and control relationship between the Company and the actual controller

□ Applicable √ N/A

6. Control of the Company by the actual controller through trust or other asset management methods

□ Applicable √ N/A

(III) Other information of controlling shareholders and actual controllers

□ Applicable √ N/A

V. The proportion of shares pledged by controlling shareholders or the largest shareholder and persons acting in concert with them to the number of shares held by them reaches more than 80%.

□ Applicable √ N/A

VI. Other legal shareholders holding more than 10% of the company's shares

□ Applicable √ N/A

VII. Explanation for the restriction on the reduction of shareholding

□ Applicable √ N/A

VIII. Specific implementation of share buyback within the reporting period

□ Applicable √ N/A

Section VIII Preferred Stock

□ Applicable √ N/A

Section IX Relevant Information of Bonds

I. Enterprise bonds (including corporate bonds) and debt financing instruments for non-financial enterprises

□ Applicable √ N/A

II. Convertible corporate bonds

□ Applicable √ N/A

Section X Financial Statements

I. Audit Report

√ Applicable□ N/A

Audit Report

XYZH/2025SUAA1B0021

Acter Technology Integration Group Co., Ltd.

To all shareholders of Acter Technology Integration Group Co., Ltd.,

I. Audit Opinion

We have audited the financial statements of Acter Technology Integration Group Co., Ltd., (hereinafter referred to as "Acter Group"), which comprise the consolidated balance sheet and the parent company’s balance sheet as of December 31, 2024, the consolidated profit statement and the parent company’s profit statement, the consolidated cash flow statement and the parent company’s cash flow statement, and the consolidated change statement in shareholders’ equities and the parent company's change statement in shareholders' equities for the year ended December 31, 2024, and the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Acter Group as of December 31, 2024 and the consolidated and parent company results of operations and cash flows for the year ended December 31, 2024 in conformity with the *Accounting Standards for Business Enterprises* (ASBE).

II. Basis of Audit Opinion

We have performed our audit in accordance with the provisions of the *Standards on Auditing for Chinese Certified Public Accountants*. Our responsibilities under those standards are further described in the "Responsibilities of Certified Public Accountants for the Audit of Financial Statements" section of the audit report. In accordance with the *Code of Ethics for Certified Public Accountants of the People's Republic of China*, we are independent from Acter Group and have fulfilled our other responsibilities with respect to professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are matters that, in our professional judgment, are of most significance to the audit of the financial statements. These matters are dealt with in the context of the audit of the financial statements as a whole and the formation of an audit opinion, and we do not express an opinion on these matters separately.

1. Revenue recognition for construction contracts	
Please refer to the accounting policies described in "IV. Significant Accounting Policies and Accounting Estimates" 32 in the notes to the financial statements and "VI. Notes to the Financial Statements" 35 in the notes to the financial statements.	
Key Audit Matters	**Audit Response**
Acter Group is mainly engaged in the design and construction of MEP related to clean room projects, and the revenue from construction contracts in FY2024 amounted to RMB 1,970,659,186.40, accounting for 98.16% of the operating revenue in the consolidated profit statement. Acter Group evaluated the terms of the contracts and business	The audit procedures related to the evaluation of revenue recognition of construction contracts mainly include the following procedures: (1) Understanding and evaluating the design and operating effectiveness of key internal controls over financial reporting related to revenue recognition for construction contracts; (2) Selecting the construction contracts signed between Acter Group and its clients, examining the main terms of the contracts and evaluating whether

1. Revenue recognition for construction contracts	
Please refer to the accounting policies described in "IV. Significant Accounting Policies and Accounting Estimates" 32 in the notes to the financial statements and "VI. Notes to the Financial Statements" 35 in the notes to the financial statements.	
Key Audit Matters	**Audit Response**
arrangements and concluded that construction contracts are performance obligations to be fulfilled within a certain period of time, and recognized revenue based on the progress of performance over the period of time in which the construction contracts are performed. The progress of performance is determined based on the proportion of actual contract costs incurred by Acter Group to the estimated total contract costs. The management of Acter Group is required to make reasonable judgments regarding the progress of completion or performance of construction contracts. During the course of execution of the contracts, Acter Group is required to continually evaluate and make adjustments to the contract amounts and estimated total contract costs, which involves the exercise of significant management judgments. We identified revenue recognition for construction contracts as a key audit matter because revenue is one of the key performance indicators of Acter Group, there is an inherent risk that Acter Group may manipulate revenue to meet certain objectives or expectations, and	the accounting policies of Acter Group for revenue recognition are in compliance with the requirements of the *Accounting Standards for Business Enterprises* (ASBE); (3) Selecting construction contracts and examining the basis for the estimated total cost of the contracts and the related cost budget information. If there is any adjustment to the estimated total cost of the contract, check whether the adjustment to the estimated total cost has been approved and inquire the management about the reasons and basis for the adjustment to evaluate whether the estimation made by the management is reasonable and based on sufficient information; (4) Selecting contract costs actually incurred within the reporting period and checking relevant supporting documents such as procurement contracts, purchase orders, material receipts, requisition ratios, invoices, etc. to evaluate the authenticity and accuracy of the actual construction costs; (5) Contract costs incurred around the balance sheet date are selected and reconciled to the relevant supporting documents, including purchase contracts, purchase orders, material receipts, requisition ratios, invoices, and other relevant supporting documents, in order to evaluate whether the relevant contract costs are recorded in the appropriate accounting period; (6) Selecting construction contracts that have not been completed at the end of the reporting period, reviewing the accuracy of the calculation of the percentage of completion or progress of performance, and recalculating the cumulative revenue recognized and the revenue to be recognized in this period, and

1. Revenue recognition for construction contracts	
Please refer to the accounting policies described in "IV. Significant Accounting Policies and Accounting Estimates" 32 in the notes to the financial statements and "VI. Notes to the Financial Statements" 35 in the notes to the financial statements.	
Key Audit Matters	**Audit Response**
revenue recognition for construction contracts involves significant management judgment.	reconciling them with the financial records; (7) Selecting clients and conducting correspondence regarding the amount of construction contracts and receivables signed between Acter Group and them within the reporting period. (8) Selecting construction contracts, checking the total costing sheet of the approved contract budget and the actual implementation of the budget within the reporting period, reviewing the difference between the total budgeted cost and the actual cost of completed contracts, and evaluating whether there is any indication of management bias; (9) Evaluating whether the revenue from construction contracts has been appropriately disclosed in the financial statements.

(Continued)

2. Evaluation of bad debt provision for accounts receivable	
Please refer to the accounting policies described in "IV. Significant Accounting Policies and Accounting Estimates" 13 in the notes to the financial statements and "VI. Notes to the Financial Statements" 4 in the notes to the financial statements.	
Key Audit Matters	**Audit Response**
As of December 31, 2024, the original value of accounts receivable in the consolidated balance sheet of Acter Group was RMB 393,691,970.05 and the provision for bad debts was RMB 31,458,392.48. Based on the expected credit loss rate of accounts receivable, the management measured the bad debt provision for accounts receivable at an amount equivalent to the expected credit losses over the life of the accounts	The audit procedures related to the evaluation of the bad debt provision for accounts receivable included the following procedures: (1) Understanding and evaluating the design and operating effectiveness of Acter Group’s key internal controls over financial reporting related to credit risk control, collection and provisioning for bad debts; (2) Evaluating whether the accounting policy for bad debt provision of Acter Group for the reporting period complies with the requirements

2. Evaluation of bad debt provision for accounts receivable	
Please refer to the accounting policies described in "IV. Significant Accounting Policies and Accounting Estimates" 13 in the notes to the financial statements and "VI. Notes to the Financial Statements" 4 in the notes to the financial statements.	
Key Audit Matters	**Audit Response**
receivable. The expected credit loss rate takes into account the age of the accounts receivable, historical payment, current market conditions and forward-looking information, and this assessment involves significant management judgment and estimates.	of enterprise accounting standards; (3) Evaluating the appropriateness of the aging of accounts receivable by selecting items from the accounts receivable aging table, reviewing relevant supporting documents, and taking into account the information on the credit periods granted by Acter Group to its clients; (4) Understanding the key parameters and assumptions used in Acter Group's expected credit loss model, including management's judgment on whether to group accounts receivable based on clients' credit risk characteristics and the historical loss data included in Acter Group's expected loss ratio; (5) Evaluating the appropriateness of Acter Group's estimate of expected credit losses by examining the information used by Acter Group to make the estimate, including examining the accuracy of the historical loss data, and evaluating whether management has adjusted the historical loss rate by taking into account the current market conditions and forward-looking information in determining the expected credit loss rate; (6) Recalculation of bad debt allowance as of December 31, 2024 based on the expected credit loss model of accounts receivable of Acter Group.

IV. Other Information

The management of Acter Group (hereinafter referred to as "management") is responsible for the other information. Other information includes the information covered in the 2024 annual report of Acter Group, but excludes the financial statements and our audit report.

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

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

Based on the work we have performed, if we determine that other information is materially misstated, we shall report that fact. We have no matters to report in this regard.

V. Management’s and Governance’s Responsibility for the Financial Statements

The management is responsible for the preparation of financial statements that present fairly, in accordance with the provisions of the Ind AS, and for designing, implementing and maintaining internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Acter Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and applying the going concern assumptions, unless management plans to liquidate Acter Group, discontinue operations or has no realistic alternative.

Governance is responsible for overseeing the financial reporting process of Acter Group.

VI. CPA's Responsibility for the Audit of Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are generally considered to be material if it is reasonable to expect that the misstatements, individually or in the aggregate, could affect the economic decisions of users of financial statements based on the financial statements.

We use professional judgment and maintain professional skepticism in performing the audit in accordance with auditing standards. We also perform the following tasks:

(1) Identifying and assessing the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures to address those risks, and obtaining sufficient appropriate audit evidence as a basis for an audit opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error because fraud may involve collusion, forgery, willful omission, misrepresentation, or overriding internal controls.

(2) Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, expressing an opinion on the effectiveness of internal control.

(3) Evaluating the appropriateness of accounting policies selected and the reasonableness of accounting estimates and related disclosures made by management.

(4) Expressing a conclusion on the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, we conclude whether there is a material uncertainty regarding the matters or circumstances that may cast significant doubt on the ability of Acter Group to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require that we draw the attention of users of the financial statements to the relevant disclosures in our audit report; if the disclosures are not sufficient, we shall express an unqualified opinion. Our conclusions are based on information available at the date of the audit report. However, future events or circumstances may cause Acter Group to be unable to continue as a going concern.

(5) Evaluating the overall presentation, structure and content of the financial statements and to evaluate whether the financial statements present fairly the related party transactions and events.

(6) Obtaining sufficient and appropriate audit evidence about the financial information of the entities or business activities of Acter Group to express an opinion on the financial statements. We are responsible for directing, supervising and performing the audit of the Group and accept full responsibility for the audit opinion.

We communicate with governance on matters such as the scope, timing and significant findings of the planned audit, including internal control deficiencies of concern identified in our audit.

We also provide governance with a statement of compliance with ethical requirements related to independence and communicate with governance all relationships and other matters that could reasonably be perceived to affect our independence, as well as related safeguards.

From the matters communicated with governance, we determined which matters were most significant to the audit of the current financial statements and therefore constituted key audit matters. We describe these matters in our audit report except where public disclosure of the matters is prohibited by law or regulation or, in rare circumstances, we determine that a matter shall not be communicated in the audit report if it is reasonably foreseeable that the adverse consequences of communicating the matter would outweigh the benefits to the public interest.

ShineWing Certified Public Accountants LLP

Chinese Certified Public Accountants:
(Project Partner)
Liu Yuehua

Chinese Certified Public Accountants:
Wang Ping

Beijing, China

March 28, 2025

II. Financial Statements

Consolidated Balance Sheet

December 31, 2024

Prepared by: Acter Technology Integration Group Co., Ltd.

In RMB Yuan

Item	Notes	December 31, 2024	December 31, 2023
Current assets:			
Monetary fund		575,382,706.17	722,496,330.38
Provision for settlement fund			
Funds lent			
Trading financial assets		50,025,000.00	
Derivative financial assets			
Bills receivable		27,398,673.04	43,157,918.28

Accounts receivable		362,233,577.57	396,889,272.26
Receivables financing		2,499,031.97	3,572,953.18
Prepayments		110,647,060.26	89,024,613.33
Bills receivable			
Reinsurance receivables			
Reserve for reinsurance contracts receivable			
Other receivables		9,824,375.86	13,378,598.48
Including: Interest receivable			
Dividends receivable			
Financial assets purchased for resale			
Inventory		3,585,610.06	
Including: Data resource			
Contract assets		565,904,050.40	424,897,205.60
Assets held for sale			
Non-current assets due within one year			
Other current assets		121,512,159.50	97,604,166.69
Total current assets		1,829,012,244.83	1,791,021,058.20
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investment		2,342,859.23	2,332,022.40
Investments in other equity instruments		12,947,918.04	
Other non-current financial assets			
Investment properties		531,707.64	598,758.96
Fixed assets		56,924,292.01	38,895,511.08
Construction in progress		2,577,156.79	13,103,863.94
Productive biological assets			
Oil and gas assets			
Right-of-use assets		4,064,612.80	3,840,232.40
Intangible assets		7,693,073.36	7,244,475.94
Including: Data resource			
Development expenditure			
Including: Data resource			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets		12,755,515.14	12,482,616.81
Other non-current assets		23,661,503.85	34,843,950.71
Total non-current assets		123,498,638.86	113,341,432.24
Total assets		1,952,510,883.69	1,904,362,490.44
Current liabilities:			
Short-term loan		23,866,103.44	
Borrowing from the central bank			
Funds borrowed			
Financial liabilities held for trading			

Derivative financial liabilities			
Notes payable			
Accounts payable		598,788,193.06	629,857,317.33
Receipts in advance			
Contract liabilities		88,601,839.41	73,351,891.04
Amounts for sale and buyback of financial assets			
Deposit-taking and interbank deposits			
Securities trading agency			
Underwriting of securities			
Payroll payable		41,972,766.98	47,459,670.87
Tax payable		15,374,255.49	7,980,749.03
Other payables		24,647,083.82	25,427,208.65
Including: Interest payable			
Dividends payable			
Fees and commissions payable			
Sub-insurance payable			
Liabilities held for sale			
Non-current liabilities due within one year		2,421,048.35	1,748,003.79
Other current liabilities			
Total current liabilities		795,671,290.55	785,824,840.71
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings			
Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liabilities		1,585,929.64	2,150,631.55
Long-term accounts payable			
Long-term payroll payable		65,569.85	632,325.46
Anticipation liabilities		11,183,840.39	11,292,847.91
Deferred income			
Deferred income tax liabilities		17,711,782.30	14,496,782.15
Other non-current liabilities			
Total non-current liabilities		30,547,122.18	28,572,587.07
Total liabilities		826,218,412.73	814,397,427.78
Owners' equity (or shareholders' equity)			
Paid-in capital (or capital stock)		100,000,000.00	100,000,000.00
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserves		562,632,775.45	562,632,775.45
Less: Treasury stock			
Other comprehensive income		-2,502,891.67	3,318,147.61
Special reserves		44,175,259.38	44,578,849.52
Earned surplus		45,818,775.40	39,501,301.38
Provision for general risks			
Undistributed profits		360,311,280.65	332,226,440.31
Total owners' equity (or shareholders' equity) attributable to the parent company		1,110,435,199.21	1,082,257,514.27

Minority interest		15,857,271.75	7,707,548.39
Total owners' equity (or shareholders' equity)		1,126,292,470.96	1,089,965,062.66
Total liabilities and owners' equity (or shareholders' equity)		1,952,510,883.69	1,904,362,490.44

Director of the Company: Liang Jinli Person in charge of accounting: Chen Zhihao Director of the accounting firm: Xiao Jingxia

Balance Sheet of the Parent Company

December 31, 2024

Prepared by: Acter Technology Integration Group Co., Ltd.

In RMB Yuan

Item	Notes	December 31, 2024	December 31, 2023
Current assets:			
Monetary fund		380,432,761.39	562,122,045.11
Trading financial assets		50,025,000.00	
Derivative financial assets			
Bills receivable		22,280,273.04	41,826,722.94
Accounts receivable		253,020,398.64	315,117,444.36
Receivables financing		2,499,031.97	2,161,091.23
Prepayments		30,799,227.20	62,282,120.10
Other receivables		40,526,268.65	31,069,788.93
Including: Interest receivable			
Dividends receivable			
Inventory		3,585,610.06	
Including: Data resource			
Contract assets		434,173,370.14	316,838,756.89
Assets held for sale			
Non-current assets due within one year			
Other current assets		47,671,752.21	45,758,769.25
Total current assets		1,265,013,693.30	1,377,176,738.81
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investment		129,112,645.74	88,485,289.33
Investments in other equity instruments		12,947,918.04	
Other non-current financial assets			
Investment properties		531,707.64	598,758.96
Fixed assets		54,401,188.46	36,738,851.20
Construction in progress		2,577,156.79	13,103,863.94
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,568,748.83	2,451,451.14
Intangible assets		7,677,609.57	7,206,780.52
Including: Data resource			
Development expenditure			
Including: Data resource			
Goodwill			
Long-term unamortized			

expenses			
Deferred income tax assets		7,129,206.99	9,838,099.85
Other non-current assets		18,335,783.47	29,178,404.91
Total non-current assets		234,281,965.53	187,601,499.85
Total assets		1,499,295,658.83	1,564,778,238.66
Current liabilities:			
Short-term loan			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		497,199,486.43	521,711,872.40
Receipts in advance			
Contract liabilities		30,810,177.25	46,861,981.30
Payroll payable		32,084,942.60	36,511,580.37
Tax payable		803,928.13	810,992.90
Other payables		2,008,316.98	1,806,759.40
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		1,348,687.81	968,648.33
Other current liabilities			
Total current liabilities		564,255,539.20	608,671,834.70
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liabilities		598,144.48	1,797,832.84
Long-term accounts payable			
Long-term payroll payable			
Anticipation liabilities		6,745,749.68	7,199,017.54
Deferred income			
Deferred income tax liabilities		235,312.43	367,717.70
Other non-current liabilities			
Total non-current liabilities		7,579,206.59	9,364,568.08
Total liabilities		571,834,745.79	618,036,402.78
Owners' equity (or shareholders' equity)			
Paid-in capital (or capital stock)		100,000,000.00	100,000,000.00
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserves		564,223,330.95	564,223,330.95
Less: Treasury stock			
Other comprehensive income		-2,052,072.90	
Special reserves		36,411,136.12	36,814,726.26
Earned surplus		45,818,775.40	39,501,301.38
Undistributed profits		183,059,743.47	206,202,477.29
Total owners' equity (or shareholders' equity)		927,460,913.04	946,741,835.88
Total liabilities and owners' equity (or shareholders' equity)		1,499,295,658.83	1,564,778,238.66

Director of the Company: Liang Jinli Person in charge of accounting: Chen Zhihao Director of accounting firm: Xiao Jingxia

Consolidated Income Statement

January-December 2024

In RMB Yuan

Item	Notes	2024	2023
I. Total operating revenue		2,007,697,317.98	2,008,924,995.68
Including: Operating revenue		2,007,697,317.98	2,008,924,995.68
Interest income			
Earned premiums			
Fee and commission income			
II. Total operating costs		1,850,375,680.04	1,829,949,952.47
Including: Operating cost		1,755,007,424.22	1,738,841,241.47
Interest expenses			
Handling fee and commission expenses			
Surrender premiums			
Net claims expenses			
Net withdrawal of insurance liability reserve			
Policy dividend expense			
Reinsurance expenses			
Taxes and surcharges		3,455,150.25	4,370,539.18
Sales expenses		6,781,770.06	7,954,281.67
Administrative expenses		62,519,012.85	59,193,009.85
R&D expenses		33,529,705.96	25,121,209.62
Finance costs		-10,917,383.30	-5,530,329.32
Including: Interest expense		1,902,046.69	1,360,920.96
Interest income		9,191,452.30	6,309,355.80
Add:Other gains		433,289.18	3,731,552.00
Investment income (loss denoted by "-")		814,005.65	1,661,794.44
Including: Investment income from associates and joint			
Gain on derecognition of financial assets measured at amortized cost			
Foreign exchange gains (loss denoted by "-")			
Gain on net open hedges (loss denoted by "-")			
Gain on change in fair value (loss denoted by "-")		25,000.00	-119,888.89
Credit impairment loss (loss denoted by "-")		2,207,755.91	-3,860,633.85
Impairment loss on assets (loss denoted by "-")		-6,812,588.09	1,148,478.91
Gain on disposal of assets (loss denoted by "-")		98,152.04	116,542.37
III. Operating profit (loss denoted by "-")		154,087,252.63	181,652,888.19
Add: Non-operating revenue		37,943.24	14,361.33
Less: Non-operating expenses		365,007.19	889,948.63

IV. Total profit (total loss denoted by " -")		153,760,188.68	180,777,300.89
Less: Income tax expense		36,650,409.77	40,713,458.90
V. Net profit (net loss denoted by "-")		117,109,778.91	140,063,841.99
(I) Classification by continuity of operations			
1. Net profit from continuing operations (net loss denoted by "-")		117,109,778.91	140,063,841.99
2. Net profit from discontinued operations (net loss denoted by "-")			
(II) Classification by ownership attribution			
1. Net profit attributable to shareholders of the parent company (net loss denoted by "-")		114,402,314.36	138,590,474.42
2. Gains and losses of minority shareholders (net loss denoted by "-")		2,707,464.55	1,473,367.57
VI. Other comprehensive income, net of tax		-5,780,309.56	369,438.14
(I) other comprehensive income attributable to owners of the parent company, net of taxes		-5,821,039.28	290,286.73
1. Other comprehensive income that cannot be reclassified to profit or loss		-2,064,563.03	
(1) Remeasurement of changes in defined benefit plans		-12,490.13	
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
(3) Changes in fair value of investments in other equity instruments		-2,052,072.90	
(4) Changes in fair value of own credit risk			
2. Other comprehensive income to be reclassified to profit or loss		-3,756,476.25	290,286.73
(1) Other comprehensive income available for reclassification to profit or loss under the equity method			
(2) Changes in fair value of other debt instruments			
(3) Reclassification of financial assets to other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedge reserve			
(6) Translation difference of foreign currency financial statements		-3,756,476.25	290,286.73
(7) Others			
(II) Other comprehensive income attributable to minority shareholders, net of taxes		40,729.72	79,151.41
VII. Total comprehensive income		111,329,469.35	140,433,280.13
(I) Total comprehensive income attributable to owners of the parent company		108,581,275.08	138,880,761.15
(II) Total comprehensive income		2,748,194.27	1,552,518.98

attributable to minority shareholders			
VIII. Earnings per share:			
(I) Basic earnings per share (RMB Yuan/share)		1.14	1.39
(II) Diluted earnings per share (RMB Yuan/share)		1.14	1.39

In the event of a business combination under the same control during the current period, the net profit realized by the party to be merged before the merger was RMB 0. The net profit realized by the party to be merged in the previous period was RMB 0.
Directors of the Company: Liang Jinli, Chen Zhihao and Xiao Jingxia

Income Statement of the Parent Company

January-December 2024

In RMB Yuan

Item	Notes	2024	2023
I. Operating Revenue		1,262,326,181.62	1,515,434,141.27
Less: Operating cost		1,129,673,762.04	1,338,966,817.43
Taxes and surcharges		3,100,212.09	4,057,620.88
Sales expenses		3,028,310.28	3,076,194.29
Administrative expenses		38,586,761.64	38,930,717.90
R&D expenses		33,529,705.96	25,121,209.62
Finance costs		-6,843,699.37	-5,338,139.72
Including: Interest expense		122,518.97	153,118.72
Interest income		6,782,505.00	5,636,874.72
Add:Other gains		366,259.15	3,731,552.00
Investment income (loss denoted by "-")		9,787,838.84	18,594,851.65
Including: Investment income from associates and joint			
Gain on derecognition of financial assets measured at amortized cost			
Gain on net open hedges (loss denoted by "-")			
Gain on change in fair value (loss denoted by "-")		25,000.00	-119,888.89
Credit impairment loss (loss denoted by "-")		6,354,192.97	-3,623,180.11
Impairment loss on assets (loss denoted by "-")		-5,578,254.36	521,068.35
Gain on disposal of assets (loss denoted by "-")		49,525.62	115,572.93
II. Operating profit (loss denoted by "-")		72,255,691.20	129,839,696.80
Add: Non-operating revenue		7,993.84	0.01
Less: Non-operating expenses		349,457.90	612,922.35
III. Total profit (total loss denoted by "-")		71,914,227.14	129,226,774.46
Less: Income tax expense		8,739,486.94	18,645,738.73
IV. Net profit (net loss denoted by "-")		63,174,740.20	110,581,035.73
(I) Net profit from continuing operations (net loss denoted by "-")		63,174,740.20	110,581,035.73
(II) Net profit from discontinued operations (net loss denoted by "-")			

V. Other comprehensive income, net of tax		-2,052,072.90	
(I) Other comprehensive income that cannot be reclassified to profit or loss		-2,052,072.90	
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method			
3. Changes in fair value of investments in other equity		-2,052,072.90	
4. Change in fair value of own credit risk			
(II) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income that can be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserve			
6. Translation differences on foreign currency financial statements			
7. Others			
VI. Total comprehensive income		61,122,667.30	110,581,035.73
VII. Earnings per share:			
(I) Basic earnings per share (RMB Yuan/share)			
(II) Diluted earnings per share (RMB Yuan/share)			

Directors of the Company: Liang Jinli, Chen Zhihao and Xiao Jingxia

Consolidated Cash Flow Statement

January-December 2024

In RMB Yuan

Item	Notes	2024	2023
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		2,066,354,453.31	2,167,140,386.68
Net increase in client deposits and deposits from other banks			
Net increase in borrowings from the central bank			
Net increase in borrowings from other financial institutions			
Cash received from premiums for primary insurance contracts			

Net cash received from reinsurance business			
Net increase in policyholders' deposits and investment funds			
Cash received from interest, fees and commissions			
Net increase in funds received			
Net increase in buyback transactions			
Net cash received from securities trading			
Tax rebates received		24,266,329.55	4,870,426.57
Cash received from other operating activities		28,677,150.09	18,560,464.10
Subtotal of cash inflow from operating activities		2,119,297,932.95	2,190,571,277.35
Cash paid for goods and services		1,889,084,764.24	1,805,795,893.11
Net increase in loans and advances to clients			
Net increase in deposits with central banks and interbanks			
Cash paid for original insurance contract claims			
Net increase in funds withdrawn			
Cash paid for interest, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		139,290,057.43	130,630,318.35
Taxes paid		52,768,919.68	76,654,922.21
Cash paid for other operating activities		41,862,341.40	43,967,212.45
Subtotal of cash outflow from operating activities		2,123,006,082.75	2,057,048,346.12
Net cash flows from operating activities		-3,708,149.80	133,522,931.23
II. Cash flows from investing activities:			
Cash received from recovery of investments		272,000,000.00	371,000,000.00
Cash received from investment income		908,884.79	1,809,868.77
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		185,947.08	28,000.00
Net cash received from the disposal of subsidiaries and other operating units			
Cash received from other investing activities			
Subtotal of cash inflow from investing activities		273,094,831.87	372,837,868.77
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		14,410,135.46	16,998,209.64
Cash paid for investment		336,999,999.94	249,000,000.00
Net increase in pledged loans			

Net cash paid for acquisition of subsidiaries and other business units			
Cash paid for other investing activities			
Subtotal of cash outflow from investing activities		351,410,135.40	265,998,209.64
Net cash flows from investing activities		-78,315,303.53	106,839,659.13
III. Cash flows from financing activities:			
Cash received from investment absorption		5,401,529.09	2,114,535.07
Including: Cash received by subsidiaries from minority investment		5,401,529.09	2,114,535.07
Cash received from loans		23,530,223.00	6,388,838.45
Cash received from other financing activities		53,586,215.59	22,605,625.00
Subtotal of cash inflow from financing activities		82,517,967.68	31,108,998.52
Cash paid for debt repayment		363,860.00	37,837,088.45
Cash paid for distribution of dividends, profits or repayment of interest		80,284,876.55	66,094,012.34
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Cash paid for other financing activities		59,042,712.16	2,180,273.09
Subtotal of cash outflow from financing activities		139,691,448.71	106,111,373.88
Net cash flows from fund-raising activities		-57,173,481.03	-75,002,375.36
IV. Impact of exchange rate changes on cash and cash equivalents		4,096,193.44	2,296,409.74
V. Net increase in cash and cash equivalents		-135,100,740.92	167,656,624.74
Add: Cash and cash equivalents balance at beginning of period		709,996,723.03	542,340,098.29
VI. Cash and cash equivalents at the end of the period		574,895,982.11	709,996,723.03

Directors of the Company: Liang Jinli Person in charge of accounting:Chen Zhihao Director of accounting firm:Xiao Jingxia

Cash flow statement of the parent company

January-December 2024

In RMB Yuan

Item	Notes	2024	2023
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		1,314,384,391.28	1,647,517,583.36
Tax rebates received		20,949,749.59	3,748,084.73
Cash received from other		14,137,521.18	14,972,801.49

operating activities			
Subtotal of cash inflow from operating activities		1,349,471,662.05	1,666,238,469.58
Cash paid for goods and services		1,171,316,565.82	1,406,939,420.43
Cash paid to and for employees		98,868,327.73	96,230,925.37
Taxes paid		22,869,036.91	60,761,461.48
Cash paid for other operating activities		35,203,084.77	27,542,918.50
Subtotal of cash outflow from operating activities		1,328,257,015.23	1,591,474,725.78
Net cash flows from operating activities		21,214,646.82	74,763,743.80
II. Cash flows from investing activities:			
Cash received from recovery of investments		250,000,000.00	347,000,000.00
Cash received from investment income		9,823,263.66	19,008,542.74
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		106,847.09	20,000.00
Net cash received from the disposal of subsidiaries and other operating units			
Cash received from other investing activities			
Subtotal of cash inflow from investing activities		259,930,110.75	366,028,542.74
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		13,075,164.41	15,334,338.59
Cash paid for investment		314,999,999.94	225,000,000.00
Net cash paid for acquisition of subsidiaries and other business units		40,627,356.41	4,242,955.45
Cash paid for other investing activities			
Subtotal of cash outflow from investing activities		368,702,520.76	244,577,294.04
Net cash flows from investing activities		-108,772,410.01	121,451,248.70
III. Cash flows from financing activities:			
Cash received from investment absorption			
Cash received from loans			
Cash received from other financing activities		14,808,512.29	34,906,384.33
Subtotal of cash inflow from financing activities		14,808,512.29	34,906,384.33
Cash paid for debt repayment			
Cash paid for distribution of dividends, profits or repayment of interest		80,000,000.00	65,000,000.00
Cash paid for other financing activities		29,250,223.75	29,198,376.93
Subtotal of cash outflow from		109,250,223.75	94,198,376.93

financing activities			
Net cash flows from fund-raising activities		-94,441,711.46	-59,291,992.60
IV. Impact of exchange rate changes on cash and cash equivalents		310,148.42	7,753.07
V. Net increase in cash and cash equivalents		-181,689,326.23	136,930,752.97
Add: Cash and cash equivalents balance at beginning of period		562,097,728.55	425,166,975.58
VI. Cash and cash equivalents at the end of the period		380,408,402.32	562,097,728.55

Director of the Company: Liang Jinli Person in charge of accounting: Chen Zhihao Director of accounting firm: Xiao Jingxia

Consolidated Statement of Changes in Owners' Equity

January-December 2024

In RMB Yuan

Items	2024														
	Owner's equities belonging to parent company													Minority interest	Total of owner's equities
	Paid-in capital (or capital stock)	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Earned surplus	Provision for general risks	Undistributed profits	Others	Subtotal		
		Preferred stock	Perpetual bond	Others											
I. Closing balance of the previous year	100,000,000.00				562,632,775.45		3,318,147.61	44,578,849.52	39,501,301.38		332,226,440.31		1,082,257,514.27	7,707,548.39	1,089,965,062.66
Add: Change in accounting policy															
Correction of prior-period errors															
Others															
II. Opening balance for the year	100,000,000.00				562,632,775.45		3,318,147.61	44,578,849.52	39,501,301.38		332,226,440.31		1,082,257,514.27	7,707,548.39	1,089,965,062.66
III. Increases/decreases in this period (Decrease denoted by " - ")							-5,821,039.28	-403,590.14	6,317,474.02	-	28,084,840.34		28,177,684.94	8,149,723.36	36,327,408.30
(I) Total comprehensive income							-5,821,039.28				114,402,314.36		108,581,275.08	2,748,194.27	111,329,469.35
(II) Owners'														5,401,529	5,401,529.0

inputs and capital reduction														.09	9
1. Ordinary shares invested by owners														5,401,529.09	5,401,529.09
2. Contribution of capital by holders of other equity instruments															
3. Share-based payments recognized in owners' equity															
4. Others															
(III) Profit distribution									6,317,474.02		-86,317,474.02	-	-80,000,000.00		-80,000,000.00
1. Withdrawal of surplus reserves									6,317,474.02		-6,317,474.02				
2. Provision for general risks															
3. Distribution to owners (or shareholders)											-80,000,000.00		-80,000,000.00		-80,000,000.00
4. Others															
(IV) Internal transfer of ownership interest															

1. Capitalization of capital surplus to capital (or capital stock)															
2. Transfer of surplus reserves to capital (or capital stock)															
3. Surplus reserves to cover losses															
4. Amount of changes in defined benefit plan carried forward to retained earnings															
5. Other comprehensive income Transfer of other comprehensive income to retained earnings															
6. Others															
(V) Special reserves								-403,590.14					-403,590.14		-403,590.14
1. Amount withdrawn this period															
2. Amount used in this								403,590.14					403,590.14		403,590.14

period															
(VI) Others															
IV. Closing balance of this period	100,000,000.00				562,632,775.45		-2,502,891.67	44,175,259.38	45,818,775.40		360,311,280.65		1,110,435,199.21	15,857,271.75	1,126,292,470.96

Items	2023														
	Owner's equities belonging to parent company													Minority interest	Total of owner's equities
	Paid-in capital (or capital stock)	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Earned surplus	Provision for general risks	Undistributed profits	Others	Subtotal		
		Preferred stock	Perpetual bond	Others											
I. Closing balance of the previous year	80,000,000.00				582,632,775.45		3,027,860.88	45,372,652.93	28,443,197.81		269,871,786.54		1,009,348,273.61	4,043,962.14	1,013,392,235.75
Add: Change in accounting policy											-177,717.08		-177,717.08	-3,467.80	-181,184.88
Correction of prior-period errors															
Others															
II. Opening balance for the year	80,000,000.00				582,632,775.45		3,027,860.88	45,372,652.93	28,443,197.81		269,694,069.46		1,009,170,556.53	4,040,494.34	1,013,211,050.87
III. Increases/decreases in this period (Decrease denoted by " - ")	20,000,000.00				-20,000,000.00		290,286.73	-793,803.41	11,058,103.57		62,532,370.85		73,086,957.74	3,667,054.05	76,754,011.79
(I) Total							290,286.7				138,590,4		138,880,76	1,552,51	140,433,28

comprehensive income							3				74.42		1.15	8.98	0.13
(II) Owners' inputs and capital reduction														2,114,535.07	2,114,535.07
1. Ordinary shares invested by owners														2,114,535.07	2,114,535.07
2. Contribution of capital by holders of other equity instruments															
3. Share-based payments recognized in owners' equity															
4. Others															
(III) Profit distribution	-	-	-	-	-	-	-	-	11,058,103.57	-	-76,058,103.57	-	-65,000,000.00	-	-65,000,000.00
1. Withdrawal of surplus reserves									11,058,103.57		-11,058,103.57				
2. Provision for general risks															
3. Distribution to owners (or shareholders)											-65,000,000.00		-65,000,000.00		-65,000,000.00
4. Others															
(IV) Internal	20,000,00				-20,000,00										

transfer of ownership interest	0.00				0.00										
1. Capitalization of capital surplus to capital (or capital stock)	20,000,000.00				-20,000,000.00										
2. Transfer of surplus reserves to capital (or capital stock)															
3. Surplus reserves to cover losses															
4. Amount of changes in defined benefit plan carried forward to retained earnings															
5. Other comprehensive income Transfer of other comprehensive income to retained earnings															
6. Others															
(V) Special reserves								-793,803.41					-793,803.41		-793,803.41
1. Amount withdrawn															

this period															
2. Amount used in this period								793,803.41					793,803.41		793,803.41
(VI) Others															
IV. Closing balance of this period	100,000,000.00	-	-	-	562,632,775.45	-	3,318,147.61	44,578,849.52	39,501,301.38	-	332,226,440.31	-	1,082,257,514.27	7,707,548.39	1,089,965,062.66

Director of the Company: Liang Jinli Person in charge of accounting: Chen Zhihao Director of accounting firm: Xiao Jingxia

Statement of changes in equity of the parent company

January-December 2024

In RMB Yuan

Items	2024										
	Paid-in capital (or capital stock)	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Earned surplus	Undistributed profits	Total of owner's equities
		Preferred stock	Perpetual bond	Others							
I. Closing balance of the previous year	100,000,000.00				564,223,330.95			36,814,726.26	39,501,301.38	206,202,477.29	946,741,835.88
Add: Change in accounting policy											
Correction of prior-period errors											
Others											
II. Opening balance for the year	100,000,000.00				564,223,330.95			36,814,726.26	39,501,301.38	206,202,477.29	946,741,835.88
III. Increases/decreases in this period (Decrease denoted by " - ")							-2,052,072.90	-403,590.14	6,317,474.02	-23,142,733.82	-19,280,922.84
(I) Total comprehensive income							-2,052,072.90			63,174,740.20	61,122,667.30
(II) Owners' inputs and capital reduction											
1. Ordinary shares invested by											

owners											
2. Contribution of capital by holders of other equity instruments											
3. Share-based payments recognized in owners' equity											
4. Others											
(III) Profit distribution									6,317,474.02	-86,317,474.02	-80,000,000.00
1. Withdrawal of surplus reserves									6,317,474.02	-6,317,474.02	
2. Distribution to owners (or shareholders)										-80,000,000.00	-80,000,000.00
3. Others											
(IV) Internal transfer of ownership interest											
1. Capitalization of capital surplus to capital (or capital stock)											
2. Transfer of surplus reserves to capital (or capital stock)											
3. Surplus reserves to cover losses											
4. Amount of changes in defined benefit plan carried forward to retained earnings											
5. Other comprehensive income Transfer of other comprehensive income to retained earnings											
6. Others											
(V) Special reserves								-403,590.14			-403,590.14
1. Amount withdrawn this period											
2. Amount used in this period								403,590.14			403,590.14
(VI) Others											

IV. Closing balance of this period	100,000,000.00				564,223,330.95		-2,052,072.90	36,411,136.12	45,818,775.40	183,059,743.47	927,460,913.04

Items	2023										
	Paid-in capital (or capital stock)	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Earned surplus	Undistributed profits	Total of owner’s equities
		Preferred stock	Perpetual bond	Others							
I. Closing balance of the previous year	80,000,000.00				584,223,330.95			37,608,529.67	28,443,197.81	171,611,642.97	901,886,701.40
Add: Change in accounting policy										67,902.16	67,902.16
Correction of prior-period errors											
Others											
II. Opening balance for the year	80,000,000.00				584,223,330.95			37,608,529.67	28,443,197.81	171,679,545.13	901,954,603.56
III. Increases/decreases in this period (Decrease denoted by " - ")	20,000,000.00				-20,000,000.00			-793,803.41	11,058,103.57	34,522,932.16	44,787,232.32
(I) Total comprehensive income										110,581,035.73	110,581,035.73
(II) Owners' inputs and capital reduction											
1. Ordinary shares invested by owners											
2. Contribution of capital by holders of other equity instruments											
3. Share-based payments recognized in owners' equity											
4. Others											
(III) Profit distribution									11,058,103.57	-76,058,103.57	-65,000,000.00
1. Withdrawal of surplus									11,058,10	-11,058,10	

reserves									3.57	3.57	
2. Distribution to owners (or shareholders)										-65,000,000.00	-65,000,000.00
3. Others											-
(IV) Internal transfer of ownership interest	20,000,000.00				-20,000,000.00						
1. Capitalization of capital surplus to capital (or capital stock)	20,000,000.00				-20,000,000.00						
2. Transfer of surplus reserves to capital (or capital stock)											
3. Surplus reserves to cover losses											
4. Amount of changes in defined benefit plan carried forward to retained earnings											
5. Other comprehensive income Transfer of other comprehensive income to retained earnings											
6. Others											
(V) Special reserves								-793,803.41			-793,803.41
1. Amount withdrawn this period											-
2. Amount used in this period								793,803.41			793,803.41
(VI) Others											-
IV. Closing balance of this period	100,000,000.00				564,223,330.95			36,814,726.26	39,501,301.38	206,202,477.29	946,741,835.88

Director of the Company: Liang Jinli Person in charge of accounting: Chen Zhihao Director of accounting firm: Xiao Jingxia

III. III. Basic Information of the Company

1. Company profile

√ Applicable□ N/A

Acter Technology Integration Group Co., Ltd. (the "Company"), formerly known as Sheng Huei (Suzhou) Engineering Co., Ltd. ("Sheng Huei Limited"), was established on September 3, 2003 in Suzhou City, Jiangsu Province. At the time of its establishment, the Company's initial registered capital was USD 450,000. After a series of capital increase, as of December 31, 2017, the registered capital of Sheng Huei Limited had been USD 7,980,000, and the sole shareholder of Sheng Huei Limited is SHENG HUEI INTERNATIONAL CO., Ltd.

In January 2018, Sheng Huei International increased the capital of Sheng Huei Limited, and the registered capital was increased from USD 7,980,000 to USD 9,030,000. In May 2018, Acter Group entered into an equity transfer agreement with Suzhou Songhuei Enterprise Management Consulting Partnership (Limited Partnership) ("Suzhou Songhuei") and Suzhou Shengzhan Management Consulting Partnership (Limited Partnership) ("Suzhou Shengzhan"). Pursuant to the agreement, Acter Group agreed to transfer the corresponding registered capital of Sheng Huei Limited of USD 977,918 and USD 226,430 held by Sheng Huei Limited to Suzhou Songhuei and Suzhou Shengzhan at RMB 14,282,400.00 and RMB 3,306,600.00 respectively. After the completion of the above transactions, the registered capital of Sheng Huei Limited is USD 9,030,000 and the equity structure is as follows:

No.	Shareholder	Amount of investment (USD 10,000)	Shareholding ratio (%)
1	Sheng Huei International	782.5679	86.6630
2	Suzhou Songhuei	97.7918	10.8300
3	Suzhou Shengzhan	22.6403	2.5070
Total		**903.0000**	**100.0000**

In June 2019, all investors of Sheng Huei Limited entered into a promoter agreement, agreeing to change the whole of Sheng Huei Limited into a joint stock limited company and rename it as "Acter Technology Integration Group Co., Ltd.". All the investors converted the net assets of Sheng Huei Limited as of April 30, 2019 into 60,000,000.00 shares with par value of RMB 1 each. The shareholding structure after the overall change is as follows:

No.	Shareholder	Capital stock (RMB Yuan)	Shareholding ratio (%)
1	Sheng Huei International	51,997,800.00	86.6630
2	Suzhou Songhuei	6,498,000.00	10.8300
3	Suzhou Shengzhan	1,504,200.00	2.5070
Total		**60,000,000.00**	**100.0000**

On August 23, 2022, the Company applied for the IPO of A shares of not more than 20,000,000.00 shares by CSRC (*Official Reply to the Approval of the IPO of Acter Technology Integration Group Co., Ltd.*) (Z.J.X.K. No. [2022] 1915), which was approved by the CSRC. As of December 31, 2022, the Company had received the monetary funds obtained through the public offering of A shares, of which the paid-in capital (share capital) amounted to RMB 20 million (SAY RMB TWENTY MILLION Only).

No.	Shareholder	Capital stock (RMB Yuan)	Shareholding ratio (%)
1	Sheng Huei International	51,997,800.00	64.9973
2	RMB ordinary shares (A shares) shareholders	20,000,000.00	25.0000
3	Suzhou Songhuei	6,498,000.00	8.1225

No.	Shareholder	Capital stock (RMB Yuan)	Shareholding ratio (%)
4	Suzhou Shengzhan	1,504,200.00	1.8803
Total		**80,000,000.00**	**100.0000**

Pursuant to the resolution of the 2022 annual shareholders' meeting held on April 28, 2023, the Company paid a cash dividend of RMB 0.8125 per share (including tax) to all shareholders on the basis of the total share capital of 80,000,000.00 shares as of June 14, 2023, and transferred 0.25 shares to all shareholders by way of capital reserve to increase the share capital by a total of 20,000,000.00 shares with par value of RMB 1 per share, increasing the share capital by RMB 20,000,000.00 in total.

As of December 31, 2024, the shareholding structure after the overall change was as follows:

No.	Shareholder	Capital stock (RMB Yuan)	Shareholding ratio (%)
1	Sheng Huei International	64,997,250.00	64.9973
2	RMB ordinary shares (A shares) shareholders	25,000,000.00	25.0000
3	Suzhou Songhuei	8,122,500.00	8.1225
4	Suzhou Shengzhan	1,880,250.00	1.8803
Total		**100,000,000.00**	**100.0000**

The Company's parent company is Sheng Huei International and its ultimate holding company is Acter Co., Ltd. (Acter (Taiwan)). The Company's business term is from September 3, 2003 to an indefinite period.

Scope of Business: Engaged in system integration services; design and related equipment installation of mechanical and electrical systems, HVAC systems, aseptic systems, and building equipment management systems: construction of air purification engineering, fire engineering, building construction engineering, interior and exterior decoration engineering, municipal public works, pipeline engineering, and provision of related technical consultation and after-sales service; R&D and manufacturing of industrial switch power converters and components; wholesale, import, and export of similar products produced by the company and building materials, dust-free, aseptic purification equipment and related equipment, and assembly parts (for products involving quotas and license management, applications shall be handled according to relevant national regulations). Category III medical device business; Category II medical device sales; manufacturing of metal structures; manufacturing of building decoration, plumbing parts, and other metal products for construction (the project shall be carried out only after approval by relevant authorities in accordance with laws).

Licensed Projects: Construction engineering design; intelligent building system design (the specific business projects shall be subject to the approval results, and only after approval by relevant authorities in accordance with laws can the business activities be conducted).

The financial statements were approved by the Board of Directors of the Group on March 28, 2025 by resolution.

IV. Basis of Preparation of the Financial Statements

1. Basis of preparation

The financial statements of the Company are prepared in accordance with the *Accounting Standards for Business Enterprises* released by the Ministry of Finance (hereinafter collectively referred to as the "ASBE") and its application guidance, interpretations, and other relevant regulations, as well as the disclosure requirements of the China Securities Regulatory Commission's (hereinafter collectively referred to as the "CSRC")*General Provisions of Financial Reports - No. 15 - Rules on the Information Disclosure of Companies Issuing Securities* (revised in 2023), based on the actual transactions and events.

2. Going concern

√ Applicable□ N/A

The Group evaluated its ability to continue as a going concern for the twelve months ended December 31, 2024, and found no matters or circumstances that cast significant doubt on its ability to continue as a going concern. The financial statements are presented on a going concern basis.

V. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates

√ Applicable□ N/A

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Group's management continually evaluates its judgment regarding critical assumptions and uncertainties involved in making estimates. The effects of changes in accounting estimates are recognized in the period in which the estimate is changed and in future periods.

The following accounting estimates and critical assumptions have a significant risk of causing a material adjustment to the book value of assets and liabilities in future periods.

(1) Revenue recognition

Under the new revenue standard, the Group recognizes revenue from construction contracts over a period of time. The recognition of revenue and profit from construction depends on the Group's estimation of the outcome of the contract and the progress of performance. If the actual amount of total revenues and total costs incurred is higher or lower than management's estimates, it will affect the amount of revenue and profit recognized by the Group in future periods;

(2) Impairment of receivables and contract assets

The Group used the expected credit loss model to assess the impairment of financial instruments since January 1, 2019. The application of the expected credit loss model requires significant judgments and estimates that take into account all reasonable and supportable information, including forward-looking information. In making such judgments and estimates, the Group extrapolates the expected changes in the credit risk of debtors based on historical repayment data and factors such as economic policies, macroeconomic indicators and industry risks. Therefore, the amount of provision for impairment of receivables and contract assets may change in accordance with the changes in the above estimates, and the adjustments to the provision for impairment of receivables and contract assets will affect the profit or loss in the period in which the estimates are changed.

Accounting estimates for provision for impairment of fixed assets and investment properties

The Group performs impairment tests on fixed assets such as buildings, machinery and equipment, and investment properties at the balance sheet date if there is any indication of impairment. The recoverable amount of property, plant and equipment and investment properties is the higher of the present value of estimated future cash flows and the fair value of the assets less costs of disposal, which requires the use of accounting estimates.

If management revises the gross margins used in the calculation of future cash flows for asset groups and portfolios of asset groups and the revised gross margins are lower than the currently used gross margins, the Group is required to increase the provision for impairment for property, plant and equipment and investment properties.

If the pre-tax discount rate used for discounting cash flows is revised by the management and the revised pre-tax discount rate is higher than the current rate, the Group is required to make additional provision for impairment of fixed assets and investment properties.

If the actual gross profit margin or pre-tax discount rate is higher or lower than the management's estimate, the Group cannot reverse the provision for impairment of fixed assets and investment properties.

(4) Useful lives of fixed assets and investment properties

The Group reviews the estimated useful lives of fixed assets and investment properties at least annually at the end of each year. The estimated useful lives are determined by the management based on historical experience of similar assets, reference to estimates generally used in the industry and expected technological updates. Depreciation and amortization expenses for future periods are adjusted accordingly when there is a significant change in the previous estimates.

(5) Income tax expense

The Group recognizes current and deferred taxes in profit or loss, except for those arising from business combinations and transactions or events directly attributable to owners' equity (including other comprehensive income).

Current income tax is the expected income tax payable calculated on the basis of the taxable income for the year at the rates specified in the tax law, plus adjustments to prior years' income tax payable. At the balance sheet date, if the Group has a legal right to settle on a net basis and intends to settle on a net basis, or to acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are shown net of tax. Deferred tax assets and deferred tax liabilities are recognized for deductible temporary differences and taxable temporary differences, respectively. A temporary difference is the difference between the book value of an asset or liability and its tax basis, including deductible losses and tax credits that can be carried forward to future years. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax is not recognized for temporary differences arising from transactions that are not part of a business combination and that at the time of the transaction affect neither the accounting profit nor taxable income (or deductible losses). At the balance sheet date, the Group measures the book value of deferred tax assets and liabilities based on the expected manner of recovering or settling those assets and liabilities, in accordance with enacted tax laws, at the tax rates that are expected to apply to the period when the assets are recovered or the liabilities are settled. The book value of deferred tax assets is reviewed at the balance sheet date. The book value of deferred tax assets is written down to the extent that it is more likely than not that sufficient taxable income will not be available to allow the benefit of the deferred tax assets to be realized in future periods. When it is more likely than not that sufficient taxable income will be available to offset the deferred tax assets, the amount written down is reversed.

On the balance sheet date, deferred tax assets and liabilities are netted out when the following conditions are met:

A taxable entity has a legal right to settle current income tax assets and current income tax liabilities on a net basis;

Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, provided that in each future period in which significant deferred tax assets and liabilities reverse, the taxable entity intends to settle the current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

1. Statement of Compliance with ASBE

The financial statements comply with the requirements of the ASBE and give a true, accurate and complete account of the Company's financial position as of December 31, 2024, as well as its operating results and cash flows of Year 2024.

2. Accounting period

The Company's fiscal year begins on January 1 and ends on December 31 of the Gregorian calendar.

3. Business cycle

√ Applicable□ N/A

The Group uses 12 months as the business cycle and the criteria for classifying the liquidity of assets and liabilities.

4. Recording currency

The Group and its Chinese subsidiaries use Renminbi ("RMB") as the local recording currency; Acter International Limited ("Acter (Hong Kong)") uses United States dollars ("USD") as the local recording currency; Acter Technology Singapore Pte. Ltd ("Acter (Singapore)") is denominated in Singapore dollars (“SGD”); PT Acter Technology Indonesia ("Acter (Indonesia)") and PT Acter Integration Technology Indonesia ("Indonesia Joint Venture") are denominated in Indonesian Rupiah (“IDR”); Acter Technology Malaysia Sdn. Bhd ("Acter (Malaysia)") is denominated in MYR and Sheng Huei Engineering Technology Company Limited ("Sheng Huei (Vietnam)") is denominated in VND; Acter Technology Company Limited ("Acter (Thailand)") uses THB as its local currency. The Group and its subsidiaries have selected the local recording currencies based on the currency of valuation and settlement of major business receipts and expenditures. Some subsidiaries of the Group have adopted currencies other than the Group's local currency as their local currency, and the foreign currency financial statements of these subsidiaries have been translated in accordance with this Section V.10 in the preparation of these financial statements.

5. Method of determining materiality criteria and basis of selection

√ Applicable□ N/A

The Group prepares and publishes the financial statement based on materiality criteria. The disclosure items in the notes to these financial statements involving the assessment of materiality criteria, as well as the determination methods and selection basis for such materiality standards, are as follows:

Items	Materiality Criteria
Significant accounts payable with an age of more than one year	Individual amount exceeding RMB 3 million
Important prepaid accounts with an age of more than one year	Individual amount exceeding RMB 1 million

6. Accounting treatment of business combinations under the same control and non-same control

√ Applicable□ N/A

(1) Business combination under the same control

Assets and liabilities acquired by the Group as a consolidated party in a business combination under the same control are measured at the book value of the party being consolidated in the consolidated statements of the party ultimately in control at the date of consolidation. The difference between the book value of net assets acquired and the book value of the consideration paid for the merger is adjusted to capital surplus; if the capital surplus is not sufficient to cover the difference, it is adjusted to retained earnings.

(2) Business combination not under common control

A business combination under non-identical control occurs when the parties involved in the combination are not under the ultimate control of the same party or parties before and after the combination. Identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a business combination not under common control are measured at fair value at the acquisition date. The cost of consolidation is the sum of the fair values of cash or non-cash assets paid, liabilities issued or assumed, and equity securities issued by the Group at the date of acquisition for the purpose of obtaining control over the acquiree, as well as all directly related expenses incurred in the business combination (for business combinations effected in stages through multiple transactions, the cost of consolidation is the sum of the costs of each individual transaction). If the cost of combination is greater than the fair value of the acquiree's identifiable net assets, goodwill is recognized. If the cost of combination is less than the fair value of the acquiree's identifiable net assets, the fair value of the identifiable assets, liabilities and contingent liabilities acquired in the combination as well as the fair value of the non-cash assets or equity securities issued as consideration for the combination are first reviewed. If, after the review, the cost of consolidation is still less than the fair value of the net identifiable assets of the acquiree, the difference is recognized as non-operating revenue in this period of consolidation.

7. Criteria for judging control and method of preparing consolidated financial statements

√ Applicable□ N/A

The scope of consolidation of the Group's consolidated financial statements is determined on the basis of control, which includes the Company and all subsidiaries controlled by the Company (including enterprises, divisible parts of invested entities and structured entities controlled by enterprises, etc.). The Group determines control on the basis of the Group's power over an investee, the Group's ability to earn variable returns from participating in the investee's activities, and the Group's ability to exercise its power over the investee to affect the amount of the investee's returns.

In the preparation of consolidated financial statements, if the subsidiaries adopt accounting policies or accounting periods that are different from those of the Company, the subsidiaries' financial statements shall be adjusted as necessary in accordance with the Company's accounting policies or accounting periods.

The effects on the consolidated financial statements of internal transactions between the Company and its subsidiaries and between subsidiaries are eliminated on consolidation. The share of ownership interest of subsidiaries that is not attributable to the parent company and the share of net profit or loss, other comprehensive income and total comprehensive income that is attributable to minority interests are presented in the consolidated financial statements under the headings of "Minority interests, minority interests in profit or loss, other comprehensive income attributable to minorities and total comprehensive income attributable to minorities", respectively.

The results of operations and cash flows of subsidiaries acquired in a business combination under the same control are included in the consolidated financial statements from the beginning of the period in which the combination occurs. In preparing the comparative consolidated financial statements, adjustments are made to the relevant items in the prior year's financial statements, and the consolidated entity is deemed to have been in existence since the point in time when the ultimate controlling party began to exercise control.

For subsidiaries acquired in a business combination not under common control, the results of operations and cash flows are included in the consolidated financial statements from the date the Group obtains control. In preparing the consolidated financial statements, the financial statements of subsidiaries are adjusted on the basis of the fair value of each identifiable asset, liability and contingent liability determined at the date of purchase.

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

√ Applicable□ N/A

The Group's joint venture arrangements include joint operations and joint ventures. Joint operation refers to a joint arrangement in which the parties to the arrangement are entitled to the assets and bear the liabilities related to the arrangement. A joint venture is a joint arrangement in which the joint venturers have rights only to the net assets of the arrangement.

For joint ventures, the Group recognizes assets held and liabilities assumed individually or in proportion to the assets held and liabilities assumed by the Group as a joint venturer, and recognizes revenues and expenses individually or in proportion to the relevant agreements. When a joint venture enters into a transaction for the purchase or sale of an asset that does not constitute part of the business, only the portion of the gain or loss arising from the transaction that is attributable to the other participants in the joint venture is recognized.

9. Criteria for determining cash and cash equivalents

Cash equivalents are investments held by an enterprise that have a short maturity (generally maturing within three months from the date of purchase), are highly liquid, are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

10. Foreign currency operations and translation of foreign currency statements

√ Applicable□ N/A

(1) Foreign currency transactions

The Group's foreign currency transactions are translated into RMB at the spot exchange rate on the date of the transaction. At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rate at the balance sheet date, and the resulting translation differences are recognized directly in profit or loss for the current period, except for exchange differences arising from special loans in foreign currencies for the purpose of purchasing, constructing or producing assets eligible for capitalization, which are dealt with in accordance with the principle of capitalization. Non-monetary items carried at fair value that are denominated in foreign currencies are translated using spot exchange rates at the date when the fair value is determined, and the difference between the translated amount in the local currency of the account and the original amount in the local currency of the account is treated as a change in fair value (including exchange rate changes) and recognized in profit or loss for the period. Capital received from investors in foreign currencies is translated using the spot exchange rate on the date when the transaction occurs, and the difference in the translated amount between the invested capital in foreign currencies and the corresponding local currency of the monetary items does not result in a difference between the foreign-currency capital and the corresponding local currency of the monetary items.

(2) Translation of foreign currency financial statements

Assets and liabilities in the foreign currency balance sheet are translated at the spot exchange rate at the balance sheet date; owners' equity items, except for "undistributed profits", are translated at the spot exchange rate at the time of occurrence of the business; and income and expenses in the profit statement are translated at the spot exchange rate at the date of occurrence of the transaction. Translation differences arising from the above translations are recognized in other comprehensive income. Cash flows in foreign currencies are translated using the spot exchange rate on the date of cash flows. The effect of exchange rate changes on cash is shown separately in the statement of cash flows.

11. Financial instruments

√ Applicable□ N/A

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

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest income or interest expense over the accounting period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the book balance of the financial asset or the amortized cost of the financial liability. In determining the effective interest rate, the expected cash flows are estimated by taking into account all contractual terms of the financial assets or liabilities (e.g. early repayment, rollover, call option or other similar options, etc.), but not the expected credit losses.

The amortized cost of a financial asset or a financial liability is the initial recognized amount of the financial asset or the financial liability, less the principal repaid, plus or minus the cumulative amortization using the effective interest rate method to amortize the difference between the initial recognized amount and the maturity amount, and less the cumulative loss allowance (only applicable to financial assets).

(1) Classification, recognition and measurement of financial assets

The Group classifies financial assets into the following three categories based on the business model of the financial assets under management and the contractual cash flow characteristics of the financial assets:

1) Financial assets measured at amortized cost

2) Financial assets measured at fair value with the changes included in other comprehensive income.

3) Financial assets measured at fair value with changes included in the current profit and loss.

Financial assets are measured at fair value on initial recognition, except for accounts receivable or bills receivable arising from the sale of goods or provision of services, etc., which do not contain significant financing components or do not take into account the financing components that are not more than one year old, which are measured initially at the transaction price.

For financial assets measured at fair value with changes included in the current profit and loss, transaction costs are recognized directly in profit or loss, while transaction costs related to other types of financial assets are recognized in their initial recognition amounts.

Subsequent measurement of financial assets depends on their classification. All affected financial assets are reclassified when, and only when, the Group changes its business model for managing financial assets.

1) Financial assets classified as of amortized cost

The Group classifies a financial asset as amortized cost if the contractual terms of the financial asset stipulate that the only cash flows to be generated at a specific date will be payments of principal and interest based on the amount of principal outstanding, and the business model for managing the financial asset is to collect the contractual cash flows. The Group recognizes interest income on these financial assets using the effective interest method, partially measured at amortized cost, bills receivable, accounts receivable, other receivables, investments in debt securities and long-term receivables.

The Group uses the effective interest rate method to recognize interest income on these financial assets, which are subsequently measured at amortized cost. Gains or losses arising from impairment or derecognition or modification of such financial assets are recognized in profit or loss for the current period. The Group determines interest income by multiplying the book balance of the financial assets by the effective interest rate, except in the following cases.

a. For financial assets acquired or originated that are impaired, the Group determines interest income on the basis of the amortized cost of the financial assets and the effective interest rate adjusted for creditworthiness from the initial recognition of the financial assets.

b. For financial assets acquired or originated without credit impairment that become impaired in a subsequent period, the Group determines interest income in the subsequent period based on the amortized cost of the financial assets and the effective interest rate. If, in a subsequent period, the credit risk of a financial instrument has improved and the financial instrument is no longer impaired, the Group calculates interest income by multiplying the effective interest rate by the book value of the financial asset.

2) Financial assets measured at fair value with the changes included in other comprehensive income

If the contractual terms of a financial asset stipulate that the cash flows to be generated at a specific date will consist solely of payments of principal and interest based on the outstanding principal amount, and the business model for managing the financial asset is based on the objective of collecting the contractual cash flows as well as the objective of selling the financial asset, the Group classifies the financial asset as the financial asset measured at fair value with the changes included in other comprehensive income.

The Group recognizes interest income on such financial assets using the effective interest method. Changes in fair value are recognized in other comprehensive income, except for interest income, impairment losses and exchange differences, which are recognized in profit or loss. When the financial assets are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss.

Bills receivable and accounts receivable measured at fair value with changes included in other comprehensive income are presented as receivables financing, and other financial assets are presented as other creditor’s right investments, of which. Other debt investments maturing within one year from the balance sheet date are presented as non-current assets with maturity of less than one year, and other debt investments with original maturity of less than one year are presented as other current assets.

3) Financial assets designated as of fair value through other comprehensive income

On initial recognition, the Group may irrevocably designate investments in non-trading equity instruments as financial assets measured at fair value with the changes included in other comprehensive income on an individual financial asset basis.

Changes in the fair value of such financial assets are recognized in other comprehensive income and no provision for impairment is required. Upon derecognition of the financial assets, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to retained earnings.

The Group recognizes dividend income and recognizes it in profit or loss when the Group's right to receive dividends has been established, it is probable that the economic benefits associated with the dividends will flow to the Group and the amount of dividends can be measured reliably in this period in which the Group holds the investment in the equity instrument. The Group reports such financial assets under investments in other equity instruments.

Investments in equity instruments are classified as financial assets measured at fair value with changes included in the current profit and loss if they meet one of the following conditions: the financial asset is acquired principally for the purpose of selling in the near future; it is part of a centrally managed portfolio of identifiable financial assets at initial recognition, and there is objective evidence that a pattern of short-term profit-taking actually exists in the near future; and It is a derivative (except for derivatives that meet the definition of a financial guarantee contract and are designated as effective hedging instruments).

4) Financial assets classified as the financial assets measured at fair value with changes included in the current profit and loss

Financial assets that do not meet the criteria for classification as financial assets at amortized cost or at fair value through other comprehensive income and are not designated as of fair value through other comprehensive income are classified as financial assets measured at fair value with changes included in the current profit and loss.

The Group uses fair value for subsequent measurement of these financial assets, and recognizes gains or losses arising from changes in fair value, as well as dividend and interest income related to these financial assets in profit or loss for the current period.

The Group reports these financial assets under the items of trading financial assets and other non-current financial assets according to their liquidity.

5) Financial assets designated as the financial assets measured at fair value with changes included in the current profit and loss

At initial recognition, the Group may irrevocably designate financial assets as financial assets measured at fair value with changes included in the current profit and loss on an individual basis in order to eliminate or significantly reduce accounting mismatches.

If a hybrid contract contains one or more embedded derivatives and the host contract is not one of the above financial assets, the Group may designate the entire contract as a financial instrument at fair value through profit or loss. However, except for the following situations:

a. The embedded derivatives will not materially alter the cash flows of the hybrid contract.

b. When determining for the first time whether a similar hybrid contract needs to be unbundled, little analysis is required to clarify that the embedded derivatives it contains shall not be unbundled. For example, if the embedded loan has an early repayment right that allows the holder to repay the loan early at an amount close to amortized cost, the early repayment right does not need to be spun off.

The Group uses fair value for subsequent measurement of these financial assets, and recognizes gains or losses arising from changes in fair value, as well as dividend and interest income related to these financial assets in profit or loss for the current period.

The Group reports these financial assets under the items of trading financial assets and other non-current financial assets according to their liquidity.

(2) Classification, recognition and measurement of financial liabilities

The Group classifies a financial instrument or its component parts as a financial liability or an equity instrument upon initial recognition based on the contractual terms of the financial instrument issued and the economic substance reflected therein rather than in legal form only, taking into account the definitions of financial liabilities and equity instruments. Financial liabilities are classified on initial recognition as financial liabilities measured at fair value with changes included in the current profit and loss, other financial liabilities and derivatives designated as effective hedging instruments.

Financial liabilities are measured at fair value on initial recognition. For financial liabilities measured at fair value with changes included in the current profit and loss, transaction costs are recognized directly in profit or loss; for other types of financial liabilities, transaction costs are recognized in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification.

1) Financial liabilities measured at fair value with changes included in the current profit and loss

Financial liabilities measured at fair value with changes included in the current profit and loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities measured at fair value with changes included in the current profit and loss on initial recognition.

Financial liabilities are classified as the financial liabilities held for trading if they meet one of the following conditions: they are assumed principally for the purpose of selling or repurchasing in the near future; they are part of a centrally managed portfolio of identifiable financial instruments and there is objective evidence that the enterprise has recently adopted a short-term profit-taking model; they are derivatives, except for those designated as effective hedging instruments and those subject to financial guarantee contracts. Financial liabilities held for trading (including derivatives that are financial liabilities) are subsequently measured at fair value, with all changes in fair value recognized in profit or loss, except for those related to hedge accounting.

At initial recognition, in order to provide more relevant accounting information, the Group irrevocably designates financial liabilities as financial liabilities measured at fair value with changes included in the current profit and loss if they meet one of the following conditions:

a. Eliminating or significantly reducing accounting mismatches.

b. Managing and evaluating the performance of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities on a fair value basis in accordance with an enterprise risk management or investment strategy as set out in a formal written document, and reporting to key management personnel within the enterprise on this basis.

The Group subsequently measures such financial liabilities at fair value, with changes in fair value recognized in profit or loss, except for changes in fair value arising from changes in the Group's own credit risk, which are recognized in other comprehensive income. The Group recognizes all fair value changes (including the effect of changes in the Group's own credit risk) in profit or loss, unless the recognition of fair value changes in other comprehensive income caused by changes in the Group's own credit risk would result in an accounting mismatch in profit or loss or would magnify the accounting mismatch in profit or loss.

(2) Other financial liabilities

Except for the following items, the Company classifies its financial liabilities as financial liabilities measured at amortized cost, which are subsequently measured at amortized cost using the effective interest method, with gains or losses arising from derecognition or amortization recognized in profit or loss for the current period.

a. Financial liabilities measured at fair value with changes included in the current profit and loss.

b. Financial liabilities resulting from transfers of financial assets that do not meet the conditions for derecognition or from continuing involvement in the transferred financial assets.

c. Financial guarantee contracts that do not fall into the first two categories of this article, and loan commitments to lend at below-market interest rates that do not fall into category 1) of this article.

A financial guarantee contract is a contract that requires the issuer to pay a specified amount of money to the holder of the contract who suffers a loss when a specified debtor fails to make payments when due in accordance with the terms of the original or modified debt instrument. Financial guarantee contracts that are not financial liabilities designated as of fair value through profit or loss are measured at the higher of the amount of the allowance for losses and the amount initially recognized net of accumulated amortization over the guarantee period after initial recognition.

(3) Derecognition of financial assets and financial liabilities

1) A financial asset is derecognized, i.e., removed from the accounts and balance sheet, when one of the following conditions is met.

a. The contractual right to receive cash flows from the financial asset is terminated.

b. The financial asset is transferred and the transfer meets the requirements for derecognition of financial assets.

2) Conditions for derecognition of financial liabilities

A financial liability (or a portion of a financial liability) is derecognized when the present obligation of the financial liability (or the portion of the financial liability) has been discharged.

If the Group enters into an agreement with the lender to replace the original financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the original financial liability, or the contractual terms of the original financial liability (or a portion thereof) are substantially modified, the original financial liability is derecognized and a new financial liability is recognized at the same time. The difference between the book value and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

When the Group repurchases a portion of a financial liability, the Group allocates the book value of the financial liability as a whole according to the proportion that the fair value of the continuing portion and the derecognized portion of the financial liability bears to the fair value of the financial liability as a whole at the date of buyback. The difference between the book value allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or liabilities assumed) shall be recognized in profit or loss.

(4) Basis of recognition and measurement of transfer of financial assets

The Group assesses the extent to which it retains the risks and rewards of ownership of a financial asset when a transfer of a financial asset occurs and handles the transfer in each of the following situations:

1) If substantially all the risks and rewards of ownership of a financial asset are transferred, the financial asset is derecognized and the rights and obligations arising from or retained in the transfer are separately recognized as assets or liabilities.

2) If substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset continues to be recognized.

3) If neither the transfer nor substantially all the risks and rewards of ownership of the financial asset are retained (i.e., in cases other than those in 1) and 2)), the financial asset is recognized and treated as follows, depending on whether or not control over the financial asset is retained:

a. If control over the financial asset is not retained, the financial asset is derecognized and the rights and obligations arising from or retained in the transfer are recognized separately as assets or liabilities.

b. If control over the financial asset is retained, the financial asset continues to be recognized to the extent of its continuing involvement in the transferred financial asset, and the related liability is recognized accordingly. The extent to which the Group continues to be involved in the transferred financial asset is the extent to which it bears the risk or rewards of changes in the value of the transferred financial asset.

In determining whether a transfer of financial assets meets the above conditions for derecognition of financial assets, the principle of substance over form is applied.

The Company distinguishes between transfers of financial assets as a whole and partial transfers of financial assets:

1) If the transfer of financial assets as a whole meets the conditions for derecognition, the difference between the following two amounts is recognized in profit or loss:

a. The book value of the transferred financial asset at the date of derecognition.

b. The sum of the consideration received for the transfer of the financial asset and the amount of the derecognized portion of the cumulative change in the fair value of the transferred financial asset that is recognized in other comprehensive income (the transferred financial asset is a financial asset at fair value through other comprehensive income).

2) If part of a financial asset is transferred and the transferred part meets the conditions for derecognition, the book value of the financial asset as a whole before the transfer is apportioned between the derecognized part and the derecognized part (in which case, the retained service asset shall be regarded as a part of the derecognized financial asset) in accordance with their respective relative fair values at the date of transfer, and the difference between the following amounts is recognized in the profit or loss for the current period:

a. The book value of the derecognized portion at the date of derecognition.

b. The sum of the consideration received for the derecognized portion and the amount corresponding to the derecognized portion of the cumulative changes in fair value previously recognized in other comprehensive income (involving transfers of financial assets measured at fair value with the changes included in other comprehensive income).

If the transfer of a financial asset does not meet the conditions for derecognition, the financial asset continues to be recognized and the consideration received is recognized as a financial liability.

(5) Methods of determining the fair value of financial assets and liabilities

The fair value of a financial asset or a financial liability for which there is an active market is determined using quoted prices in an active market, unless there is a period of restriction on the sale of the financial asset. The fair value of a financial asset that is subject to a sales restriction on the asset itself is determined based on quoted prices in an active market, less the amount of compensation that a market participant would require to assume the risk of not being able to sell the financial asset in the open market within a specified period of time. Quoted prices in active markets include quoted prices for the relevant assets or liabilities that are readily and regularly available from exchanges, dealers, brokers, industry groups, pricing agencies or regulatory bodies, etc., and that are representative of actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets or liabilities that are initially acquired or derived from financial assets or liabilities assumed is determined on the basis of quoted market prices.

The fair value of financial assets or financial liabilities for which no active market exists is determined using valuation techniques. In valuing financial assets or financial liabilities, the Group uses valuation techniques that are appropriate in the circumstances and supported by sufficient available data and other information, and selects inputs that are consistent with the characteristics of the assets or liabilities that would be considered by a market participant in a transaction for the relevant assets or liabilities, giving priority to the use of relevant observable inputs where possible. Unobservable inputs are used where relevant observable inputs are not available or practicable to obtain.

(6) Impairment of financial instruments

The Group applies impairment accounting for financial assets carried at amortized cost, financial assets classified as of fair value through other comprehensive income, lease receivables, contract assets, loan commitments that are not financial liabilities measured at fair value with changes included in the current profit and loss, financial liabilities that are not financial liabilities measured at fair value with changes included in the current profit and loss, and financial guarantee contracts that do not meet the conditions for derecognition due to the transfer of financial assets or financial liabilities arising from continued involvement in the transferred financial assets, based on expected credit losses and recognizes a loss provision.

Expected credit losses are the weighted average of credit losses on financial instruments that are weighted by the risk of default. Credit loss is the difference between all contractual cash flows receivable and all cash flows expected to be received by the Group under the contract, discounted at the original effective interest rate, i.e. the present value of all cash shortfalls. Financial assets purchased or originated by the Group that are credit-impaired are discounted at the financial asset's credit-adjusted effective interest rate.

For receivables, contract assets and lease receivables arising from transactions governed by the Income Standards, the Group applies a simplified measurement approach and measures the allowance for losses as an amount equal to the expected credit losses over the life of the asset.

For purchased or originated financial assets that are impaired, only the cumulative change in expected credit losses over the life of the asset since initial recognition is recognized as a loss allowance at the balance sheet date. At each balance sheet date, the amount of the change in expected credit losses for the entire duration of the asset is recognized as an impairment loss or gain in profit or loss. Even if the expected credit losses determined at that balance sheet date are less than the amount of expected credit losses reflected in the estimated cash flows at the time of initial recognition, the favorable change in expected credit losses is recognized as an impairment gain.

For financial assets other than the above simplified measurement method and purchased or originated financial assets that have been impaired, the Group assesses at each balance sheet date whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition, and measures the allowance for losses, recognizes expected credit losses and the changes in expected credit losses in accordance with the following scenarios:

1) If the credit risk of the financial instrument has not increased significantly since initial recognition and is in the first stage, the allowance for losses is measured at an amount equal to the expected credit losses of the financial instrument in the next 12 months, and interest income is calculated on the basis of the book balance and the effective interest rate.

2) If the credit risk of the financial instrument has increased significantly since initial recognition but credit impairment has not yet occurred, in the second stage, the Group measures the allowance for losses at an amount equal to the expected credit losses for the entire duration of the financial instrument and calculates interest income based on the book value and the effective interest rate.

3) If the financial instrument has been impaired since initial recognition, in the third stage, the Group measures the allowance for credit losses at an amount equal to the expected credit losses over the life of the financial instrument and calculates interest income at amortized cost and effective interest rate.

Any increase or reversal of the allowance for credit losses on financial instruments is recognized as an impairment loss or gain in profit or loss. The allowance for credit losses is offset against the book value of the financial asset, except for financial assets classified as of fair value through other comprehensive income. For financial assets classified as of fair value through other comprehensive income, the Group recognizes the allowance for credit losses in other comprehensive income, which does not reduce the book value of the financial assets in the balance sheet.

If the Group has measured the allowance for losses in a previous accounting period at an amount equal to the expected credit losses over the entire life of the financial instrument, but at the current balance sheet date the financial instrument no longer represents a significant increase in credit risk since initial recognition, the Group measures the allowance for losses for the financial instrument at an amount equal to the expected credit losses over the next 12 months at the current balance sheet date. The reversal of the resulting loss provision is recognized as an impairment loss.

1) Significant increase in credit risk

The Group uses available reasonable and reliable forward-looking information to determine whether there has been a significant increase in the credit risk of a financial instrument since initial recognition by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition. For financial guarantee contracts, the Group applies the provisions for impairment of financial instruments by considering the date on which the Group became a party to the irrevocable commitment as the initial recognition date.

The Group considers the following factors when assessing whether there has been a significant increase in credit risk:

a. Whether there has been a significant change in the debtor's operating results, actual or expected;

b. Whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor operates;

c. Whether there has been a significant change in the value of the collateral pledged as security for the debt, or in the quality of guarantees or credit enhancements provided by third parties, which is expected to reduce the debtor's financial incentive to repay the debtor within the contractual timeframe or affect the probability of default; and

d. Whether there has been a significant change in the debtor's expected performance and repayment behavior;

e. Changes in the Group's approach to credit management of financial instruments.

At the balance sheet date, if the Group determines that a financial instrument has only low credit risk, the Group assumes that there has been no significant increase in the credit risk of the financial instrument since initial recognition. A financial instrument is considered to have low credit risk if the risk of default is low, the borrower's ability to meet its contractual cash flow obligations in the short term is high, and the borrower's ability to meet its contractual cash flow obligations may not necessarily be reduced by unfavorable changes in the economic situation and business environment in the long term.

2) Financial assets that have suffered credit impairment

A financial asset is impaired when one or more events that have an adverse effect on the expected future cash flows of the financial asset occur. Evidence that a financial asset is impaired includes observable information such as

a. Significant financial difficulty of the issuer or debtor; or

b. A breach of contract by the debtor, such as a default or delinquency in interest or principal payments; or

c. The creditor has made concessions to the debtor that the debtor would not have made otherwise because of economic or contractual considerations related to the debtor's financial difficulties;

d. The debtor is likely to enter into bankruptcy or other financial reorganization;

e. The disappearance of an active market for the financial asset as a result of financial difficulties of the issuer or the debtor; or

f. A financial asset is purchased or acquired at a significant discount that reflects the fact that a credit loss has been incurred.

The occurrence of a credit impairment of a financial asset may be the result of a combination of events and not necessarily the result of separately identifiable events.

3) Determination of expected credit losses

The Group assesses expected credit losses on financial instruments on an individual and portfolio basis. In assessing expected credit losses, the Group takes into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

The Group categorizes financial instruments into different portfolios based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: ageing portfolio, construction bidding deposit, receivables within the scope of consolidation, etc. The individual evaluation criteria and portfolio credit risk characteristics of related financial instruments are described in the accounting policies of related financial instruments.

The Group determines the expected credit losses of related financial instruments in accordance with the following methods.

a. For financial assets, credit losses represent the present value of the difference between the contractual cash flows to be received by the Group and the cash flows expected to be received.

b. For lease receivables, the credit loss is the present value of the difference between the contractual cash flows to be received by the Group and the cash flows expected to be received.

c. For financial guarantee contracts, the credit loss is the present value of the difference between the amount the Group expects to pay to the holder of the contract in respect of credit losses incurred by the holder of the contract, less the amount the Group expects to collect from the holder of the contract, the debtor or any other party.

d. For financial assets that are impaired at the balance sheet date but not purchased or originated, the credit loss is the difference between the book balance of the financial asset and the present value of the estimated future cash flows discounted at the original effective interest rate.

The Group's method of measuring expected credit losses on financial instruments reflects factors such as: an unbiased, probability-weighted average amount determined by evaluating a range of possible outcomes; the time value of money; and reasonable and substantiated information about past events, current conditions, and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

4) Write-down of financial assets

When the Group no longer has a reasonable expectation that the contractual cash flows of a financial asset will be recovered in whole or in part, the book value of the financial asset is written down directly. Such write-downs constitute derecognition of the related financial assets.

(7) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, if the following conditions are met, they are presented in the balance sheet as net amounts after offsetting:

1) The Group has a legal right to offset the recognized amounts and the legal right is currently enforceable; and

2) The Group intends to settle the net amount, or to realize the financial asset and settle the financial liability at the same time.

12. Bills receivable

√ Applicable□ N/A

Categories of bad debt provision according to credit risk characteristics and the basis of determination

√ Applicable□ N/A

When sufficient evidence of expected credit losses cannot be assessed at a reasonable cost at the level of individual instruments, the Group classifies bills receivable into certain portfolios based on credit risk characteristics with reference to historical credit loss experience, current conditions and judgment of future economic conditions, and calculates expected credit losses on a portfolio basis. The basis for determining the portfolio is as follows:

Risk portfolio	Basis of portfolio determination	Method of calculation
Commercial acceptances (portfolio 1)	The risk characteristics of commercial acceptances are substantially the same as those of accounts receivable for similar contracts.	Expected credit losses are accrued by reference to accounts receivable.
Bank acceptance bill portfolio (portfolio 2)	The acceptors have high credit ratings, no historical defaults, very low risk of credit loss, and strong ability to fulfill their obligations to pay contractual cash flows in the short term.	Expected credit losses are measured based on historical credit loss experience, current conditions and expectations of future economic conditions.

Ageing method for recognizing a portfolio of credit risk characteristics based on the age of the accounts.

√ Applicable□ N/A

For commercial paper receivables, the expected credit loss accrual method is based on the bad debt policy for accounts receivable, and the aging point of commercial paper receivables is retroactively adjusted to the aging point of the corresponding accounts receivable.

Judgmental criteria for individual provisioning according to individual provisioning for bad debts

√ Applicable□ N/A

If there is objective evidence that an item is impaired, the Group makes a provision for bad debts and recognizes expected credit losses for that item.

13. Accounts receivable

√ Applicable□ N/A

Categories of bad debt provision according to credit risk characteristics and the basis of determination

√ Applicable□ N/A

The Group provides for expected credit losses on an individual basis for accounts receivable with significantly different credit risks from those of the portfolio. The Group determines credit losses separately for receivables for which sufficient evidence of expected credit losses can be assessed at a reasonable cost at the level of individual instruments.

When sufficient evidence of expected credit losses cannot be assessed at a reasonable cost for an individual instrument, the Group divides accounts receivable into portfolios based on credit risk characteristics by reference to historical credit loss experience, current conditions and judgment of future economic conditions, and calculates expected credit losses on the basis of the portfolios. The basis for determining the portfolio is as follows:

Risk portfolio	Segmentation of portfolio by credit risk characteristics based on ageing of receivables
Portfolio of related party transactions within the scope of consolidation	The relationship between the receivable and the counterparty is used to characterize the credit risk.
Provisioning method for bad debt provisioning by portfolio	
Risk portfolio (portfolio 1)	Provision for bad debts by ageing analysis method
Portfolio of related party transactions within the scope of consolidation (portfolio 2)	Unless there is evidence of impairment, no provision for bad debts is generally made.

Ageing method for recognizing a portfolio of credit risk characteristics based on the age of the accounts.

√ Applicable□ N/A

The Group combines accounts receivable classified as risky portfolios with similar credit risk characteristics (aging) and estimates the accrual proportion of bad debt for such accounts receivable based on all reasonable and supportable information, including forward-looking information.

The following is a table comparing the aging of the accounts receivable - credit risk characteristics portfolio with the expected credit loss rate over the entire life of the portfolio:

Ageing	Expected credit loss rate of accounts receivable (%)
1-6 months (including 6 months)	3.00
7-12 months (including 12 months)	5.00
1-2 years (including 2 years)	10.00
2-3 years (including 3 years)	20.00
3-4 years (including 4 years)	50.00
4-5 years (including 5 years)	80.00
Above 5 years	100.00

Determination of bad debt provisioning according to individual items Individual item provisioning judgment criteria

√ Applicable□ N/A

If there is objective evidence that a receivable is impaired, the Group makes a separate provision for bad debts and recognizes expected credit losses on that receivable.

14. Receivables financing

√ Applicable□ N/A

Categories of bad debt provision according to credit risk characteristics and the basis of determination

√ Applicable□ N/A

For details of the Group's method of determining expected credit losses on receivables financing and accounting treatment, please refer to this Section V.11. (6) Impairment of financial instruments.

Ageing method for recognizing a portfolio of credit risk characteristics based on the age of the accounts.

√ Applicable□ N/A

For receivable financing classified as a portfolio, the Group calculates the expected credit losses by referring to the historical credit loss experience, taking into account the current situation and the forecast of the future economic situation, through the default risk exposure and the expected credit loss rate for the entire duration.

Judgmental criteria for individual provisioning according to individual provisioning for bad debts

□ Applicable √ N/A

15. Other receivables

√ Applicable□ N/A

Categories of bad debt provision according to credit risk characteristics and the basis of determination

√ Applicable□ N/A

For other receivables, the Group is unable to obtain sufficient evidence of significant increase in credit risk at a reasonable cost at the level of individual instruments, and it is feasible to assess whether there is a significant increase in credit risk on a portfolio basis. Therefore, the Group groups other receivables according to the type of financial instruments, credit risk ratings, initial recognition dates, and remaining contractual maturities as the common risk characteristics and considers them on a portfolio basis. The Group assesses whether there is a significant increase in credit risk.

To measure expected credit losses on a portfolio basis, the Group groups the expected credit loss accrual proportion according to the corresponding ageing credit risk characteristics.

Basis of portfolio determination	
Risk portfolio	The ageing of other receivables is used as the credit risk characteristic to classify the portfolio.
Portfolio of related party transactions within the scope of consolidation	The credit risk characteristics of other receivables are based on the relationship between the receivables and the counterparties.
Portfolio of risk-free receivables such as social security receivables	The credit risk characteristics of other receivables are based on the nature of the receivables.
Provisioning method for bad debt provisioning by portfolio	
Risk portfolio	Provision for bad debts by ageing analysis method
Portfolio of risk-free receivables such as social security receivables	Unless there is evidence of impairment, no provision for bad debts is generally made.
Portfolio of related party transactions within the scope of consolidation	Unless there is evidence of impairment, no provision for bad debts is generally made.

Ageing method for recognizing a portfolio of credit risk characteristics based on the age of the accounts.

√ Applicable□ N/A

The Group combines other receivables classified as risky portfolios with similar credit risk characteristics (ageing) and estimates the accrual proportion of bad debt for such other receivables based on all reasonable and supportable information, including forward-looking information.

A table comparing the aging of the other receivables - credit risk characteristics portfolio with the expected credit loss rate over the entire duration is shown below:

Ageing	Expected credit loss rate of other receivables (%)
Within 1 year (including 1 year)	5.00
1-2 years (including 2 years)	10.00
2-3 years (including 3 years)	30.00
3-4 years (including 4 years)	50.00
4-5 years (including 5 years)	80.00
Above 5 years	100.00

Judgmental criteria for individual provisioning according to individual provisioning for bad debts

√ Applicable□ N/A

Other receivables arising from non-operating low-risk businesses are individually impaired according to the nature of the business.

For other receivables secured by mortgage, the original value less the recoverable value of the collateral is recognized as the risk exposure for credit losses.

16. Inventory

√ Applicable□ N/A

Categories of inventories, issue valuation method, inventory system, amortization method of low-value consumables and packages

√ Applicable□ N/A

The actual cost of inventories issued is measured using the individual valuation method.

Recognition criteria and accrual method for provision for decline in value of inventories

√ Applicable□ N/A

Net realizable value is the estimated selling price of inventories in the ordinary course of business, less estimated costs to be incurred to completion, estimated selling expenses and related taxes. The net realizable value of inventories held for the purpose of executing sales or service contracts is calculated on the basis of the contract price.

Categories and basis for determining the provision for decline in value of inventories based on portfolios, and basis for determining the net realizable value of different categories of inventories

√ Applicable□ N/A

The net realizable value of inventories is determined on the basis of reliable evidence obtained, taking into account the purpose of holding the inventories, the impact of events after the balance sheet date, and other factors.

① The net realizable value of inventories held for sale, such as finished goods, merchandise and materials for sale, is determined as the estimated selling price of the inventories in the ordinary course of production and operation, less estimated selling expenses and related taxes. The net realizable value of inventories held for the purpose of executing sales contracts or labor contracts is measured at the contract price; if the quantity of inventories held exceeds the quantity ordered under the sales contract, the net realizable value of the excess quantity is measured at the normal selling price. The net realizable value of materials for sale is measured at market price.

② The net realizable value of inventories of materials requiring processing is determined in the normal course of production and operation by the estimated selling price of finished goods produced, less estimated costs to be incurred until completion, estimated selling expenses, and related taxes. If the net realizable value of finished goods produced from the materials is higher than the cost, the materials are measured at cost; if the decrease in the price of the materials indicates that the net realizable value of the finished goods is lower than the cost, the materials are measured at the net realizable value, and a provision for decline in value of inventories is made for the difference.

③ Provision for decline in value of inventories is generally made on the basis of individual inventory items; for large quantities of inventories with low unit prices, provision is made on the basis of categories of inventories.

④If the factors affecting the write-down of inventories have disappeared as of the balance sheet date, the amount of the write-down is restored and reversed to the extent of the provision for decline in value of inventories, and the amount of the reversal is recognized in profit or loss.

Calculation method and basis for determining the net realizable value of each age group of inventories for which the net realizable value of inventories is recognized based on the age of the inventories

□ Applicable √ N/A

17. Contract assets

√ Applicable□ N/A

Methods and criteria for recognizing contract assets

√ Applicable□ N/A

A contract asset is a right to receive consideration for merchandise that the Group has transferred to a client and which depends on factors other than the passage of time. If the Group sells two clearly distinguishable commodities to a client and has the right to receive payment because one of the commodities has been delivered, but the receipt of such payment is also dependent on the delivery of the other commodity, the Group recognizes the right to receive payment as a contract asset.

Categories of bad debt provision according to credit risk characteristics and the basis of determination

√ Applicable□ N/A

The Group classifies contract assets into portfolios based on credit risk characteristics by reference to historical credit loss experience, current conditions and judgment of future economic conditions, and calculates expected credit losses on the basis of the portfolios. The basis for determining the portfolio is as follows:

Risk portfolio	Basis of portfolio determination	Method of calculation
Outstanding guarantee deposits (portfolio 1)	The risk characteristics of outstanding warranties are substantially the same as those of accounts receivable for similar contracts.	Provision for expected credit losses is made by reference to accounts receivable.
Completed unsettled assets arising from construction contracts (portfolio 2)	Completed unsettled assets resulting from construction contracts do not result in true accounts receivable; therefore, the expected credit loss rate for completed unsettled assets is generally no higher than the expected credit loss rate for accounts receivable within one year, and 0.5% is used as the expected credit loss rate for the contracted assets	Expected credit losses are measured by reference to historical credit loss experience, taking into account current conditions and expectations of future economic conditions.

Ageing method for recognizing a portfolio of credit risk characteristics based on the age of the accounts.

√ Applicable□ N/A

For details, please refer to Section V.13. Accounts receivable

Determination of bad debt provisioning according to individual items Individual item provisioning judgment criteria

□ Applicable √ N/A

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

□ Applicable √ N/A

Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale

□ Applicable √ N/A

Recognition criteria and presentation of discontinued operations

√ Applicable□ N/A

Discontinued operation means a separately distinguishable component of the Group that has been disposed of or classified as held for sale if one of the following conditions is met: (1) The component represents a separate principal business or a separate principal operating region; (2) The component is part of an associated plan to dispose of a separate principal business or a separate principal operating region; and (3) The component is a subsidiary acquired exclusively for resale.

In the profit statement, the Group has added the items "Net profit from continuing operations" and "Net profit from discontinued operations" to the item "Net profit", reflecting the profit or loss from continuing operations and the profit or loss from discontinued operations, respectively, on a net after-tax basis. Gains and losses related to discontinued operations shall be reported as discontinued operations, and the discontinued operations gains and losses shall be reported for the entire reporting period, not only for the reporting period after it is recognized as discontinued operations.

19. Long-term equity investment

√ Applicable□ N/A

The Group's long-term equity investments are mainly investments in subsidiaries, investments in associates and investments in joint ventures.

The Group judges joint control on the basis that all participants or a portfolio of participants collectively control the arrangement and that the policies governing the activities of the arrangement must be agreed upon by those participants who collectively control the arrangement.

The Group is generally considered to have significant influence over an investee when it owns, directly or indirectly through subsidiaries, more than 20% but less than 50% of the investee's voting rights. If the Group owns less than 20% of the voting power of an investee, it is necessary to consider the facts and circumstances such as having representatives on the board of directors or similar authority of the investee, or participating in the process of formulating the financial and operating policies of the investee, or engaging in significant transactions with the investee, or dispatching management personnel to the investee, or providing key technological information to the investee, etc., and determine that the Group has significant influence on the investee.

The investee is a subsidiary of the Group if the investor exercises control over the investee. Long-term equity investments acquired through a business combination under the same control are initially recognized at cost based on the share of the book value of the net assets of the party being consolidated in the consolidated statements of the party ultimately in control at the date of consolidation. If the book value of the net assets of the party being consolidated is negative at the date of consolidation, the cost of long-term equity investment is determined as zero.

Long-term equity investments acquired through a business combination not under common control are recognized at the cost of the combination.

Except for the long-term equity investments acquired through business combination mentioned above, the cost of long-term equity investments acquired by cash payment is based on the actual purchase price paid; the cost of long-term equity investments acquired by issuance of equity securities is based on the fair value of the equity securities issued; and the cost of long-term equity investments invested by investors is based on the value agreed in the investment contract or agreement.

The Group's investments in subsidiaries are accounted for using the cost method, and investments in joint ventures and associates are accounted for using the equity method.

The book value of long-term equity investments accounted for under the cost method is increased by the fair value of additional investment and related party transaction costs incurred when additional investment is made. Cash dividends or profits declared by the investee are recognized as investment income at the amount to which they are attributable.

The book value of long-term equity investments accounted for under the equity method shall be increased or decreased accordingly to the changes in the ownership interest of the investee. In recognizing the share of net profit or loss of an investee, the fair value of the identifiable assets of the investee at the time of investment acquisition is used as the basis for recognizing the net profit of the investee in accordance with the Group's accounting policies and accounting periods, after offsetting the portion of gains or losses on internal transactions with associates and joint ventures that are attributable to the investor based on the Group's proportionate interest in the investor's net assets and liabilities.

On disposal of long-term equity investments, the difference between the book value and the actual acquisition price is recognized as investment income. For long-term equity investments accounted for under the equity method, other comprehensive income accounted for under the equity method shall be accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee upon termination of the equity method, and any changes in the equity of the investee due to changes in the equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be fully transferred to current investment income upon termination of the equity method. The entire amount shall be transferred to investment income when the equity method of accounting is discontinued.

If an investee loses joint control or significant influence over the investee due to the disposal of a portion of the equity investment, the remaining equity interest after disposal shall be accounted for in accordance with the relevant provisions of the Guidelines on the Recognition and Measurement of Financial Instruments, and the difference between the fair value of the remaining equity interest and its book value at the date of the loss of joint control or significant influence shall be recognized as profit or loss for the current period. Other comprehensive income recognized as a result of the adoption of the equity method shall be accounted for on the same basis as the direct disposal of the related assets or liabilities by the investee and carried forward on a pro rata basis upon the termination of the adoption of the equity method, and all other changes in equity recognized as a result of changes in the investee's ownership interest other than net profit or loss, other comprehensive income, and distribution of profits shall be transferred to investment income on a pro rata basis for the current period.

If the investee loses control of a portion of the long-term equity investment due to disposal, and the remaining equity interest after disposal is capable of exercising joint control or significant influence over the investee, it shall be accounted for under the equity method instead, and the difference between the book value of the equity interest disposed of and the disposal consideration shall be recognized in investment income, and the remaining equity interest shall be adjusted as if it were equity-method accounted for from the time of acquisition; if the remaining equity interest after disposal is not capable of exercising joint control or significant influence over the investee, it shall be accounted for under the equity method instead. If the remaining equity interest after disposal cannot exercise joint control or significant influence over the investee, the accounting shall be conducted in accordance with the relevant provisions of the *Guidelines on Recognition and Measurement of Financial Instruments*, and the difference between the book value of the equity interest disposed of and the consideration for disposal shall be recognized as investment income, while the difference between the fair value of the remaining equity interest at the date of the loss of control and its book value shall be recognized as profit or loss for the current period.

20. Investment properties

(1). If the cost measurement model is used:

Depreciation or amortization method

The Group classifies real estate held to earn rentals or for capital appreciation, or both, as investment property. The Group uses the cost model to measure investment properties, that is, use the cost to subtract the accumulated depreciation, amortization and impairment provision, and display them in the balance sheet. The Group depreciates the cost of investment properties, net of estimated net salvage value and accumulated impairment allowances, over their useful lives using the average annualized method. For details of the impairment test method and the method of making provision for impairment, please refer to Section V.11. (6) Impairment of financial instruments. The useful lives, residual values and annual depreciation rates for each type of investment properties were as follows.

No.	Category	Depreciable life (year)	Estimated salvage value (%)	Annual depreciation rate (%)
1	House buildings	20	5-10	4.5-4.75
2	Land use rights	36.75		2.72

21. Fixed assets

(1). Recognition conditions

√ Applicable□ N/A

The Group's fixed assets are tangible assets with the following characteristics, i.e., held for use in the production of goods, provision of services, leasing or business management, and with a useful life of more than one year.

Fixed assets are recognized when it is probable that the economic benefits associated with them will flow to the Group and their costs can be measured reliably. The Group's fixed assets include buildings, transportation equipment, office and electronic equipment.

(2). Depreciation method

√ Applicable□ N/A

Category	Depreciation method	Depreciable life (year)	Residual value rate	Annual depreciation rate
House buildings	Average life method	10-20	5-10	4.50-9.50
Transportation equipment	Average life method	4	5	23.75
Office and electronic equipment	Average life method	3	5	31.67

The Group depreciates all fixed assets, except for fully depreciated fixed assets that are still in use and land that is separately accounted for. Average life method is used for depreciation.

22. Construction in progress

√ Applicable□ N/A

(1) Construction in progress is categorized and accounted for by standing items.

(2) Criteria and point in time for carrying forward construction in progress to fixed assets

Construction in progress is recognized as a fixed asset on the basis of all expenditures incurred before the asset is constructed and brought to its intended state of use. This includes construction costs, the original cost of machinery and equipment, other necessary expenses incurred to bring the construction in progress to its intended state of use, as well as borrowing costs incurred before the asset reaches its intended state of use for borrowing specifically for the project, and borrowing costs incurred for general borrowing used for the project. The Group transfers construction in progress to property, plant and equipment when the project has been installed or constructed to its intended state of use. Fixed assets that have reached the intended state of use but for which final accounts have not yet been finalized are transferred to fixed assets from the date they reach the intended state of use at their estimated value based on the project budget, construction cost or actual cost of the project, and depreciation is provided for in accordance with the Group's policy on depreciation of fixed assets, and after final accounts have been finalized the original provisional value is adjusted according to the actual cost, but the amount of depreciation provided for is not adjusted. The original provisional value will be adjusted according to the actual cost after the completion of the final accounts, without adjusting the depreciation originally provided.

23. Borrowing costs

√ Applicable□ N/A

(1) Recognition principles and capitalization period for capitalization of borrowing costs

Borrowing costs incurred by the Group for the acquisition, construction or production of assets directly attributable to the assets eligible for capitalization shall be capitalized to the cost of the relevant assets when the following conditions are simultaneously met:

①Expenditures on assets have been incurred;

②Borrowing costs have been incurred;

③ The construction or production activities necessary to bring the asset to its intended state of use have begun.

Other borrowing interests, discounts or premiums and exchange differences are recognized in profit or loss in the period in which they are incurred.

The capitalization of borrowing costs is suspended when there is an abnormal interruption in the construction or production of assets eligible for capitalization for more than three consecutive months.

The capitalization of borrowing costs ceases when the assets eligible for capitalization have reached their intended use or saleable condition; any subsequent borrowing costs are recognized as expenses in the period in which they are incurred.

(2) Calculation of the capitalization rate and amount of capitalized borrowing costs

If a special loan is borrowed for the purpose of purchasing, constructing or producing an asset eligible for capitalization, the capitalized amount of interest expense on the special loan shall be determined by the actual interest expense incurred on the special loan in this period less the interest income from depositing the unused borrowed funds in a bank or the investment income from making a temporary investment.

If general borrowings are used for the acquisition, construction or production of assets eligible for capitalization, the amount of interest to be capitalized on general borrowings shall be calculated by multiplying the weighted average amount of cumulative asset expenditures in excess of the portion of special-purpose borrowings by the capitalization rate of the general borrowings used to calculate the amount of interest to be capitalized on general borrowings. The capitalization rate is based on the weighted average interest rate of general borrowings.

24. Biological assets

□ Applicable √ N/A

25. Oil and gas assets

□ Applicable √ N/A

26. Intangible assets

(1). Useful life, basis for determining useful life, estimation, amortization method or review procedure

√ Applicable□ N/A

Intangible assets, including land use rights and software, are measured at cost and amortized equally over their estimated useful lives.

(1) Land use rights

Land use rights are amortized equally over their useful lives of 50 years. If it is difficult to allocate the purchase price of land and buildings between land use rights and buildings, all of them are recognized as fixed assets.

(2) Computer software

Acquired computer software is capitalized on the basis of the costs incurred to acquire and put into use the specific software. The related costs are amortized on a straight-line basis over the estimated useful lives of 2 to 10 years. Costs related to the maintenance of computer software programs are recognized as expenses as they are incurred.

(3) Periodic review of useful lives and amortization methods

The estimated useful lives and amortization methods of intangible assets with finite useful lives are reviewed and appropriately adjusted at the end of each year. The Group considers intangible assets for which the duration of future economic benefits is not foreseeable as intangible assets with indefinite useful lives and does not amortize such intangible assets. As of the end of the reporting period, the Group had no intangible assets with indefinite useful lives. Expenditures on the Group's internal R&D projects are recognized in profit or loss as incurred.

(4) Impairment of intangible assets

When the recoverable amount of an intangible asset is less than its book value, the book value is written down to the recoverable amount.

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

√ Applicable□ N/A

The specific criteria for distinguishing between the research phase and the development phase of internal R&D projects are as follows:

① The Group classifies preparatory activities, which are conducted for further development, including data and related aspects, as the research phase. Expenditures incurred during the research phase of intangible assets are recognized in profit or loss as incurred.

② The Group classifies development activities which are commenced after the completion of research phase as the development phase.

Specific conditions for capitalizing development phase expenditures:

Only when the expenditures in the development stage meet the following conditions can they be recognized as intangible assets:

A. It is technically feasible to complete the intangible asset so that it can be used or sold;

B. Having the intention to complete the intangible asset and use or sell it;

C. The ways in which intangible assets generate economic benefits, including the ability to prove that the products produced by using the intangible assets exist in the market or the intangible assets themselves exist in the market, and the intangible assets will be used internally, which can prove their usefulness;

D. Having sufficient technical, financial and other resources to support the development of intangible assets, and having the ability to use or sell the intangible assets;

E. Expenditure attributable to the development stage of intangible assets can be measured reliably.

27. Impairment of long-term assets

√ Applicable□ N/A

The Group examines items such as long-term equity investments, property and equipment, construction in progress, right-of-use assets and intangible assets with finite useful lives at each balance sheet date, and performs impairment tests when there are indications of impairment. Goodwill and intangible assets with indefinite useful lives are tested for impairment at the end of each year, regardless of whether there is any indication of impairment.

The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. The Group estimates the recoverable amount of an asset on an individual basis; if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of an asset group is determined on the basis of the asset group to which the asset belongs. An asset group is identified on the basis of whether the major cash inflows from the asset group are independent of those from other assets or groups of assets.

When the recoverable amount of an asset or an asset group is less than its book value, the Group writes down its book value to its recoverable amount, and the amount of the write-down is recognized in profit or loss and a corresponding provision for asset impairment is made.

For the purpose of impairment testing of goodwill, the book value of goodwill arising from a business combination is allocated to the relevant asset group on a reasonable basis from the date of purchase; if it is difficult to be allocated to the relevant asset group, the book value is allocated to a portfolio of the relevant asset groups. The relevant asset group or portfolio of asset groups is one that can benefit from the synergies of the business combination and is not larger than the Group's reportable segments.

When testing for impairment of the relevant asset group or portfolio of asset groups containing goodwill, if there is any indication of impairment for the asset group or portfolio of asset groups related to goodwill, the asset group or portfolio of asset groups that does not contain goodwill is first tested for impairment, the recoverable amount is calculated, and the corresponding impairment loss is recognized. Then, carry out impairment test to the asset portfolio or asset portfolio group which contain goodwill, and compare the book value and recoverable amount. If the recoverable amount is lower than the book value, the amount of the impairment loss shall first be offset against the book value of the goodwill allocated to the asset group or portfolio of assets, and then against the book value of the other assets proportionally according to the proportion of the book value of the other assets excluded from the asset group or portfolio of assets.

If the book value of an asset exceeds its recoverable amount after an impairment test, the difference is recognized as an impairment loss, which is not reversed in subsequent periods.

28. Long-term unamortized expenses

√ Applicable□ N/A

Long-term amortized expenses are expenses incurred by the Group but shall be borne by the Group in the current and future periods with an amortization period of more than one year. Long-term amortization expenses These expenses are amortized equally over the period of benefit. If a long-term amortized expense item does not benefit a future accounting period, the amortized value of the item that has not been amortized is transferred to profit or loss for the current period.

29. Contract liabilities

√ Applicable□ N/A

Contract liabilities reflect the Group's obligations to transfer goods to clients for consideration received or receivable from clients. If the client has paid the contractual consideration or the Group has obtained the unconditional right to receive the contractual consideration before the Group transfers the goods to the client, contract liabilities are recognized for the amount received or receivable at the earlier of the actual payment made by the client and the amount due.

30. Employee remuneration

(1). Accounting treatment of short-term remuneration

√ Applicable□ N/A

The Group's employee remuneration includes short-term remuneration, post-employment benefits and termination benefits.

Short-term remuneration mainly includes employees' salaries, welfare fees and housing fund. Short-term remuneration actually incurred during the accounting period in which the employees render services is recognized as a liability and charged to current profit or loss or the cost of the relevant assets according to the beneficiary.

(2). Accounting treatment of post-employment benefits

√ Applicable□ N/A

Post-employment benefits mainly include basic pension insurance premiums, unemployment insurance, etc., which are categorized as defined contribution plans in accordance with the risks and obligations assumed by the Company. Contributions to a defined contribution plan are recognized as a liability at the balance sheet date on the basis of contributions made to a separate entity in exchange for services rendered by employees during the accounting period, and are recognized in profit or loss or at the cost of the related assets, depending on the beneficiary.

(3). Accounting treatment of termination benefits

□ Applicable √ N/A

(4). Accounting treatment of other long-term employee benefits

□ Applicable √ N/A

31. Anticipation liabilities

√ Applicable□ N/A

The Group recognizes a projected liability when the obligation relating to the contingency is a present obligation incurred by the Group, it is probable that the performance of the obligation will result in an outflow of economic benefits to the Group, and the amount can be measured reliably. A projected liability is initially measured at the best estimate of the expenditure required to settle the present obligation. Where the effect of the time value of money is material, the projected liability is determined on the basis of the discounted amount of the expected future cash flows. In determining the best estimate, the Group considers a portfolio of factors such as the risks and uncertainties associated with the contingency and the time value of money. Where there is a continuous range of required expenditures and the likelihood of each outcome within that range is equal, the best estimate is determined at the midpoint of the range; in other cases, the best estimate is treated as follows:

- Where the contingency relates to a single item, it is determined on the basis of the most probable amount to be incurred.

- Where a contingency relates to more than one item, it is determined on the basis of various possible outcomes and related probabilities.

The Group reviews the book value of the estimated liability at the balance sheet date and adjusts the book value to the current best estimate.

32. Share-based payment

√ Applicable□ N/A

(1) Types of share-based payment and accounting treatment

Share-based payment is a transaction in which a company grants an equity instrument or assumes a liability determined on the basis of an equity instrument in order to obtain services from employees. Share-based payment is categorized into equity-settled share-based payment and cash-settled share-based payment.

1) Equity-settled share-based payment

Stock option plans are equity-settled share-based payments in exchange for services rendered by employees and are measured at the fair value of the equity instruments granted to employees at the grant date. Options may be exercised only upon completion of services or fulfillment of specified performance conditions during the waiting period. During the waiting period, based on the best estimate of the number of equity instruments that can be exercised, the services acquired in this period are recognized in the related costs or expenses at the fair value of the equity instruments on the grant date, and the capital surplus is increased accordingly.

2) Cash-settled share-based payment

The stock appreciation rights plan is a cash-settled share-based payment, which is measured at the fair value of the liability assumed by the Company based on the number of shares of the Company. The cash-settled share-based payment is subject to the completion of services or the fulfillment of performance conditions during the waiting period. At each balance sheet date during the waiting period, based on the best estimate of the feasibility of the rights, the services acquired in this period are recognized as a cost or expense at the amount of the fair value of the liabilities assumed by the Company, and the liabilities are increased accordingly. The fair value of the liability is remeasured at each balance sheet date until the liability is settled and at the date of settlement, with the change recognized in profit or loss.

(2) Method of determining the fair value of equity instruments

The fair value of shares granted to employees is measured at the market price of the Company's shares, adjusted to take into account the terms and conditions under which the shares were granted (excluding the conditions for exercising the rights other than market conditions).

For stock options granted to employees, the fair value of the options granted is estimated using an option pricing model.

(3) Basis for recognizing the best estimate of feasible equity instruments

At each balance sheet date during the waiting period, the number of equity instruments expected to become exercisable is revised by making a best estimate based on the latest available subsequent information, such as changes in the number of employees with exercisable rights.

(4) Handling of modification and termination of the share-based payment plan

If the modification of a share-based payment plan increases the fair value of the equity instruments granted, the increase in services received shall be recognized accordingly to the increase in the fair value of the equity instruments.

If a modification of a share-based payment plan increases the number of equity instruments granted, the increase in the fair value of the equity instruments shall be recognized as an increase in services received accordingly.

If the conditions for exercising rights are modified in a way that is favorable to the employee, such as shortening the waiting period or changing or eliminating performance conditions (instead of market conditions), the company takes the modified conditions into account when dealing with the conditions for exercising rights.

If the terms and conditions are modified in a manner that reduces the total fair value of the share-based payment or is otherwise unfavorable to the employee, the services received continue to be accounted for as if the change had never occurred, unless some or all of the equity instruments granted are canceled.

If the granted equity instruments are canceled during the waiting period, the canceled equity instruments are treated as accelerated exercise, and the remaining amount to be recognized during the waiting period is immediately recognized in profit or loss, and capital surplus is recognized. If the employees or other parties can choose to meet the non-optional conditions but fail to do so within the waiting period, the cancellation is treated as a cancellation of the granted equity instruments.

33. Preferred stock, perpetual bonds and other financial instruments

□ Applicable √ N/A

34. Revenue

(1). Disclosure of accounting policies adopted for revenue recognition and measurement by type of business

√ Applicable□ N/A

The Group recognizes revenue when it has fulfilled its performance obligations under a contract, i.e. when the client obtains control of the related goods or services.

If a contract contains two or more performance obligations, the Group allocates the transaction price to each individual performance obligation on the basis of the relative proportion of the individual selling price of the goods or services promised under each individual performance obligation at the inception date of the contract, and measures revenue on the basis of the transaction price allocated to each individual performance obligation. For contracts with quality assurance clauses, the Group analyzes the nature of the warranty provided and treats the warranty as a separate performance obligation if the warranty provides a separate service from guaranteeing to the client that the goods sold meet the established standards. Otherwise, the Group accounts for them in accordance with the provisions of *ASBE No. 13 -Contingencies*.

The transaction price is the amount of consideration that the Group expects to be entitled to receive for the transfer of goods or services to the client, excluding amounts received on behalf of third parties. The Group recognizes a transaction price that does not exceed the amount by which it is more likely than not that a material reversal of the cumulative revenue recognized will not occur when the related uncertainty is removed. Amounts expected to be returned to clients are recognized as a liability for returns and are not included in the transaction price.

The Group has a performance obligation at a point in time when one of the following conditions is met; otherwise, the Group has a performance obligation at a point in time:

- The client acquires and consumes the economic benefits arising from the Group's performance at the same time as the Group's performance;
- The client is able to control the goods under construction in the course of the Group's performance;

- The goods produced in the course of the Group's performance have a non-substitutable use and the Group is entitled to receive payment for the cumulative portion of performance completed to date throughout the term of the contract.

The Group recognizes revenue on the basis of the progress of performance over a period of time for performance obligations that are to be fulfilled within that period. When the progress of performance is not reasonably determinable, the Group recognizes revenue on the basis of the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred by the Group are expected to be reimbursed.

For performance obligations fulfilled at a certain point in time, the Group recognizes revenue at the point in time when the client obtains control of the related goods or services. In determining whether a client has obtained control of goods or services, the Group considers the following indications:

- The Group has a present right to receive payment for the good or service;
- The Group has physically transferred the good to the client;
- The Group has transferred legal title or the principal risks and rewards of ownership of the good to the client;
- The client has accepted the goods or services, etc.

The Group accounts for changes in the scope or price of a contract that have been approved by the parties to the contract separately under the following circumstances:

- If a contract change adds clearly distinguishable goods and contract prices, and the new contract price reflects the separate selling price of the new goods, the changed part of the contract is accounted for as a separate contract;
- If a contract change does not fall into the above category, and if the goods transferred or services provided are clearly distinguishable from those not transferred or provided at the date of the contract change, the original contract is deemed to be terminated, and the unperformed portion of the original contract and the changed portion of the contract are combined and accounted for as part of a new contract;
- If a contract change does not fall under the above circumstances, i.e., if there is no clear distinction between goods transferred or services provided and goods not transferred or services not provided at the date of the contract change, the changed portion of the contract is accounted for as an integral part of the original contract, and the resulting impact on the recognized revenue is adjusted to current revenue at the date of the contract change.

The right to receive consideration for goods or services that the Group has transferred to a client (and which is dependent on factors other than the passage of time) is recognized as a contract asset, which is impaired on the basis of expected credit losses. The Group's unconditional right to receive consideration from clients, which is dependent only on the passage of time, is presented as receivables. The Group's obligations to transfer goods or services to clients for which the Group has received or shall receive consideration from the clients are presented as contractual liabilities.

The specific accounting policies related to the Group's major revenue-generating activities are described as follows:

1) Revenue from sales of goods

Revenue is recognized when the Group transfers control of goods to the client upon delivery to the purchaser and obtains a signed receipt, or when the goods are shipped on board a vessel.

2) Revenue from construction

The client controls the merchandise during the construction of the project. Under this type of contract, the relevant goods are constructed in accordance with the client's specifications, and if the client terminates the contract, the Group is entitled to receive an amount that compensates it for the costs incurred and a reasonable profit for the portion of the performance that has been performed to date. Accordingly, the Group recognizes revenues and costs associated with the construction of the works over time. The Group determines the progress of performance based on the proportion of the cumulative actual contract costs incurred to the estimated total contract costs and recognizes revenue in accordance with the progress of performance. If revenue is recognized but not yet billed, the Group recognizes it as a contract asset.

(2). The adoption of different operating models for the same type of business involves different revenue recognition and measurement methods

□ Applicable √ N/A

35. Contract costs

□ Applicable √ N/A

36. Government subsidies

√ Applicable□ N/A

(1) Recognition of government grants

Government grants are recognized only when the following conditions are simultaneously met:

1) The Group is able to fulfill the conditions attached to the government grants;

2) The Group is able to receive government grants.

(2) Measurement of government grants

If government grants are monetary assets, they are measured at the amount received or receivable. If the government grants are non-monetary assets, they are measured at fair value; if the fair value cannot be reliably obtained, they are measured at a nominal amount of RMB 1.

(3) Accounting treatment of government grants

1) Asset-related government grants

Government grants obtained by the Company for the purpose of purchasing, constructing or otherwise forming long-term assets are classified as asset-related government grants. Asset-related government grants are recognized as deferred income and recognized in profit or loss in a reasonable and systematic manner over the useful lives of the related assets. Government grants that are measured at nominal amounts are recognized directly in profit or loss. If an asset is sold, transferred, retired or destroyed before the end of its useful life, the unallocated balance of the deferred income is transferred to profit or loss in the period in which the asset is disposed of.

2) Government grants related to income

Government grants other than those related to assets are classified as revenue-related government grants. Government grants related to income are accounted for as follows:

Government grants used to compensate the Group for costs or losses incurred in future periods are recognized as deferred income and recognized in profit or loss in the period in which the costs or losses are recognized;

For the purpose of compensating the Group for the related costs or losses already incurred, they are recognized directly in profit or loss for the current period.

Government grants that contain both asset-related and revenue-related components are accounted for separately; if it is difficult to distinguish between the two, they are categorized as revenue-related government grants as a whole.

Government grants related to the Group's daily activities are recognized in other income in accordance with the substance of the economic operations. Government grants that are not related to the Group's daily activities are recognized as non-operating revenue and expenses.

3) Policy-based preferential loan subsidies

If the finance disburses the subsidized interest rate funds to a lending bank, and the lending bank provides loans to the Group at a preferential interest rate, the actual amount of the loan received shall be regarded as the recorded value of the loan, and the related borrowing costs shall be calculated on the basis of the principal amount of the loan and the preferential interest rate of the policy.

When the subsidized interest rate funds are directly allocated to the Group by the financial authorities, the Group will offset the corresponding subsidized interest rate against the relevant borrowing costs.

4) Return of government grants

When recognized government grants are to be returned, the book value of the assets shall be adjusted if the book value of the assets is reduced upon initial recognition; if there is a balance of deferred income, the balance of deferred income shall be reduced, and the excess shall be recognized in profit or loss for the current period; otherwise, the balance of deferred income shall be recognized in profit or loss for the current period directly.

37. Deferred tax assets/deferred tax liabilities

√ Applicable□ N/A

The Group's deferred income tax assets and deferred income tax liabilities are calculated and recognized according to the difference between the tax basis and book values of assets and liabilities, and the difference (temporary difference) between the tax basis and book values of items that are not recognized as assets and liabilities but whose tax basis can be determined according to the provisions of tax law.

The Group recognizes deferred income tax liabilities for all taxable temporary differences except the following circumstances: (1) Temporary differences arising from the initial recognition of goodwill or the initial recognition of assets or liabilities arising from non-business consolidation transactions that neither affect accounting profits nor taxable income (or deductible losses); (2) For taxable temporary differences related to investments of subsidiaries, associated enterprises and joint ventures, the Group can control the time when the temporary differences have reversal, and the temporary differences are unlikely to have reversal in the foreseeable future.

The Group recognizes deferred income tax assets for deductible temporary differences, deductible losses and tax deductions, to the extent that it is likely to obtain future taxable income to offset deductible temporary differences, deductible losses and tax deductions: (1) Temporary differences arising from the initial recognition of assets or liabilities generated by non-business consolidation transactions that neither affect accounting profits nor taxable income (or deductible losses); (2) The deductible temporary differences related to the investment of subsidiaries, associated enterprises and joint ventures cannot meet the following conditions at the same time: Temporary differences are likely to have reversal in the foreseeable future, and taxable income used to deduct deductible temporary differences is likely to be obtained in the future.

The Group recognizes deferred income tax assets for all the deductible losses that have not been utilized to the extent that it is possible to have enough taxable income to offset the deductible losses. The management estimates the time and amount of taxable income in the future by using a lot of judgments, and determines the amount of deferred income tax assets to be confirmed in combination with tax planning strategies, so there is uncertainty.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods when the assets are realized or the liabilities are settled.

38. Leases

√ Applicable□ N/A

At the inception date of a contract, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one of the parties to the contract transfers the right to control the use of one or more identified assets for a period of time in exchange for consideration.

(1) Separation of Lease Contracts

When a contract contains several individual leases, the Group splits the contract and accounts for each individual lease separately. When a contract contains both leases and non-leases, the Group splits the leases and non-leases, and the leases are accounted for in accordance with the leasing standards, while the non-leases are accounted for in accordance with other applicable accounting standards.

(2) Consolidation of lease contracts

Two or more contracts containing leases entered into by the Group with the same counterparty or its affiliates at the same or similar times shall be consolidated into one contract for accounting purposes when one of the following conditions is met.

a. The two or more contracts are entered into for an overall business purpose and constitute a package transaction, the overall business purpose of which cannot be understood unless considered as a whole.

b. The amount of consideration for one of the two or more contracts is dependent on the pricing or performance of the other contracts.

c. The right to use the asset granted by the two or more contracts together constitute a single lease.

Basis of judgment and accounting treatment for simplified treatment of short-term leases and leases of low-value assets as a lessee

√ Applicable□ N/A

Short-term leases are leases that do not include an option to purchase and have a lease term of less than 12 months. Low-value asset leases are leases with a lower value when the individual leased asset is a brand new asset.

The Group does not recognize right-of-use assets and lease liabilities for the following short-term leases and low-value asset leases, and the related lease payments are charged to the cost of the related assets or to current profit or loss on a straight-line basis over the lease term. The Group recognizes right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets.

Lease classification criteria and accounting treatment as lessor

√ Applicable□ N/A

The Company classifies leases as finance leases and operating leases at the commencement date of the lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset, which may or may not ultimately be transferred. Operating leases refer to leases other than finance leases.

Within the reporting period, the Company's leases were all operating leases, and lease payments under operating leases were recognized as rental income using the straight-line method or other systematic and reasonable methods in each period of the lease term: Initial direct costs incurred in connection with the operating leases were capitalized and apportioned over the lease term on the same basis as the rental income, and were charged to current profit or loss; and variable lease payments relating to operating leases that were not included in the lease payments were charged to current profit or loss when they were actually incurred. Variable lease payments relating to operating leases that are not recognized as lease receipts are recognized in profit or loss when they are actually incurred.

39. Other significant accounting policies and accounting estimates

√ Applicable□ N/A

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Group's management continually evaluates its judgment regarding critical assumptions and uncertainties involved in making estimates. The effects of changes in accounting estimates are recognized in the period in which the estimate is changed and in future periods.

The following accounting estimates and critical assumptions have a significant risk of causing a material adjustment to the book value of assets and liabilities in future periods.

(1) Revenue recognition

Under the new revenue standard, the Group recognizes revenue from construction contracts over a period of time. The recognition of revenue and profit from construction depends on the Group's estimation of the outcome of the contract and the progress of performance. If the actual amount of total revenues and total costs incurred is higher or lower than management's estimates, it will affect the amount of revenue and profit recognized by the Group in future periods;

(2) Impairment of receivables and contract assets

The Group used the expected credit loss model to assess the impairment of financial instruments since January 1, 2019. The application of the expected credit loss model requires significant judgments and estimates that take into account all reasonable and supportable information, including forward-looking information. In making such judgments and estimates, the Group extrapolates the expected changes in the credit risk of debtors based on historical repayment data and factors such as economic policies, macroeconomic indicators and industry risks. Therefore, the amount of provision for impairment of receivables and contract assets may change in accordance with the changes in the above estimates, and the adjustments to the provision for impairment of receivables and contract assets will affect the profit or loss in the period in which the estimates are changed.

Accounting estimates for provision for impairment of fixed assets and investment properties

The Group performs impairment tests on fixed assets such as buildings, machinery and equipment, and investment properties at the balance sheet date if there is any indication of impairment. The recoverable amount of property, plant and equipment and investment properties is the higher of the present value of estimated future cash flows and the fair value of the assets less costs of disposal, which requires the use of accounting estimates.

If management revises the gross margins used in the calculation of future cash flows for asset groups and portfolios of asset groups and the revised gross margins are lower than the currently used gross margins, the Group is required to increase the provision for impairment for property, plant and equipment and investment properties.

If the pre-tax discount rate used for discounting cash flows is revised by the management and the revised pre-tax discount rate is higher than the current rate, the Group is required to make additional provision for impairment of fixed assets and investment properties.

If the actual gross profit margin or pre-tax discount rate is higher or lower than the management's estimate, the Group cannot reverse the provision for impairment of fixed assets and investment properties.

(4) Useful lives of fixed assets and investment properties

The Group reviews the estimated useful lives of fixed assets and investment properties at least annually at the end of each year. The estimated useful lives are determined by the management based on historical experience of similar assets, reference to estimates generally used in the industry and expected technological updates. Depreciation and amortization expenses for future periods are adjusted accordingly when there is a significant change in the previous estimates.

(5) Income tax expense

The Group recognizes current and deferred taxes in profit or loss, except for those arising from business combinations and transactions or events directly attributable to owners' equity (including other comprehensive income).

Current income tax is the expected income tax payable calculated on the basis of the taxable income for the year at the rates specified in the tax law, plus adjustments to prior years' income tax payable. At the balance sheet date, if the Group has a legal right to settle on a net basis and intends to settle on a net basis, or to acquire assets and settle liabilities simultaneously, current income tax assets and current income tax liabilities are shown net of tax. Deferred tax assets and deferred tax liabilities are recognized for deductible temporary differences and taxable temporary differences, respectively. A temporary difference is the difference between the book value of an asset or liability and its tax basis, including deductible losses and tax credits that can be carried forward to future years. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax is not recognized for temporary differences arising from transactions that are not part of a business combination and that at the time of the transaction affect neither the accounting profit nor taxable income (or deductible losses). At the balance sheet date, the Group measures the book value of deferred tax assets and liabilities based on the expected manner of recovering or settling those assets and liabilities, in accordance with enacted tax laws, at the tax rates that are expected to apply to the period when the assets are recovered or the liabilities are settled. The book value of deferred tax assets is reviewed at the balance sheet date. The book value of deferred tax assets is written down to the extent that it is more likely than not that sufficient taxable income will not be available to allow the benefit of the deferred tax assets to be realized in future periods. When it is more likely than not that sufficient taxable income will be available to offset the deferred tax assets, the amount written down is reversed.

On the balance sheet date, deferred tax assets and liabilities are netted out when the following conditions are met:

-A taxable entity has a legal right to settle current income tax assets and current income tax liabilities on a net basis;

-Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, provided that in each future period in which significant deferred tax assets and liabilities reverse, the taxable entity intends to settle the current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

40. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

□ Applicable √ N/A

(2). Changes in significant accounting estimates

□ Applicable √ N/A

(3). Adjustments to the financial statements as of the beginning of the year of first-time implementation of new accounting standards or interpretations of accounting standards for the first-time implementation of new accounting standards or interpretations of accounting standards from 2024 onwards

□ Applicable √ N/A

41. Others

√ Applicable□ N/A

(1) Special reserves

The *Administrative Measures for the Extraction and Use of Enterprise Safety Production Fees* (CZ No.136 [2022]) was released on and implemented as of November 21, 2022 by the Ministry of Finance and Ministry of Emergency Management. The Group extracted and used safety production fees according to the provisions of CZ No.136 [2022].

The Group's production safety fees, when being extracted, are recognized as the cost of the relevant products or current profit or loss, and at the same time are included in the “special reserves”.

When the extracted safety production fees are used within the prescribed scope and belong to cost expenditure, the special reserves will be directly reduced. If the fixed assets are formed, the expenditures incurred through the subject of "construction in progress" will be recognized as fixed assets when the project is completed and reaches the scheduled usable state; meanwhile, the cost of forming the fixed asset is deducted from the special reserves, and accumulated depreciation of the same amount is recognized. No depreciation will be accrued against the fixed assets in future periods.

(2) Discontinued operation

Discontinued operation means a separately distinguishable component of the Group that has been disposed of or classified as held for sale if one of the following conditions is met: (1) The component represents a separate principal business or a separate principal operating region; (2) The component is part of an associated plan to dispose of a separate principal business or a separate principal operating region; and (3) The component is a subsidiary acquired exclusively for resale.

In the profit statement, the Group has added the items "Net profit from continuing operations" and "Net profit from discontinued operations" to the item "Net profit”, reflecting the profit or loss from continuing operations and the profit or loss from discontinued operations, respectively, on a net after-tax basis. Gains and losses related to discontinued operations shall be reported as discontinued operations, and the discontinued operations gains and losses shall be reported for the entire reporting period, not only for the reporting period after it is recognized as discontinued operations.

(3) Segment reporting

The Group determines its operating segments based on its internal organizational structure, management requirements and internal reporting system. Two or more operating segments may be consolidated into one if they have similar economic characteristics and at the same time are identical or similar in terms of the nature of the individual products, the nature of the production process, the types of clients for the products, the manner of selling the products, and the impact of laws and administrative regulations on the products produced. The Group determines its reportable segments on the basis of operating segments and on the principle of materiality.

In preparing segment reports, the Group measures revenue from inter-segment transactions on the basis of actual transaction prices. The accounting policies used in the preparation of segment reports are consistent with those used in the preparation of the Group's financial statements.

VI. Taxation

1. Major tax variety and tax rate

Major tax variety and tax rate

√ Applicable□ N/A

Tax variety	Tax basis	Tax rate

Value-added tax (VAT)	Based on the provision of technical services, sale of goods, etc.	3.00-13.00
Urban maintenance and construction tax	Levied on the taxable turnover amount	5.00, 7.00
Education surcharge	Levied on the taxable turnover amount	3.00, 2.00
Enterprise income tax	Levied on the taxable income amount	Varies by taxing entity
Property tax	Property tax is calculated based on the residual value of the property after deducting 30% of the original value of the property.	1.20, 12.00

Disclosure of taxable entities with different corporate income tax rates

√ Applicable□ N/A

Name of taxable entity	Income tax rate (%)
The Company	15
Acter Engineering Technology (Shenzhen) Co., Ltd. (“Acter (Shenzhen)”)	25
Shenzhen Dingmao Trading Co., Ltd. (“Shenzhen Dingmao”)	25
Acter International Limited (“Acter (Hong Kong)”)	16.5
Acter Technology Singapore Pte., Ltd. (“Acter (Singapore)”)	17
PT. Acter Technology Indonesia (“Acter (Indonesia)”)	22
PT Acter Integration Technology Indonesia (“Indonesia Joint Venture”)	Construction service income is collected by the owner at the rate of 2.65% when invoicing; non-construction service income is normally subject to the tax rate of 22%.
Acter Technology Malaysia Sdn. Bhd. (“Acter (Malaysia)”)	24
Sheng Huei Engineering Technology Company Limited (“Acter (Vietnam)”)	20
Acter Technology Co., Ltd. (“Acter (Thailand)”)	20

2. Tax incentives

√ Applicable□ N/A

On November 6, 2023, the Company obtained the Certificate of High-tech Technology Enterprise (Certificate No. GR202332006213, valid for three years from 2023 to 2025) jointly issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance and Jiangsu Provincial Taxation Bureau of the State Administration of Taxation. Within the reporting period, the Company enjoyed a preferential enterprise income tax rate of 15% for high-tech enterprises.

3. Others

□ Applicable √ N/A

4.

VII. Notes to the Consolidated Financial Statements

1. Monetary fund

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Cash on hand	12,187.35	1,054,977.35
Bank deposits	574,883,794.76	708,941,745.68
Other monetary funds	486,724.06	12,499,607.35
Total	575,382,706.17	722,496,330.38
Including: Total amount deposited abroad	112,491,458.54	75,264,850.68
Including: Monetary fund with restricted use	486,724.06	12,499,607.35

Other notes:
Cash on hand does not include digital RMB.
Including: Total amount deposited abroad

Items	Balance at the end of the year	Balance at the beginning of the year
Total amount deposited abroad	112,491,458.54	75,264,850.68
Total	112,491,458.54	75,264,850.68

Including: Monetary fund with restricted use

Items	Balance at the end of the year	Balance at the beginning of the year
Margin	486,724.06	12,499,607.35
Total	486,724.06	12,499,607.35

2. Trading financial assets

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance	Reasons and justifications for designation
Financial assets measured at fair value with changes included in the current profit and loss	50,025,000.00		/
Including:			
Structured deposits	50,025,000.00		/
Refer to the financial assets measured at fair value with changes included in the current profit and loss			
Including:			
Total	50,025,000.00		/

Other notes:
□ Applicable √ N/A

3. Derivative financial assets

□ Applicable √ N/A

4. Bills receivable

(1). Classification of bills receivable

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Bank acceptance bill	524,477.32	7,877,956.66
Financial acceptance bill	43,500.00	
Commercial acceptance	29,202,873.01	36,371,094.45
Less: Provision for bad debts	2,372,177.29	1,091,132.83
Total	27,398,673.04	43,157,918.28

(2). Bills receivable pledged by the Company at the end of the period

□ Applicable √ N/A

(3). Bills receivable endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

√ Applicable□ N/A

In RMB Yuan

Items	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bill	1,801,557.00	
Commercial acceptance		578,043.00
Financial acceptance bill		43,500.00
Total	1,801,557.00	621,543.00

(4). Disclosure by bad debt accrual method

√ Applicable□ N/A

In RMB Yuan

<table>
<tr><th rowspan="3">Category</th><th colspan="5">Closing balance</th><th colspan="5">Opening balance</th></tr>
<tr><th colspan="2">Book balance</th><th colspan="2">Provision for bad debts</th><th rowspan="2">Book value</th><th colspan="2">Book balance</th><th colspan="2">Provision for bad debts</th><th rowspan="2">Book value</th></tr>
<tr><th>Amount</th><th>Proportion (%)</th><th>Amount</th><th>Accrual proportion (%)</th><th>Amount</th><th>Proportion (%)</th><th>Amount</th><th>Accrual proportion (%)</th></tr>
<tr><td>Individual provision for bad-debt reserves</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="11">Including:</td></tr>
</table>

Provision for bad debts by portfolio	29,770,850.33	100.00	2,372,177.29	7.97	27,398,673.04	44,249,051.11	100.00	1,091,132.83	2.47	43,157,918.28
Including:										
Portfolio 1	29,246,373.01	98.24	2,372,177.29	8.11	26,874,195.72	36,371,094.45	82.20	1,091,132.83	3.00	35,279,961.62
Portfolio 2	524,477.32	1.76			524,477.32	7,877,956.66	17.80			7,877,956.66
Total	29,770,850.33	/	2,372,177.29	/	27,398,673.04	44,249,051.11	/	1,091,132.83	/	43,157,918.28

Individual provision for bad-debt reserves:
□ Applicable √ N/A

Provision for bad debts by portfolio:
√ Applicable□ N/A
Combined accrual item:Commercial acceptance

In RMB Yuan

Firm name	Closing balance		
	Bills receivable	Provision for bad debts	Accrual proportion (%)
Within 1 year	29,246,373.01	2,372,177.29	7.97
Total	29,770,850.33	2,372,177.29	7.97

Explanation for provision for bad debts by portfolio
□ Applicable √ N/A

Provision for bad debts based on the general model of expected credit
√ Applicable□ N/A

In RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment incurred)	
Balance as of January 1, 2024	1,091,132.83			1,091,132.83
Balance as of January 1, 2024 in this period				
--Reversed to Phase II				
--Reversed to Phase III				
--Reversed to Phase II				
--Reversed to Phase I				
Provision in this period	1,281,044.46			1,281,044.46
Reversal in this period				
Write-offs in this period				
Cancellations in this period				
Other changes				
Balance at December 31,	2,372,177.29			2,372,177.29

2024				

The basis for the classification of each stage and the accrual proportion for bad debts are shown in this section V.12. Bills receivable

Explanation for significant changes in the book balance of bills receivable for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

(5). Provision for bad debts

√ Applicable□ N/A

In RMB Yuan

Category	Opening balance	Change in this period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Commercial acceptance	1,091,132.83	1,281,044.46				2,372,177.29
Total	1,091,132.83	1,281,044.46				2,372,177.29

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(6). Actual write-off of bills receivable in this period

□ Applicable √ N/A

Write-off bills receivable of which significant:
□ Applicable √ N/A

Description of bills receivable written off:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

5. Accounts receivable

(1). Disclosure by ageing

√ Applicable□ N/A

In RMB Yuan

Ageing	Closing book balance	Opening book balance
Within 1 year		
Including: Subtotal within 1 year		
1-6 months (including 6 months)	300,616,397.73	338,478,217.57
6 months - 1 year (including 1 year)	57,748,153.75	34,754,229.34
Subtotal within 1 year	358,364,551.48	373,232,446.91
1 - 2 years	8,953,269.95	13,065,254.41
2 - 3 years	1,927,008.04	21,927,201.89
3 - 4 years	11,830,381.06	14,496,556.70

4 - 5 years	3,689,666.54	8,927,092.98
Above 5 years	8,927,092.98	650,753.62
Total	393,691,970.05	432,299,306.51

(2). Disclosure by bad debt accrual method

√ Applicable□ N/A

In RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		book Value	Book balance		Provision for bad debts		book Value
	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual proportion (%)	
Individual provision for bad-debt reserves	10,343,414.37	2.63	10,343,414.37	100.00		10,994,167.99	2.54	10,994,167.99	100.00	
Including:										
Provision for bad debts by portfolio	383,348,555.68	97.37	21,114,978.11	5.51	362,233,577.57	421,305,138.52	97.46	24,415,866.26	5.80	396,889,272.26
Including:										
Total	393,691,970.05	/	31,458,392.48	/	362,233,577.57	432,299,306.51	/	35,410,034.25	/	396,889,272.26

Individual provision for bad-debt reserves:

√ Applicable□ N/A

In RMB Yuan

Firm name	Closing balance			
	Book balance	Provision for bad debts	Accrual proportion (%)	Reason for provision
Qinghua Group Xinjiang Coal Chemical Industry Co., Ltd.	6,570,214.37	6,570,214.37	100.00	Debtor's financial difficulties
Suzhou Mingqiao Municipal Engineering Co., Ltd.	2,158,200.00	2,158,200.00	100.00	Debtor's financial difficulties
Fujian Fuchen Technology Co., Ltd.	1,615,000.00	1,615,000.00	100.00	Debtor's financial difficulties
Total	10,343,414.37	10,343,414.37	100.00	/

Explanation for bad debt provision by individual item:

√ Applicable□ N/A

None

Provision for bad debts by portfolio:
√ Applicable□ N/A
Combined accrual item:Ageing portfolio

In RMB Yuan

Firm name	Closing balance		
	Accounts receivable	Provision for bad debts	Accrual proportion (%)
1-6 months (including 6 months)	300,616,397.73	9,018,492.04	3.00
6 months - 1 year (including 1 year)	57,748,153.75	2,887,407.69	5.00
1-2 years (including 2 years)	8,953,269.95	895,327.00	10.00
2-3 years (including 3 years)	1,927,008.04	385,401.61	20.00
3-4 years (including 4 years)	11,830,381.06	5,915,190.53	50.00
4-5 years (including 5 years)	1,300,929.54	1,040,743.63	80.00
Above 5 years	972,415.61	972,415.61	100.00
Total	383,348,555.68	21,114,978.11	

Explanation for provision for bad debts by portfolio:
□ Applicable √ N/A

Provision for bad debts based on the general model of expected credit
√ Applicable□ N/A

In RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment incurred)	
Balance as of January 1, 2024				
Balance as of January 1, 2024 in this period	35,410,034.25			35,410,034.25
--Reversed to Phase II				
--Reversed to Phase III	-650,753.62		650,753.62	
--Reversed to Phase II				
--Reversed to Phase I				
Provision in this period	-3,276,789.11			-3,276,789.11
Reversal in this period				
Write-offs in this period				
Cancellations in this period			-650,753.62	-650,753.62
Other changes	-24,099.04			-24,099.04

Balance at December 31, 2024	31,458,392.48			31,458,392.48

The basis for the classification of each stage and the accrual proportion for bad debts shown in this section V. 13. Accounts receivable

Explanation for significant changes in the book balance of accounts receivable for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

(3). Provision for bad debts

√ Applicable□ N/A

In RMB Yuan

Category	Opening balance	Change in this period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Provision for bad debts	35,410,034.25		-3,276,789.11	-650,753.62	-24,099.04	31,458,392.48
Total	35,410,034.25		-3,276,789.11	-650,753.62	-24,099.04	31,458,392.48

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(4). Accounts receivable actually written off in this period

□ Applicable √ N/A

Significant accounts receivable written off among them
□ Applicable √ N/A

Description of accounts receivable written off:
□ Applicable √ N/A

(5). Accounts receivable and contract assets with top five closing balances summarized by party owed to the Company

√ Applicable□ N/A

In RMB Yuan

Unit Name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of combined accounts receivable and contract assets closing balance (%)	Closing balance of provision for bad debts
Client 1	268,514.26	88,312,974.05	88,581,488.31	9.13%	468,416.30
Client 2	59,020,959.86	27,513,327.48	86,534,287.34	8.92%	2,523,320.98
Client 3		85,283,121.10	85,283,121.10	8.79%	426,415.61
Client 4	42,349,446.98	25,829,331.99	68,178,778.97	7.03%	1,399,630.07

Client 5	22,191,342.34	21,086,714.88	43,278,057.22	4.46%	1,524,614.53
Total	123,830,263.44	248,025,469.50	371,855,732.94	38.33%	6,342,397.49

Other notes:
None

Other notes:
□ Applicable √ N/A

6. Contract assets

(1). Status of contract assets

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Unexpired warranty deposits	61,291,470.74	7,614,564.88	53,676,905.86	17,784,023.33	997,257.82	16,786,765.51
Completed unsettled assets arising from construction contracts	514,801,150.35	2,574,005.81	512,227,144.54	410,161,246.32	2,050,806.23	408,110,440.09
Total	576,092,621.09	10,188,570.69	565,904,050.40	427,945,269.65	3,048,064.05	424,897,205.60

(2). Amounts and reasons for significant changes in book value within the reporting period

□ Applicable √ N/A

(3). Disclosure by bad debt accrual method

√ Applicable□ N/A

In RMB Yuan

Category	Closing balance			Opening balance		
	Book balance	Provision for bad debts	book Value	Book balance	Provision for bad debts	book Value

	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual proportion (%)	
Individual provision for bad-debt reserves	3,110,867.10	100.00	3,110,867.10	100.00						
Including:										
Unexpired warranty deposits	3,110,867.10	100.00	3,110,867.10	100.00						
Provision for bad debts by portfolio	572,981,753.99	99.46	7,077,703.59	1.24	565,904,050.40	427,945,269.65	100.00	3,048,064.05	0.71	424,897,205.60
Including:										
Unexpired warranty deposits	58,180,603.64	10.10	4,503,697.78	7.74	53,676,905.86	17,784,023.33	4.16	997,257.82	5.61	16,786,765.51
Completed unsettled assets arising from construction contracts	514,801,150.35	89.36	2,574,005.81	0.50	512,227,144.54	410,161,246.32	95.84	2,050,806.23	0.50	408,110,440.09
Total	576,092,621.09	/	10,188,570.69	/	565,904,050.40	427,945,269.65	/	3,048,064.05	/	424,897,205.60

Individual provision for bad-debt reserves:
√ Applicable□ N/A

In RMB Yuan

Firm name	Closing balance			
	Book balance	Provision for bad debts	Accrual proportion (%)	Reason for provision
Boyuan Construction	3,110,867.10	3,110,867.10	100.00	Debtor bankruptcy

Group Co., Ltd.				reorganization
Total	3,110,867.10	3,110,867.10	100.00	/

Explanation for bad debt provision by individual item:
□ Applicable √ N/A

Provision for bad debts by portfolio:
√ Applicable□ N/A
Combined accrual item: Combined provision

In RMB Yuan

Firm name	Closing balance		
	Contract assets	Provision for bad debts	Accrual proportion (%)
Unexpired warranty deposits	61,291,470.74	7,614,564.88	12.42
Completed unsettled assets arising from construction contracts	514,801,150.35	2,574,005.81	0.50
Total	576,092,621.09	10,188,570.69	

Explanation for provision for bad debts by portfolio
□ Applicable √ N/A

Provision for bad debts based on the general model of expected credit
√ Applicable□ N/A

In RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment incurred)	
Balance as of January 1, 2024	3,048,064.05			3,048,064.05
Balance as of January 1, 2024 in this period				
--Reversed to Phase II				
--Reversed to Phase III				
--Reversed to Phase II				
--Reversed to Phase I				
Provision in this period	7,174,598.08			7,174,598.08
Reversal in this period				
Write-offs in this period				
Cancellations in this period				
Other changes	-34,091.44			-34,091.44
Balance at December 31, 2024	10,188,570.69			10,188,570.69

The basis for the classification of each stage and the accrual proportion for bad debts shown in this section V.17. Contract asset

Explanation for significant changes in the book balance of contract assets for which changes in the provision for losses occurred in this period:
□ Applicable √ N/A

(4). Provision for bad debts on contract assets in this period

√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Change in this period				Closing balance	Reason
		Provision in this period	Recovered or reversed in this period	Write-off/cancellation in this period	Other changes		
Provision for bad debts	3,048,064.05	7,174,598.08			-34,091.44	10,188,570.69	
Total	3,048,064.05	7,174,598.08			-34,091.44	10,188,570.69	/

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(5). Contract assets actually written off in this period

□ Applicable √ N/A

Significant contract assets written off
□ Applicable √ N/A

Description of contract assets written off:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

7. Receivables financing

(1). Classification of receivables financing

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Bank acceptance bill	2,499,031.97	3,572,953.18
Total	2,499,031.97	3,572,953.18

(2). Receivable financing pledged by the Company at the end of the period

□ Applicable √ N/A

(3). Receivable financing endorsed or discounted by the Company at the end of the period and not yet due at the balance sheet date

□ Applicable √ N/A

(4). Disclosure by bad debt accrual method

√ Applicable□ N/A

In RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		book Value	Book balance		Provision for bad debts		book Value
	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual proportion (%)	
Individual provision for bad-debt reserves										
Including:										
Provision for bad debts by portfolio	2,499,031.97					3,572,953.18				
Including:										
Portfolio 2	2,499,031.97					3,572,953.18				
Total	2,499,031.97	/		/		3,572,953.18	/		/	

Individual provision for bad-debt reserves:
□ Applicable √ N/A

Explanation for bad debt provision by individual item:
□ Applicable √ N/A

Provision for bad debts by portfolio:
√ Applicable□ N/A
Combined accrual item: Portfolio 2

In RMB Yuan

Firm name	Closing balance		
	Receivable financing funds	Provision for bad debts	Accrual proportion (%)
Portfolio 2	2,499,031.97		
Total	2,499,031.97		

Explanation for provision for bad debts by portfolio
√ Applicable□ N/A
Bad debt provisioning by portfolio 2: The Group measured the bad debt reserve of bank acceptance bills according to the expected credit loss during the whole duration at the end of the reporting period. The Group believes that there is no significant credit risk in the bank acceptance bills held by it, and there will be no significant loss due to the default of the bank or other drawer.
The confirmation standards and explanation for bad debt provisioning by portfolio 2 are shown in this section V.11.

Provision for bad debts based on the general model of expected credit
□ Applicable √ N/A

The basis for the classification of each stage and the accrual proportion for bad debts
None

Description of significant changes in the book balance of receivables financing for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

(5). Provision for bad debts

□ Applicable √ N/A

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(6). Receivables financing actually written off in this period

□ Applicable √ N/A

Write-off of receivables financing of which significant amount
□ Applicable √ N/A

Description of write-offs:
□ Applicable √ N/A

(7). Increase/decrease and change in fair value of receivables financing in this period:

□ Applicable √ N/A

(8). Others

□ Applicable √ N/A

8. Prepayments

(1). Prepayments by ageing

√ Applicable□ N/A

In RMB Yuan

Ageing	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	104,537,849.88	94.48	88,690,301.43	99.62
1 - 2 years	6,109,210.38	5.52	334,311.90	0.38
2 - 3 years				
Above 3 years				
Total	110,647,060.26	100	89,024,613.33	100

Explanation for the reasons for the delayed settlement of prepayments aged over 1 year and with significant amount:
None

(2). Prepayments with the top five closing balances grouped by prepayment recipients

√ Applicable□ N/A

In RMB Yuan

Suppliers	Closing balance	Percentage of total closing balance of prepayments (%)
Supplier 1	32,655,650.60	29.51
Supplier 2	4,590,791.39	4.15
Supplier 3	4,237,000.00	3.83
Supplier 4	3,696,260.70	3.34
Supplier 5	3,457,949.10	3.13
Total	48,637,651.79	43.96

Other notes:
None

Other notes:
□ Applicable √ N/A

9. Other receivables

Item presentation

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	9,824,375.86	13,378,598.48
Total	9,824,375.86	13,378,598.48

Other Notes:
□ Applicable √ N/A

Interest receivable

(1).Classification of interest receivable

□ Applicable √ N/A

(2).Significant overdue interest

□ Applicable √ N/A

(3).Disclosure by bad debt accrual method

□ Applicable √ N/A

Individual provision for bad-debt reserves:
□ Applicable √ N/A

Explanation for bad debt provision by individual item:
□ Applicable √ N/A

Provision for bad debts by portfolio:
□ Applicable √ N/A

(4).Provision for bad debts based on the general model of expected credit

□ Applicable √ N/A

The basis for the classification of each stage and the accrual proportion for bad debts

shown in this Section V. 15. Other receivables

Explanation for significant changes in the book balance of interest receivables for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

(5).Provision for bad debts

□ Applicable √ N/A

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(6).Actual write-off of interest receivable in this period

□ Applicable √ N/A

Write-off of significant interest receivables
□ Applicable √ N/A

Description of write-offs:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

Dividends receivable

(1).Dividends receivable

□ Applicable √ N/A

(2).Significant dividends receivable with an age of more than 1 year

□ Applicable √ N/A

(3).Disclosure by bad debt accrual method

□ Applicable √ N/A

Individual provision for bad-debt reserves:
□ Applicable √ N/A

Explanation for bad debt provision by individual item:
□ Applicable √ N/A

Provision for bad debts by portfolio:
□ Applicable √ N/A

(4).Provision for bad debts based on the general model of expected credit

□ Applicable √ N/A

The basis for the classification of each stage and the accrual proportion for bad debts
shown in this Section V. 15. Other receivables

Explanation for significant changes in the book balance of dividend receivables for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

(5).Provision for bad debts

□ Applicable √ N/A

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(6).Dividends receivable actually written off in this period

□ Applicable √ N/A

Write-off of dividends receivable of which the significant ones are
□ Applicable √ N/A

Description of write-offs:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

Other receivables

(1).Disclosure by ageing

√ Applicable□ N/A

In RMB Yuan

Ageing	Closing book balance	Opening book balance
Within 1 year		
Including: Subtotal within 1 year		
Within 1 year	7,752,514.41	5,788,181.03
Subtotal within 1 year	7,752,514.41	5,788,181.03
1 - 2 years	623,650.36	3,137,206.61
2 - 3 years	1,403,853.42	4,906,449.40
3 - 4 years	529,158.44	275,070.44
4 - 5 years	117,325.44	63,105.92
Above 5 years	117,748.56	157,762.22
Total	10,544,250.63	14,327,775.62

(2).Breakdown by nature of payment

√ Applicable□ N/A

In RMB Yuan

Nature of payment	Closing book balance	Opening book balance
Margin and deposit	7,876,507.76	11,538,986.51
Reserve	1,578,992.76	1,489,165.57
Others	1,088,750.11	1,299,623.54
Subtotal	10,544,250.63	14,327,775.62
Provision for bad debts	719,874.77	949,177.14
Total	9,824,375.86	13,378,598.48

(3).Provision for bad debts

√ Applicable□ N/A

In RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment incurred)	
Balance as of January 1, 2024				
Balance as of January 1, 2024 in this period	949,177.14			949,177.14
--Reversed to Phase II				
--Reversed to Phase III	-13,721.29		13,721.29	
--Reversed to Phase II				
--Reversed to Phase I				
Provision in this period	-212,011.26			-212,011.26
Reversal in this period				
Write-offs in this period				
Cancellations in this period			13,721.29	13,721.29
Other changes	-3,569.82			-3,569.82
Balance at December 31, 2024	719,874.77			719,874.77

The basis for the classification of each stage and the accrual proportion for bad debts shown in this Section V. 15. Other receivables

Explanation for significant changes in the book balance of other receivables for which changes in provision for losses occurred in this period:
□ Applicable √ N/A

The amount of provision for bad debts for the current period and the basis adopted for assessing whether there is a significant increase in the credit risk of financial instruments:
□ Applicable √ N/A

(4).Provision for bad debts

√ Applicable□ N/A

In RMB Yuan

Category	Opening balance	Change in this period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Provision for bad debts	949,177.14	-212,011.26		-13,721.29	-3,569.82	719,874.77

Total	949,177.14	-212,011.26		-13,721.29	-3,569.82	719,874.77

Of which the amount of provision for bad debts reversed or recovered in this period is significant:
□ Applicable √ N/A

Other notes:
None

(5).Other receivables actually written off in this period

□ Applicable √ N/A

Significant other receivables written off in this period:
□ Applicable √ N/A

Description of other receivables written off:
□ Applicable √ N/A

(6).Other receivables with the top five closing balances grouped by party owed

□ Applicable □ N/A

In RMB Yuan

Unit Name	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of amount	Ageing	Provision for bad debts Closing balance
Unit 1	2,084,051.41	19.76	Margin	Within 1 year	104,202.57
Unit 2	1,490,000.00	14.13	Margin	Less than 1 year, 1-2 years, 2-3 years, 3-4 years	74,500.00
Unit 3	500,000.00	4.74	Margin	Within 1 year	25,000.00
Unit 4	500,000.00	4.74	Margin	Within 1 year	25,000.00
Unit 5	432,000.00	4.10	Margin	Within 1 year	21,630.00
Total	5,006,051.41	47.47	/	/	250,332.57

(7).Presented in other receivables due to centralized management of funds

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

10. Inventory

(1). Classification of inventories

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance

	Book balance	Provision for decline in value of inventories/impairment of contractual performance costs	Book value	Book balance	Provision for decline in value of inventories/impairment of contractual performance costs	Book value
Raw materials						
Products in process						
Inventory goods						
Turnover materials						
Expendable biological assets						
Contract performance costs						
Construction materials	3,585,610.06		3,585,610.06			
Total	3,585,610.06		3,585,610.06			

(2). Data resources recognized as inventory

□ Applicable √ N/A

(3). Provision for decline in value of inventories and provision for impairment of contract performance costs

□ Applicable √ N/A

Reasons for reversal or write-off of provision for decline in value of inventories in this period
□ Applicable √ N/A

Provision for decline in value of inventories by portfolio
□ Applicable √ N/A

Provisioning criteria for provision for inventory valuation by portfolio
□ Applicable √ N/A

(4). Amount of borrowing costs capitalized in the closing balance of inventories, and the criteria and basis for calculating such capitalized costs

□ Applicable √ N/A

(5). Explanation for the amount of amortization of contract performance costs for the current period

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

11. Assets held for sale

□ Applicable √ N/A

12. Non-current assets due within one year

□ Applicable √ N/A

Debt investments due within one year

□ Applicable √ N/A

Other debt investments maturing within one year

□ Applicable √ N/A

Other non-current assets due within one year:
None

13. Other current assets

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Prepaid VAT and inputs to be deducted	114,659,210.59	77,101,647.54
Other taxes paid in advance	4,171,524.94	16,755,843.81
Amortized expenses	2,575,062.52	2,522,667.65
Others	106,361.45	1,224,007.69
Total	121,512,159.50	97,604,166.69

Other notes:
None

14. Debt Investments

(1). Debt investments

□ Applicable √ N/A

Changes in provision for impairment of debt investments in this period
□ Applicable √ N/A

(2). Significant debt investments at the end of the period

□ Applicable √ N/A

(3). Provision for impairment

□ Applicable √ N/A

The basis for classification of each stage and the accrual proportion for impairment:
None

Explanation for significant changes in the book balance of debt investments for which changes in provision for losses occurred in this period:
□ Applicable √ N/A

Amount of provision for impairment for the current period and the basis adopted for assessing whether there is a significant increase in credit risk of financial instruments:
□ Applicable √ N/A

(4). Actual write-off of debt investments in this period

□ Applicable √ N/A

Write-off of significant debt investments
□ Applicable √ N/A

Description of write-off of debt investments:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

15. Other debt investments

(1). Other debt investments

□ Applicable √ N/A

Changes in provision for impairment of other debt investments in this period
□ Applicable √ N/A

(2). Significant other debt investments at the end of the period

□ Applicable √ N/A

(3). Provision for impairment

□ Applicable √ N/A

The basis for classification of each stage and the accrual proportion for impairment:
None

Explanation for significant changes in the book balance of other debt investments for which changes in provision for losses occurred in this period:
□ Applicable √ N/A

Amount of provision for impairment for the current period and the basis adopted for assessing whether there is a significant increase in credit risk of financial instruments:
□ Applicable √ N/A

(4). Other debt investments actually written off in this period

□ Applicable √ N/A

Write-off of significant other debt investments in this period
□ Applicable √ N/A

Write-off description of other debt investments:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

16. Long-term receivables

(1). Long-term receivables

□ Applicable √ N/A

(2). Disclosure by bad debt accrual method

□ Applicable √ N/A

Individual provision for bad-debt reserves:
□ Applicable √ N/A

Explanation for bad debt provision by individual item:
□ Applicable √ N/A

Provision for bad debts by portfolio:
□ Applicable √ N/A

(3). Provision for bad debts based on the general model of expected credit

□ Applicable √ N/A

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of long-term receivables for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

Amount of provision for bad debts for the current period and the basis adopted for assessing whether there is a significant increase in the credit risk of financial instruments:
□ Applicable √ N/A

(4). Provision for bad debts

□ Applicable √ N/A

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(5). Long-term receivables actually written off in this period

□ Applicable √ N/A

Write-off of significant long-term receivables
□ Applicable √ N/A

Description of long-term receivables written off:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

17. Long-term equity investment

(1). Long-term equity investments

√ Applicable□ N/A

In RMB Yuan

Investees	Beginning of the period balance	Increase/decrease in this period								Closing balance	Closing balance of provision for impairment
		Additions to investments	Decrease in investments	Gains and losses on investments recognized under the equity method	Other comprehensive income adjustments	Change in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
I. Joint ventures											
Subtotal											
II. Associated enterprises											
Space Engineering Co., Ltd.	1,408,194.25			-42,883.05	44,437.92					1,409,749.12	
Daejin Road (Thailand) Co., Ltd.	465,202.45			-6,616.24	12,931.13					471,517.34	
DJR (Thailand) Co., Ltd.	458,625.70			-9,964.03	12,931.10					461,592.77	
Subtotal	2,332,022.40			-59,463.32	70,300.15					2,342,859.23	
Total	2,332,022.40			-59,463.32	70,300.15					2,342,859.23	

(2). Impairment testing of long-term equity investments

□ Applicable √ N/A

Other notes:
None

18. Investments in other equity instruments

(1). Investments in other equity instruments

√ Applicable□ N/A

In RMB Yuan

Items	Beginning of the period balance	Increase/decrease in this period					Closing balance	Dividend income recognized in this period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	The reason of measuring financial assets measured at fair value with the changes included in other comprehensive income
		Additions to investments	Decrease in investments	Gains included in other comprehensive income in this period	Losses included in other comprehensive income in this period.	Others					
Strategic placement project of Wafer Works (Shanghai)		14,999,990.94			2,052,072.90		12,947,918.04			2,052,072.90	Non-trading equity investment, non-short-term holding
Total		14,999,990.94			2,052,072.90		12,947,918.04			2,052,072.90	/

(2). Description of derecognition in this period

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

19. Other non-current financial assets

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

20. Investment properties

Measurement model of investment properties

(1). Investment properties measured at cost

In RMB Yuan

Items	House and buildings	Land use rights	Construction in progress	Total
I. Original book value				
1. Opening balance	2,100,240.00	727,500.00		2,827,740.00
2. Increase in this period				
(1) Purchases				
(2) Transfer from inventories/fixed assets/construction in progress				
(3) Increase from business combination				
3. Decrease in this period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance	2,100,240.00	727,500.00		2,827,740.00
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	1,842,960.60	386,020.44		2,228,981.04
2. Increase in this period	47,255.40	19,795.92		67,051.32
(1) Provision or amortization	47,255.40	19,795.92		67,051.32
3. Decrease in this period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance	1,890,216.00	405,816.36		2,296,032.36
III. Provision for impairment				
1. Opening balance				
2. Increase in this period				
(1) Provision				
3. Decrease in this period				
(1) Disposal				
(2) Other transfers out				
4. Closing balance				
IV. Book value				
1. Closing book balance	210,024.00	321,683.64		531,707.64
2. Opening book balance	257,279.40	341,479.56		598,758.96

(2). Status of investment properties for which title certificates have not been completed

□ Applicable √ N/A

(3). Impairment testing of investment properties using the cost measurement model

□ Applicable √ N/A

Other notes:
√ Applicable□ N/A
(1) The recoverable amount of investment properties was not lower than the book value on December 31, 2024, so no provision for impairment was made.
(2) The Group has no investment properties of which the title certificate has not been completed.
(3) The investment properties was not used for mortgage, guarantee or other ownership restrictions as of December 31, 2024

21. Fixed assets

Item presentation

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Fixed assets	56,924,292.01	38,895,511.08
Liquidation of fixed assets		
Total	56,924,292.01	38,895,511.08

Other notes:
□ Applicable √ N/A

Fixed assets

(1). Fixed assets

√ Applicable□ N/A

In RMB Yuan

Items	Houses and buildings	Office and electronic equipment	Transportation equipment	Total
I. Original book value:				
1. Opening balance	50,876,413.22	4,055,110.93	5,194,289.27	60,125,813.42
2. Increase in this period	18,949,955.48	3,362,027.00	941,268.74	23,253,251.22
(1) Acquisitions		3,376,751.85	793,403.25	4,170,155.10
(2) Transfer from construction in progress	18,951,560.94			18,951,560.94
(3) Increase from business combination				
(4) Transfer from right-of-use assets			196,362.55	196,362.55
(5) Effect of exchange rate changes	-1,605.46	-14,724.85	-48,497.06	-64,827.37

3. Decrease in this period		203,524.81	599,756.13	803,280.94
(1) Disposal or scrapping		203,524.81	599,756.13	803,280.94
4. Closing balance	69,826,368.70	7,213,613.12	5,535,801.88	82,575,783.70
II. Accumulated depreciation				
1. Opening balance	16,121,534.60	2,294,928.26	2,813,839.48	21,230,302.34
2. Increase in this period	3,668,140.88	684,770.23	803,635.19	5,156,546.30
(1) Provision	3,669,235.50	692,200.37	628,165.97	4,989,601.84
(2) Transfer from right-of-use assets			184,965.45	184,965.45
(3) Effect of exchange rate changes	-1,094.62	-7,430.14	-9,496.23	-18,020.99
3. Decrease in this period		193,396.82	541,960.13	735,356.95
(1) Disposal or scrapping		193,396.82	541,960.13	735,356.95
4. Closing balance	19,789,675.48	2,786,301.67	3,075,514.54	25,651,491.69
III. Provision for impairment				
1. Opening balance				
2. Increase in this period				
(1) Provision				
3. Decrease in this period				
(1) Disposal or scrapping				
4. Closing balance				
IV. Book value				
1. Closing book balance	50,036,693.22	4,427,311.45	2,460,287.34	56,924,292.01
2. Opening book balance	34,754,878.62	1,760,182.67	2,380,449.79	38,895,511.08

(2). Temporarily idle fixed assets

□ Applicable √ N/A

(3). Fixed assets leased out under operating leases

□ Applicable √ N/A

(4). Fixed assets for which title certificates have not been issued

□ Applicable √ N/A

(5). Impairment test of fixed assets

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

Liquidation of fixed assets

□ Applicable √ N/A

22. Construction in progress

Item presentation

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Building renovation	2,577,156.79	13,103,863.94
Construction materials		
Total	2,577,156.79	13,103,863.94

Other notes:
□ Applicable √ N/A

Construction in progress

(1).Construction in progress

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Building renovation	2,577,156.79		2,577,156.79	13,103,863.94		13,103,863.94
Total	2,577,156.79		2,577,156.79	13,103,863.94		13,103,863.94

(2).Changes in significant construction-in-progress items in this period

√ Applicable□ N/A

In RMB Yuan

Items	Budgeted amount	Beginning of the period balance	Increase in this period	Amount transferred to fixed assets in this period	Other decreases in this period	Closing balance	Proportion of cumulative investment in construction in budget (%)	Progress of construction	Accumulated interest capitalization	Including: Of which Amount of interest capitalized for the period	Current interest capitalization rate (%)	Capital source
Building renovation		13,103,863.94	8,424,853.79	18,951,560.94		2,577,156.79						
Total		13,103,863.94	8,424,853.79	18,951,560.94		2,577,156.79	/	/			/	/

(3).Provision for impairment of construction in progress for the current period

□ Applicable √ N/A

(4).Impairment test of construction in progress

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

Construction materials

(1). Construction materials

□ Applicable √ N/A

23. Productive biological assets

(1). Productive biological assets measured at cost

□ Applicable √ N/A

(2). Impairment testing of producing biological assets measured at cost

□ Applicable √ N/A

(3). Adoption of the fair value measurement model for productive biological assets

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

24. Oil and gas assets

(1) Oil and gas assets

□ Applicable √ N/A

(2) Impairment testing of oil and gas assets

□ Applicable √ N/A

Other notes:
None

25. Right-of-use assets

(1) Right-of-use assets

√ Applicable□ N/A

In RMB Yuan

Items	Lease of buildings	Means of transportation	Total
I. Original book value			
1. Opening balance	2,701,318.44	4,267,328.29	6,968,646.73
2. Increase in this period	2,426,196.43	223,063.48	2,649,259.91
(1) Leased-in	2,462,397.41	223,063.48	2,685,460.89
(2) Exchange rate changes	-36,200.98		-36,200.98
3. Decrease in this period	749,270.58	234,974.63	984,245.21
(1) Disposal	749,270.58	38,611.88	787,882.46
(2) Purchase upon maturity and transfer to fixed assets		196,362.75	196,362.75
4. Closing balance	4,378,244.29	4,255,417.14	8,633,661.43
II. Accumulated depreciation			
1. Opening balance	1,312,537.34	1,815,876.99	3,128,414.33
2. Increase in this period	1,319,423.13	1,094,368.55	2,413,791.68
(1) Accrual	1,335,784.78	1,094,368.55	2,430,153.33
(2) Exchange rate changes	-16,361.65		-16,361.65
3. Decrease in this period	749,580.15	223,577.23	973,157.38
(1) Disposal	749,580.15	38,611.88	788,192.03
(2) Purchase upon maturity and transfer to fixed assets		184,965.35	184,965.35
4. Closing balance	1,882,380.32	2,686,668.31	4,569,048.63
III. Provision for impairment			
1. Opening balance			
2. Increase in this period			
(1) Accrual			
3. Decrease in this period			

(1) Disposal			
4. Closing balance			
IV. Book value			
1. Closing book balance	2,495,863.97	1,568,748.83	4,064,612.80
2. Opening book balance	1,388,781.10	2,451,451.30	3,840,232.40

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

□ Applicable √ N/A

Other notes:
None

26. Intangible assets

(1). Intangible assets

√ Applicable□ N/A

In RMB Yuan

Items	Land use rights	Patents	Non-patented technology	Computer Software	Total
I. Original book value					
1. Opening balance	8,240,016.48			3,107,431.05	11,347,447.53
2. Increase in this period				819,967.25	819,967.25
(1) Acquisition				819,967.25	819,967.25
(2) Internal R&D					
(3) Increase in business combination					
3. Decrease in this period				40,145.20	40,145.20
(1) Disposal				38,510.40	38,510.40
(2) Effect of exchange rate changes				1,634.80	1,634.80
4. Closing balance	8,240,016.48			3,887,253.10	12,127,269.58
II. Accumulated amortization					
1. Opening balance	2,142,404.15			1,960,567.44	4,102,971.59
2. Increase in this period	164,800.32			205,949.75	370,750.07
(1) Provision	164,800.32			205,949.75	370,750.07
3. Decrease in this period				39,525.44	39,525.44
(1) Disposal				38,510.40	38,510.40
(2) Effect of exchange rate				1,015.04	1,015.04

changes					
4. Closing balance	2,307,204.47			2,126,991.75	4,434,196.22
III. Provision for impairment					
1. Opening balance					
2. Increase in this period					
(1) Provision					
3. Decrease in this period					
(1) Disposal					
4. Closing balance					
IV. Book value					
1. Closing book balance	5,932,812.01			1,760,261.35	7,693,073.36
2. Opening book balance	6,097,612.33			1,146,863.61	7,244,475.94

The proportion of intangible assets formed through in-house R&D to the balance of intangible assets at the end of the period was 0

(2). Data resources recognized as intangible assets

□ Applicable √ N/A

(3). Land use rights for which title certificates have not been issued

□ Applicable √ N/A

(4). Land use rights for which title certificates have not been issued

□ Applicable √ N/A

Other notes:
√ Applicable□ N/A
The recoverable amount of intangible assets was not lower than the book value as of December 31, 2024, so no provision for impairment was made.

27. Goodwill

(1). Original book value of goodwill

□ Applicable √ N/A

(2). Provision for impairment of goodwill

□ Applicable √ N/A

(3). Information about the asset group or portfolio of asset groups in which goodwill is located

□ Applicable √ N/A

Changes in the asset group or portfolio of asset groups

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

(4). Specific method of determining recoverable amount

Recoverable amount is determined as the net fair value less disposal costs.
□ Applicable √ N/A

The recoverable amount is determined by the present value of estimated future cash flows.
□ Applicable √ N/A

Reasons for the differences between the aforementioned information and the information used in the impairment test in previous years or external information that is obviously inconsistent
□ Applicable √ N/A

Reasons for differences between the information used in the Company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent with each other
□ Applicable √ N/A

(5). Performance commitments and corresponding goodwill impairment

Performance commitments existed at the time of the formation of goodwill and the reporting period or the previous period of the reporting period was within the performance commitment period.
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

28. Long-term unamortized expenses

□ Applicable √ N/A

29. Deferred tax assets/deferred tax liabilities

(1). Deferred tax assets not offset

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred tax assets
Impairment of inventories and contract assets	10,188,570.69	1,667,797.92	3,000,261.88	496,879.59
Provision for bad debts	35,333,599.67	6,256,466.91	34,632,148.22	5,400,864.80
Temporary estimates payable	9,111,158.66	1,545,342.31	22,714,306.71	3,609,868.30
Anticipation liabilities	11,183,840.39	1,994,231.49	9,958,724.77	1,684,113.93

Others	7,774,065.30	1,291,676.51	7,837,194.08	1,290,890.19
Total	73,591,234.71	12,755,515.14	78,142,635.66	12,482,616.81

(2). Deferred tax liabilities without offset

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred tax Liabilities
Withholding tax on available-for-distribution dividends from foreign subsidiaries (10%)	167,424,359.10	16,742,435.91	105,783,050.10	10,578,305.01
Impact of right-of-use assets	3,962,322.17	725,687.41	3,622,303.82	601,888.20
Others	1,218,294.89	243,658.98	16,582,944.76	3,316,588.94
Total	172,604,976.16	17,711,782.30	125,988,298.68	14,496,782.15

(3). Deferred tax assets or liabilities presented at net amount after offsetting

□ Applicable √ N/A

(4). Details of unrecognized deferred tax assets

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Deductible loss	3,069,448.06	7,336,823.06
Provision for bad debts		3,964,844.58
Others		1,471,221.79
Total	3,069,448.06	12,772,889.43

(5). The deductible losses for which no deferred tax assets have been recognized will expire in the following years

□ Applicable √ N/A

Other notes:
√ Applicable□ N/A

In RMB Yuan

Items	Balance at the end of the year	Balance at the beginning of the year
Impact of right-of-use assets		44,373.87
Total		44,373.87

30. Other non-current assets

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision	Book value	Book balance	Provision	Book value

		for impairment			for impairment	
Margin receivables	24,444,658.98	783,155.13	23,661,503.85	35,990,599.29	1,146,648.58	34,843,950.71
Total	24,444,658.98	783,155.13	23,661,503.85	35,990,599.29	1,146,648.58	34,843,950.71

Other notes:
None

31. Assets with restricted ownership or right to use

√ Applicable□ N/A

In RMB Yuan

Items	The end of the period				Beginning of the period			
	Book balance	Book value	Type of restriction	Restricted	Book balance	Book value	Type of restriction	Restricted
Monetary fund	486,724.06	486,724.06	Others	Deposit restriction	12,499,607.35	12,499,607.35	Others	Deposit restriction
Bills receivable								
Inventory								
Including: Data resource								
Fixed assets								
Intangible assets								
Including: Data resource								
Total	486,724.06	486,724.06	/	/	12,499,607.35	12,499,607.35	/	/

Other notes:

None

32. Short-term loan

(1). Classification of short-term loans

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Pledged loans		
Mortgage loans		
Guarantee		
Credit loans	23,866,103.44	
Total	23,866,103.44	

Note on classification of short-term borrowings:

1) As of December 31, 2024, the credit borrowings were from the Group's subsidiary, Acter (Malaysia), which obtained a loan of RMB 5,000,000.00 from China Citic Bank, with a term of October 10, 2024 to October 9, 2025, and an interest rate of 2.90%; the credit borrowings were from the Group's subsidiary, Acter (Thailand), which obtained a loan of THB 70,000,000.00 from Mega Bank, with a term of November 11, 2024 to September 5, 2025, and an interest rate of 4.20622%; from the Group's subsidiary, Acter (Indonesia), which obtained a loan of USD 550,000.00 from Shin Kong Bank, with a term of December 12, 2024 to March 12, 2025, with a borrowing rate of 4.8855%.

2) As of December 31, 2024, there were no overdue short-term loans.

(2). Overdue short-term loans

□ Applicable √ N/A

Significant overdue short-term loans are summarized as follows:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

33. Financial liabilities held for trading

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

34. Derivative financial liabilities

□ Applicable √ N/A

35. Notes payable

(1). Presentation of notes payable

□ Applicable √ N/A

36. Accounts payable

(1). Presentation of accounts payable

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Project payment	316,381,855.58	363,178,797.70
Retention money	282,406,337.48	266,678,519.63
Total	598,788,193.06	629,857,317.33

(2). Significant accounts payable aged over 1 year or overdue

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

37. Receipts in advance

(1). Presentation of accounts receivable in advance

□ Applicable √ N/A

(2). Significant receipts in advance with an age of more than 1 year

□ Applicable √ N/A

(3). Amounts and reasons for significant changes in book value within the reporting period

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

38. Contract liabilities

(1). Contract liabilities

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Settled uncompleted works	88,601,839.41	73,351,891.04
Total	88,601,839.41	73,351,891.04

(2). Significant contract liabilities aged over 1 year

□ Applicable √ N/A

(3). Amounts and reasons for significant changes in book value within the reporting period

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

39. Payroll payable

(1). Presentation of remuneration payable to employees

√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Increase in this period	Decrease in this period	Closing balance
I. Short-term remuneration	47,459,670.87	124,872,602.62	130,359,506.51	41,972,766.98
II. Post-employment benefits – defined contribution plan		8,875,077.68	8,875,077.68	
III. Severance benefits				
IV. Other benefits due within one year				
Total	47,459,670.87	133,747,680.3	139,234,584.19	41,972,766.98

(2). Presentation of short-term remuneration

√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Increase in this period	Decrease in this period	Closing balance
I. Salaries, bonuses, allowances and subsidies	47,263,342.02	113,261,220.64	119,499,811.00	41,024,751.66
II. Employee benefit expenses		2,795,995.42	2,795,995.42	-
III. Social insurance premiums		3,927,608.19	3,927,608.19	
Including: Medical insurance premiums		3,357,798.42	3,357,798.42	
Workers' remuneration insurance premiums		242,028.18	242,028.18	
Maternity insurance premiums		327,781.59	327,781.59	
IV. Housing provident fund		3,829,600.85	3,829,600.85	
V. Labor Union Funds and Employee Education Funds	196,328.85	1,058,177.52	306,491.05	948,015.32
VI. Short-term compensated absences				
VII. Short-term profit-sharing plan				
Total	47,459,670.87	124,872,602.62	130,359,506.51	41,972,766.98

(3). Presentation of defined contribution plan

√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Increase in this period	Decrease in this period	Closing balance
1. Basic pension insurance		8,560,336.65	8,560,336.65	
2. Unemployment insurance premiums		314,741.03	314,741.03	
3. Contributions to enterprise annuities				
Total		8,875,077.68	8,875,077.68	

Other notes:
□ Applicable √ N/A

40. Tax payable

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Value-added tax (VAT)	33,245.94	270,840.93
Consumption tax		
Business tax		
Enterprise income tax	13,516,800.37	6,389,822.94
Individual income tax	600,405.45	655,878.76
Urban maintenance and construction tax		
Land use tax and property tax	280,643.36	267,327.15
Stamp duty	190,004.61	228,144.04
Others	753,155.76	168,735.21
Total	15,374,255.49	7,980,749.03

Other notes:

None

41. Other payables

Item presentation
√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Interest payable		
Dividends payable		
Other payables	24,647,083.82	25,427,208.65
Total	24,647,083.82	25,427,208.65

Other notes:
□ Applicable √ N/A

(1). Interest payable

Presented by category
□ Applicable √ N/A

Significant overdue interest payable:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

(2). Dividends payable

Presented by category
□ Applicable √ N/A

(3). Other payables

Other payables by nature
√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Current account	21,725,638.07	22,861,444.25
Intermediary service fee	2,083,852.39	1,958,733.39
Provisions and guarantee deposit	188,907.61	48,370.56
Others	648,685.75	558,660.45
Total	24,647,083.82	25,427,208.65

Significant other payables aged over 1 year or overdue
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

42. Liabilities held for sale

□ Applicable √ N/A

43. Non-current liabilities due within 1 year

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Long-term loans due within 1 year		
Bonds payable due within 1 year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year	2,421,048.35	1,748,003.79
Total	2,421,048.35	1,748,003.79

Other notes:

None

44. Other current liabilities

Other current liabilities

□ Applicable √ N/A

Increase or decrease in short-term bonds payable:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

45. Long-term borrowings

(1). Classification of long-term loans

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

46. Bonds payable

(1). Bonds payable

□ Applicable √ N/A

(2). Details of bonds payable: (excluding other financial instruments such as preferred stock and perpetual bonds classified as financial liabilities)

□ Applicable √ N/A

(3). Description of convertible corporate bonds

□ Applicable √ N/A

Accounting treatment and judgmental basis for conversion

□ Applicable √ N/A

(4). Description of other financial instruments classified as financial liabilities

Basic information on other financial instruments such as preferred stock and perpetual bonds issued at the end of the period

□ Applicable √ N/A

Statement of changes in preferred stock, perpetual bonds and other financial instruments issued and outstanding at the end of the period

□ Applicable √ N/A

Explanation for the basis for classifying other financial instruments as financial liabilities:

□ Applicable √ N/A

Other notes:

□ Applicable √ N/A

47. Lease liabilities

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
Lease liabilities	1,585,929.64	2,150,631.55
Total	1,585,929.64	2,150,631.55

Other notes:

None

48. Long-term accounts payable

Item presentation

□ Applicable √ N/A

Other notes:

□ Applicable √ N/A

Long-term accounts payable

(1). Presentation of long-term payables by nature of payment

□ Applicable √ N/A

Specialized payables

(1). Specialized payables by nature of payment

□ Applicable √ N/A

49. Long-term payroll payable

√ Applicable□ N/A

(1). Table of long-term employee remuneration payable

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
I. Post-employment benefits - net liability for defined benefit plans	65,569.85	632,325.46
II. Termination benefits		
III. Other long-term benefits		
Total	65,569.85	632,325.46

(2). Changes in defined benefit plans

Present value of defined benefit plan obligations:

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
I. Opening balance	632,325.46	610,379.24
II. Defined benefit costs recognized in profit or loss for the period	162,295.88	
1. Current service cost	162,295.88	
2. Past service costs		
3. Settlement gain (loss expressed as		

"-")		
4. Net interest		
III. Defined benefit cost charged to other comprehensive income	-716,561.36	
1. Actuarial gain (loss expressed as "-")	-716,561.36	
IV. Other changes	-12,490.13	21,946.22
1.Consideration paid upon settlement		
2.Benefits paid		
3.Translation differences on foreign currency statements	-12,490.13	21,946.22
V. Closing balance	65,569.85	632,325.46

Plan assets:
□ Applicable √ N/A

Net liabilities (net assets) of defined benefit plans
□ Applicable √ N/A

Description of the content of the defined benefit plan and the risks associated with it, the impact on the company's future cash flows, timing and uncertainty:
□ Applicable √ N/A

Description of significant actuarial assumptions and sensitivity analysis results for defined benefit plans
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

50. Anticipation liabilities

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance	Reason
Guarantees provided to external parties			
Pending litigation			
Product quality guarantee	11,061,124.95	11,090,966.30	
Restructuring obligations			
Loss-making contracts pending execution	122,715.44	201,881.61	
Returns payable			
Others			
Total	11,183,840.39	11,292,847.91	/

Other notes, including notes on significant assumptions, estimates related to significant projected liabilities:

The estimated liabilities related to quality assurance are mainly related quality expenses accrued to deal with possible quality problems during the warranty period of the project.

51. Deferred income

Deferred income
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

52. Other non-current liabilities

□ Applicable √ N/A

53. Capital stock

√ Applicable□ N/A

In RMB Yuan

	Opening balance	Increase/decrease of the current change (+, -)					Closing balance
		Issue of new shares	Sent shares	Accumulation fund Transfer shares	Others	Subtotal	
Total number of shares	100,000,000.00						100,000,000.00

Other notes:
None

54. Other equity instruments

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

□ Applicable √ N/A

(2). Statement of changes in preferred stock, perpetual bonds and other financial instruments issued and outstanding at the end of the period

□ Applicable √ N/A

Changes in other equity instruments in this period, explanation for the reasons for such changes, and the basis for related accounting treatment:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

55. Capital reserves

√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Increase in this period	Decrease in this period	Closing balance
Capital premium (equity premium)	530,250,969.12			530,250,969.12
Other capital surplus	32,381,806.33			32,381,806.33

Total	562,632,775.45			562,632,775.45

Other notes, including the increase or decrease of changes in this period and the reasons for the changes:
None

56. Treasury stock

□ Applicable √ N/A

57. Other comprehensive income

√ Applicable□ N/A

In RMB Yuan

Items	Beginning of the period balance	Amount this period						Closing balance
		Current income tax incurred before	Less: Transfer to profit or loss for the period from prior period to other comprehensive income	Less: Prior period charge to other comprehensive income current period transfer to retained earning s	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income not reclassifiable to profit or loss	-151,009.79	-2,064,563.03				-2,064,563.03		-2,215,572.82
Including: Remeasurement of changes in defined benefit plans	-151,009.79	-12,490.13				-12,490.13		-163,499.92
Other comprehensive income not transferable to profit or loss under the equity method								
Changes in fair value of investments in other equity instruments		-2,052,072.90				-2,052,072.90		-2,052,072.90

Changes in fair value of the enterprise's own credit risk								
II. Other comprehensive income to be reclassified to profit or loss	3,469,157.40	-3,756,476.25				-3,756,476.25		-287,318.85
Including: Other comprehensive income available for transfer to profit or loss under the equity method								
Changes in fair value of other debt investments								
Amounts reclassified from financial assets to other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedge reserve								
Difference in translation of foreign currency financial statements	3,469,157.40	-3,756,476.25				-3,756,476.25		-287,318.85

Other comprehensive income	3,318,147.61	-5,821,039.28				-5,821,039.28		-2,502,891.67

Other notes, including adjustments to the effective portion of cash flow hedge gains and losses transferred to the initial recognized amount of the hedged item:

None

58. Special reserves

√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Increase in this period	Decrease in this period	Closing balance
Safety production fee	44,578,849.52		403,590.14	44,175,259.38
Total	44,578,849.52		403,590.14	44,175,259.38

Other notes, including the increase or decrease of changes in this period and the reasons for the changes:
None

59. Earned surplus

√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Increase in this period	Decrease in this period	Closing balance
Legal surplus reserves	39,501,301.38	6,317,474.02		45,818,775.40
Discretionary surplus reserves				
Reserve Fund				
Enterprise Development Fund				
Others				
Total	39,501,301.38	6,317,474.02		45,818,775.40

Explanation for surplus reserves, including the increase or decrease in this period and the reasons for the change:

None

60. Undistributed profits

√ Applicable□ N/A

In RMB Yuan

Items	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	332,226,440.31	269,871,786.54
Total undistributed profits at the beginning of the period before adjustment (increase +, decrease -)		-177,717.08
Undistributed profit at the beginning of the period after adjustment	332,226,440.31	269,694,069.46
Add: Net profit attributable to owners of the parent company for the period	114,402,314.36	138,590,474.42
Less: Withdrawal of legal surplus reserves	6,317,474.02	11,058,103.57
Withdrawal of discretionary surplus reserves		
Provision for general risk		
Dividends payable on ordinary shares	80,000,000.00	65,000,000.00
Dividends on ordinary shares transferred to capital		

Undistributed profit at the end of the period	360,311,280.65	332,226,440.31

Adjustment of the breakdown of undistributed profit at the beginning of the period:

1. Due to the retrospective adjustment of the *Accounting Standards for Business Enterprises* and its related new regulations, the impact on the undistributed profit at the beginning of the period was RMB 0.
2. Due to the change of accounting policy, it affected the undistributed profit at the beginning of the period by RMB 0.
3. Due to the correction of significant accounting errors, the impact on the undistributed profit at the beginning of the period was RMB 0.
4. Due to the change of the scope of consolidation caused by the same control, the impact on the undistributed profit at the beginning of the period is RMB 0.
5. Other adjustments affecting the undistributed profit at the beginning of the period by RMB 0.

61. Operating revenues and operating costs

(1). Operating revenue and operating costs

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period		Amount last period	
	Revenue	Cost	Revenue	Cost
Main business	2,004,929,936.09	1,754,142,863.89	2,006,059,659.50	1,738,726,934.75
Other businesses	2,767,381.89	864,560.33	2,865,336.18	114,306.72
Total	2,007,697,317.98	1,755,007,424.22	2,008,924,995.68	1,738,841,241.47

(2). Breakdown information of operating revenues and operating costs

√ Applicable□ N/A

In RMB Yuan

Contract classification	Amount in the current year		Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Commodity Type	2,007,697,317.98	1,755,007,424.22	2,007,697,317.98	1,755,007,424.22
Including: Clean room engineering	1,260,776,524.50	1,104,372,600.54	1,260,776,524.50	1,104,372,600.54
Other electromechanical installation works	709,882,661.90	621,599,056.88	709,882,661.90	621,599,056.88
Equipment sales	34,270,749.69	28,171,206.47	34,270,749.69	28,171,206.47
Other businesses	2,767,381.89	864,560.33	2,767,381.89	864,560.33
By region of operation	2,007,697,317.98	1,755,007,424.22	2,007,697,317.98	1,755,007,424.22
Including: Domestic	1,330,457,322.03	1,182,655,028.17	1,330,457,322.03	1,182,655,028.17
Overseas	677,239,995.95	572,352,396.05	677,239,995.95	572,352,396.05
Type of market or client	2,007,697,317.98	1,755,007,424.22	2,007,697,317.98	1,755,007,424.22
Including: IC semiconductor industry	1,193,694,566.59	1,080,909,463.28	1,193,694,566.59	1,080,909,463.28
Precision manufacturing industry	620,054,067.90	524,535,271.19	620,054,067.90	524,535,271.19
Photoelectricity industry	92,449,438.50	74,271,440.78	92,449,438.50	74,271,440.78
Other industries	98,731,863.10	74,426,688.64	98,731,863.10	74,426,688.64
Other businesses	2,767,381.89	864,560.33	2,767,381.89	864,560.33
Contract type	2,007,697,317.98	1,755,007,424.22	2,007,697,317.98	1,755,007,424.22
Including: Sale of goods	34,270,749.69	28,171,206.47	34,270,749.69	28,171,206.47
Construction contracts	1,970,659,186.40	1,725,971,657.42	1,970,659,186.40	1,725,971,657.42
Other businesses	2,767,381.89	864,560.33	2,767,381.89	864,560.33
Classification by timing of merchandise transfers	2,007,697,317.98	1,755,007,424.22	2,007,697,317.98	1,755,007,424.22
Including: Revenue recognized at a certain point in time	34,270,749.69	28,171,206.47	34,270,749.69	28,171,206.47
Revenue recognized at a certain point in time	1,973,426,568.29	1,726,836,217.75	1,973,426,568.29	1,726,836,217.75
By contract term				
By sales channel				
Total	2,007,697,317.98	1,755,007,424.22	2,007,697,317.98	1,755,007,424.22

Other notes:

□ Applicable √ N/A

(3). Explanation for performance obligations

□ Applicable √ N/A

(4). Description of apportionment to remaining performance obligations

□ Applicable √ N/A

(5). Significant contract changes or significant transaction price adjustments

□ Applicable √ N/A

Other notes:

None

62. Taxes and surcharges

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Consumption tax		
Business tax		
Urban maintenance and construction tax	1,078,030.43	1,644,807.62
Education surcharge	805,328.95	1,199,761.07
Resource tax		
Property tax	785,910.01	659,319.31
Land use tax	26,888.68	26,056.03
Vehicle and vessel use tax		
Stamp duty	709,504.34	816,261.14
Others	49,487.84	24,334.01
Total	3,455,150.25	4,370,539.18

Other notes:

None

63. Sales expenses

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Employee remuneration	4,838,798.97	6,176,464.47
Business entertainment expenses	902,957.22	784,591.27
Depreciation and amortization	109,499.95	77,044.96
Others	930,513.92	916,180.97
Total	6,781,770.06	7,954,281.67

Other notes:

None

64. Administrative expenses

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Labor cost	36,100,990.73	36,457,080.17

Depreciation and amortization	6,388,764.67	5,913,688.95
Professional service fees	5,323,269.09	4,964,367.06
Travel expenses	3,206,253.54	2,753,337.27
Socialization expenses	1,753,533.95	1,567,248.12
Rental expenses	672,628.87	903,690.44
Office expenses	597,023.50	362,790.44
Others	8,476,548.50	6,270,807.40
Total	62,519,012.85	59,193,009.85

Other notes:
None

65. R&D expenses

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Material costs	16,349,300.82	6,423,694.04
Labor cost	13,547,429.17	14,071,064.42
Rental expenses	338,071.77	290,827.94
Depreciation and amortization	133,765.21	153,397.80
Others	3,161,138.99	4,182,225.42
Total	33,529,705.96	25,121,209.62

Other notes:
None

66. Finance costs

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Interest expenses	1,724,156.19	1,154,128.08
Interest expense on lease liabilities	177,890.50	206,792.88
Less: Interest income	9,191,452.30	6,309,355.80
Add: Exchange loss (Less: gain)	-4,997,814.43	-1,151,419.83
Handling fee	1,369,836.74	569,525.35
Total	-10,917,383.30	-5,530,329.32

Other notes:
None

67. Other gains

√ Applicable□ N/A

In RMB Yuan

Classification by nature	Amount this period	Amount last period
Government grants related to income	433,289.18	3,731,552.00
Total	433,289.18	3,731,552.00

Other notes:
None

68. Investment income

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Income from long-term equity	-59,463.32	-334,383.24

investments accounted for by the equity method		
Investment income from disposal of long-term equity investments		
Investment income during the holding period of financial assets for trading		
Dividend income from other equity instruments during the holding period	197,574.90	
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held for trading	675,894.07	1,996,177.68
Investment income from disposal of other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		
Total	814,005.65	1,661,794.44

Other notes:

None

69. Net open hedge gains

□ Applicable √ N/A

70. Gain on change in fair value

√ Applicable□ N/A

In RMB Yuan

Sources of gains from changes in fair value	Amount this period	Amount last period
Trading financial assets		
Including: Gains from changes in fair value of derivative financial instruments		
Financial liabilities held for trading		
Investment properties at fair value		
Financial assets measured at fair value with changes included in the current profit and loss	25,000.00	-119,888.89
Total	25,000.00	-119,888.89

Other notes:

None

71. Credit impairment loss

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Bad debt loss on bills receivable	1,281,044.46	1,091,132.83

Bad debt loss on accounts receivable	-3,276,789.11	2,711,649.69
Bad debt loss on other receivables	-212,011.26	57,851.33
Impairment loss on debt investments		
Impairment loss on other debt investments		
Bad debt loss on long-term receivables		
Impairment losses related to financial guarantees		
Total	-2,207,755.91	3,860,633.85

Other notes:
None

72. Impairment loss on assets

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
I. Impairment losses on contract assets	7,174,598.08	-1,705,623.60
II. Impairment losses on other non-current assets	-362,009.99	557,144.69
Total	6,812,588.09	-1,148,478.91

Other notes:

None

73. Gain on disposal of assets

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Gain on disposal of assets	98,152.04	116,542.37
Total	98,152.04	116,542.37

Other notes:
None

74. Non-operating revenue

Non-operating revenue
√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period	Amounts included in non-recurring gains and losses for the period
Total gain on disposal of non-current assets	29,786.66		29,786.66
Including: Gain on disposal of fixed assets	29,786.66		29,786.66
Others	8,156.58	14,361.33	8,156.58
Total	37,943.24	14,361.33	37,943.24

Other notes:

□ Applicable √ N/A

75. Non-operating Expenses

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period	Amounts included in non-recurring gains and losses for the period
Total loss on disposal of non-current assets	9,075.13	63,978.14	9,075.13
Including: Loss on disposal of fixed assets	9,075.13	63,978.14	9,075.13
Loss on disposal of intangible assets			
Loss on exchange of non-monetary assets			
Foreign donations	259,000.00	194,000.00	259,000.00
Fines	29,000.00	447,813.63	29,000.00
Overdue fine	18,211.87	67,596.92	18,211.87
Others	49,720.19	116,559.94	49,720.19
Total	365,007.19	889,948.63	365,007.19

Other notes:

None

76. Income tax expense

(1). Schedule of income tax expense

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Current income tax expense	33,778,120.07	28,873,073.81
Deferred tax expense	2,872,289.70	11,840,385.09
Total	36,650,409.77	40,713,458.90

(2). Process of adjusting accounting profit and income tax expense

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period
Total profit	153,760,188.68
Income tax expense at statutory/applicable rates	23,064,028.31
Effect of different tax rates applied by subsidiaries	5,338,241.22
Effect of adjustments to prior periods' income tax	
Effect of non-taxable income	
Effect of non-deductible costs, expenses and losses	12,746,993.93
Effect of deductible losses on utilization of unrecognized deferred tax assets in prior period	
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognized in this period	
Effect of tax rate differences on recognition of	

deferred tax assets and liabilities	
Effect of additional deduction for R&D expenses	-4,498,853.69
Withholding tax on available-for-distribution dividends of the Group's overseas subsidiaries	
Income tax expense	36,650,409.77

Other notes:

□ Applicable √ N/A

77. Other comprehensive income

√ Applicable□ N/A
See note for details

78. Cash flow statement items

(1).Cash related to operating activities

Other cash received relating to operating activities
√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Interest income on deposits	9,191,452.30	6,309,355.80
Recovery of monetary funds with restricted use	12,012,883.29	5,087,379.03
Government subsidies	433,289.18	3,731,552.00
Rental income	2,767,381.89	3,058,218.60
Margin and deposit	2,267,764.63	83,586.99
Others	2,004,378.80	290,371.68
Total	28,677,150.09	18,560,464.10

Description of other cash received related to operating activities:

None

Other cash paid relating to operating activities
√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Transportation expenses, travel expenses, rental expenses, utilities, labor expenses, etc. paid	17,316,854.10	15,159,502.69
Transfers to monetary funds with restricted use		9,691,881.68
Material consumption	16,349,300.82	7,262,832.36
Intermediary expenses	5,323,269.09	5,801,003.15
Overdue fine, fine, remuneration	47,211.87	515,410.55
Others	2,825,705.52	5,536,582.02
Total	41,862,341.40	43,967,212.45

Description of other cash paid related to operating activities:

None

(2).Cash related to investing activities

Significant cash received related to investing activities
□ Applicable √ N/A

Significant cash paid in connection with investing activities
□ Applicable √ N/A

Other cash received related to investing activities
□ Applicable √ N/A

Other cash paid in relation to investment activities
□ Applicable √ N/A

(3).Cash related to financing activities

Other cash received relating to financing activities
√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Loan from Sheng Huei International	53,586,215.59	22,605,625.00
Total	53,586,215.59	22,605,625.00

Description of other cash received related to financing activities:

None

Other cash paid relating to financing activities
√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Payment of lease rent for right-of-use assets	2,594,805.13	2,180,273.09
Loan from Sheng Huei International	56,447,907.03	
Total	59,042,712.16	2,180,273.09

Description of other cash paid related to financing activities:

None

Changes in liabilities arising from financing activities
√ Applicable□ N/A

In RMB Yuan

Items	Opening balance	Increase in this period		Decrease in this period		Closing balance
		Cash change	Non-cash movements	Cash change	Non-cash movements	
Minority interest	7,707,548.39	5,401,529.09	2,748,194.27			15,857,271.75
Short-term loan		23,530,223.00	850,123.68	363,860.00	150,383.24	23,866,103.44
Interest payable			284,876.55	284,876.55		
Other payables – loans from related parties outside the consolidation	22,861,444.25	53,586,215.59	1,707,068.52	56,447,907.03		21,706,821.33
Other			80,000,000.00	80,000,000.00		

payables - Dividend distribution						
Lease liabilities	3,898,635.34		2,703,147.78	2,594,805.13		4,006,977.99
Total	34,467,627.98	82,517,967.68	88,293,410.80	139,691,448.71	150,383.24	65,437,174.51

(4).Notes to the presentation of cash flows on a net basis

□ Applicable √ N/A

(5).Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the enterprise's financial position or may affect the enterprise's cash flows in the future

□ Applicable √ N/A

79. Supplementary information on cash flow statement

(1). Supplementary information on cash flow statement

√ Applicable□ N/A

In RMB Yuan

Supplementary information	Amount this period	Amoun in the prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	117,109,778.91	140,063,841.99
Add: Provision for impairment of assets	6,812,588.09	-1,148,478.91
Credit impairment loss	-2,207,755.91	3,860,633.85
Accumulated depreciation of investment properties	67,051.32	114,306.72
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of biological assets	4,989,601.84	3,830,558.72
Amortization of right-of-use assets	2,430,153.33	2,159,286.86
Amortization of intangible assets	370,750.07	367,137.71
Amortization of long-term amortized expenses		
Loss on disposal of property, plant and equipment, intangible assets and other long-lived assets (Gain denoted by “-”)	-98,152.04	-116,542.37
Loss on retirement of fixed assets (Gain denoted by “-”)		63,978.14
Loss on change in fair value (Gain denoted by “-”)	-25,000.00	119,888.89
Finance costs (Gain denoted by “-”)	-2,917,877.25	209,501.12
Loss on investment (Gain denoted by “-”)	-814,005.65	-1,661,794.44
Decrease in deferred tax assets (Increase is recognized by " - " sign)	-272,898.33	3,231,780.41
Increase in deferred tax liabilities (Decrease is recognized by " - " sign)	3,215,000.15	8,287,496.24

Decrease in inventories (Increase is recognized by " - " sign)	-3,585,610.06	66,824.45
Decrease in operating receivables (Increase is recognized by " - " sign)	-118,492,078.51	-75,532,714.83
Increase in operating payables (Decrease is recognized by " - " sign)	-9,886,105.62	50,401,030.09
Increase in production safety expenses	-403,590.14	-793,803.41
Net cash flows from operating activities	-3,708,149.80	133,522,931.23
2. Significant investing and financing activities not involving cash receipts and payments:		
Conversion of debt to capital		
Convertible corporate bonds due within one year		
Finance lease to fixed assets		
3. Net change in cash and cash equivalents:		
Closing balance of cash	574,895,982.11	709,996,723.03
Less: Opening balance of cash	709,996,723.03	542,340,098.29
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-135,100,740.92	167,656,624.74

(2). Net cash paid for acquisition of subsidiaries in this period

□ Applicable √ N/A

(3). Net cash received from disposal of subsidiaries in this period

□ Applicable √ N/A

(4). Composition of cash and cash equivalents

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance
I. Cash	574,895,982.11	709,996,723.03
Including: Cash on hand	12,187.35	1,054,977.35
Bank deposits readily available for payment	574,883,794.76	708,941,745.68
Other monetary funds available for payment		
Amounts on deposit with central banks available for payment		
Due from banks		
Call loan to banks		
II. Cash equivalents		
Including: Investments in bonds due within three months		
III. Cash and cash equivalents at the end of the period	574,895,982.11	709,996,723.03
Including: Restricted cash and cash	486,724.06	12,499,607.35

equivalents used by the parent company or subsidiaries within the group		

(5). Cash and cash equivalents with restricted scope of use but still presented as cash and cash equivalents

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Reason
Monetary fund	486,724.06	Deposit restriction
Total	486,724.06	/

(6). Monetary funds not classified as cash and cash equivalents

□ Applicable √ N/A

Other notes:

□ Applicable √ N/A

80. Notes to the Statement of Changes in Owners' Equity

Items such as the name of the "Other" item and the amount of adjustments made to the closing balance of the previous year are explained:

□ Applicable √ N/A

81. Monetary items in foreign currency

(1).Monetary items in foreign currency

√ Applicable□ N/A

Unit:RMB Yuan

Items	Closing balance in foreign currency	Exchange rate	Closing balance in RMB balance
Monetary fund			
Including:USD	6,250,142.81	7.1884	44,928,526.56
IDR	79,441,653,919.56	0.000451	35,828,185.92
THB	17,406,438.94	0.212639	3,701,287.77
SGD	179,699.95	5.3214	956,255.31
MYR	407,510.11	1.619905	660,127.66
VND	176,545,706,661.00	0.000282	49,785,889.28
Accounts receivable			
Including:USD	4,071.00	7.1884	29,263.98
MYR	2,292,309.31	1.619905	3,713,323.31
VND	196,105,593,936.17	0.000282	55,301,777.49
THB	18,534,478.76	0.212639	3,941,153.03
IDR	13,238,280,221.73	0.000451	5,970,464.38
Other Receivables			
Including:VND	2,869,472,053.00	0.000282	809,191.12
THB	1,666,315.81	0.212639	354,323.73
IDR	949,750,704.00	0.000451	428,337.57
MYR	99,200.00	1.619905	160,694.58
Accounts payable			
Including:USD	3,446,718.89	7.1884	24,776,394.05
VND	79,984,398,661.00	0.000282	22,555,600.42

THB	50,325,118.77	0.212639	10,701,082.93
IDR	9,529,147,201.00	0.000451	4,297,645.39
MYR	4,143,203.32	1.619905	6,711,595.77
Other payables			
Including:USD	3,031,016.37	7.1884	21,788,158.07
SGD	15,412.00	5.3214	82,013.42
MYR	105,952.39	1.619905	171,632.81
THB	745,985.93	0.212639	158,625.70
IDR	928,858,459.53	0.000451	418,915.17
VND	626,286,232.00	0.000282	176,612.72
Short-term loan			
Including:USD	557,701.87	7.1884	4,008,984.10
THB	70,000,000.00	0.212639	14,884,730.00

Other notes:

None

(2).Description of overseas operating entities, including, for significant overseas operating entities, disclosure of the principal place of business outside the country, the local recording currency and the basis of selection, and disclosure of the reasons for changes in the local recording currency

√ Applicable□ N/A

The Group and its domestic subsidiaries maintain their accounts in Chinese Yuan (RMB); Acter International Limited is accounted for in United States dollars; Acter Technology Singapore Pte., Ltd is denominated in Singapore dollars; PT. Acter Technology Indonesia and PT Acter Integration Technology Indonesia (the "Indonesian Joint Venture") are denominated in Indonesian Rupiah; Acter Technology Malaysia Sdn. Bhd is denominated in MYR; Sheng Huei Engineering Technology Company Limited is denominated in VND; and Acter Technology Co., Ltd. maintains its accounts in THB. The Group and its subsidiaries have selected the local recording currencies based on the currency of valuation and settlement of major business receipts and expenditures. Some subsidiaries of the Group have adopted currencies other than the Company's local currency as the local currency, and the foreign currency financial statements of these subsidiaries have been translated in accordance with "Section V. 9. Translation of Foreign Currency Operations and Foreign Currency Statements" of this section in the preparation of these financial statements.

Name of overseas operating entities	Principal place of business	Recording currency	Basis of selection of local currency
PT.Acter Technology Indonesia	Indonesia	Indonesian Rupiah	Businesses are mainly denominated and settled in this currency.
PT Acter Integration Technology Indonesia	Indonesia	Indonesian Rupiah	Businesses are mainly denominated and settled in this currency.
Sheng Huei Engineering Technology Company Limited	Vietnam	VND	Businesses are mainly denominated and settled in this currency.
Acter Technology Co., Ltd	Thailand	THB	Businesses are mainly denominated and settled in this currency.
Acter International Limited	Hong Kong	USD	Businesses are mainly denominated and settled in this currency.
Acter Technology Malaysia Sdn. Bhd.	Malaysia	MYR	Businesses are mainly denominated and settled in this currency.

82. Leases

(1) As lessee

√ Applicable□ N/A

Variable lease payments not included in the measurement of lease liabilities
□ Applicable √ N/A

Lease expenses for short-term leases or low-value assets with simplified treatment
√ Applicable□ N/A
8,688,069.39 (In RMB Yuan)

Sale and leaseback transactions and basis of judgment
□ Applicable √ N/A

Total cash outflows related to leasing 11,483,797.64 (in RMB Yuan)

(2) As lessor

Operating leases as lessor
√ Applicable□ N/A

In RMB Yuan

Items	Lease income	Of which: Income related to variable lease payments not included in lease receipts
Lease of buildings	2,767,381.89	
Total	2,767,381.89	

Finance lease as lessor
□ Applicable √ N/A

Reconciliation of undiscounted lease receipts to net investment in leases
□ Applicable √ N/A

Undiscounted lease receipts for the next five years
□ Applicable √ N/A

(3) Recognition of gain or loss on sales under finance leases as a manufacturer or distributor

□ Applicable √ N/A

Other notes:
None

83. Data resource

□ Applicable √ N/A

84. Others

□ Applicable √ N/A

VIII. R&D expenditures

1. Presented by nature of expenses

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Material costs	16,349,300.82	6,423,694.04

Labor cost	13,547,429.17	14,071,064.42
Rental expenses	338,071.77	290,827.94
Depreciation and amortization	133,765.21	153,397.80
Others	3,161,138.99	4,182,225.42
Total	33,529,705.96	25,121,209.62
Including: Expensed R&D expenditures	33,529,705.96	25,121,209.62
Capitalized R&D expenditures		

Other notes:
None

2. Development expenditures on R&D projects eligible for capitalization

□ Applicable √ N/A

Significant capitalized R&D projects
□ Applicable √ N/A

Provision for impairment of development expenditure
□ Applicable √ N/A

Other notes:
None

3. Significant outsourced R&D projects

□ Applicable √ N/A

IX. Changes in the scope of consolidation

1. Business combination not under the same control

□ Applicable √ N/A

2. Business combination under the same control

□ Applicable √ N/A

3. Reverse buyback

□ Applicable √ N/A

4. Disposal of subsidiaries

Whether there is any transaction or matter of losing control of subsidiaries in this period
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

Disposal of investments in subsidiaries through multiple transactions and loss of control in this period?
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

5. Changes in the scope of consolidation due to other reasons

Description of changes in the scope of consolidation due to other reasons (e.g. establishment of new subsidiaries, liquidation of subsidiaries, etc.) and the related circumstances:
□ Applicable √ N/A

6. Others

□ Applicable √ N/A

X. Interests in other entities

1. Interests in subsidiaries

(1). Composition of the enterprise group

√ Applicable□ N/A

Unit:In RMB 10,000RMB

Subsidiary Firm name	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shenghuei Engineering Technology (Shenzhen) Co., Ltd. (“Acter (Shenzhen)”)	Shenzhen	3,529.67	Shenzhen	Electromechanical engineering	100.00		Business combination under the same control
Shenzhen Dingmao Trading Co., Ltd. (“Shenzhen Dingmao”)	Shenzhen	500.00	Shenzhen	Trade	100.00		Establishment
Acter International Limited (“Acter (Hong Kong)”)	Hong Kong, China	2,260.03	Hong Kong, China	Investment	100.00		Business combination under the same control
Acter Technology Singapore Pte., Ltd. (“Acter (Singapore)”)	Singapore	1,726.31	Singapore	Investment	100.00		Business combination under the same control
PT. Acter Technology Indonesia (“Acter (Indonesia)”)	Indonesia	527.73	Indonesia	Electromechanical engineering		100.00	Business combination under the same control
Acter Technology Malaysia Sdn. Bhd. (“Acter (Malaysia)”)	Malaysia	1,902.84	Malaysia	Electromechanical engineering		100.00	Business combination under the same control
Sheng Huei Engineering Technology Company Limited	Vietnam	3,827.37	Vietnam	Electromechanical engineering		100.00	Business combination under the same control

("Acter (Vietnam)")							
Acter Technology Co., Ltd. ("Acter (Thailand)")	Thailand	651.90	Thailand	Electromechanical engineering		88.38	Business combination not under the same control
PT Acter Integration Technology Indonesia ("Indonesia Joint Venture")	Indonesia	2,306.90	Indonesia	Electromechanical engineering	67.00		Establishment

A statement that the percentage of shareholding in a subsidiary is different from the percentage of voting rights:
None

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:
None

For significant structured subjects included in the scope of consolidation, the basis of control:
None

Basis for determining whether the company is an agent or principal:
None

Other notes:
None

(2). Significant non-wholly owned subsidiaries

□ Applicable √ N/A

(3). Key financial information of significant non-wholly owned subsidiaries

□ Applicable √ N/A

(4). Significant restrictions on the use of enterprise group assets and settlement of enterprise group liabilities

□ Applicable √ N/A

(5). Financial or other support provided to structured subjects included in the scope of the consolidated financial statements

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

2. Transactions in which the share of ownership interest in a subsidiary changes and the subsidiary is still controlled

□ Applicable √ N/A

3. Interests in joint ventures or associates

□ Applicable √ N/A

4. Significant joint operations

□ Applicable √ N/A

5. Interests in structured entities not included in the scope of the consolidated financial statements

Description of structured entities not included in the scope of the consolidated financial statements:
□ Applicable √ N/A

6. Others

□ Applicable √ N/A

XI. Government subsidies

1. Government grants recognized at the end of the reporting period based on receivable amounts

□ Applicable √ N/A

Reasons for not receiving the estimated amount of government grants at the expected point in time
□ Applicable √ N/A

2. Liability items related to government grants

□ Applicable √ N/A

3. Government grants recognized as current profit or loss

√ Applicable□ N/A

In RMB Yuan

Type	Amount this period	Amount last period
Revenue-related	433,289.18	3,731,552.00
Total	433,289.18	3,731,552.00

Other notes:

Type	Amount in the current year	Presentation items	Amount recognized in profit or loss	Revenue-related/asset-related
Refund of withholding tax/personal tax refund	142,178.07	Other gains	142,178.07	Revenue-related
Subsidies for stabilizing jobs	154,511.11	Other gains	154,511.11	Revenue-related

Type	Amount in the current year	Presentation items	Amount recognized in profit or loss	Revenue-related/asset-related
Special fund subsidy	132,000.00	Other gains	132,000.00	Revenue-related
Incentive for enterprise R&D expenses	4,600.00	Other gains	4,600.00	Revenue-related
Total	433,289.18		433,289.18	

XII. Risks Related to Financial Instruments

1. Risks of financial instruments

√ Applicable□ N/A

The Group's major financial instruments include bills receivable, short-term loans, receivables and payables, etc. For details of each financial instrument, please refer to the relevant item in Note 7. The risks associated with these financial instruments and the risk management policies adopted by the Group to minimize these risks are described below. The Group's management manages and monitors these exposures to ensure that the above risks are controlled within limits.

A. Risk management objectives and policies

The Group engages in risk management with the objective of striking an appropriate balance between risk and return, minimizing the negative impact of risks on the Group's operating results and maximizing the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyze the various risks faced by the Group, to establish an appropriate risk tolerance threshold and to manage the risks, and to monitor the various risks in a timely and reliable manner in order to control the risks within a limited scope.

(1) Market risk

1) Exchange rate risk

The Group's exposure to exchange rate risk is mainly related to U.S. Dollars, VND, THB, and Indonesian Rupiah. Except for several subsidiaries of the Group that make purchases and sales in U.S. Dollars, the Group's other major business activities are denominated in RMB. As of December 31, 2024, the Group's assets and liabilities were denominated in RMB, except for the U.S. dollars, Vietnamese dong, THB and Indonesian Rupiah in respect of the assets and liabilities described in the table below. The exchange rate risk arising from these assets and liabilities in U.S. Dollars, Vietnamese dong, THB and Indonesian Rupiah balances may have an impact on the Group's results of operations.

Items	Closing balance
Currency Funds - USD	6,250,142.81
Currency Funds - IDR	79,441,653,919.56
Currency Funds - THB	17,406,438.94
Currency Funds - SGD	179,699.95
Accounts Receivable - VND	176,545,706,661.00
Currency Funds - MYR	407,510.11
Accounts Receivable - VND	196,105,593,936.17
Accounts Receivable - THB	18,534,478.76

Items	Closing balance
Accounts Receivable - IDR	13,238,280,221.73
Accounts Receivable - USD	4,071.00
Accounts Receivable - MYR	2,292,309.31
Other Payables - VND	626,286,232.00
Other Payables - USD	3,031,016.37
Other Payables - SGD	15,412.00
Other Payables - MYR	105,952.39
Other Payables - THB	745,985.93
Other Payables - IDR	928,858,459.53
Accounts Payable - USD	3,446,718.89
Accounts Payable - VND	79,984,398,661.00
Accounts Payable - THB	50,325,118.77
Accounts Payable - IDR	9,529,147,201.00
Accounts Payable - MYR	4,143,203.32
Other Receivables - VND	2,869,472,053.00
Other Receivables - THB	1,666,315.81
Other Receivables - IDR	949,750,704.00
Other Receivables - MYR	99,200.00
Short-term loan - USD	557,701.87
Short-term loan - THB	70,000,000.00

2) Interest Rate Risk

The Group's interest rate risk arises from interest-bearing debts such as bank borrowings and bonds payable. Financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportion of fixed interest rates based on the prevailing market conditions. The Group's risk of changes in fair value of financial instruments due to changes in interest rates is mainly related to fixed-rate bank borrowings. For fixed rate borrowings, the Group's objective is to maintain its floating interest rate. The Group is not highly sensitive to interest rate fluctuations and has no significant interest rate risk.

(2) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill its obligations, resulting in a financial loss to the other party. The Group's credit risk mainly arises from monetary funds, receivables and contract assets. The management continuously monitors these credit risk exposures.

The Group's monetary funds other than cash are mainly deposited with creditworthy financial institutions, which management believes do not have significant credit risk and are not expected to incur losses to the Group as a result of default by the counterparties.

The Group's maximum exposure to credit risk is the book value of each financial asset in the balance sheet. The Group has not provided any other guarantees that may expose the Group to credit risk.

The Group's credit risk from accounts receivable and contract assets is primarily driven by the characteristics of each individual client, rather than the industry or country or region in which the client is located. Consequently, significant concentrations of credit risk arise mainly from the existence of significant accounts receivable and contract assets of the Group in respect of individual clients. As of December 31, 2024, the accounts receivable and contract assets of the Group's top five clients accounted for 38.33% (2023: 42.90%) of the Group's total accounts receivable and contract assets.

In respect of accounts receivable, the Group has formulated a credit policy based on the actual situation and conducts credit assessment on clients to determine the credit amount and credit period. The credit assessment is mainly based on the client's financial position, external ratings and bank credit history (where possible). The receivables are generally due within 30 to 120 days from the date of billing. Under normal circumstances, the Group does not require clients to provide collateral.

(3) Liquidity risk

Liquidity risk is the risk of shortage of funds when the Group fulfills its obligations to settle by delivery of cash or other financial assets. The Company and its subsidiaries are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to meet anticipated cash requirements (subject to the approval of the Group's Board of Directors if borrowings are in excess of certain pre-determined authorization limits). It is the Group's policy to regularly monitor short-term and long-term liquidity requirements and compliance with borrowing agreements to ensure that adequate cash reserves are maintained and that commitments are obtained from major financial institutions to provide sufficient standby funds to meet short-term and longer-term liquidity requirements.

In order to control this risk, the Group regularly monitors the short-term and long-term liquidity requirements and compliance with the provisions of the borrowing agreements to ensure that sufficient cash reserves are maintained, and has obtained commitments from major financial institutions to provide sufficient standby funds to meet short-term and longer-term liquidity requirements.

As of December 31, 2024, the remaining contractual maturity of the Group's financial liabilities as of the balance sheet date based on the undiscounted contractual cash flows, including interest at contractual interest rates (or at the prevailing interest rate as of the reporting date in the case of floating interest rates), and the earliest date on which payments will be required are as follows:

Items	Within 1 year	1-3 years	Over 3 years or no fixed period	Total
Accounts payable	404,520,732.27	153,765,065.65	40,502,395.14	598,788,193.06
Other payables	2,836,869.60	21,790,981.22	19,233.00	24,647,083.82
Non-current liabilities due within one year	2,421,048.35			2,421,048.35
Lease liabilities		1,585,929.64		1,585,929.64

Items	Within 1 year	1-3 years	Over 3 years or no fixed period	Total
Total	**409,778,650.22**	**177,141,976.51**	**40,521,628.14**	**627,442,254.87**

B. Sensitivity analysis

The Group employs sensitivity analysis techniques to analyze the impact that reasonable and probable changes in risk variables may have on current profit or loss or shareholders' equity. Since changes in any of the risk variables rarely occur in isolation and the correlation that exists between the variables will play a significant role in the amount of the eventual impact of a change in one of the risk variables, the following has been performed assuming that the changes in each of the variables are independent. The impact on total profit and shareholders' equity of the appreciation/depreciation of RMB as a result of the changes in RMB against the US Dollar, the Vietnamese dong and Indonesian Rupiah as of December 31, 2024 is presented in RMB at the spot exchange rate at the balance sheet date. Since the impact on total profit and shareholders' equity of financial instruments in other currencies in the event of exchange rate changes is not material, the related sensitivity analysis is omitted here. The Company believes that its exposure to exchange rate risk is generally manageable.

Items	Exchange rate changes	2024	
		Impact on net profit	Impact on shareholders' equity
Depreciation of RMB against USD	Appreciation of 5% against RMB	-280,787.28	-280,787.28
Appreciation of RMB against USD	Depreciation of 5% against RMB	280,787.28	280,787.28
Depreciation of RMB against VND	Appreciation of 5% against RMB	-4,158,232.24	-4,158,232.24
Appreciation of RMB against VND	Depreciation of 5% against RMB	4,158,232.24	4,158,232.24
Depreciation of RMB against Indonesian Rupiah	Appreciation of 5% against RMB	-1,875,521.37	-1,875,521.37
Appreciation of RMB against Indonesian Rupiah	Depreciation of 5% against RMB	1,875,521.37	1,875,521.37

The above sensitivity analysis is based on the re-measurement of financial instruments held by the Group that are exposed to exchange rate risk at the balance sheet date, assuming that the exchange rate at the balance sheet date has changed within the reporting period, using the changed exchange rate.

C. Capital management

The main objectives of the Group's capital management are to ensure the Group's ability to continue as a going concern and to maintain healthy capital ratios to support business development and maximize shareholder value.

The Group manages its capital structure and adjusts it in accordance with changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust profit distribution to shareholders, return capital to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements. For the period January-December 2024, there have been no changes in capital management objectives, policies or procedures.

The Group monitors its capital through the asset-liability ratio, which is calculated as total liabilities divided by total assets. The asset-liability ratios at December 31, 2024 were as follows:

2. Hedging

(1) Hedging business for risk management

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

(2) The Company conducts eligible hedging operations and applies hedge accounting

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

(3) The Company conducts hedge operations for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting.

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

3. Transfer of financial assets

(1) Classification of transfer methods

□ Applicable √ N/A

(2) Financial assets derecognized due to transfer

□ Applicable √ N/A

(3) Transferred financial assets that continue to be involved in the financial asset

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

XIII. Fair value disclosure

1. Closing fair value of assets and liabilities measured at fair value

√ Applicable□ N/A

In RMB Yuan

Items	Fair value at the end of the period

	Level 1 fair value measurement	Level 2 fair value measurements	Level 3 fair value measurements	Total
I. Ongoing fair value measurements				
(I) Financial assets held for trading				
1. Financial assets measured at fair value with changes included in the current profit and loss				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(3) Derivative financial assets				
(4) Structural deposit			50,025,000.00	50,025,000.00
2. Refer to the financial assets measured at fair value with changes included in the current profit and loss				
(1) Investments in debt instruments				
(2) Investments in equity instruments				
(II) Other debt investments				
(III) Investments in other equity instruments	12,947,918.04			12,947,918.04
(IV) Investment properties				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use rights held for transfer after appreciation in value				
(V) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
(VI) Receivables financing			2,499,031.97	2,499,031.97
Total assets measured at fair value on an ongoing basis	12,947,918.04		52,524,031.97	65,471,950.01
(VII) Financial liabilities held for trading				
1. Financial liabilities measured at fair value with changes included in				

the current profit and loss				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities measured at fair value with changes included in the current profit and loss				
Total liabilities at fair value on an ongoing basis				
II. Discontinued fair value measurements				
(I) Assets held for sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. Basis for determining the market value of continuing and discontinued Level 1 fair value measurements

√ Applicable□ N/A

The investment in other equity instruments with the Level 1 fair value measurement held by the Group is a strategic placement project of Wafer Works (Shanghai), and the Company determines its fair value at its stock market price.

3. Qualitative and quantitative information on the valuation techniques and significant parameters used for the fair value measurement items in the continuous and discontinued Level 2 fair value hierarchy

□ Applicable √ N/A

4. Continuing and discontinuing Level 3 fair value measurement items, qualitative and quantitative information on valuation techniques used and significant parameters

√ Applicable□ N/A

The Group uses valuation techniques to determine the fair value of the structured deposits with Level 3 fair value measurement held by the Group. The valuation model used is mainly a discounted cash flow model. The inputs to the valuation technique are mainly the contractual expected rate of return.

The Level 3 fair value receivable financing held by the Group is a bank acceptance bill receivable, which has a small credit risk and a short remaining period. The Company determines its fair value based on its face balance.

5. Ongoing Level 3 fair value measurements, reconciliation information between opening and closing book balance and sensitivity analysis of unobservable parameters

□ Applicable √ N/A

6. Continuing fair value measurements, if there was a transition between levels in this period, the reasons for the transition and the policy for determining the point of transition.

□ Applicable √ N/A

7. Changes in valuation techniques in this period and the reasons for such changes

□ Applicable √ N/A

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

□ Applicable √ N/A

9. Others

□ Applicable √ N/A

XIV.Related parties and related party transactions

1. Parent company of the enterprise

√ Applicable□ N/A

Unit:In RMB 10,000RMB

Name of parent company	Place of registration	Nature of business	Registered capital	Parent company's shareholding proportion in the enterprise (%)	Proportion of voting rights of the parent company in the enterprise (%)
Sheng Huei International CO. Ltd. (“Acter International”)	Samoa	Investment holding company	USD 3,950,000	64.9973	64.9973

Description of the enterprise's parent company
None
The ultimate controlling party of the enterprise is Acter (Taiwan)
Other notes:
None

2. Information on subsidiaries of the Enterprise

√ Applicable□ N/A
For details of the Group's subsidiaries, please refer to "X.1. Interests in subsidiaries" in this section.

3. Joint ventures and associates of the Enterprise

Details of significant joint ventures or associates of the Company are set out in the notes.
□ Applicable √ N/A

Other joint ventures or associates with which the Company has entered into related party transactions during the current period or with which the Company has entered into related party transactions in prior periods, resulting in balances, are as follows
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

4. Other related parties

√ Applicable□ N/A

Name of other related parties	Relationship between other related parties and the enterprise
NOVA Technology Corp. ("Taiwan NOVA")	Enterprises controlled by the same ultimate controlling shareholder
Winmax Technology Corp. ("Shanghai Winmax")	Enterprises controlled by the same ultimate controlling shareholder
Suzhou Winmax Technology Corp. ("Suzhou Winmax", formerly known as "Suzhou Guanbo")	Enterprises controlled by the same ultimate controlling shareholder
NOVA TECH ENGINEERING & CONSTRUCTION PTE. LTD. ("Singapore NOVA")	Enterprises controlled by the same ultimate controlling shareholder

Other notes:
None

5. Related party transactions

(1). Purchase and sale of goods, provision and acceptance of labor related party transactions

Purchase of goods/acceptance of services
□ Applicable √ N/A

Sale of goods/provision of services
□ Applicable √ N/A

Purchase and sale of goods, provision and acceptance of services
□ Applicable √ N/A

(2). Affiliated fiduciary management/contracting and entrusted management/contracting out

The Company's fiduciary management/contracting status table:
□ Applicable √ N/A

Explanation for Affiliated Fiduciary Management/Contracting
□ Applicable √ N/A

The Company's entrusted management/contracting
□ Applicable √ N/A

Management/contracting by affiliation
□ Applicable √ N/A

(3). Affiliated leasing

The Company acts as a lessor:
√ Applicable□ N/A

In RMB Yuan

Name of Lessee	Type of leased asset	Lease income recognized in this period	Lease income recognized in the previous period
Winmax (Suzhou)	Lease of buildings	2,602,527.60	2,590,579.03

The Company acted as the lessee:
√ Applicable□ N/A

In RMB Yuan

Name of lessor	Type of leased asset	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rental payments		Interest expense on lease liabilities assumed		Increase in right-of-use assets	
		Amount this period	Amount last period	Amount this period	Amount last period	Amount this period	Amount last period	Amount this period	Amount last period	Amount this period	Amount last period
Novatech (Singapore)	Lease of buildings	24,035.48	24,466.69			24,466.69					

Explanation for related leases
□ Applicable √ N/A

(4). Related guarantees

The Company as a guarantor
□ Applicable √ N/A

The Company as a guaranteed party
□ Applicable √ N/A

Explanation for related guarantees
□ Applicable √ N/A

(5). Borrowing of funds from related parties

√ Applicable□ N/A

In RMB Yuan

Related party	Borrowing amount	starting date	Guarantee expiration date	Remarks
Borrowing				
Sheng Huei International	17,820,267.27	2023-11-23	2024-11-22	
Sheng Huei International	5,041,176.98	2023-10-24	2024-05-24	
Sheng Huei International	20,117,234.70	2024-06-20	2024-08-15	
Sheng Huei International	21,706,821.33	2024-11-15	2025-11-14	
Sheng Huei International	10,405,528.01	2024-05-08	2024-12-12	

(6). Transfer of assets and debt restructuring by related parties

□ Applicable √ N/A

(7). Remuneration of key management personnel

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Remuneration of key management personnel	4,678,862.35	5,101,745.67

(8). Other related party transactions

□ Applicable √ N/A

6. Unsettled receivables and payables from related parties

(1). **Items receivable**

□ Applicable √ N/A

(2). **Items payable**

√ Applicable□ N/A

In RMB Yuan

Items	Related party	Closing book balance	Opening book balance
Other payables	Novatech (Singapore)	42,632.40	42,684.21
Other payables	Sheng Huei International	21,706,821.33	22,861,444.25

(3). **Other items**

□ Applicable √ N/A

7. Related party commitments

□ Applicable √ N/A

8. Others

√ Applicable□ N/A

（1） Payments on behalf of related parties

In RMB Yuan

Related party	Content of related party transactions	Amount in the current year	Amount in the prior year
Winmax (Suzhou)	Payment of utilities by Suzhou Acter on behalf of Winmax (Suzhou)	828,837.80	710,302.15
Total		828,837.80	710,302.15

（2） Acceptance of payment on behalf of related parties

In RMB Yuan

Related party	Content of related party transactions	Amount in the current year	Amount in the prior year
Novatech (Singapore)	Payment of utility bills on behalf of Sheng Huei	15,222.47	14,169.08

	(Singapore) by Novatech (Singapore)		
Total		15,222.47	14,169.08

XV. Share-based payment

1. Equity instruments

□ Applicable √ N/A

Stock options or other equity instruments issued and outstanding at the end of the period
□ Applicable √ N/A

2. Equity-settled share-based payments

√ Applicable□ N/A

In RMB Yuan

Method of determining the fair value of equity instruments at the date of grant	Determined on the basis of the appraised value or on the basis of the fair value calculated by taking into account the Company's own circumstances and the price-earnings ratio of the same industry
Important parameters of the fair value of equity instruments at the date of grant	
Basis for determining the number of available equity instruments	At each balance sheet date during the waiting period, the Company makes its best estimate of the number of vested equity latest available subsequent information, such as changes in the number of vested employees.
Reasons for significant differences between this period's estimate and the previous period's estimate	
Cumulative amount of equity-settled share-based payments recognized in capital surplus	32,368,025.42

Other notes:
None

3. Cash-settled share-based payments

□ Applicable √ N/A

4. Share-based payment expenses for the period

□ Applicable √ N/A

5. Modification and termination of share-based payment

□ Applicable √ N/A

6. Others

□ Applicable √ N/A

XVI. Commitments and contingencies

1. Important commitments

□ Applicable √ N/A

2. Contingencies

(1). Important contingencies existing at the balance sheet date

√ Applicable□ N/A

Name of guaranteed entity	Guarantee Matters	Currency	Amount	Guarantee starting date	Guarantee expiration date
Acter (Vietnam)	Contractual joint and several guarantee	RMB	125,897,195.25	2020-09-23	2024-07-10
Acter (Vietnam)	Contractual joint and several guarantee	RMB	71,345,119.56	2020-12-07	2026-03-31
Acter (Vietnam)	Contractual joint and several guarantee	RMB	4,473,565.17	2021-05-07	2025-09-01
Acter (Vietnam)	Contractual joint and several guarantee	RMB	5,430,176.59	2021-05-07	2026-03-31
Acter (Vietnam)	Contractual joint and several guarantee	RMB	21,076,153.89	2022-03-01	2025-06-30
Acter (Vietnam)	Contractual joint and several	RMB	17,168,854.83	2022-03-10	2025-06-30

Name of guaranteed entity	Guarantee Matters	Currency	Amount	Guarantee starting date	Guarantee expiration date
	guarantee				
Acter (Shenzhen)	Bank financing	RMB	40,000,000.00	2022-09-05	2024-03-31
Shenzhen Dingmao	Bank financing	RMB	45,000,000.00	2022-09-05	2024-03-31
Shenzhen Dingmao	Bank financing	RMB	20,000,000.00	2023-01-16	2024-01-04
Acter (Vietnam)	Contractual joint and several guarantee	RMB	14,285,182.90	2023-01-10	2025-07-31
Acter (Vietnam)	Contractual joint and several guarantee	RMB	99,925,200.63	2023-07-07	2026-03-31
Acter (Vietnam)	Contractual joint and several guarantee	RMB	159,724,393.29	2023-10-12	2026-07-07
Acter (Vietnam)	Contractual joint and several guarantee	RMB	721,558.28	2023-11-13	2026-03-31
Acter (Vietnam)	Contractual joint and several guarantee	RMB	1,532,643.25	2023-11-27	2026-03-31
Shenzhen Dingmao	Bank financing	RMB	20,000,000.00	2024-01-04	2024-11-27
Acter (Indonesia)	Bank financing	RMB	20,257,434.78	2024-01-16	2024-10-31
Acter (Shenzhen)	Bank financing	RMB	30,000,000.00	2024-02-28	2026-12-31
Shenzhen Dingmao	Bank financing	RMB	45,000,000.00	2024-02-28	2026-12-31
Indonesia Joint Venture	Bank financing	RMB	3,268,861.15	2024-04-23	2024-10-31
Acter (Vietnam)	Contractual joint and several guarantee	RMB	77,052,381.68	2024-04-28	2026-10-23
Sheng Huei (Malaysia)	Bank financing	RMB	50,000,000.00	2024-09-04	2028-08-15
Acter (Vietnam)	Contractual joint and several guarantee	RMB	5,419,120.43	2024-09-18	2026-10-23
Acter (Vietnam)	Contractual joint and several guarantee	RMB	42,847,381.09	2024-11-22	2028-05-30
Acter (Vietnam)	Contractual joint and several guarantee	RMB	13,389,806.59	2024-11-22	2028-05-30

Name of guaranteed entity	Guarantee Matters	Currency	Amount	Guarantee starting date	Guarantee expiration date
Shenzhen Dingmao	Bank financing	RMB	20,000,000.00	2024-11-27	2027-11-06

(2). **The Company has no material contingencies that need to be disclosed, which shall also be stated:**

□ Applicable √ N/A

3. Others

□ Applicable √ N/A

XVII. Events after the balance sheet date

1. Important non-adjusting events

□ Applicable √ N/A

2. Profit distribution

√ Applicable□ N/A

In RMB Yuan

Profit or dividend to be distributed	75,000,000.00
Profits or dividends declared after consideration and approval	75,000,000.00

Pursuant to the resolution of the Eighteenth Meeting of the Second Session of the Board of Directors held on March 28, 2025, the Group's plan for profit distribution for the year 2024 is as follows:

Based on the total share capital of 100,000,000 shares as of the record date for dividend distribution, the Company will distribute a cash dividend of RMB 7.50 (including tax) for every 10 shares, totaling RMB 75,000,000 (including tax);

The profit distribution plan has yet to be approved by the shareholders' meeting.

3. Sales return

□ Applicable √ N/A

4. Description of other post-balance sheet events

□ Applicable √ N/A

XVIII. Other Important Matters

1. Correction of prior period accounting errors

(1). Retrospective restatement

□ Applicable √ N/A

(2). Future application method

□ Applicable √ N/A

2. Significant debt restructuring

□ Applicable √ N/A

3. Asset replacement

(1). Non-monetary asset exchange

□ Applicable √ N/A

(2). Other asset replacement

□ Applicable √ N/A

4. Annuity plan

□ Applicable √ N/A

5. Discontinued operations

□ Applicable √ N/A

6. Segment Information

(1). Basis for determining reportable segments and accounting policies

√ Applicable□ N/A

The Group operates as a whole and has a unified internal organizational structure, management evaluation system and internal reporting system. The management conducts resource allocation and performance evaluation by regularly reviewing financial information at the corporate level. The Group did not have any separately managed operating segment within the reporting period, and therefore the Group

(1) Geographical information

Information on the Group's revenue from external transactions by region is set out in the table below. Revenue from external transactions is classified according to the location of the clients who constructed the projects or purchased the products.

Location of clients	Amount in the current year	Amount in the prior year
Chinese mainland	1,330,457,322.03	1,573,087,402.75
Southeast Asia	677,239,995.95	435,837,592.93
Total	2,007,697,317.98	2,008,924,995.68

The Group's non-current assets (excluding deferred tax assets) are mainly located in Mainland China, based on the physical location of the assets (for fixed assets) and the location of the related operations (for intangible assets).

(2). Financial information of reportable segments

□ Applicable √ N/A

(3). If the Company does not have any reportable segments, or cannot disclose the total assets and total liabilities of each reportable segment, the reasons shall be explained

□ Applicable √ N/A

(4). Others

□ Applicable √ N/A

7. Other important transactions and matters affecting investors' decisions

□ Applicable √ N/A

8. Others

□ Applicable √ N/A

XIX. Notes to the Parent Company's Financial Statements

1. Accounts receivable

(1). Disclosure by ageing

√ Applicable□ N/A

In RMBYuan

Ageing	Closing book balance	Opening book balance
Within 1 year		
Including: Subtotal within 1 year		

1-6 months (including 6 months)	207,469,115.94	275,587,971.19
6 months - 1 year (including 1 year)	43,187,817.45	22,218,436.60
Subtotal within 1 year	250,656,933.39	297,806,407.79
1 - 2 years	8,717,269.95	12,215,831.57
2 - 3 years	1,559,930.27	11,833,238.76
3 - 4 years	2,786,513.25	14,226,750.24
4 - 5 years	3,459,129.54	7,542,629.98
Above 5 years	7,542,629.98	650,753.62
Total	274,722,406.38	344,275,611.96

(2). Disclosure by bad debt accrual method

√ Applicable□ N/A

In RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		book Value	Book balance		Provision for bad debts		book Value
	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual proportion (%)	
Individual provision for bad-debt reserves	8,728,414.37	3.18	8,728,414.37	100.00		9,379,167.99	2.72	9,379,167.99	100.00	
Including:										
Provision for bad debts by portfolio	265,993,992.01	96.82	12,973,593.37	4.88	253,020,398.64	334,896,443.97	97.28	19,778,999.61	5.91	315,117,444.36

Including:										
Total	274,722,406.38	/	21,702,007.74	/	253,020,398.64	344,275,611.96	/	29,158,167.60	/	315,117,444.36

Individual provision for bad-debt reserves:

√ Applicable□ N/A

In RMB Yuan

Firm name	Closing balance			
	Book balance	Provision for bad debts	Accrual proportion (%)	Reason for provision
Suzhou Mingqiao Municipal Engineering Co., Ltd.	2,158,200.00	2,158,200.00	100.00	Debtor's financial difficulties
Qinghua Group Xinjiang Coal Chemical Industry Co., Ltd.	6,570,214.37	6,570,214.37	100.00	Debtor's financial difficulties
Total	8,728,414.37	8,728,414.37	100.00	/

Explanation for bad debt provision by individual item:

□ Applicable √ N/A

Provision for bad debts by portfolio:

√ Applicable□ N/A

Combined accrual item:Ageing portfolio

In RMB Yuan

Firm name	Closing balance		
	Accounts receivable	Provision for bad debts	Accrual proportion (%)
1-6 months (including 6 months)	207,469,115.94	6,224,073.58	3.00
6 months - 1 year (including 1 year)	43,187,817.45	2,159,390.87	5.00
1-2 years (including 2 years)	8,717,269.95	871,727.00	10.00
2-3 years (including 3 years)	1,559,930.27	311,986.05	20.00
3-4 years (including 4 years)	2,786,513.25	1,393,256.63	50.00
4-5 years (including 5 years)	1,300,929.54	1,040,743.63	80.00

Above 5 years	972,415.61	972,415.61	100.00
Total	265,993,992.01	12,973,593.37	

Explanation for provision for bad debts by portfolio:
□ Applicable √ N/A

Provision for bad debts based on the general model of expected credit
□ Applicable √ N/A

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of accounts receivable for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

(3). Provision for bad debts

√ Applicable□ N/A

In RMB Yuan

Category	Opening balance	Change in this period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Provision for bad debts	29,158,167.60	-6,805,406.24		-650,753.62		21,702,007.74
Total	29,158,167.60	-6,805,406.24		-650,753.62		21,702,007.74

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(4). Accounts receivable actually written off in this period

√ Applicable□ N/A

In RMB Yuan

Items	Write-off amount
Accounts receivable actually written off	650,753.62

Significant accounts receivable written off among them
□ Applicable √ N/A

Description of accounts receivable written off:
□ Applicable √ N/A

(5). Accounts receivable and contract assets with top five closing balances summarized by party owed to the Company

√ Applicable□ N/A

In RMB Yuan

Unit Name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of combined accounts receivable and contract assets closing balance (%)	Closing balance of provision for bad debts
Client 1	268,514.26	88,312,974.05	88,581,488.31	12.36%	468,416.30
Client 2	59,020,959.86	27,513,327.48	86,534,287.34	12.07%	2,523,320.99
Client 3		85,283,121.10	85,283,121.10	11.90%	426,415.61
Client 4	42,349,446.98	25,829,331.99	68,178,778.97	9.51%	1,399,630.07
Client 5	1,230,944.24	34,948,141.19	36,179,085.43	5.05%	268,324.03
Total	102,869,865.34	261,886,895.81	364,756,761.15	50.89%	5,086,107.00

Other notes:
None

Other notes:
□ Applicable √ N/A

2. Other receivables

Item presentation

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance

Interest receivable		
Dividends receivable		
Other receivables	40,526,268.65	31,069,788.93
Total	40,526,268.65	31,069,788.93

Other notes:
□ Applicable √ N/A

Interest receivable

(1).Classification of interest receivable

□ Applicable √ N/A

(2).Significant overdue interest

□ Applicable √ N/A

(3).Disclosure by bad debt accrual method

□ Applicable √ N/A

Individual provision for bad-debt reserves:
□ Applicable √ N/A

Explanation for bad debt provision by individual item:
□ Applicable √ N/A

Provision for bad debts by portfolio:
□ Applicable √ N/A

(4).Provision for bad debts based on the general model of expected credit

□ Applicable √ N/A

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of interest receivables for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

(5).Provision for bad debts

□ Applicable √ N/A

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(6).Actual write-off of interest receivable in this period

□ Applicable √ N/A

Write-off of significant interest receivables
□ Applicable √ N/A

Description of write-offs:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

Dividends receivable

(1).Dividends receivable

□ Applicable √ N/A

(2).Significant dividends receivable with an age of more than 1 year

□ Applicable √ N/A

(3).Disclosure by bad debt accrual method

□ Applicable √ N/A

Individual provision for bad-debt reserves:
□ Applicable √ N/A

Explanation for bad debt provision by individual item:
□ Applicable √ N/A

Provision for bad debts by portfolio:
□ Applicable √ N/A

(4).Provision for bad debts based on the general model of expected credit

□ Applicable √ N/A

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of dividend receivables for which changes in the allowance for losses occurred in this period:
□ Applicable √ N/A

(5).Provision for bad debts

□ Applicable √ N/A

Of which the amount of bad debt provision recovered or reversed in this period is significant:
□ Applicable √ N/A

Other notes:
None

(6).Dividends receivable actually written off in this period

□ Applicable √ N/A

Write-off of dividends receivable of which the significant ones are
□ Applicable √ N/A

Description of write-offs:
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

Other receivables

(1).Disclosure by ageing

√ Applicable□ N/A

In RMB Yuan

Ageing	Closing book balance	Opening book balance
Within 1 year		
Including: Subtotal within 1 year		
Within 1 year (including 1 year)	39,233,900.27	23,934,949.61
Subtotal within 1 year	39,233,900.27	23,934,949.61
1 - 2 years	464,220.00	2,909,712.70
2 - 3 years	831,800.00	4,814,209.43
Above 3 years		

3 - 4 years	483,700.00	126,600.00
4 - 5 years	4,000.00	10,900.00
Above 5 years	28,000.00	59,000.00
Total	41,045,620.27	31,855,371.74

(2).Breakdown by nature of payment

√ Applicable□ N/A

In RMB Yuan

Nature of payment	Closing book balance	Opening book balance
Current account	32,472,837.56	18,635,795.92
Margin and deposit	6,851,051.41	11,137,720.63
Reserve	824,467.00	1,034,400.00
Others	897,264.30	1,047,455.19
Subtotal	41,045,620.27	31,855,371.74
Provision for bad debts	519,351.62	785,582.81
Total	40,526,268.65	31,069,788.93

(3).Provision for bad debts

√ Applicable□ N/A

In RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment incurred)	
Balance as of January 1, 2024	785,582.81			785,582.81
Balance as of January 1, 2024 in this period				
--Reversed to Phase II				
--Reversed to Phase III				
--Reversed to Phase II				
--Reversed to Phase I				
Provision in this period	-266,231.19			-266,231.19
Reversal in this				

period				
Write-offs in this period				
Cancellations in this period				
Other changes				
Balance at December 31, 2024	519,351.62			519,351.62

The basis for the classification of each stage and the accrual proportion for bad debts
None

Explanation for significant changes in the book balance of other receivables for which changes in provision for losses occurred in this period:
□ Applicable √ N/A

The amount of provision for bad debts for the current period and the basis adopted for assessing whether there is a significant increase in the credit risk of financial instruments:
□ Applicable √ N/A

(4).Provision for bad debts

√ Applicable□ N/A

In RMB Yuan

Category	Opening balance	Change in this period				Closing balance
		Provision	Recovery or reversal	Write-offs or cancellations	Other changes	
Provision for bad debts	785,582.81	-266,231.19				519,351.63
Total	785,582.81	-266,231.19				519,351.63

Of which the amount of provision for bad debts reversed or recovered in this period is significant:
□ Applicable √ N/A

Other notes:
None

(5).Other receivables actually written off in this period

□ Applicable √ N/A

Significant other receivables written off in this period:

□ Applicable √ N/A

Description of other receivables written off:
□ Applicable √ N/A

(6).Other receivables with the top five closing balances grouped by party owed

√ Applicable□ N/A

In RMB Yuan

Unit Name	Closing balance	Percentage of total closing balance of other receivables (%)	Nature of amount	Ageing	Closing balance of provision for bad debts
Unit 1	28,091,210.96	68.44	Borrowing and lending	Within 1 year	
Unit 2	2,084,051.41	5.08	Margin	Within 1 year	109,202.57
Unit 3	2,007,178.62	4.89	Salaries of expatriate staff	Within 1 year	250,895.47
Unit 4	1,490,000.00	3.63	Margin	Less than 1 year, 1-2 years, 2-3 years, 3-4 years	74,500.00
Unit 5	1,419,022.49	3.46	Salaries of expatriate staff	Within 1 year	
Total	35,091,463.48	85.50	/	/	434,598.04

(7).Presented in other receivables due to centralized management of funds

□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

3. Long-term equity investment

√ Applicable□ N/A

In RMB Yuan

Items	Closing balance	Opening balance

	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	129,112,645.74		129,112,645.74	88,485,289.33		88,485,289.33
Investments in associates and joint ventures						
Total	129,112,645.74		129,112,645.74	88,485,289.33		88,485,289.33

(1). Investments in subsidiaries

√ Applicable□ N/A

In RMB Yuan

Investees	Opening balance (book value)	Opening balance of impairment reserve	Increase/decrease in this period				Closing balance (book value)	Closing balance of provision for impairment
			Additions to investments	Decrease in investments	Provision for impairment	Others		
Acter (Shenzhen)	37,527,798.95						37,527,798.95	
Shenzhen Dingmao	5,000,000.00						5,000,000.00	
Acter (Hong Kong)	28,651,120.44						28,651,120.44	
Acter (Singapore)	13,363,414.49						13,363,414.49	
Acter (Vietnam)			14,516,750.00				14,516,750.00	
Acter			14,287,80				14,287,80	

(Malaysia)			0.00				0.00	
Indonesia Joint Venture	3,942,955.45		11,822,806.41				15,765,761.86	
Total	88,485,289.33		40,627,356.41				129,112,645.74	

(2). Investments in associates and joint ventures

□ Applicable √ N/A

(3). Impairment testing of long-term equity investments

□ Applicable √ N/A

Other notes:

None

4. Operating revenues and operating costs

(1). Operating revenue and operating costs

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period		Amount last period	
	Revenue	Cost	Revenue	Cost
Main business	1,255,177,173.13	1,124,427,575.11	1,511,362,826.53	1,337,646,532.15
Other businesses	7,149,008.49	5,246,186.93	4,071,314.74	1,320,285.28
Total	1,262,326,181.62	1,129,673,762.04	1,515,434,141.27	1,338,966,817.43

(2). Breakdown information of operating revenues and operating costs

√ Applicable□ N/A

In RMB Yuan

Contract classification	Parent Company		Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Commodity Type	1,262,326,181.62	1,129,673,762.04	1,262,326,181.62	1,129,673,762.04
Clean room engineering	953,032,794.81	841,478,768.48	953,032,794.81	841,478,768.48
Other electromechanical	302,144,378.32	282,948,806.63	302,144,378.32	282,948,806.63

installation works				
Equipment sales				
Other businesses	7,149,008.49	5,246,186.93	7,149,008.49	5,246,186.93
By region of operation	1,262,326,181.62	1,129,673,762.04	1,262,326,181.62	1,129,673,762.04
Domestic regions	1,262,326,181.62	1,129,673,762.04	1,262,326,181.62	1,129,673,762.04
Type of market or client	1,262,326,181.62	1,129,673,762.04	1,262,326,181.62	1,129,673,762.04
Including: IC semiconductor industry	1,064,775,062.88	970,108,328.86	1,064,775,062.88	970,108,328.86
Precision manufacturing industry	123,789,809.85	115,240,852.66	123,789,809.85	115,240,852.66
Photoelectricity industry	50,353,141.52	35,504,369.59	50,353,141.52	35,504,369.59
Other industries	16,259,158.88	3,574,024.00	16,259,158.88	3,574,024.00
Other businesses	7,149,008.49	5,246,186.93	7,149,008.49	5,246,186.93
Contract type	1,262,326,181.62	1,129,673,762.04	1,262,326,181.62	1,129,673,762.04
Sale of goods				
Construction contracts	1,255,177,173.13	1,124,427,575.11	1,255,177,173.13	1,124,427,575.11
Other businesses	7,149,008.49	5,246,186.93	7,149,008.49	5,246,186.93
Classification by timing of merchandise transfers	1,262,326,181.62	1,129,673,762.04	1,262,326,181.62	1,129,673,762.04
Revenue recognized at a certain point in time				
Revenue recognized at a certain point in time	1,262,326,181.62	1,129,673,762.04	1,262,326,181.62	1,129,673,762.04
By contract term				
By sales channel				
Total	1,262,326,181.62	1,129,673,762.04	1,262,326,181.62	1,129,673,762.04

Other notes:

□ Applicable √ N/A

(3). Explanation for performance obligations

□ Applicable √ N/A

(4). Description of apportionment to remaining performance obligations

□ Applicable √ N/A

(5). Significant contract changes or significant transaction price adjustments

□ Applicable √ N/A

Other notes:

None

5. Investment income

√ Applicable□ N/A

In RMB Yuan

Items	Amount this period	Amount last period
Income from long-term equity investments accounted for under the cost method		
Income from long-term equity investments accounted for by the equity method		
Investment income from disposal of long-term equity investments		-300,000.00
Investment income during the holding period of financial assets for trading		
Dividend income from other equity instruments during the holding period	197,574.90	
Interest income earned on debt investments during the holding period		
Interest income earned on other debt investments during the holding period		
Investment income from disposal of financial assets held for trading	590,263.94	1,894,851.65
Investment income from disposal of other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		

Gain on debt restructuring		
Dividend payment	9,000,000.00	17,000,000.00
Total	9,787,838.84	18,594,851.65

Other notes:
None

6. Others

□ Applicable √ N/A

XX. Supplementary information

1. Details of non-recurring gains and losses for the period

□ Applicable □ N/A

In RMB Yuan

Items	Amount	Remarks
Profits or losses on disposal of non-current assets, including elimination of provision for asset impairment	-8,175.93	
Government grants recognized in profit or loss for the current period, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	433,289.18	
Profits or losses from changes in fair value of financial assets and liabilities held by non-financial enterprises and profits or losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal business operations		
Occupancy fees charged to non-financial enterprises recognized in profit or loss for the period		
Profits or losses on entrusted investment or asset management		
Profits or losses on entrusted external loans		
Losses on assets due to force majeure, such as natural disasters		
Reversal of provision for impairment of receivables individually tested for impairment		
Gain arising from the difference between the		

cost of investment in subsidiaries, associates and joint ventures and the fair value of net identifiable assets of the investee at the time of investment acquisition		
Subsidiaries arising from a business combination under the same control Net gain or loss for the period from the beginning of the period to the date of the combination		
Gain or loss on exchange of non-monetary assets		
Profits or losses on debt restructuring		
One-time costs incurred by the enterprise due to discontinuation of relevant business activities, such as employee relocation expenses,		
One-time impact on profit or loss due to adjustments in tax, accounting and other laws and regulations.		
One-time share-based payment expenses recognized due to cancellation or modification of the share incentive plan		
Gains or losses arising from changes in the fair value of employee remuneration payable after the feasible date for cash-settled share-based payments		
Gains or losses from changes in fair value of investment properties subsequently measured using the fair value model		
Profits or losses from transactions with an apparent unfair price		
Gains or losses arising from contingencies unrelated to the Company's normal business operations		
Custodian fee income from entrusted operations		
Non-operating revenue and expenses other than those mentioned above	-317,988.82	
Other profits or losses that meet the definition of non-recurring profits or losses		
Less:Income tax effect	24,156.20	
Effect of minority interests (after tax)		
Total	82,968.23	

The Company shall state why, if it recognizes the items not listed in the *Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-Recurring Profit and Loss* as non-recurring profit and loss items and that the amount of such items is large, or if it defines the non-recurring profit and loss items listed in the *Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-Recurring Profit and Loss* as recurring profit and loss.
□ Applicable √ N/A

Other notes:
□ Applicable √ N/A

2. Return on net assets and earnings per share

□ Applicable □ N/A

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	10.56	1.14	1.14
Net profit attributable to ordinary shareholders of the Company after extraordinary gains and losses	10.55	1.14	1.14

3. Differences in Accounting Data under Domestic and Overseas Accounting Standards

□ Applicable √ N/A

4. Others

□ Applicable √ N/A

Chairman: Liang Jinli

Date of approval for filing by the board of directors: March 28, 2025

Revised information

□ Applicable √ N/A