

DR Corporation Limited

2024

Annual Report



Letter to Shareholders

Let True Love Become the Choice of Our Times

Dear Shareholders,

2024 marks the third year since DRCO became a publicly listed company. Over these three challenging years, we have witnessed the reshaping of global geopolitical dynamics, experienced the structural divergence of consumer market, and directly faced the profound transformation brought about by the reversal of China's demographic dividend. As the world stands at the crossroads between old and new orders, we now understand more deeply than ever that embracing change is essential to a company's growth. In a market environment full of uncertainties, DR has distinguished itself with its unique positioning—becoming the world's only premium jewelry brand dedicated to the expression of true love. Amid fierce industry competition, we have taken a differentiated path, carving out a distinctive presence in the global jewelry landscape.

Change and Consistency

In an era of material abundance and emotional anxiety, young people's views on love and marriage are undergoing a quiet yet profound transformation. This shift reflects not only economic pressures and a crisis of social trust but also a re-examination of personal values and lifestyles by a new generation. Marriage, once considered a "life default," has gradually become an "optional choice." Young people are redefining their own emotional narratives with greater caution and freedom.

DR has always upheld its original mission: to accompany those who believe in true love and those who long for love but doubt its attainability. We firmly believe that love is a deeply rooted human need, and a timeless code of civilization. We also believe that true love is one of a kind, just like every DR Diamond Ring, engraved with a unique code.

In an era of diverse values, DR's interpretation of "the sole true love in one life" is evolving with the times. To us, love is not a shackle—it's wings. It's not about compromise, but symbiosis. Love should bring a sense of freedom, mutual support, and shared growth toward a better future. That is the highest form of romance, and it is the very belief that DR holds dear.

Reflection and Review

Over the past year, guided by culture and driven by innovation, we wrote DR's romantic chapter on the global stage. At Paris Fashion Week, DR Bridal Gold shared the spotlight with modern Chinese brides. In front of our flagship store at the Louvre, couples from different cultures celebrated love with symbolic red strings during the Qixi Festival. At Barcelona Bridal Fashion Week, elegant wedding gowns shone alongside luxury DR jewelry. And at the Paris Olympics, champions chose DR to turn their commitment into a lifelong vow. This year, Darry Ring became a global sensation. In June alone, our search volume topped 65 million, a 118.8% increase year-on-year, placing us at the top of the trending topics on Creators Search Insights. Our social media following overseas surpassed 850,000; 150 new products covered every romantic milestone; over 50 patents demonstrated our innovation strength. Two of our designs won Platinum at the MUSE Design Awards and Gold at the New York Product Design Awards. These brilliant moments serve as vivid proof of DR spreading Chinese romance across the world. With its unique cultural DNA, DR is becoming a symbol of true love for young people worldwide.

This year also gave us a clearer understanding that under the new norm of tiered consumption and increasingly diverse needs, we must stay ahead in user insights, truly understanding the deeper motivations behind emotional needs. We must establish a unique value identity, making the brand an emotional anchor for users. We must break free from homogenized competition with innovative products that surprise and delight consumers. And we must evolve retail services from standardized to personalized.

Challenges and Opportunities

In the past few years, we've been through a comprehensive market stress test. We've faced wavering consumer confidence, industry structure adjustments, and shifting landscape of public opinion. These pressures brought significant challenges to our operations: revenue curves entered a correction phase, employee morale and organizational effectiveness were tested, and our capital market valuation came under pressure. These challenges have continuously honed the company's resilience while highlighting unique strategic opportunities for DR:

First, against the backdrop of diverse values, emotional uncertainty has only heightened people's longing for certainty. DR's brand commitment is becoming a rare symbol of true love—more precious than ever.

Second, China's jewelry industry is at a historic turning point, shifting from scale expansion to brand value creation. DR's emotional value system, built over years, positions us at the forefront of this transformation.

Third, as China's overall strength rises and cultural confidence awakens, Chinese brands are entering a golden age of global development. The Chinese romance that DR represents is becoming an elegant bridge between Eastern and Western cultures.

Challenges often give birth to new opportunities. We fully realize that only by continuously building resilience against risks and a robust financial structure can we capture the greatest certainty in an uncertain environment. Companies that stand firm through industry cycles often achieve transformative growth in adversity and attain true long-term sustainability.

Our Goals for 2025

DRCO has always embraced the vision of “becoming a global leader in true love culture,” striving to be the brand of choice for consumers around the world to commemorate cherished moments and celebrate a beautiful life—with premium jewelry as the medium. With this goal in mind, we'll focus on three core areas over the next five years: 1) Elevate the DR brand to become a globally influential benchmark in the jewelry industry; 2) Expand our business footprint worldwide; 3) Build a market-competitive brand that serves as our second growth engine.

In 2025, a key year for our international expansion, we will continue honing our internal capabilities with a systematic approach across four dimensions: brand, product, retail, and organization, to lay a solid foundation for global growth.

First, we will continue to strengthen our brand values and focus on our core audience, building long-term brand equity by shaping a well-rounded brand identity rooted in shared recognition among couples, loved ones, and the broader society.

Second, we'll refine our craftsmanship and drive design innovation in the global arena. We'll focus on creating and enhancing iconic products that embody our brand's identity, fulfilling consumers' dual needs for quality and emotional expression.

Third, we'll continue to optimize store operations and management. By creating “true love spaces” in cities, we'll significantly upgrade in-store experiences and provide better solutions to capture and commemorate true love moments.

Additionally, talent is the core driving force of any enterprise. As new talents continue to join us, we are building a passionate and like-minded team, fully committed to our shared vision.

Let True Love Become the Choice of Our Time

In an age overwhelmed by decision anxiety, we choose to stay true to these values:

“It's not about forcing marriage—it's about protecting those who still choose to believe.

True love isn't a fairytale—it's a flame of civilization that deserves to be protected.

When fewer people dare to make promises, those who do should be celebrated.

Every relationship treated with sincerity makes the world a little bit better.”

This is precisely what DR stands for—to protect those who still believe in true love, to ensure they receive the respect and blessings they deserve, and to let the courage to cherish commitment be rewarded with the happiness it deserves.

Finally, on behalf of the Board, we want to thank every shareholder for your choice and steadfast support. In 2025, with more transparent governance and more agile execution, we will continue transforming this commitment that integrates business logic and romantic faith into sustainable growth in performance and long-term value for our shareholders.

Zhang Guotao & Lu Yiwen

April 24, 2025

2024 Annual Report

Part I. Important Notes, Contents and Terminology

The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of DRCO warrant that the information of this annual report is true, accurate and complete without any false statements, misleading statements or material omissions, and they shall assume individual and joint legal responsibility.

Zhang Guotao, the legal representative of DRCO, Huang Shuirong, the head of accounting operations, and Ou Zhipeng, the head of the accounting department (accounting supervisor), confirm that the financial statements contained in the annual report are true, accurate and complete. All directors were present at the Board meeting at which this annual report was reviewed.

Any forward-looking statements in this report addressing future plans and objectives do not constitute material commitments by DRCO to investors. Investors and related parties should be aware of the risks involved and should understand the differences between plans, projections and commitments.

DRCO is required to comply with the disclosure requirements for jewelry-related business specified in the No.3 Guidelines for Self-Discipline and Regulation of Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

The Company kindly requests investors to carefully read the full text of this annual report. For potential risks the Company may face, please refer to “XI. Prospect for DRCO’s Future Development” under “Part III Management Discussion and Analysis”, which provides detailed disclosures on possible risks and corresponding countermeasures. Investors are advised to pay close attention and remain aware of investment risks.

The profit distribution plan approved at this Board meeting is as follows: based on a total of 400,010,000 shares, the Company will distribute a cash dividend of RMB 5.00 (tax included) for every 10 shares to all shareholders, issue zero bonus shares (tax included) for every 10 shares, and convert capital reserves into zero additional shares for every 10 shares to all shareholders.

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Documents Available for Inspection

I Financial statements signed and sealed by DRCO's legal representative, the head of accounting operations, and the head of the accounting department.

II Original copy of the auditors' report sealed by the accounting firm, and signed and sealed by the certified public accountants;

III All original copies of DRCO's announcements and documents publicly disclosed on the websites designated by the China Securities Regulatory Commission (CSRC) during the reporting period;

IV Original copy of the 2024 annual report, which has been signed by DRCO's legal representative;

V Other documents available for inspection.

The above-mentioned documents are kept at the Board Secretary Office of DRCO.

Terminology

Terms	Definition
Company, DRCO and DR Corporation	DR Corporation Limited
Darry Corporation	Shenzhen Darry Jewelry Co., Ltd., the predecessor of DR Corporation Limited
DR Investment	DR Investment (Zhuhai) Co., Ltd., formerly known as Shenzhen DR Investment Co., Ltd., is the controlling shareholder of DRCO
Wendi No.1	Gongqingcheng Wendi No.1 Investment Management Partnership (LP), a shareholder of DRCO
Wendi No.2	Gongqingcheng Wendi No.2 Investment Management Partnership (LP), a shareholder of DRCO
Wendi No.3	Gongqingcheng Wendi No.3 Investment Management Partnership (LP), a shareholder of DRCO
Darry Qianhai	Shenzhen Darry Commercial Management Services Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Love Only AI	Shenzhen Love Only AI Cloud Technology Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Haoduo Diamond	Haoduo Diamond (Shenzhen) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Shanghai Darry	Shanghai Darry Diamond Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Couple Shenzhen	Couple Only (Shenzhen) Jewelry Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
He'er Culture	He'er Culture (Shenzhen) Co., Ltd., formerly known as Shenzhen Shechushe Jewelry Co., Ltd., is a first-tier wholly-owned subsidiary of DRCO
He'er Culture (Hainan)	He'er Culture (Hainan) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
DR LUXURY Singapore	DR Luxury (Singapore) Pte. Ltd., a wholly-owned subsidiary of He'er Culture (Hainan) Co., Ltd.
DR LUXURY Netherlands	DR Luxury Netherlands Holding B.V., a wholly-owned subsidiary of DR Luxury (Singapore) Pte. Ltd.

LOVEMONT Malaysia	Lovemont (Malaysia) Sdn. Bhd., a wholly-owned subsidiary of DR Luxury (Singapore) Pte. Ltd.
Garland	Garland (Shenzhen) Jewelry Co., Ltd., a wholly-owned subsidiary of DR Luxury (Singapore) Pte. Ltd.
DR LUXURY USA	DR Luxury USA Inc, a wholly-owned subsidiary of DR Luxury Netherlands Holding B.V.
Garland France	Garland International, a wholly-owned subsidiary of DR Luxury Netherlands Holding B.V.
Love of My Love Wedding Planning (Shenzhen)	Love of My Love Wedding Planning (Shenzhen) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Shenzhen DR Jewelry Sales	Shenzhen DR Jewelry Sales Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Happy Love Psychological Research Center	Happy Love Psychological Research Center (Shenzhen) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Love of My Love Wedding Planning (Sanya)	Love of My Love Wedding Planning (Sanya) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Lovemont Hong Kong	Lovemont Hong Kong Limited, a wholly-owned subsidiary of DR Luxury (Singapore) Pte. Ltd.
Haoduo Diamond Zhizao	Haoduo Diamond Zhizao (Shenzhen) Co., Ltd., a wholly-owned subsidiary of Haoduo Diamond (Shenzhen) Co., Ltd.
Hong Kong DR GROUP	DR Group Company Limited, a wholly-owned subsidiary of Shenzhen Love Only AI Cloud Technology Co., Ltd.
Hong Kong DR	Darry Jewelry (HK) Limited, a wholly owned subsidiary of DR Group Company Limited
Couple Hong Kong	Couple Only Jewelry Hong Kong Company Limited, a subsidiary of DR Group Company Limited
French DR JEWELRY	DR Jewelry, a wholly owned subsidiary of DR Group Company Limited
Qianhai Wendi	Shenzhen Qianhai Wendi Management Consulting Co., Ltd.
EveryYear Photography	Shenzhen EveryYear Travel Photography Culture Co., Ltd.
Wendi Design	Zhuhai Wendi Design Consulting Co., Ltd.

Wendi Technology	Zhuhai Wendi Technology Co., Ltd.
Zhuhai Wendi No.1	Zhuhai Wendi No.1 Investment Partnership (LP)
DR	A jewelry brand owned by DR Corporation Limited
Reporting Period	January 1, 2024 – December 31, 2024
Articles of Association	Articles of Association of DR Corporation Limited
Listing	Listing and trading of DRCO's shares on the Shenzhen Stock Exchange
Yuan or RMB	Renminbi, the lawful currency of the PRC
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
SDE	Shanghai Diamond Exchange
Shenzhen Administration for Market Regulation	Shenzhen Administration for Market Regulation
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Carat (in Ct)	A unit of mass (weight) of gems. The weight of a carat of diamonds is equal to 200 milligrams or 0.2 grams of diamonds. One carat can be subdivided into 100 points for calculation of smaller diamonds; therefore, a 50-point diamond is 0.5 carat.
Finished Diamond	The diamond after cutting, polishing and other processing that can be used to make jewelries
Gold Jewelry	Jewelry with gold as the main raw material
Gold Lease	DRCO leases physical gold from the bank for an agreed term and upon expiration, returns physical gold of the same quantity and variety and pays the bank a gold leasing fee as agreed.
m ²	Square meter, a unit to measure the area
DTC	Direct to Customer, a direct-to-consumer business model

Part II Company Profile and Key Financial Indicators

I. Basic Information

Stock abbreviation	迪阿股份	Stock Code	301177
Chinese name	迪阿股份有限公司		
Chinese abbreviation	迪阿股份		
English name (if any)	DR Corporation Limited		
English abbreviation (if any)	DRCO		
Legal representative	Zhang Guotao		
Registered address	Room 1308, Tower C, China Resources Land Building, Dachong Community, Yuehai Subdistrict, Nanshan District, Shenzhen.		
Postal code	518057		
History of changes in registered address	On June 25, 2024, the registered address of DRCO was changed from “Room 306, Wing Building Luohu Investment Holding Building, No. 112 Qingshuihe 1st Road, Qingshuihe Community, Qingshuihe Street, Luohu District, Shenzhen” to “Room 1308, Tower C, China Resources Land Building, Dachong Community, Yuehai Subdistrict, Nanshan District, Shenzhen”.		
Office address	12th and 13th Floor, Tower C, China Resources Land Building, Nanshan District, Shenzhen		
Postal code	518057		
Global website	http://www.darryringgroup.com		
E-mail	IR@darryring.com		

II. Contact Information

	Board secretary	Securities affairs representative
Name	Huang Shuirong	Wang Tong
Address	13th Floor, Tower C, China Resources Land Building, Nanshan District, Shenzhen	13th Floor, Tower C, China Resources Land Building, Nanshan District, Shenzhen
Telephone	0755-86664586	0755-86664586

Fax	0755-86725390	0755-86725390
E-mail	IR@darryring.com	IR@darryring.com

III. Information Disclosure and Place for Inspection

Website of the stock exchange for publishing DRCO's annual report	Shenzhen Stock Exchange (SZSE): www.szse.cn
Name and website of media designated for publishing the annual report	Securities Times, Securities Daily, China Securities Journal, Shanghai Securities News, www.cninfo.com.cn
Place for inspection of DRCO's annual report	The Board Secretary Office of DRCO.

IV. Other Relevant Information

Accounting firm engaged by DRCO

Name of accounting firm	Ernst & Young Hua Ming LLP (Special General Partnership)
Office address	Room 01-12, 17th Floor, EY Tower, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing
Names of signing accountants	Li Jianguang and Chen Huijin

Sponsor engaged by DRCO to perform continuing supervision during the reporting period

Applicable Not applicable

Name of Sponsor	Office address	Name of sponsor representative	Continuous supervision period
China Securities Co., Ltd.	35th Floor, Shenzhen Media Group Tower, Pengcheng 1st Road, Futian District, Shenzhen	Fang Yifeng and He Junjie	December 15, 2021 - December 31, 2024

Financial advisers engaged by DRCO to perform continuing supervision during the reporting period

Applicable Not applicable

V. Key Accounting Data and Financial Indicators

Whether DRCO needs to retroactively adjust or restate the accounting data of the previous years

Yes No

	2024	2023	YoY Changes	2022
Operating revenue (RMB)	1,482,423,153.98	2,180,277,744.00	-32.01%	3,681,574,412.68

Net profit attributable to shareholders of the parent company (RMB)	53,029,532.69	68,957,568.40	-23.10%	729,241,946.67
Net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses (RMB)	-126,403,879.88	-120,482,993.14	-4.91%	613,246,940.64
Net cash flow from operating activities (RMB)	316,155,839.08	36,965,507.81	755.27%	818,011,112.24
Basic earnings per share (RMB/share)	0.13	0.17	-23.53%	1.82
Diluted earnings per share (RMB/share)	0.13	0.17	-23.53%	1.82
Weighted average return on net assets	0.83%	1.04%	-0.21%	10.68%
	At the end of 2024	At the end of 2023	YoY change (year-end)	At the end of 2022
Total assets (RMB)	7,552,292,660.57	7,530,082,307.45	0.29%	8,815,748,380.27
Total equity attributable to shareholders of the parent company (RMB)	6,323,504,304.33	6,472,637,841.96	-2.30%	6,803,046,203.96

For each of the past three fiscal years, the annual net profit before or after deduction of non-recurring profit or loss, whichever is lower, has been negative; the recent year's audit report indicates uncertainty about the company's ability to continue operating.

Yes No

The lower of DRCO's net profit before or after deduction of non-recurring profit or loss is negative.

Yes No

Item	2024	2023	Remarks
Operating revenue (RMB)	1,482,423,153.98	2,180,277,744.00	/
Revenue deductions (RMB)	8,134,973.25	6,520,708.61	It is mainly the revenue from wedding planning services, income from the disposal of pending products, and income from packaging materials and others.
Revenue after deduction (RMB)	1,474,288,180.73	2,173,757,035.39	/

VI. Key Financial Indicators on Quarterly Basis

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	426,413,685.46	352,097,631.79	333,100,894.37	370,810,942.36
Net profit attributable to shareholders of the	29,459,842.26	3,354,461.19	-12,628,519.86	32,843,749.10

listed company				
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-5,916,597.01	-38,580,260.71	-33,964,553.82	-47,942,468.34
Net cash flows from operating activities	82,438,672.90	105,178,258.43	42,753,286.92	85,785,620.83

The above financial indicators or their aggregate amounts differ significantly from the relevant financial indicators disclosed in the DRCO's quarterly or semi-annual reports.

Yes No

VII. Differences in Accounting Data Under Domestic and International Accounting Standards

1. The differences in net profit and net assets disclosed in financial reports prepared according to both International Financial Reporting Standards (IFRS) and Chinese Accounting Standards (CAS).

Applicable Not applicable

This report does not include differences in net profit and net assets disclosed during the reporting period under both International Financial Reporting Standards (IFRS) and Chinese Accounting Standards (CAS).

2. The difference in net profit and net assets disclosed in financial reports prepared according to both overseas accounting standards and Chinese Accounting Standards.

Applicable Not applicable

This report does not include differences in net profit and net assets disclosed during the reporting period under both overseas accounting standards and Chinese Accounting Standards.

VIII. Non-recurring Profit/Loss Items and Amounts

Applicable Not applicable

Unit: RMB

Item	Amount in 2024	Amount in 2023	Amount in 2022	Description
Non-current asset disposal gains or losses (including the write-off portion of previously recognized asset impairment provisions)	2,324.86	1,483,669.10	1,244,949.25	
Government grants recognized in the current period's income, excluding those closely related to the company's normal operations, conforming to national policy regulations,	2,792,775.88	17,239,801.74	23,433,558.47	

enjoyed under established criteria, and persistently impacting the company's income and expenses				
Gains and losses on changes in the fair value of financial assets and liabilities held by non-financial enterprises and gains and losses on the disposal of financial assets and liabilities, except for effective hedging operations related to regular business operations of DRCO	174,942,992.31	232,611,194.40	128,297,407.98	Gains and losses on changes in fair value of financial assets held for trading, and investment income from wealth management products during the reporting period.
Reversal of provision for impairment of receivables subject to separate impairment test	3,730,738.14	1,476,671.46	0.00	The long-overdue payment for goods and the deposit for store leasing in the shopping mall were recovered during the reporting period.
Other non-operating income or expenses other than the above items	2,748,458.84	-4,827,618.30	631,427.63	Mainly refers to the external compensation funds during this reporting period.
Less: Income tax effect	4,783,877.46	58,543,156.86	37,612,337.30	
Total	179,433,412.57	189,440,561.54	115,995,006.03	--

Details of other gain/loss items that meet the definition of non-recurring gains/losses:

Applicable Not applicable

DRCO has no other items in line with the definition of non-recurring gains/losses.

Explanation on defining the non-recurring items listed in *Interpretative Announcement No. 1 on the Disclosure of Information by Companies Issuing Securities Publicly — Non-recurring Gains and Losses* as recurring items

Applicable Not applicable

Item	Amount involved (RMB)	Explanation
The value-added tax refund obtained due to the portion of the actual tax burden on diamond imports exceeding 4%, which qualifies for immediate refund.	7,740,248.29	Government grants closely related to the company's normal operations, conforming to national policy regulations, enjoyed under established criteria, and persistently impacting the company's income and expenses
VAT exemption for small-scale taxpayers with monthly sales not exceeding 100,000 yuan (or 300,000 yuan for quarterly sales if a quarter is a tax period)	1,292,758.89	Government grants closely related to the company's normal operations, conforming to national policy regulations, enjoyed under established criteria, and persistently impacting the company's income and expenses

Part III. Management Discussion and Analysis

I. Industry Overview during the Reporting Period

DRCO is required to comply with the disclosure requirements for "Jewelry-related Businesses" and "Retail Industry" as outlined in the *No.3 Guidelines for Self-Discipline and Regulation of Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

(I) Overview of Macroeconomic Environment and Market Conditions

In 2024, the global economy experienced a nuanced recovery amid complex challenges. Developed economies gradually moved away from tight monetary policies as inflation moderated. However, ongoing geopolitical tensions and accelerated industrial chain restructuring continued to constrain global trade and investment. According to the International Monetary Fund (IMF), global trade volume is anticipated to grow at a modest 2.3% for the year, significantly below the decade-long average—underscoring the lasting impact of regionalized supply chains and rising trade protectionism on globalization. As the world's second-largest economy, China maintained its commitment to its overarching strategy of pursuing steady progress. Demonstrating robust resilience, the country implemented a series of targeted initiatives to stabilize growth, optimize industrial structure, and drive transformation in its development model. In 2024, China achieved a 5.2% year-on-year expansion in GDP, with overall economic momentum continuing to improve.

As a pivotal pillar of the domestic economy, consumption serves as a crucial bridge between production and overall well-being. In 2024, the recovery of the consumer market remained moderate, constrained by slower growth in household income, ongoing adjustments in the real estate sector, and subdued consumer confidence. According to the National Bureau of Statistics, total retail sales of consumer goods exceeded RMB 47 trillion, representing a year-on-year increase of 7.5%. Final consumption expenditure contributed 44.5% to GDP growth, continuing to function as a key stabilizing force. Nationwide per capita disposable income reached RMB 41,314, while the average propensity to consume (per capita consumption expenditure as a percentage of per capita disposable income) stood at approximately 68.3%, still below the pre-pandemic level of 70.1% in 2019. In terms of consumption structure, essential spending accounted for around 62.9%, with discretionary spending comprising the remaining 37.1%, indicating a distinct pattern of structural divergence. To stimulate consumption and further expand domestic demand, both central and local governments introduced a suite of targeted policy measures in 2024. Noteworthy among these are the Measures on Strengthening Support for Large-Scale Equipment Renewal and Consumer Goods Replacement, jointly issued by the National Development and Reform Commission (NDRC) and the Ministry of Finance (MOF), as well as the State Council's Guidelines on Further Unleashing Consumption Potential and Promoting Sustained Recovery. These initiatives aim to revitalize the consumption sector by optimizing the consumer ecosystem, refining subsidy frameworks, and fostering new consumption patterns. Looking forward, a more pragmatic and diversified consumer mindset is poised to steer the market toward consumption patterns that prioritize quality, personalization, digital integration, intelligence, and sustainability.

(II) Overview of the Jewelry Industry

According to Grand View Research, the global jewelry market is anticipated to reach US\$366.795 billion in 2024, with projections indicating an increase to US\$482.22 billion by 2030, representing a compound annual growth rate (CAGR) of 4.7% over the next five years. The Asia-Pacific region is forecasted to account for nearly 46% of the market share, serving as a pivotal driver of global industry expansion. As a major participant in the global jewelry market, China's jewelry sector faced substantial challenges over the past year, characterized by market fluctuations and a decline in growth. Nevertheless, the overall market scale remains at the second-highest level historically. According to the 2024 China Jewelry Industry Development Report issued by the China Jewelry and Jade Association, the overall industry scale of China's jewelry and jade industry is estimated to be approximately RMB778.8 billion in 2024, representing a year-on-year decrease of 5.02%. Within this, the gold market is projected to reach around RMB568.8 billion, reflecting a year-on-year growth of 9.8%. In contrast, the jade market is expected to total approximately RMB98 billion, showing a decline of 34.67% year-on-year, while the diamond market is forecasted at RMB43 billion, experiencing a year-on-year decrease of 28.33%.

Amid complex global challenges, the natural diamond industry remained subdued in 2024, with both polished diamond prices and rough diamond production experiencing notable declines. According to Rapaport, natural diamond prices fell approximately 14% year-over-year, with prices for 0.30 carat, 0.50 carat, 1.00 carat, and 3.00 carat stones down by 26%, 15%, 23%, and 17%, respectively. Data from IDEX also demonstrated a 12.10% drop in its Finished Diamond Price Index as of December 2024 compared to the prior year. De Beers reported a total rough diamond output of 24.7 million carats for the year, marking a 22% year-on-year decrease, and revised its 2025 production guidance to 20–23 million carats. Despite the overall softness, certain niche segments showed promising growth. According to data jointly released by the Natural Diamond Council (NDC) and Tenoris, sales of 2.00–2.24 carat diamonds rose by 18% year-over-year, with the segment's market share surpassing 10%—reflecting a growing consumer preference for larger carat weights.

As a key consumption driver in the jewelry sector, the wedding market is undergoing significant structural shifts. According to the Ministry of Civil Affairs, the number of marriage registrations in China totaled approximately 6.106 million couples in 2024, representing a 20.5% year-on-year decline. Despite this, the trend toward quality-driven consumption continues to gain momentum. For the first time, new-generation consumers (Gen Z and millennials) accounted for over 75% of the market, with their increasing demand for ritual, personalization, and emotional value driving a shift from traditional wedding-centered purchases to a broader range of scenarios, including anniversaries and self-rewarding purchases. In higher-tier cities, average transaction value has witnessed notable increases, with diamond-studded jewelry maintaining a stable presence in the wedding market. Concurrently, Gold Jewelry has expanded its market share, fueled by its value-preserving attributes and the growing popularity of Chinese-style designs, further intensifying competition in niche segments.

Despite the challenges posed by international turmoil, slowing economic growth, and shifting consumer demand, the jewelry industry continues to demonstrate remarkable resilience and vitality. Evolving consumer preferences, the growing adoption of ESG principles, and increasing globalized supply chain volatility are reshaping the industry landscape—creating both heightened challenges and emerging opportunities. Looking ahead, industry participants must embrace creativity and innovation to navigate a dynamic market environment and unlock new drivers of sustainable growth.

1. Intensifying market volatility further concentrated market share among leading brands

In 2024, the jewelry industry experienced heightened volatility amid a backdrop of slowing economic growth, tighter financing channels, and dampened market expectations. These conditions accelerated the phase-out of excess capacity and further concentrated market share among leading brands. Driven by the rising influence of younger consumers, demand for jewelry has extended beyond traditional wedding-related scenarios to encompass daily wear, holiday gifting, and celebrations of personal milestones. Consumers are placing greater emphasis on brand identity, design philosophy, and environmental responsibility—trends that bring both new opportunities and competitive pressures. Leading brands, underpinned by strong R&D capabilities, deep-rooted brand heritage, and solid financial foundations, are better positioned to meet evolving consumer demands, integrate upstream and downstream resources, and capture greater market share. According to the *China Jewelry Market Development Report (2019–2024)* by the China National Gem & Jewelry Association, the top eight jewelry retail brands accounted for 40.71% of the domestic market, while the top five publicly listed brands operated 76% of total retail stores—underscoring the ongoing rise in industry concentration. This trend reflects a fundamental shift in competitive dynamics and points to the direction of future market development.

2. Structural divergence increasingly intensifies amid industry headwinds

The jewelry sector continued to face headwinds in 2024, marked by market fluctuations and an overall decline, while consumption became increasingly stratified. Gold Jewelry retained strong appeal due to its inherent attributes of risk aversion, value preservation, and appreciation. However, structural divergence within the gold segment also became more apparent. Traditional Gold Jewelry showed signs of weakness, whereas demand for premium Gold Jewelry rose against the trend. According to the World Gold Council's Gold Demand Trends Report released on February 5, 2024, global gold demand—including over-the-counter transactions—reached 4,974 tons, valued at US\$ 382 billion, driven by a surge in central bank

purchases and growing gold investment demand. Gold prices surged by 26.6% year-on-year. While elevated prices weighed on traditional Gold Jewelry consumption, they also fueled the rise of high-end gold pieces, underpinned by ancient goldsmithing techniques and the growing popularity of Chinese cultural aesthetics. Meanwhile, the diamond sector remained on a downward trajectory amid ongoing structural adjustments and subdued consumer sentiment. According to customs data from the Shanghai Diamond Exchange, total diamond transaction value in 2024 reached US\$ 2.02 billion, marking a 35% year-on-year decline. Despite this downturn, the Chinese diamond market still shows considerable potential for growth in both market penetration and average transaction value. According to the 2024 Diamond Investment Potential Market Report by the Shanghai Diamond Exchange, the penetration rate of diamond jewelry in China is only 9%, compared to 60% in the U.S., 11% in India, and a global average of 22%. Diamond-studded jewelry represents approximately 10% of the Chinese market, versus around 40% in international markets.

3. Reshaping competition landscape: innovation and brand premiumization as shields against excessive competition

Influenced by a combination of factors, both household consumption power and willingness have softened since 2024, with price sensitivity becoming increasingly evident. Confronted with the retail sector's "impossible triangle"—balancing high speed, low cost, premium quality, and superior service—growth strategies reliant solely on rapid expansion and price competition have become increasingly unsustainable. As a result, "consumption downgrade" and "zero-sum competition" have emerged as prevailing narratives across the industry. Nonetheless, while the broader macroeconomic environment continues to exert pressure on consumer spending, the steady expansion of domestic supply and the growing diversification and segmentation of consumer demand are prompting jewelry companies to shift toward more refined operations and deeper engagement within existing markets. Some jewelry brands achieved growth by integrating innovative design with cultural elements, resonating with younger consumers' pursuit of individuality and cultural identity. The seamless fusion of online and offline experiential channels is deepening consumer engagement, while bespoke and premium customization services cater to the growing demand for exclusivity. These strategies not only unlock new growth opportunities but also lay a solid foundation for sustainable development. Looking ahead, the jewelry industry continues to present significant growth opportunities. Brands that effectively elevate emotional resonance and cultural relevance—while enhancing product design and service experience—will be best positioned to secure a competitive edge in an ever-evolving market landscape.

4. The rise of the new retail: digitalization and AI as catalysts for future growth

New retail operating models—characterized by seamless online-offline integration, the precise delivery of combined data, and differentiation of brand value—are unlocking significant growth opportunities for the jewelry industry. These models enable brands to more effectively target consumers, deliver personalized services, and execute differentiated operations. As a result, they not only enhance brand visibility and competitiveness but also accelerate the industry's shift toward brand-led growth. Meanwhile, rapid advancements in digital and AI technologies are transforming the industry's operational landscape. AI algorithms are enhancing jewelry design and supply chain management by analyzing user preferences and accurately forecasting consumer trends and market demand. Furthermore, AI empowers brands to leverage digital social platforms—such as short-form video and live commerce—to create diverse, interactive touchpoints, thereby increasing brand reach and visibility. In addition, intelligent algorithms are enabling the development of integrated information systems that collect data across the entire production, supply, and sales chain, allowing for big data-driven product innovation and strategic decision-making. Meanwhile, the growing adoption of emerging AR/VR technologies is offering consumers immersive purchasing experiences, helping brands create digital assets and foster customer loyalty. In summary, the deep integration of new retail models and AI technologies is accelerating the industry's transition toward a brand-driven growth and paving the way for a more digital, intelligent future.

5. Reinforcing brand identity as emotional value becomes core driver of consumption

As China transitions from a production-driven society to a consumption-led economy, consumer expectations are evolving beyond basic functional needs toward emotional, cultural, and symbolic

fulfillment. According to *the 2024 Lifestyle Trends Insight Report: Emotional Premiums in the Silver Age*, released by China Business Network (CBN) DT Business Observer, emotional value has become a key driver of consumption, particularly among the post-2000 generation. Increasingly, consumers prioritize emotional resonance over practical utility, driven by a strong desire for social identity and emotional connection. The report also highlights that nearly 90% of respondents experienced varying degrees of stress in 2024, with 14.8% reporting an “overload of pressure.” Against this backdrop, emotionally symbolic products have emerged as a meaningful outlet for relieving anxiety—serving as a form of “spiritual ibuprofen” that is reshaping the perceived value of goods while accelerating the shift toward emotion- and symbol-driven consumption. In recent years, a number of pioneering jewelry brands have achieved notable success by putting emphasis on craftsmanship and emotional storytelling. By adopting a strategy that seamlessly integrates brand philosophy, product design, and packaging, these brands have established distinctive identities that resonate with consumers on a deeper psychological level, significantly enhancing brand recognition. These efforts have strengthened customer loyalty, extended product life cycles, and deepened consumer satisfaction and emotional engagement. By capitalizing on the growing cultural pride and brand confidence among jewelry sector, these brands are injecting renewed vitality into the industry.

II. DRCO Main Business during the Reporting Period

DRCO is required to comply with the disclosure requirements for "Jewelry-related Businesses" and as outlined in the No.3 Guidelines for Self-Discipline and Regulation of Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

DRCO is required to comply with the disclosure requirements for "Retail Industry" and as outlined in the No.3 Guidelines for Self-Discipline and Regulation of Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

(I) Main Business of DRCO

DRCO is a publicly listed enterprise with a global footprint, dedicated to the design and marketing of high-end engagement rings and fine jewelry. Its principal operations encompass brand management, customized retail, and jewelry design and innovation. Since its establishment, the Company has remained committed to its mission of “helping more people express love and making love happy for a long time,” with a strategic focus on key romantic milestones such as proposals, weddings, and anniversaries. Guided by a philosophy rooted in true love, the Company strives to deliver exceptional products and distinctive experiences to consumers worldwide, with the vision of “becoming a global leader in true love culture”.

The Company’s flagship upscale jewelry brand, DR Diamond Ring, has established a strong global footprint through a Direct-to-Consumer (DTC) retail model that seamlessly integrates online and offline channels. Its operations extend across Paris, Hong Kong, and nearly 200 cities throughout mainland China. Leveraging its distinct brand positioning, renowned design expertise, and exclusive services, DR Diamond Ring has rapidly emerged as a global leader in the engagement ring category. The brand has been consistently ranked among the “Top 500 Asian Brands” by World Brand Lab and has garnered prestigious international honors, including the JNA Awards “Brand of the Year” and HKCT’s “Best International Engagement Ring Brand of the Year.” As of the end of the reporting period, DR Diamond Ring operated 373 self-owned True Love Experience Stores worldwide, earning widespread recognition among younger consumers globally.

(II) Product Portfolio of DRCO

The Company’s core product portfolio encompasses engagement rings, wedding bands, anniversary gifts, and bridal gold collections. Looking ahead, the Company remains committed to serving the emotional aspirations of global consumers seeking to commemorate life’s cherished moments and celebrate enduring beauty. Each jewelry piece is meticulously crafted with a distinctive aesthetic vision and exceptional artisanal craftsmanship.



DR HEART
shaped Halo Pavé Engagement Ring



OUR DAY couple ring for her
YOU & ME Black Knight couple ring for him



The ONE & ONLY Symphony of Love:
Duet Engagement Ring



Paris Show Collection
Dragon Scale & Phoenix Feather A
Promise in Love – The Necklace Set



DR Paris Show Collection
Dragon Scale & Phoenix Feather
Endless Love: Wedding Rings



DR ETERNAL RING
Ring of a Lifetime: Starry Night Bracelet

(III) An Overview of the Operational Status

1. Customized fully self-operated sales model

The Company adopts an integrated omni-channel approach, providing consumers with a seamless online and offline shopping experience. Channels such as the official website, mini-program, Tmall, and JD flagship stores serve as online platforms for browsing and purchasing, while offline stores offer physical retail experiences. This strategy leverages the efficiency of online platforms and the tactile experience of offline channels. For brand promotion, image building, and unified management, the DR brand follows a fully self-operated model, with all stores managed and operated by the Company. Both online and offline products are consistently priced, with a primary focus on customized product offerings to customers. Under the customization model, customers place orders and make payments (either deposits or full payments) online or offline. The Company then arranges production through outsourcing, delivers the products directly to customers' or allows customers to collect the products from designated stores, after receiving the final payment. To enhance the romantic experience for customers, the Company offers a range of value-added services, including the "True Love Agreement," "Love Confirmation Certificate," and co-hosting of marriage proposal ceremonies at stores. These services enrich the overall consumer experience, further reinforcing the brand's identity and emotional connection with customers.

(1) Revenue by business segment during the reporting period

During the reporting period, the company recorded operating revenue of RMB 1,482.42 million, representing a decrease of 32.01% compared with the same period last year. This decline was mainly attributed to continued weakness in consumer demand since 2023, coupled with the enhanced risk-hedging nature of gold, which diverted spending away from non-gold categories. As a result, demand for diamond-set products remained sluggish, with the number of relevant orders decreasing 19.96% year-on-year, and the average order value dropped by 13.72%. By business model: online self-operated channel achieved revenue of RMB 242.01 million, up 6.57% year-on-year; offline directly operated channel achieved revenue of RMB 1,115.31 million, down 36.97% year-on-year; offline jointly operated channel generated revenue of RMB 116.97 million, down 34.01% year-on-year; other business generated revenue of RMB

8.14 million, up 24.76% year-on-year, mainly due to increased sales of peripheral products such as gift boxes and brand mascots.

During the reporting period, the company's overall gross profit margin was 65.49%, representing a decrease of 3.34% compared with the same period last year. By business model: the gross profit margins of online self-operated, offline directly operated, and offline jointly operated channels were all due to an increase in the sales proportion of the company's gold products during the reporting period. However, their gross profit margins were much lower than those of other main products, resulting in a slight decline in the company's overall gross profit margin. The gross margin of other businesses increased by 11.33%, primarily due to reduced disposals of pending products and increased sales of peripheral items, leading to a shift in the structure of this business segment.

Revenue by business segments during the reporting period

Unit: RMB0'000

Business Segment	2024			2023			YoY change in revenue	YoY change in gross margin
	Revenue	Operating cost	Gross margin	Revenue	Operating cost	Gross margin		
Online Self-Operated	24,201.42	8,963.19	62.96%	22,708.81	7,589.49	66.58%	6.57%	-3.62%
Offline Direct-Operated	111,530.62	37,701.67	66.20%	176,941.40	54,320.50	69.30%	-36.97%	-3.10%
Offline Joint-Operated	11,696.78	4,113.88	64.83%	17,725.50	5,664.30	68.04%	-34.01%	-3.21%
Other Businesses	813.50	383.17	52.90%	652.07	381.03	41.57%	24.76%	11.33%
Total	148,242.32	51,161.90	65.49%	218,027.77	67,955.33	68.83%	-32.01%	-3.34%

Note: The above figures are rounded to two decimal places. Some figures slightly differ in their final digits due to rounding and are not calculation errors.

(2) Stores in the reporting period

① Changes in number of stores

In response to market dynamics, the Company proactively optimized its channel layout by systematically reviewing and evaluating existing stores. Adjustments and refinements were made to the sales network based on factors such as changes in commercial areas, alignment with target customer groups, and brand strategy positioning. During the reporting period, the Company opened 17 new stores (14 direct-operated stores and 3 joint-operated stores) and closed 172 stores (159 direct-operated stores and 13 joint-operated stores), resulting in a net decrease of 155 stores.

As of the end of the reporting period, the Company operated a total of 373 stores, all of which were direct-operated. Of these, 371 stores were located in the Chinese mainland, spanning 197 cities (including county-level cities) across 31 provinces, autonomous regions, and municipalities. By city tier, first- and second-tier cities accounted for 202 stores (54.16%), showing a slight decline compared to the previous year; third-tier and lower-tier cities accounted for 169 stores (45.31%). The Company maintained 2 overseas direct-operated stores, located in Paris, France, and Hong Kong, China, representing 0.53% of the total.

During the period, 4 stores changed from joint operation to direct operation. As of the end of the reporting period, the Company had 341 direct-operated stores (91.42%) and 32 joint-operated stores (8.58%), roughly the same as at the beginning of the period.

Store count changes

Unit: Store

Tier of city	Classification	Beginning-of-period number	Increase		Decrease		Net change	End-of-period number
			New	Change in business mode	Closed	Change in business mode		
Tier-1 and tier-2	Direct-operated	277	8	4	106	-	-94	183
	Joint-operated	27	2	-	6	4	-8	19
	Subtotal	304	10	4	112	4	-102	202
Tier-3, 4 and below	Direct-operated	203	6	-	53	-	-47	156
	Joint-operated	19	1	-	7	-	-6	13
	Subtotal	222	7	-	60	-	-53	169
Overseas	Direct-operated	2	-	-	-	-	-	2
	Joint-operated	-	-	-	-	-	-	-
	Subtotal	2	-	-	-	-	-	2
Total	Direct-operated	482	14	4	159	-	-141	341
	Joint-operated	46	3	-	13	4	-14	32
	Total	528	17	4	172	4	-155	373

Note: The company adjusted the tier classification of its stores in accordance with the latest city tier system issued by the government.

② Newly opened stores

To adapt to market changes and maintain stable operations, the company further slowed the pace of new store openings. During the reporting period, the company opened 17 new stores (14 direct-operated stores and 3 joint-operated stores), with a total operating area of 1,198.94 square meters.

In terms of revenue, the new stores generated revenue of RMB 13.46 million during the reporting period, accounting for 0.91% of the company's total revenue. Direct-operated stores contributed RMB 9.02 million(0.61%), and joint-operated stores contributed RMB 4.44 million(0.30%). In terms of gross profit, new stores achieved gross profit of RMB 8.85 million during the reporting period, with direct-operated stores contributing RMB 5.92 million and joint-operated stores contributing RMB 2.92 million. The overall gross profit margin was generally in line with that of existing stores.

Newly opened stores

Unit: RMB0'000

Mode	Region	2024					2023				
		Number of stores	Area (m ²)	Revenue	As % of total revenue	Gross profit	Number of stores	Area (m ²)	Revenue	As % of total revenue	Gross profit
Joint-operated	North China	1	74.00	133.51	0.09%	90.61	-	-	-	-	-
	East China	1	63.00	93.81	0.06%	60.64	-	-	-	-	-
	Central China	1	29.40	216.96	0.15%	141.12	1	110.00	63.05	0.03%	44.49

	Northwest China	-	-	-	-	-	1	36.60	210.69	0.10%	128.52
Subtotal of joint-operated stores		3	166.40	444.28	0.30%	292.37	2	146.60	273.74	0.13%	173.00
Direct - operated	Northeast China	2	117.40	157.02	0.11%	99.52	1	98.00	155.97	0.07%	95.24
	North China	1	20.00	-	-	-	2	211.00	285.71	0.13%	199.52
	East China	4	377.22	554.80	0.37%	367.55	5	395.15	606.17	0.28%	435.06
	South China	2	180.60	21.85	0.01%	15.11	3	334.33	462.18	0.21%	326.37
	Central China	2	150.00	1.41	0.00%	0.54	2	134.00	131.39	0.06%	89.97
	Northwest China	1	78.32	17.07	0.01%	12.14	6	625.56	772.49	0.35%	542.54
	Southwest China	2	109.00	149.59	0.10%	97.62	3	245.82	730.86	0.34%	529.02
Subtotal of direct-operated stores		14	1,032.54	901.74	0.61%	592.48	22	2,043.86	3,144.78	1.44%	2,217.72
Total		17	1,198.94	1,346.01	0.91%	884.85	24	2,190.46	3,418.52	1.57%	2,390.72

Note: The above figures are rounded to two decimal places. Some figures slightly differ in their final digits due to rounding and are not calculation errors.

③ Impact of closed stores during the reporting period

In 2024, the company continued the strategic approach adopted in 2023 to adjust its sales network, aiming to improve store operation efficiency and profitability. During the reporting period, the company closed a total of 172 stores (159 direct-operated stores and 13 joint-operated stores), with most closures in the first to third quarters and the adjustment process largely concluded by the fourth quarter.

The closed stores generated revenue of RMB 184.92 million during the reporting period, compared to revenue of RMB 398.02 million in the same period last year. The revenue impact of the store closures for the reporting period was RMB -213.09 million. By business model, the revenue impact from the closure of direct-operated stores was RMB -197.00 million, mainly in East China (RMB -65.51 million), Central China (RMB -35.39 million), and Southwest China (RMB -26.43 million). The impact of closing joint-operated stores was relatively minor.

Analysis of the impact of closed stores on revenue during the reporting period

Unit: RMB0'000

Mode	Region	Closed	Revenue during the reporting period	Revenue in the same period of the preceding year created by stores closed during the reporting period	Impact of closed stores on DRCO during the reporting period
Joint-operated	Northeast China	1	45.92	223.83	-177.90
	North China	2	418.62	663.19	-244.58
	East China	6	778.93	1,604.89	-825.96
	South China	1	30.37	269.89	-239.52
	Central China	2	140.54	169.73	-29.19

	Southwest China	1	20.15	111.87	-91.72
Subtotal of joint-operated stores		13	1,434.53	3,043.40	-1,608.87
Direct-operated	Northeast China	9	847.40	2,469.08	-1,621.68
	North China	14	1,729.33	3,719.87	-1,90.54
	East China	56	6,211.80	12,762.52	-6,550.72
	South China	20	2,789.35	5,426.92	-2,637.57
	Central China	25	2,114.72	5,653.56	-3,538.84
	Northwest China	5	682.81	1,401.21	-718.40
	Southwest China	30	2,682.50	5,325.00	-2,642.50
Subtotal of direct-operated stores		159	17,057.90	36,758.16	-19,700.25
Total		172	18,492.44	39,801.56	-21,309.12

Note1: Impact of closed stores on DRCO during the reporting period = Revenue of closed stores during the reporting period - revenue of closed stores for the entire year of the previous year (the same period).

Note 2: The above figures are rounded to two decimal places. Some of the figures are slightly different in the endings due to rounding and are not calculation errors.

④ Performance analysis for stores during the reporting period

During the reporting period, for direct-operated stores, the single-store revenue was RMB 2.76 million, down 9.01% year-on-year; the single-store gross profit was RMB 1.80 million, down 14.12%; and the single-store area efficiency was RMB 0.03 million, down 7.80% year-on-year. For joint-operated stores, the single-store revenue was RMB 3.01 million, down 11.65% year-on-year; the single-store gross profit was RMB 1.95 million, down 15.89%; and the single-store area efficiency was RMB 0.05 million, down 7.98% year-on-year.

Several factors influenced store performance during the reporting period. On the macro level, the jewellery market remained under pressure, with intensified internal structural differentiation. The strengthening of gold's safe-haven appeal continued to divert consumer demand away from inlaid jewellery, impacting the diamond-focused product structure. In addition, the company proactively optimized its channel layout by closing under-performing stores, which in turn reduced intra-city competition among remaining stores. As a result, the decline in sales per square metre (direct-operated: -7.80%, joint-operated: -7.98%) was narrower than the decline in revenue, reflecting improvement in operational efficiency.

Store revenue and gross profit

Unit: RMB0'000

Classification	2024					2023					YoY change		
	Average number of stores	Single store area (m ²)	Single-store revenue	Single-store gross profit	Single-store area efficiency	Average number of stores	Single store area (m ²)	Single-store revenue	Single-store gross profit	Single-store area efficiency	Single-store revenue	Single-store gross profit	Single-store area efficiency
Direct-operated	406	87.95	275.68	180.32	3.13	584	89.11	302.98	209.97	3.4	-9.01%	-14.12%	-7.80%
Joint-operated	36	65.58	301.15	195.10	4.59	52	68.29	340.88	231.95	4.99	-11.65%	-15.89%	-7.98%

Note: The average number of stores refers to the average of the number of stores at the end of each month of the reporting period
(Σ number of stores at the end of the month / number of months)

⑤ Top 10 stores in terms of revenue

Unit: RMB0'000

No.	Store name	Opening time	Mode	Business area (m ²)	Revenue	Operating cost	Operating profit
1	DR Store in Xi'an SAGA International Shopping Mall	2018/7/28	Direct-operated	168.00	1,425.51	894.09	10.16
2	DR Store in Guangzhou Tianhe Zhengjia Plaza	2017/11/11	Direct-operated	266.00	1,364.86	519.83	-37.69
3	DR Store in Chengdu IFS	2018/1/17	Direct-operated	34.00	1,079.07	356.48	353.99
4	DR Store in Lhasa Wanda Plaza	2023/6/15	Direct-operated	77.70	924.10	277.07	479.32
5	DR Store in Beijing IKEA Livat	2018/7/5	Direct-operated	60.00	773.66	258.24	280.83
6	DR Store in Jinhua Yiwu Zhixin	2018/4/18	Direct-operated	122.00	731.12	253.12	274.31
7	DR Store in Hopson One Beijing	2022/9/10	Joint-operated	61.00	665.20	228.43	192.62
8	DR Store in Foshan Wangfujing Ziweigang	2020/12/30	Direct-operated	93.00	656.18	232.60	180.26
9	DR Store on Guangzhou Beijing Road Pedestrian Street	2019/7/26	Direct-operated	475.77	634.00	219.06	-110.15
10	DR Store in Shenzhen Yifangcheng	2017/10/20	Direct-operated	92.40	630.02	221.69	-13.27

Note: Operating profit = revenue - operating costs - store expenses, excluding expenses shared with the headquarters.

(3) Online sales during the reporting period

DRCO online business is mainly carries out through own sales platform (i.e. DRCO portal) and third-party sales platforms. During the reporting period, the Company's online business achieved revenue of RMB 242.01 million, representing a year-on-year increase of 6.57% and accounting for 16.34% of total revenue. Specifically, the self-owned sales platform (i.e. DRCO portal) benefited from market expansion and precision marketing, with a continued increase in user registrations. It generated revenue of RMB 61.50 million, a significant year-on-year growth of 82.29%, raising its share of online revenue to 25.41%. Third-party platforms (such as Tmall and JD.com) generated revenue of RMB 180.52 million, reflecting a year-on-year decrease of 6.64%, with their share falling to 74.59%. This was mainly due to intensified competition for traffic on traditional e-commerce platforms and a macro environment where consumer demand shifted toward gold products.

According to DRCO's purchase rules, all customers from the third-party sales platforms need to register on DRCO's self-owned sales platform (i.e. DRCO portal). As of the end of the reporting period, the number of registered users on DRCO portal totaled approximately 13.61 million, with about 1.41 million new users registered during the reporting period. The average order value on DRCO portal was approximately RMB 6,500.

Online Sales

Unit: RMB0'000

Channel	2024			2023			YoY change	
	Sales order amount	Revenue	As % of online revenue	Sales order amount	Revenue	As % of online revenue	Sales order amount	Revenue
Self-owned sales platform	6,344.69	6,149.64	25.41%	3,461.84	3,373.47	14.86%	83.28%	82.29%

Third-party sales platforms	20,315.45	18,051.78	74.59%	21,555.97	19,335.34	85.14%	-5.75%	-6.64%
Total	26,660.14	24,201.42	100.00%	25,017.81	22,708.81	100.00%	6.56%	6.57%

Note 1: The self-owned sales platform is DRCO portal, and the third-party sales platforms include the flagship stores on Tmall.com and JD.com;

Note 2: The sales order amount is the tax-inclusive amount placed by the customers during the reporting period, and the orders whose products have been returned are excluded.

2. Consigned production model

Thanks to abundant industrial chain resources and deepening industrial division of labor, the company adopts a light-asset operation strategy, employing an outsourced processing production model for all finished products. On one hand, leveraging external production capabilities enhances operational efficiency, while on the other hand, the company focuses on brand building, channel expansion, product development, and supply chain integration, contributing to favorable operational performance. The company dynamically adjusts the allocation of orders to suppliers based on evaluation criteria such as supplier capacity, product qualification rate, and delivery delay rate to ensure product quality and delivery deadlines. The company has always attached great importance to product quality, continuously improving the product quality control system. It implements professional quality inspection personnel or related professional equipment control in various stages such as raw material procurement, outsourced production, and product circulation. Additionally, all products sold to end consumers undergo testing by national-level third-party inspection agencies and are equipped with relevant professional certificates.

3. Procurement mode

In order to ensure standardized and quality raw material procurement, DRCO's supply chain department is fully responsible for purchasing raw materials. DRCO formulates and implements procurement plans based on business demands, inventory and short-term market price trends. During the reporting period, the Company's primary raw materials were diamonds and gold. Gold procurement was conducted through two models: bank leasing and direct purchase. For the gold leasing service, the Company leases physical gold from a bank for a specified period, and returns the same quantity and type of gold to the bank upon maturity and pays the leasing fees as per the agreement.

(1) Major procurements during the reporting period

During the reporting period, the company's total procurement of major raw materials and commissioned processing amounted to RMB 413.77 million, representing a 20.05% decrease compared to the same period last year. Diamond procurement totaled RMB 156.66 million, down 37.87% year-on-year, with its share dropping to 37.86%. This was mainly due to a shift in market preferences away from diamond jewelry, prompting the company to reduce procurement in this category accordingly.

In addition, during the reporting period, the company continued to adjust its supply chain strategy as it did in 2023. The majority of the gold materials for the consignment service were changed from being provided by outsourced industrial and commercial entities in the early stage to being independently dispatched by the company to outsourced industrial and commercial entities, in order to reduce the company's reliance on outsourcing and improve cost efficiency. At the same time, in response to the rising trend of gold demand, the company increased its attempts in the gold category business to strengthen the competitiveness of its products. The company's gold purchase was RMB 173.03 million, increasing by 195.32% year-on-year, and the proportion rose to 41.82%. The platinum purchase was RMB 22.50 million, increasing significantly by 243.00% year-on-year, accounting for 5.44%. However, the entrusted processing purchase was RMB 61.58 million, decreasing by 69.24% year-on-year, and the proportion shrank to 14.88%.

The overall procurement structure of the company has been optimized to align with the changing market trends, and the supply chain adjustment focuses on the integration of internal resources.

Major procurements during the reporting period

Unit: RMB0'000

Item	2024		2023		YoY change
	Purchase amount	As % of total purchases	Purchase amount	As % of total purchases	
Diamond	15,666.48	37.86%	25,214.39	48.72%	-37.87%
Gold	17,303.05	41.82%	5,858.99	11.32%	195.32%
Platinum	2,249.67	5.44%	655.89	1.27%	243.00%
Commissioned processing	6,158.29	14.88%	20,022.91	38.69%	-69.24%
Total	41,377.49	100.00%	51,752.18	100.00%	-20.05%

Note 1: The purchase amount in the table is based on the price excluding tax.

Note 2: The purchase of diamonds includes both (natural) finished and rough diamond.

(2) Purchase channels and quantities of diamonds and gold as the main raw materials during the reporting period

During the reporting period, the company sourced diamonds through both domestic and overseas channels, with all incoming inventory inspected and recorded by the supply chain department. For overseas procurement, diamonds were primarily purchased by Hong Kong DR GROUP from international suppliers and cleared through Shanghai Darry, a member of Shanghai Diamond Exchange. DRCO also procured finished diamonds directly from domestic suppliers or their affiliates that hold membership in the Shanghai Diamond Exchange. During the reporting period, the company's main raw material procurement underwent structural adjustments. The total quantity of diamonds purchased reached 29,521.60 carats, down 30.27% year-on-year. Domestic procurement accounted for 20,469.78 carats, or 69.34% of the total, representing a year-on-year decline of 35.77%; overseas procurement amounted to 9,051.82 carats, or 30.66% of the total, down 13.51% from the prior year. The main reason is that the company has increased the utilization rate of existing raw materials. Coupled with the decline in sales of diamond jewelry, it has accordingly reduced the scale of domestic and overseas purchases. Gold purchases were made through bank leasing of 163,000 grams (up 10.14% year-on-year) and self-procurement of 192,000 grams. This was mainly because the company adapted to market changes and optimized the supply of gold materials for the depository. The purchase volume of platinum soared to 110,873.20 grams (up 233.11% year-on-year), mainly due to the adjustment of the outsourcing procurement model.

Purchase channels and quantities of diamonds and gold as the main raw materials during the reporting period

Item	Unit	Purchase channel	2024		2023		YoY change
			Purchase quantity	As % of total purchase	Purchase quantity	As % of total purchase	
Diamond	Carat	Domestic market	20,469.78	69.34%	31,868.89	75.28%	-35.77%
		Overseas market	9,051.82	30.66%	10,465.70	24.72%	-13.51%
		Total	29,521.60	100.00%	42,334.59	100.00%	-30.27%
Gold	Gram	Leasing	163,000.00	100.00%	148,000.00	100.00%	10.14%
Gold	Gram	Purchase	192,000.00	100.00%	-	-	-
Platinum	Gram	Purchase	110,873.20	100.00%	33,284.10	100.00%	233.11%

Note : The purchase of diamonds includes both (natural) finished and rough diamond.

(3) Purchase quantity for commissioned processing during the reporting period

During the reporting period, the company's commissioned processing procurement quantity declined, mainly due to the downturn in sales performance and reduced inventory demand from newly opened stores.

Item	Unit	2024		2023		YoY change
		Purchase quantity	As % of total purchase	Purchase quantity	As % of total purchase	
Commissioned processing	Pieces	235,072.00	100.00%	302,042.00	100.00%	-22.17%

Note: The above purchase quantity does not include product accessories (e.g., earplugs, chain tail tags).

(4) Inventories during the reporting period

During the reporting period, the Company's inventories consisted of raw materials, work in progress, finished goods, Outsourced processing materials, Shipping goods, and Turnover materials, with raw materials and finished goods accounting for the majority. As of December 31, 2024, the Company's inventory balance was RMB 466.60 million, down 13.14% compared to the end of the previous year. The balance of inventory impairment provision at the end of the reporting period was RMB 19.1509 million, resulting in a net book value of RMB 447.45 million for inventories. The ending balance of raw materials was RMB 82.64 million, down 34.67% year-on-year, accounting for 17.71% of total inventories, primarily due to the Company takes the initiative to adjust the strategies for raw material procurement and inventory management. The ending balance of semi-finished products was RMB 16.54 million, increasing significantly by 311.89% year-on-year, accounting for 3.54%. The main increase was in the pending goods that had been disassembled but not melted gold. The ending balance of inventory goods was RMB 347.80 million, a year-on-year decrease of 11.32%, but the proportion increased to 74.54%. The ending balance of entrusted processing materials was RMB 14.94 million, increasing by 30.69% year-on-year, accounting for 3.20%. This was mainly due to the growth in the company's performance in December and a slight increase in outsourced processing goods at the end of the reporting period. The ending balance of dispatched goods was RMB 0.35 million, increasing by 10.89% year-on-year. This was mainly due to the increase in the inventory that had been dispatched but not yet signed for. The ending balance of turnover materials was RMB 4.33 million, increasing by 59.42% year-on-year, accounting for 0.93%, mainly due to the increase in the reserve of peripheral consumables required for operation.

Inventory breakdown as of the end of reporting period

Unit: RMB0'000

Item	December 31, 2024		December 31, 2023		YoY change
	Amount	%	Amount	%	
Raw materials	8,264.41	17.71%	12,650.75	23.55%	-34.67%
Work in process	1,654.02	3.54%	401.57	0.75%	311.89%
Finished goods	34,780.17	74.54%	39,219.00	73.01%	-11.32%
Outsourced processing materials	1,493.98	3.20%	1,143.18	2.13%	30.69%
Shipping goods	35.33	0.08%	31.86	0.06%	10.89%
Turnover materials	432.54	0.93%	271.32	0.51%	59.42%
Total	46,660.46	100.00%	53,717.68	100.00%	-13.14%

Note: The above figures are rounded to two decimal places. Some of the figures are slightly different in the endings due to rounding and are not calculation errors.

III. Analysis of Core Competitive Advantages

The Company has established enduring competitive advantages rooted in the concept of true love, underpinned by a strategic framework that seamlessly integrates brand, channel, and product. Its premium jewelry brand, DR Diamond Ring adheres to the philosophy of “the sole true love in one life” and the customization rule of “purchase for eternal lover”. The philosophy and rule endow the brand with profound emotional resonance, enabling it to secure a strong competitive edge in the engagement ring segment. In response to evolving sales channels, technological advancements, and rising consumer expectations in the new retail era, the Company has built an omnichannel DTC network that seamlessly connects online platforms with offline retail stores. In addition, the Company places strong emphasis on design, craftsmanship, and quality—collaborating with internationally renowned jewelry designers through its Paris Design Center to create true love-inspired pieces that reflect global trends and aesthetic sensibilities.

(I) Brand Communication Capabilities

The Company champions the value of “the sole true love in one life,” a philosophy embodied in its customization rule of “purchase for eternal lover”, which resonates deeply with couples seeking lifelong commitment. This principle is further reinforced by a blockchain-based identity registration system that permanently ties each ring to a couple’s love story—elevating exclusivity from a traditional name engraving to an immutable digital record. In doing so, the Company transforms jewelry from a mere adornment into an emblem of devotion. Beyond its well-defined brand positioning, the Company possesses robust brand communication capabilities. Its in-house team excels in content creation, production, filming, media placement, and account management. By actively engaging across major new media platforms—including Baidu, Weibo, WeChat, Xiaohongshu, and short-form video channels—the Company has cultivated a loyal and highly engaged consumer community (the “DR Tribe”), further amplifying its brand influence. Through conveying the compelling concept of “the sole true love in one life,” DR Diamond Ring has established a powerful emotional identity, distinguishing itself in an increasingly competitive and fast-evolving market landscape.

(II) Consumer Engagement Capabilities

By leveraging a multi-channel strategy spanning social media, video, news, and search platforms, the Company effectively communicates its brand values and cultivates meaningful consumer engagement. This integrated approach not only deepens emotional resonance through shared beliefs but also significantly bolsters brand recognition. As of the end of 2024, DR had garnered over 30 million followers across major domestic platforms including Weibo, WeChat, Douyin, Kuaishou, and Xiaohongshu, along with more than 850,000 followers on international platforms such as TikTok. Focusing on the love and relationship lifestyle segment, DR has established a strong market position through clear and differentiated brand positioning. By placing the consumer’s experience of true love at the heart of its strategy, DR has successfully cultivated a sense of ritual and emotional connection. Inspired by the brand’s philosophy, many customers voluntarily share their love stories and touching moments on social media, organically amplifying brand influence and generating powerful word-of-mouth momentum.

(III) DTC Sales Capabilities

Leveraging its sophisticated information system and expanding physical stores network, the Company has established an integrated omnichannel DTC operating model that seamlessly connects online platforms with offline stores. In pursuit of consistently high service standards across its retail operations, the Company adopts a fully self-operated store strategy, retaining full ownership and direct management of all brick-and-mortar locations. On the digital front, it harnesses mobile internet technologies to build a modern, efficient, and consumer-centric operating model that continually reinforces its brand values. In support of love expression, the Company has created a unique true-love service system for offline consumers, including the signing of *True Love Agreements*, personalized *Love Confirmation Letters*, and tailored proposal planning. Meanwhile, consumers can also conveniently make purchases through online channels such as the

Company's website, WeChat mini-programs, and flagship stores on Tmall and JD.com. The integrated platform, which synchronizes online and offline data, enables the Company to collect and utilize cross-channel insights—effectively fulfilling consumer expectations for both digital and in-store experiences and driving the development of a consumer-oriented, omnichannel new retail ecosystem.

(IV) Customization-Driven Supply Chain Capabilities

The Company employs a customization-driven sales model that allows customers to select designs from existing jewelry collections while tailoring key diamond attributes—such as carat weight, color, cut, and clarity—along with ring setting materials, finger size, and personalized engravings. This light customization approach fulfills consumers' emotional desire for exclusivity in expressing love, while also enabling efficient inventory control, reducing store expansion costs, and sustaining robust cash flow. These advantages collectively support the Company's lean, asset-light operating strategy. To underpin this model, the Company has developed a highly flexible, demand-driven supply chain system. This system integrates its centralized supply chain management center with a network of OEM partners and raw material suppliers, facilitating coordinated production planning and inventory management. As a consequence, the Company is well-positioned to meet rigorous quality standards and delivery timelines while maintaining operational agility under its customization framework.

(V) Product Design and Innovation Capabilities

The Company integrates innovation and craftsmanship into both product design and its services, with a steadfast commitment to delivering premium offerings that embody romance, exquisiteness, and enduring value. It strives to develop signature products that seamlessly combine emotional resonance, fashion-forward aesthetics, and brand identity, resulting in a diversified portfolio spanning multiple collections. At its Paris Design Center, the Company collaborates with internationally renowned jewelry designers to co-create collections inspired by global trends and distinguished by exceptional craftsmanship. Meanwhile, it continues to enhance product quality and technological capabilities through ongoing investment in proprietary designs and patented innovations. These efforts have earned the Company numerous prestigious design awards both domestically and internationally, and currently holds over 200 national patents—significantly exceeding industry benchmarks.

IV. Analysis of Main Business

1. Overview

(I) Overview of operating performance in the reporting period

In 2024, the company recorded a net profit attributable to shareholders of the listed company of RMB 53.03 million, representing a year-on-year decrease of 23.10%. The decline was primarily due to the following factors during the reporting period: 1) The company achieved total operating revenue of RMB 1,482.42 million, down 32.01% from the previous year, mainly due to continued weakness in consumer demand for diamond-set jewelry; 2) Total operating costs amounted to RMB 1,570.98 million, a year-on-year decrease of 29.52%. Selling expenses declined by 33.62%, primarily due to the company's proactive optimization of its offline channels. During the reporting period, the company adjusted 176 stores (closed 172 underperforming stores and converted 4 to other modes), resulting in reduced rental, renovation, and personnel costs; 3) The company recorded investment income and fair value changes from wealth management products totaling RMB 174.94 million, a decrease of 24.79% compared with the previous year, mainly due to fair value fluctuations in trading financial liabilities arising from gold leasing activities; 4) Credit impairment losses and asset impairment losses totaled RMB 27.99 million, a year-on-year decrease of 75.20%, mainly because the number of stores closed in advance or showing signs of impairment significantly decreased in the reporting period following in-depth implementation of channel optimization strategy in the previous year; 5) As a result of the above factors, the company's total profit declined from the previous year. The company recognized income tax expenses of RMB 29.25 million, representing a decrease of 33.33% compared with the previous year.

After deducting non-recurring gains and losses, the company's net profit was RMB -126.40 million, down 4.91% year-on-year. Non-recurring gains and losses had an impact of RMB 179.43 million on net profit, mainly attributable to changes in the fair value of trading financial assets and investment income from wealth management products.

(II) Overview of Operation and Management Highlights during the Reporting Period

(1) Fulfilling the Brand Mission by Engaging in True Love Philanthropy

① DRCO's Contemporary Chinese Bridal Jewelry Collection Debuts at Paris Fashion Week, Celebrating the 60th Anniversary of China-France Diplomatic Relations

In March 2024, the Company collaborated with internationally acclaimed Chinese designer Vivienne Tam to unveil the Contemporary Chinese Bridal Jewelry Collection at Paris Fashion Week. Showcasing the Dragon Scale & Phoenix Feather, Gold-Inlaid Diamond, and Diamond series, the collection artfully blends contemporary Chinese wedding jewelry with modern bridal fashion, embodying the brand's mission of "helping more people express love and make love last forever." As a pioneering initiative to introduce Eastern wedding gold to a global audience, the debut coincided with the 60th anniversary of China-France diplomatic relations and the China-France Year of Cultural Tourism. This cross-cultural presentation highlighted the elegance of modern Chinese fashion design and wedding traditions, while celebrating the enduring friendship and romantic spirit shared by the two nations.



② Advancing True Love Philanthropy

As a publicly listed company with a long-standing commitment to true love philanthropy, the Company remains dedicated to fulfilling its social responsibilities. In 2024, it launched a series of Timeless Love global photography exhibitions in Beijing, Guangzhou, and Paris, showcasing the lifelong love stories of 11 diamond wedding couples. These exhibitions attracted a large number of young visitors and featured immersive, interactive experiences that brought each couple's story vividly to life, while providing an opportunity for the younger generation to express and witness love. Through this philanthropic initiative, the Company continues to uphold its core belief in "loving one person for a lifetime," inspiring young people to believe in the power of lasting love.



③ Intangible Cultural Heritage Gold Craftsmanship Showcased at China Cultural Industries Fair, Celebrating Chinese Wedding Traditions

In May 2024, the Company was invited to participate in the 20th China (Shenzhen) International Cultural Industries Fair. As a leader in international fine jewelry design and craftsmanship, the Company presented a modern interpretation of Chinese wedding culture rooted in its philosophy of “loving one person for a lifetime.” Featured collections included the Contemporary Eastern Wedding Jewelry Collection, DR proposal rings, wedding bands, anniversary gifts, and traditional wedding gold pieces. By seamlessly blending iconic wedding motifs with time-honored intangible cultural heritage goldsmithing techniques, the showcase embodied an artful synthesis of traditional Chinese romance and contemporary aesthetics. As a hallmark of DR’s innovation in traditional craftsmanship, the exhibition underscored the brand’s reverence for cultural legacy and its dedication to sharing the richness and creativity of Chinese jewelry culture with the world.



④ DR Engagement Ring Captures Global Attention with a Romantic Olympic Proposal

During the mixed doubles badminton final at the 2024 Paris Olympics, Huang Yaqiong fulfilled her Olympic dream by winning a gold medal. In a moment of glory, her partner and fellow world champion Liu Yuchen knelt down with DR’s signature white box and the minimalist DR HEART proposal ring to offer a heartfelt proposal—vowing to “love one person for a lifetime.” This poignant scene not only crowned Huang Yaqiong as a world champion but also as a “champion in love.” Recognized by the

Olympic Committee as one of the “Best Moments of the 2024 Paris Olympics,” the proposal underscored the DR’ engagement ring as a witness to both athletic excellence and emotional commitment. The event created a meaningful intersection of sports triumph and true love, resonating with the Olympic spirit of “pursuing excellence and never giving up.”

⑤ A Symbol of True Love—The Romantic Choice of an Esports Legend

In October 2024, Chinese esports legend Li Xiaofeng (Sky) chose a DR engagement ring for his beloved bride during their wedding ceremony. As a jewelry brand renowned for its philosophy of “one ring for a lifetime, for one person only,” DR has become the preferred choice for three esports champions and numerous celebrities. These individuals—celebrated for their relentless pursuit of excellence—find deep resonance in DR’s enduring belief in lifelong commitment. Their choices not only underscore the brand’s unique emotional appeal but also affirm the power of true love that transcends fields, reminding the world that even in the pursuit of greatness, unwavering belief in lifelong love remains a cherished ideal.

(2) Award-Winning R&D Capabilities Fuel Product Innovation

The Company is committed to user-centric innovation and continuously enhances its product craftsmanship through close collaboration with leading jewelry designers both in China and abroad. Infused with global design aesthetics, it has launched a series of signature collections, with each piece meticulously designed to encapsulate the essence of true love. Placing strong emphasis on product research and design, the Company partnered with renowned international Chinese designer Vivienne Tam to unveil several high-profile collections, most notably the “KING & QUEEN” series. Another standout, the DR ETERNAL RING collection—anchored in the brand’s philosophy of “the sole true love in one life”—features an innovative clasp mechanism alongside traditional decorative motifs symbolizing eternity and lifelong commitment. The “KING & QUEEN” Fine Jewelry necklace set received the Platinum Award at the 2024 MUSE Design Awards in the United States and the Gold Award at the New York Product Design Awards. The DR ETERNAL RING collection also garnered Gold Awards from both the MUSE Design Awards and the New York Product Design Awards. Furthermore, the collection has been granted two German utility model patents and six EU design patents, underscoring the Company’s exceptional design capabilities and expanding global influence.

In 2024, the Company was granted 42 design patents, 4 domestic utility model patents, and 6 German utility model patents. Throughout the year, it launched 150 new products, including 44 signature products inspired by the matrimonial cultures of five countries—China, France, Germany, Italy, and Japan. This initiative fostered the development of a globally oriented product portfolio centered on wedding ring culture, further reinforcing the Company’s ambition to become the “Global Wedding Ring Specialist.” By offering customers a curated, immersive journey—from selecting wedding rings to exploring their cultural significance—the Company aspires to make each piece a timeless symbol of love and cultural heritage. In parallel, it continued to expand and diversify its product offerings to meet evolving customer needs across different scenarios. In addition, a new merchandise architecture was introduced, built around three core scenarios: Western weddings, Chinese weddings, and gifting—supported by six themed product series tailored to specific user demand. Meanwhile, enhancements to purchasing channels and customer experience further facilitated a seamless, cross-scenario, one-stop shopping journey.



(3) Enhancing Brand Equity and the Image of Retail Channels

During the reporting period, in alignment with its brand strategy, the Company continued to optimize its retail network and strengthen brand equity. A series of initiatives—ranging from brand image and customer service enhancements to merchandise architecture innovation—were implemented to elevate operational efficiency at the city level and refine retail store image. As part of its channel optimization efforts, the Company strategically closed or relocated underperforming stores with limited profitability, low brand influence, or misalignment with overall brand positioning. Meanwhile, existing stores were transformed through refined layouts and improved facilities. As of the end of the reporting period, the Company operated 373 self-managed retail stores, representing a net decrease of 155 compared to the previous year.

To elevate store image, optimize product architecture, and enhance customer service, the Company established a demonstration store task force to develop flagship stores in key cities. These stores were prioritized in terms of resources and designed to deliver high brand visibility and strong operational performance. In 2024, eight demonstration stores—featuring Red Gold and Black Gold formats—were launched, significantly boosting overall store productivity and laying a solid foundation for the Company’s retail transformation.



(4) Enhancing Information Security and Leveraging AI to Drive Operational Excellence

In support of national cybersecurity initiatives, the Company actively participated in government-led cyber protection programs during the reporting period. A comprehensive, multi-layered system for information security and user privacy protection was established through enhancing emergency response plans, reinforcing security policies, deploying situational awareness platforms, simulating anti-phishing attacks, and conducting cybersecurity training. In 2024, the Company’s related systems once again passed the national Level III Cybersecurity Protection Evaluation, demonstrating full compliance with national standards across technical, managerial, and physical dimensions. In parallel, the Company continued to advance its digital transformation by deploying a range of advance AI-driven solutions—including the DR AI Coaching System, AI Q&A Audit System, and AI Smart Customer Service—to drive operational optimization and improve efficiency. Notably, the DR AI Coaching System significantly enhanced inspection efficiency across the national retail network, contributing to improved store performance.

(5) Advancing Organizational Reform, Fostering an Inclusive and Diverse Workplace

Talent is the cornerstone of corporate development. To support strategic transformation and ensure sustainable growth, the Company continued to invest in building a robust talent management system. It introduced an innovative talent evaluation framework based on a multi-dimensional competency model, effectively enhancing how talent is identified and deployed across the organization. Moreover, the Company proactively implemented a forward-looking talent strategy by swiftly forming dedicated teams for new business initiatives and establishing a talent reserve. At the senior management level, it launched a “Customized Integration Program” to support the effective onboarding and rapid alignment of key personnel, featuring cultural immersion, strategic alignment, and targeted resource support. Furthermore, the Company established a comprehensive incentive and development system, underpinned by a fair and inclusive evaluation and promotion mechanism. This system ensures equal career development opportunities for all employees, regardless of gender and age, invigorating the organization and fostering shared growth between individuals and the enterprise.

2. Revenue and cost

(1) Composition of revenue

Overall revenue

Unit: RMB

	2024		2023		YoY change
	Amount	As % of revenue	Amount	As % of revenue	
Total revenue	1,482,423,153.98	100%	2,180,277,744.00	100%	-32.01%
By industry					
Jewelry	1,474,288,180.73	99.45%	2,173,757,035.39	99.70%	-32.18%
Other businesses	8,134,973.25	0.55%	6,520,708.61	0.30%	24.76%
By product					
Engagement diamond rings	1,135,857,760.62	76.62%	1,699,139,354.11	77.93%	-33.15%
Wedding diamond rings	296,072,560.15	19.97%	449,380,892.69	20.61%	-34.12%
Other accessories	42,357,859.96	2.86%	25,236,788.59	1.16%	67.84%
Other businesses	8,134,973.25	0.55%	6,520,708.61	0.30%	24.76%
By region					
East China	499,425,090.14	33.69%	744,028,070.54	34.13%	-32.88%
North China	216,919,290.95	14.63%	322,536,502.42	14.79%	-32.75%
South China	191,968,119.17	12.95%	301,661,875.55	13.84%	-36.36%
Southwest China	172,472,211.45	11.63%	255,457,360.25	11.72%	-32.48%
Central China	127,297,893.60	8.59%	204,328,898.81	9.37%	-37.70%
Northwest China	115,045,085.78	7.76%	175,768,057.06	8.06%	-34.55%
Northeast China	108,395,114.38	7.31%	164,396,516.08	7.54%	-34.06%
Hong Kong, Macao and Taiwan	3,525,062.07	0.24%	6,212,560.22	0.28%	-43.26%
Overseas	47,375,286.44	3.20%	5,887,903.07	0.27%	704.62%
By sales mode					
Online Self-Operated	242,014,161.01	16.33%	227,088,072.66	10.42%	6.57%
Offline Direct-operated	1,115,306,202.70	75.23%	1,769,414,000.22	81.16%	-36.97%
Offline Joint-Operated	116,967,817.02	7.89%	177,254,962.51	8.13%	-34.01%
Other businesses	8,134,973.25	0.55%	6,520,708.61	0.30%	24.76%

(2) Industries, products, regions, and sales models that account for more than 10% of DRCO's revenue or operating profit

 Applicable Not applicable

Unit: RMB

	Revenue	Operating costs	Gross margin	YoY change of revenue	YoY change of operating cost	YoY change of gross margin
By industry						
Jewelry	1,474,288,180.73	507,787,350.88	65.56%	-32.18%	-24.85%	-3.35%
By product						
Engagement diamond rings	1,135,857,760.62	352,833,294.89	68.94%	-33.15%	-30.34%	-1.25%
Wedding diamond rings	296,072,560.15	127,933,815.61	56.79%	-34.12%	-19.03%	-8.05%
By region						
East China	499,425,090.14	169,148,904.32	66.13%	-32.88%	-27.19%	-2.64%
North China	216,919,290.95	72,529,649.99	66.56%	-32.75%	-27.84%	-2.28%
South China	191,968,119.17	73,878,921.23	61.52%	-36.36%	-24.20%	-6.17%
Southwest China	172,472,211.45	56,267,984.54	67.38%	-32.48%	-26.76%	-2.55%
By sales mode						
Online Self-Operated	242,014,161.01	89,631,850.18	62.96%	6.57%	18.10%	-3.62%

Offline Operated	Direct-	1,115,306,202.71	377,016,664.87	66.20%	-36.97%	-30.59%	-3.10%
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In the event of adjustments to the statistical scope of the company's core business during the reporting period, the company's core business data for the most recent year has been restated based on the adjusted scope as of the end of the period.

Applicable Not applicable

(3) Whether DRCO's sales revenue from physical goods is more than that from services

Yes No

Industry classification	Item	Unit	2024	2023	YoY change
Jewelry	Sales	Pieces	260,153	360,990	-27.93%
	Production				
	Inventory	Pieces	200,901	225,982	-11.10%
	Procurement volume	Pieces	235,072	302,042	-22.17%

Explanation of the reasons for the YoY change of over 30% in relevant data

Applicable Not applicable

Note 1: The above statistics do not include product accessories (e.g., earplugs, chain tail tags) as well as low-value silver and copper ornaments, and sales statistics include after-sales and molten gold services.

Note 2: Impacted by the decline in sales performance, the company scaled back its stocking needs, resulting in a year-on-year decrease of 22.17% in procurement volume during the reporting period.

(4) Performance of material sales contracts and purchase contracts signed by DRCO as of the reporting period

Applicable Not applicable

(5) Composition of operating cost

Industry and product classification

Unit: RMB

Industry classification	Item	2024		2023		YoY change
		Amount	As % of operating cost	Amount	As % of operating cost	
Jewelry	Operating cost	507,787,350.88	99.25%	675,742,928.54	99.44%	-24.85%
Other businesses	Operating cost	3,831,688.94	0.75%	3,810,329.34	0.56%	0.56%

Unit: RMB

Product classification	Item	2024		2023		YoY change
		Amount	As % of operating cost	Amount	As % of operating cost	
Engagement diamond rings	Operating cost	352,833,294.89	68.96%	506,538,634.64	74.54%	-30.34%
Wedding diamond rings	Operating cost	127,933,815.61	25.01%	158,007,633.73	23.25%	-19.03%
Other accessories	Operating cost	27,020,240.38	5.28%	11,196,660.17	1.65%	141.32%
Other businesses	Operating cost	3,831,688.94	0.75%	3,810,329.34	0.56%	0.56%

Explanation

Total operating costs during the reporting period amounted to RMB 0.51 billion, representing a decrease of 24.71% compared to the same period last year, primarily due to a decline of 32.01% in operating revenue, which led to a corresponding reduction in operating cost.

(6) Whether there was a change in the scope of consolidation during the reporting period

Yes No

During the reporting period, the Company established 2 new sub-subsidiaries and deregistered 9 subsidiaries. Details are as follows:

Company name	Date of establishment/deregistration	Method for changing the consolidation scope	Shareholding ratio
Garland (Shenzhen) Jewelry Co., Ltd.	2024/1/26	New in 2024	100%
Garland International	2024/3/21	New in 2024	100%
Zhoukou DR Jewelry Co., Ltd.	2024/7/25	Deregistered in 2024	100%
Heze DR Jewelry Co., Ltd.	2024/1/31	Deregistered in 2024	100%
Linyi DR Jewelry Co., Ltd.	2024/4/11	Deregistered in 2024	100%
Jiaxing DR Jewelry Co., Ltd.	2024/1/11	Deregistered in 2024	100%
Fuyang DR Jewelry Co., Ltd.	2024/4/11	Deregistered in 2024	100%
Weifang DR Jewelry Co., Ltd.	2024/1/5	Deregistered in 2024	100%
Dongguan DR Jewelry Co., Ltd.	2024/4/25	Deregistered in 2024	100%
Baoding DR Jewelry Sales Co., Ltd.	2024/1/16	Deregistered in 2024	100%
Yiwu DR Jewelry Co., Ltd.	2024/1/3	Deregistered in 2024	100%

(7) Significant changes or adjustments in DRCO's business, products or services during the reporting period

Applicable Not applicable

(8) Key sales customers and suppliers

Major sales customers of DRCO

Total sales amount of the top five customers (RMB)	5,691,893.79
Sales to top five customers as % of total annual sales	0.38%
Related-party sales in the sales to top five customers as % of total annual sales	0.00%

Information about Top 5 customers

No.	Customer name	Sales (RMB)	As % of total annual sales
1	Customer 1 ¹	3,084,284.87	0.21%
2	Customer 2	1,131,482.34	0.08%
3	Customer 3	514,392.96	0.03%
4	Customer 4	505,309.73	0.03%
5	Customer 5	456,423.89	0.03%
Total	--	5,691,893.79 ²	0.38%

Note 1: This customer mainly purchases investment gold products.

Note 2: The sales figures in the table are all exclusive of tax.

Explanation of other information regarding key customers

Applicable Not applicable

Key suppliers of DRCO

Total purchase amount of top five suppliers (RMB)	207,858,475.15
Total purchases from top five suppliers as % of total annual purchase amount	50.20%
Related-party purchases in the purchases from top five suppliers as % of total annual purchases	0.00%

Information about Top 5 suppliers

No.	Supplier name	Purchase amount (RMB)	As % of total annual purchase
1	Supplier 1	121,259,110.13	29.29%
2	Supplier 2	27,328,520.00	6.60%
3	Supplier 3	21,947,185.42	5.30%
4	Supplier 4	18,724,680.00	4.52%
5	Supplier 5	18,598,979.60	4.49%
Total	--	207,858,475.15 ¹	50.20%

Note 1: The purchase amount is the tax-exclusive amount.

Explanation of other information regarding key suppliers

Applicable Not applicable

3. Expenses

Unit: RMB

	2024	2023	YoY change	Explanation of significant changes
Selling expenses	815,592,363.96	1,228,761,165.59	-33.62%	This was mainly due to the company's optimization of under-performing stores, which led to a corresponding decline in related personnel costs, depreciation of right-of-use assets, and amortization of renovation expenses, as well as reduced marketing spending compared with the same period last year.
Administrative expenses	143,151,851.03	151,996,111.88	-5.82%	
Financial expenses	8,249,160.02	25,770,104.86	-67.99%	This was mainly due to the decline in the interest expense of lease liabilities and exchange gains and losses this year.
R&D expenditure	17,924,589.44	21,715,215.75	-17.46%	

4. R&D expenditure

Applicable Not applicable

Name of key R&D project	Project purpose	Project progress	Intended goals	Implications on DRCO's future development
CRM and promotional campaign project	The project established an omni-channel member conversion system that enables the synchronization and sharing of member information across online and offline platforms. Through mechanisms such as points redemption, it encourages members to engage in shopping activities on the mall platform, enhancing member loyalty and engagement while promoting sales conversion.	Under R&D	This project covers modules such as the member mini-program, engagement ring mini-program, middle platform module for promotions and membership management, and middle platform operations management module, and involves key components like the member mall, appointment system, and engagement ring mall.	By integrating omni-channel member data and adopting a points-based system, the project will enhance user engagement, drive precision marketing, consolidate private domain traffic, and optimize consumer conversion.
X sales associate project	The project aims to enhance the sales team's professional capabilities and improve the customer service experience. It comprises five core business modules: I. Master control back-end and enterprise back-end systems, responsible for organizational management and system infrastructure; II. Smart training assistant, simulating various customer characteristics to personalize and improve sales techniques; III. AI inspection, providing real-time assessments of employees' professional competencies to boost professional confidence; IV. AI customer service, optimizing knowledge management to improve service efficiency and quality; V. Top-performer	Under R&D	The project establishes an intelligent sales system featuring the following: a master control back-end reinforcing permission and data security management; a smart training assistant using LLM and digital human technology to simulate customized customer interactions; AI-powered inspection conducting real-time assessments of employees' business competencies; AI-powered customer service leveraging multi-modal and RAG technologies to enhance knowledge-based responses; and a top-performer model analyzing sales behaviors to generate optimal strategies. These five modules function collaboratively to elevate operational efficiency in sales.	The project will enhance front-line retail service capabilities and sales conversion efficiency to build a talent advantage; respond swiftly to user feedback and market changes to boost organizational agility.

	model analysis, analyzing sales paths to build high-efficiency sales models. Together, these modules are designed to streamline sales processes, increase sales performance, and enhance customer satisfaction.			
Wedding merchandise mall project	DR previously specialized exclusively in wedding planning services. Through this project, it expands into the wedding merchandise segment, establishing a new model of collaboration with suppliers and diversifying DR's wedding ecosystem.	Under R&D	The project encompasses four systems: a WeChat mini-program for the wedding mall, a dedicated wedding mall app, a back-end system for DR's wedding merchandise business, and a back-end system for wedding merchandise vendors. It includes key management modules such as vendor onboarding, product listing and delisting, sales, shipping, receipt confirmation, and vendor settlement.	The project will build a "product + service" hybrid ecosystem by integrating supplier resources and creating a closed-loop for product selection, sales, and settlement across multiple platforms, thereby strengthening DR's ability to integrate the wedding industry chain.
Global R&D project	As the Company expands its overseas business, the existing overseas infrastructure systems face challenges such as inefficient processes, tight coupling between systems, and fragmented functionalities. To ensure smooth business operations, the Company needs a more flexible official website and supporting back-end systems. The systems should ensure customizable content on the official website, real-time product listing and delisting, and a smooth end-to-end shopping experience for customers, and be scalable to support future business growth.	Under R&D	The overseas project focuses on six core modules: building a responsive international website to enhance the user shopping experience; establishing a secure and efficient customer management system to enable precise user insights; improving SKU management to ensure data accuracy; developing an automated supply chain to enable intelligent end-to-end order processing; creating a promotional event data tracking platform to support marketing decision-making; and building a flexible operations back-end system to allow dynamic page configuration. By implementing full-process digital management, the project aims to boost the efficiency of overseas operations,	The project will strongly support the efficient operation of the Company's overseas business, ensuring the completeness and high performance of each functional module, and delivering a higher-quality, more convenient user experience.

			ensure user experience with a high-performance system, and accelerate both sales conversion and global brand expansion.	
Flexible supply chain project	The commodity department configures orderable product parameters based on real-time sales performance across regional offline stores and online e-commerce platforms, combined with market availability of loose stones and settings, as well as stock planning data from the planning department. This facilitates a diversified and differentiated ordering process.	Under R&D	Orderable product parameters are controlled across all sales channels, including the official website, WeChat Mini Program, WeiAiGo, back-end systems, Tmall, and JD.com. Customers' selected delivery dates are also subject to back-end restrictions and cannot be earlier than the earliest available lead time.	The project will dynamically adjust production parameters based on sales trends, intelligently manage ordering rules and delivery times, support a regional differentiation strategy, and improve inventory turnover and delivery efficiency.

R&D Staff of DRCO

	2024	2023	Change
Number of R&D staff	45	66	-31.82%
R&D staff as % of labor force	2.04%	2.06%	-0.02%
Education background of R&D staff			
Bachelor's degree	39	48	-18.75%
Master's degree	1	4	-75.00%
Junior college	5	14	-64.29%
Age distribution of R&D staff			
<30ys	21	30	-30.00%
30-40ys	23	33	-30.30%
>40ys	1	3	-66.67%

R&D expenditure and Percentage in Revenue in Last Three Years

	2024	2023	2022
R&D expenditures (RMB)	17,924,589.44	21,715,215.75	17,944,132.37
R&D expenditures as % of revenue	1.21%	1.00%	0.49%
Capitalized R&D expenditures (RMB)	0.00	0.00	0.00
Percentage of capitalized R&D expenditure	0.00%	0.00%	0.00%
Capitalized R&D expenditure as % of net profit in the current period	0.00%	0.00%	0.00%

Reasons and effect of material changes in the composition of R&D staff

Applicable Not applicable

Reasons for the significant YoY change in the proportion of R&D expenditure in revenue

Applicable Not applicable

Reasons and rationality for significant change in capitalization ratio of R&D expenditures

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2024	2023	YoY change
Subtotal of cash inflows from operating activities	1,604,267,471.58	2,363,975,825.01	-32.14%
Subtotal of cash outflows from operating activities	1,288,111,632.50	2,327,010,317.20	-44.65%
Net cash flows from operating activities	316,155,839.08	36,965,507.81	755.27%
Subtotal of cash inflows from investing activities	6,809,000,873.81	8,574,936,260.32	-20.59%
Subtotal of cash outflows from investing activities	6,722,665,339.71	8,121,047,907.58	-17.22%
Net cash flows from investing activities	86,335,534.10	453,888,352.74	-80.98%
Subtotal of cash inflow from financing activities	445,995,680.62	533,333,453.61	-16.38%
Subtotal of cash outflows from financing activities	928,722,890.98	1,319,525,263.45	-29.62%
Net cash flows from financing activities	-482,727,210.36	-786,191,809.84	38.60%
Net increase in cash and cash equivalents	-87,176,642.73	-294,661,419.66	70.41%

Explanation of key factors for significant YoY change of relevant data

Applicable Not applicable

- (1) The decrease in cash inflows from operating activities was primarily due to a decline in product sales revenue during the reporting period.
- (2) The decrease in cash outflows from operating activities was mainly attributable to a corresponding reduction in procurement scale due to lower sales revenue, as well as a decrease in various tax payments.
- (3) The decrease in cash inflows from investing activities was primarily due to reduced recovery of matured wealth management products and related investment income during the reporting period.
- (4) The decrease in cash outflows from investing activities was mainly the result of a decline in the principal amount invested in wealth management products during the reporting period.
- (5) The decrease in cash inflows from financing activities was primarily due to a reduction in discounted note borrowings during the reporting period.
- (6) The decrease in cash outflows from financing activities was mainly attributable to a decrease in note repayments, cash dividend distributions, discounted note borrowings, and mall rental payments during the reporting period.

Explanation of reasons for the significant difference between the net cash flow from operating activities during the reporting period and the net profit for the current year

Applicable Not applicable

Explanation of reasons for the significant difference between the net cash flow from operating activities during the reporting period and the net profit for the current year

1. Depreciation, amortization, and asset impairment provisions for the year amounted to RMB 373.40 million. These costs reduced profit but did not result in cash outflows.

2. Net gains from investing and financing activities totaled RMB 173.43 million (including financial expenses and income from wealth management products). These gains increased profit but the related cash flows were not categorized under operating activities.

3. Net cash outflows from operating receivables and payables decreased by RMB 63.15 million, mainly due to an increase in taxes payable at the end of the period.

V. Non-primary Business

Applicable Not applicable

Unit: RMB

	Amount	As % of total profit	Reasons	Whether sustainable
Investment income	141,600,575.22	172.10%	Mainly the investment income from redeeming the mature wealth management products from banks.	No
Gains/losses from changes in fair value	33,342,417.09	40.52%	Mainly gains on changes in fair value of financial assets recognized during the reporting period.	No
Asset impairment	-30,065,543.88	-36.54%	Mainly the provision for inventory impairment loss and impairment of long-term assets.	No
Non-operating income	3,683,906.32	4.48%	Mainly compensations received by DRCO.	No
Non-operating expenses	2,491,264.18	3.03%	Mainly breach penalties and overdue fines.	No
Gains on disposal of assets	10,862,835.63	13.20%	Mainly gains on disposal of long-term assets during the reporting period.	No
Other incomes	11,825,783.06	14.37%	Mainly immediate refund of VAT levied on diamond imports, and government subsidies.	1. Immediate refund of VAT levied on diamond imports: sustainable. 2. Government subsidies: not sustainable.
Loss on credit impairment	2,073,814.11	2.52%	Mainly the provision for the rental deposit that was expected to be unrecoverable due to the store's closure in the early stage was recovered in this period.	No

VI. Analysis of Assets and Liabilities

1. Significant changes in the composition of assets

Unit: RMB

	At the end of 2024		At the beginning of 2024		Change in proportion	Explanation of significant changes
	Amount	As % of total assets	Amount	As % of total assets		
Cash and cash equivalents	139,789,945.04	1.85%	227,854,223.17	3.03%	-1.18%	Mainly due to the purchase of intangible assets and the repayment of loans during the reporting period.
Accounts receivable	80,913,074.97	1.07%	83,147,399.06	1.10%	-0.03%	
Inventories	447,453,664.80	5.92%	526,939,044.37	7.00%	-1.08%	
Fixed assets	8,468,744.76	0.11%	12,617,322.42	0.17%	-0.06%	
Right-of-use assets	152,164,147.57	2.01%	208,971,654.66	2.78%	-0.77%	Mainly due to the declining number of stores during the reporting period.
Short-term borrowings	339,509,472.61	4.50%	389,995,277.14	5.18%	-0.68%	Mainly due to discounted note borrowings and credit borrowings at the end of the reporting period.
Contract liabilities	112,689,599.45	1.49%	109,633,363.46	1.46%	0.03%	
Lease liabilities	57,720,087.24	0.76%	67,781,149.67	0.90%	-0.14%	Mainly due to the declining number of stores during the reporting period.
Other payables	284,488,227.25	3.77%	44,381,542.05	0.59%	3.18%	Mainly due to unpaid amounts for land use rights purchased during the reporting period.
Intangible assets	468,810,408.38	6.21%	6,608,420.04	0.09%	6.12%	Mainly due to the addition of land use rights during the

						reporting period.
Transactional financial liabilities	144,722,831.86	1.92%	62,813,557.52	0.83%	1.09%	Mainly due to the increase in gold leasing during the reporting period.
Trading financial assets	4,579,301,487.22	60.63%	4,841,946,705.07	64.30%	-3.67%	Mainly due to the reduction in the holdings of structured deposits and non-guaranteed floating wealth management products at the end of this reporting period.
Other non-current financial assets	403,675,066.37	5.35%	0.00	0.00%	5.35%	It is mainly caused by holding long-term bank wealth management products at the end of the reporting period.

Foreign assets account for a relatively high proportion.

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening amount	Gains and losses on changes in fair value for the current period	Cumulative fair value change recognized in equity	Impairment accrued during the reporting period	Amount of purchase in current period	Amount of disposal in current period	Other changes	Closing amount
Financial assets								
1. Held-for-trading financial assets (excluding derivative financial assets)	4,841,946,705.07	32,842,878.90			5,537,198,241.67	5,836,175,010.56	3,488,672.14	4,579,301,487.22
5. Other non-current financial assets	0.00	6,120,381.21			397,478,000.00	0.00	76,685.16	403,675,066.37

Subtotal of financial assets	4,841,946,705.07	38,963,260.11			5,934,676,241.67	5,836,175,010.56	3,565,357.30	4,982,976,553.59
Total	4,841,946,705.07	38,963,260.11			5,934,676,241.67	5,836,175,010.56	3,565,357.30	4,982,976,553.59
Financial liabilities	62,813,557.52	5,620,843.02			244,990,754.86	168,702,323.54	0.00	144,722,831.86

Contents of other changes

Notapplicable

Whether there were significant changes in the major measurement attributes of DRCO's assets during the reporting period

Yes No

3. Restricted rights to assets as of the end of the reporting period

As at December 31, 2024, the Group utilized restricted cash totaling RMB 2,976.81 (December 31, 2023: RMB 890,612.21), which was mainly due to restricted bank fund transfers caused by changes in bank account types and other related reasons..

VII. Investment Status Analysis

1. Overall situation

Applicable Not applicable

Investment in the reporting period (RMB)	Investment in the same period of last year (RMB)	Change
6,722,665,339.71	8,121,047,907.58	-17.22%

2. Significant equity investments acquired during the reporting period

Applicable Not applicable

3. Significant non-equity investments pending during the reporting period

Applicable Not applicable

4. Investment in financial assets

(1) Investment in securities

Applicable Not applicable

There were no securities investments during the reporting period.

(2) Investment in derivatives

Applicable Not applicable

There were no derivative investments during the reporting period.

5. Use of raised funds

Applicable Not applicable

(1) Overall use of proceeds

Applicable Not applicable

Unit: RMB0'000

Year of fundraising	Fundraising method	Listing date of securities	Total proceeds	Net proceeds (1)	Total proceeds used during the period	Cumulative proceeds used (2)	Percentage of proceeds used at period end (3) = (2)/(1)	Total proceeds with intended use changed during the period	Cumulative proceeds with intended use changed	Percentage of cumulative proceeds with intended use changed	Unused proceeds	Use and destination of unused proceeds	Proceeds idle for over two years
2021	Public offering	December 15, 2021	467,636.88	444,380.28	25,753.91	307,706.05	69.24%	0	0	0.00%	136,674.23	Invest in intended projects and replenish working capital	0
Total	--	--	467,636.88	444,380.28	25,753.91	307,706.05	69.24%	0	0	0.00%	136,674.23	--	0

Explanation of the overall use of the proceeds

1. Actual amount of proceeds and receipt date

In accordance with the CSRC's "Approval on Agreeing the Registration of DR Corporation Limited for Initial Public Offering of Shares (Zheng Jian Xu Ke No. [2021] 3043)" and the SZSE's approval, DRCO conducted an initial public offering of 40,010,000 ordinary shares (A shares) with a nominal value of RMB 1.00 and an issue price of RMB 116.88 per share, raising proceeds of RMB 4,676.37 million. The sponsorship and underwriting fees (excluding VAT) for the IPO were RMB 217.34 million. On December 10, 2021, the total proceeds of RMB 4,460.73 million after deducting the underwriting fees (excluding VAT) of RMB 215,643,500 were remitted by the underwriter China Securities to DRCO's special account for proceeds.

The total proceeds raised by DRCO via the IPO were RMB 4,676.37 million, and the net proceeds were RMB 4,443.80 million after deducting sponsorship and underwriting fees (excluding VAT) of RMB 217.34 million, and other issuance fees (excluding VAT) of RMB 15.22 million (including: audit and capital verification fees of RMB 4.47 million, legal counsel fees of RMB 5.42 million, information disclosure fees of RMB 4.02 million, issuance fees and other fees of RMB 1.31 million). The additional registered capital replenished by the IPO has been verified by Ernst & Young Hua Ming LLP (Special General Partnership) that issued a "Capital Verification Report" (Ernst & Young Hua Ming (2021) Yan Zi No. 61403707_H01).

2. Amount used in the current year and year-end balance

As of December 31, 2024, the company had cumulatively used RMB 3,077.06 million of the proceeds, including RMB 1,237.06 million invested in committed projects and RMB 1,840 million permanently used to replenish working capital.

As of December 31, 2024, the balance of idle proceeds (including surplus proceeds) used for cash management amounted to RMB 1,460.58 million.

As of December 31, 2024, the balance in the company's dedicated proceeds account was RMB 60.03 million (including interest income and investment gains after deducting service charges).

(2) Committed projects funded by the proceeds

Applicable Not applicable

Unit: RMB0'000

Financing project name	Listing date of securities	Committed investment projects and investment areas of surplus proceeds	Project nature	Whether the project has been changed (including partial changes)	Total committed investment amount from proceeds	Adjusted total investment amount (1)	Amount invested during the reporting period	Cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	Date when the project reached the intended usable state	Benefits realized during the reporting period	Cumulative benefits realized as of the end of the reporting period	Whether the expected benefits were realized	Whether there were significant changes in project feasibility
Committed investment projects														
Channel network construction project	December 15, 2021	Channel network construction project	Operation management	No	73,921.4	73,921.4	0	73,921.4	100.00%	December 31, 2023	-7,780.87	11,573.74	No	No
Information system construction project	December 15, 2021	Information system construction project	R&D project	No	11,047.45	11,047.45	1,873.97	8,380.31	75.86%	December 31, 2027			Not applicable	No
R&D, Creativity and Design Center for Diamond Jewels	December 15, 2021	Diamond jewelry R&D and creative design center construction	R&D project	No	5,389.93	5,389.93	879.94	3,356.89	62.28%	December 31, 2027			Not applicable	No

		project												
Supplementary working capital project (Note)	December 15, 2021	Supplementary working capital project (Note)	Replenish working capital	No	38,000	38,000	0	38,047.45	100.12%			Not applicable	No	
Subtotal of committed investment projects				--	128,358.78	128,358.78	2,753.91	123,706.05	--	--	-7,780.87	11,573.74	--	--
Investment areas of surplus proceeds														
Undertaken use of surplus proceeds	December 15, 2021	Undertaken use of surplus proceeds		No	132,021.5	132,021.5	0	0				Not applicable	No	
Permanent replenishment of working capital	December 15, 2021	Permanent replenishment of working capital	Replenish working capital	No	184,000	184,000	23,000	184,000	100.00%			Not applicable	No	
Subtotal of investment areas of surplus proceeds				--	316,021.5	316,021.5	23,000	184,000	--	--			--	--
Total				--	444,380.28	444,380.28	25,753.91	307,706.05	--	--	-7,780.87	11,573.74	--	--
Describe the circumstances and reasons why the planned progress and expected benefits have not been realized by project (including the reason for "not applicable")	<p>1. Channel network construction project: As of June 30, 2023, the project was 100% completed, with cumulative benefits totaling RMB 280,996,700 (average annual net profit of RMB 96,341,700), achieving the expected benefits. As of the end of the 2024 reporting period, the project achieved cumulative benefits of RMB 115,737,400 (average annual net profit of RMB 26,204,700), falling short of the expected benefits. This was mainly due to cyclical industry adjustments and market demand fluctuations, which resulted in lower-than-expected store sales.</p> <p>2. Information system construction project: on April 26, 2023, DRCO convened the fifth meeting of the second session of the Board of Directors and the fifth meeting of the second session of the Board of Supervisors at which the <i>Proposal on Postponing Certain Proceeds-funded Projects</i> was reviewed, and DRCO was approved to extend the date when the project reached the intended usable state from December 31, 2023 to December 31, 2024, without changing the implementation entity, the implementation method, the intended use of proceeds and the investment amount.</p> <p>Factors such as the market environment, business expansion and stricter corporate governance requirements have raised the standards for the information system construction. As a result, DRCO needs to conduct adequate surveys and discussions before implementing the information system construction project, so as to facilitate improvements in sales performance or operational efficiency. In order to better manage the project progress, on</p>													

concerning “whether the expected benefits were realized”)	<p>April 25, 2024, DRCO convened the ninth meeting of the second session of the Board of Directors and the ninth meeting of the second session of the Board of Supervisors, at which the Proposal on Postponing Certain Proceeds-funded Projects was reviewed and DRCO was approved to extend the completion date of the proceeds-funded project from December 31, 2024 to December 31, 2026 so as to maximize the value and effectiveness of the use of proceeds. At present, in light of the current market environment, the rapid iteration of information technology, and the company's business development needs, higher demands have been put forward for the construction of information systems. The company requires that before the implementation of information system construction projects, thorough and rigorous research and discussion should be conducted to ensure that the continuous construction of the project can contribute to the growth of the company's sales performance or the improvement of management and operation efficiency. Moreover, in order to reasonably control the advancement pace of the project, after careful research and decision by the company, on April 24, 2025, the company held the 13th meeting of the second board of directors and the 13th meeting of the second board of Supervisors, and deliberated and passed the "Proposal on the Extension of the Raised Funds Investment Project". It is agreed to extend the date when the project reaches the predetermined usable state from December 31, 2026 to December 31, 2027, in order to better leverage the role of the raised funds and enhance the effectiveness of their use.</p> <p>3. R&D, Creativity and Design Center for Diamond Jewelries: To better meet market demand and support its strategic development, the company made further plans for the project construction, which resulted in slower-than-expected project progress. On April 26, 2023, DRCO convened the fifth meeting of the second session of the Board of Directors and the fifth meeting of the second session of the Board of Supervisors, at which the <i>Proposal on Postponing Certain Proceeds-funded Projects</i> was reviewed, and DRCO was approved to extend the completion date of the proceeds-funded project from December 31, 2023 to December 31, 2025, without changing the implementation entity, the implementation method, the intended use of proceeds and the investment amount.</p> <p>Due to the objective factors such as the project itself not having a profit-making nature and the intensified structural differentiation in the jewelry industry in recent years, the company prudently carried out the construction of the R&D and creative design center, resulting in the project construction progress not meeting expectations. Based on the actual situation of the fundraising and investment projects, after careful study, the company held the 13th meeting of the second board of directors and the 13th meeting of the second board of Supervisors on April 24, 2025, and deliberated and passed the "Proposal on the Extension of the Fundraising and Investment Projects". Agree to extend the date when the project reaches the predetermined usable state from December 31, 2025 to December 31, 2027.</p>
Explanation of significant changes in project feasibility	Not applicable
Amount, use and progress of use of surplus proceeds	<p>Applicable</p> <p>1. On December 30, 2021, DRCO held the 14th meeting of the first session of the Board of Directors and the sixth meeting of the first session of the Board of Supervisors, and on January 18, 2022, DRCO held the first Extraordinary General Meeting of 2022, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 3,500,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 4,000,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term. On December 29, 2022, DRCO held the fourth meeting of the second session of the Board of Directors and the fourth meeting of the second session of the Board of Supervisors, and on January 17, 2023, DRCO held the first Extraordinary General Meeting of 2023, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 3,000,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 6,000,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term. On December 28, 2023, the company held the eighth meeting of the second session of the Board of Directors and the eighth Meeting of the second Session of the Board of Supervisors, and on January 16, 2024, the company held the first Extraordinary General Meeting of 2024, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 1,800,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 6,000,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be</p>

	<p>used on a revolving basis within the aforesaid amount and term. On December 26, 2024, the company held the 12th meeting of the second session of the Board of Directors and the 12th Meeting of the second Session of the Board of Supervisors, and on January 14, 2025, the company held the first Extraordinary General Meeting of 2025, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 1,650,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 5,500,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term. As of December 31, 2024, the balance of surplus proceeds for cash management was RMB 1,418,000,000.</p> <p>2. On April 20, 2022, DRCO held the 15th meeting of the first session of the Board of Directors and the seventh meeting of the first session of the Board of Supervisors, which considered and approved the <i>Proposal on Using Part of the Surplus Proceeds to Permanently Replenish Working Capital</i>, and agreed that DRCO may use RMB 940,000,000 of surplus proceeds to permanently replenish the working capital, representing 29.74% of the total surplus proceeds. This proposal was deliberated and approved at the general meeting of shareholders on May 20, 2022. On April 26, 2023, DRCO held the fifth meeting of the second session of the Board of Directors and the fifth Meeting of the second session of the Board of Supervisors, which considered and approved the <i>Proposal on Using Part of the Surplus Proceeds to Permanently Replenish Working Capital</i>, and agreed that DRCO may use RMB 900,000,000 of surplus proceeds to permanently replenish the working capital, representing 28.48% of the total surplus proceeds. This proposal was deliberated and approved at the general meeting of shareholders on May 26, 2023. As of December 31, 2024, DRCO had transferred RMB 1,840,000,000 from its dedicated proceeds account to permanently supplement the working capital.</p>
Changes in the implementation location of proceeds-funded projects	Not applicable
Adjustment of the implementation method of proceeds-funded projects	Not applicable
Early investment and replacement of proceeds-funded projects	<p>Applicable</p> <p>On April 20, 2022, DRCO held the 15th meeting of the first session of the Board of Directors and the seventh meeting of the first session of the Board of Supervisors, which considered and approved the <i>Proposal on the Replacement of Self-raised Funds Invested in Advance and Paid for Issuance Expenses with Proceeds</i>, and agreed that DRCO may use the proceeds to replace the self-raised funds of RMB 370,182,808.63 invested in advance and funds of RMB 5,454,988.26 paid for issuance expenses, which totaled RMB 375,637,796.89. Ernst & Young Hua Ming (Special General Partnership) issued the <i>Capital Verification Report on DR Corporation Limited's Investments in Intended Projects with Self-owned Funds</i> (Ernst & Young Hua Ming (2022) Zhuan Zi No. 61403707_H01). Before May 10, 2022, DRCO successively transferred a total of RMB 366,804,385.32 from its dedicated proceeds account for the replacement purpose, including RMB 361,349,397.06 for the investments in advance and RMB 5,454,988.26 for issuance expenses.</p>
Use idle proceeds to temporarily replenish working capital	Not applicable
The amount and reasons for the balance of proceeds after project	<p>Applicable</p> <p>1.The remaining proceeds for the “Supplementary Working Capital Project” amounted to RMB 553,564.16, and that for the “Channel Network Construction Project” amounted to RMB 16,159,899.37.</p> <p>2.During the implementation of the proceeds-funded projects, the company strictly adhered to the relevant regulations on the use of proceeds and prudently utilized them. While ensuring that the implementation of the</p>

implementation	proceeds-funded projects was not affected and that the proceeds were secure, the company engaged in cash management of idle proceeds to improve the efficiency of their utilization. This resulted in certain investment returns and interest income generated during the period of deposit.
Use and destination of unused proceeds	DRCO's unused proceeds are used to purchase approved cash management products and deposited in the dedicated proceeds account. As of December 31, 2024, the balance of proceeds in the dedicated account was RMB 60,025,561.32; the balance of idle proceeds (including surplus proceeds) for cash management was RMB 1,460,577,200.00, of which RMB 1,418,000,000 was from surplus proceeds and RMB 42,577,200 was from funds allocated to committed investment projects.
Problems or other circumstances in the use and disclosure of proceeds	Not applicable

(3) Changes in projects funded by proceeds

Applicable Not applicable

There is no change in the projects funded by proceeds during DRCO's reporting period.

VIII. Disposal of material assets and equity interests

1. Disposal of material assets

Applicable Not applicable

DRCO did not dispose of any material assets during the reporting period.

2. Disposal of material equity interests

Applicable Not applicable

IX. Analysis of major subsidiaries and associates

Applicable Not applicable

Information about major subsidiaries and associates that may influence DRCO's net profit by 10% or more

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Shenzhen Love Only AI Cloud Technology Co., Ltd. ¹	Subsidiary	Information technology services, overseas sales business	25,000,000.00	211,509,762.83	61,410,544.76	114,044,460.25	88,576,651.60	77,366,104.60
Shenzhen Darry Commercial Management Service Co., Ltd.	Subsidiary	Supply chain management, R&D and design, customized product	10,000,000.00	115,475,099.62	102,566,301.81	124,324,465.77	86,564,743.73	73,701,451.66

		services and related supporting services						
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Note 1: Fill in according to the standalone financial statements.

The acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Company name	Method of acquiring and disposing of subsidiaries during the reporting period	Impact on overall operation and performance
Garland (Shenzhen) Jewelry Co., Ltd.	Established through investment	No significant impact
Garland International	Established through investment	No significant impact
Zhoukou DR Jewelry	Deregistered	No significant impact
Heze DR Jewelry	Deregistered	No significant impact
Linyi DR Jewelry	Deregistered	No significant impact
Jiaxing DR Jewelry	Deregistered	No significant impact
Fuyang DR Jewelry	Deregistered	No significant impact
Weifang DR Jewelry	Deregistered	No significant impact
Dongguan DR Jewelry	Deregistered	No significant impact
Baoding DR Jewelry Sales Co., Ltd.	Deregistered	No significant impact
Yiwu DR Jewelry	Deregistered	No significant impact

Information about major subsidiaries and associates

1. Subsidiary Love Only AI primarily engages in information technology services and overseas sales business. During the reporting period, it achieved a net profit of RMB 77.37 million, a decrease of 41.32% compared to the same period last year.
2. Subsidiary Darry Qianhai is primarily engaged in supply chain management, R&D and design, customized product services, and related supporting services. During the reporting period, it achieved a net profit of RMB 73.70 million a decrease of 39.06% compared to the same period last year.

X. Structured Entities under the Control of DRCO

Applicable Not applicable

XI. Prospect for DRCO's Future Development

(I) Development Strategy

Guided by its mission of “helping more people express love, making love last forever,” the Company remains committed to a multi-brand, omni-channel, and global-oriented strategic framework. It builds core competitiveness by leveraging robust brand communication capabilities, deepening user engagement through an integrated operational model, mobilizing global resources via a flexible supply chain, and accelerating operational transformation through an innovative DTC model—thereby effectively enhancing its brand differentiation. With the vision of “becoming a global leader in true love culture,” the Company aspires to become the preferred global brand for consumers celebrating meaningful life moments and embracing the beauty of love through high-quality jewelry.

(II) Development Objective

In alignment with its overarching strategy, the Company will capitalize on the rising momentum of brand development and internationalization within China's jewelry industry. It will continue to expand its brand portfolio, enhance brand awareness, strengthen product innovation and design capabilities, deepen the integration of online and offline channels, and accelerate global market expansion. Meanwhile, the Company will transform its global supply chain system and optimize its retail network to solidify DR's position as the “World's No.1 Proposal Diamond Ring Brand.” The Company is committed to becoming the top choice for global consumers during life-defining moments such as proposals, weddings, and anniversaries.

(III) 2025 Operational Plan

Based on its strategic roadmap, the Company has developed specific implementation plans across brand building, product development, retail operations, and organizational management:

1. Brand

In 2025, DRCO will continue to reinforce its unique positioning as the world's only brand embodying the value of "the sole true love in one life." The Company aims to deepen emotional resonance with users, expand its global footprint, and enhance brand loyalty.

(1) Building a multidimensional brand architecture: The Company will build a comprehensive brand system across four dimensions: content, channels, products, and reputation. ① Content: Further explore the brand's cultural essence and clearly communicate its core value proposition, fostering emotional resonance through authentic storytelling. ② Channels: Establish flagship brand stores, streamline service processes, and elevate the ceremonial experience of true love. ③ Products: Create signature offerings that embody distinct brand identity and convey emotional significance aligned with user preferences. ④ Reputation: Leverage emotional insights to communicate brand values subtly and cultivate a socially responsible and emotionally engaging brand image.

(2) Enhancing content communication capabilities: With a focus on differentiated communication content, the Company will cultivate multi-level social resonance across key platforms. ① Short Videos: Rooted in the values of "truth, goodness and beauty", communication content will integrate brand philosophy with emotional narratives to reinforce brand values. ② E-commerce Platforms: Combine compelling storytelling with innovation in product design and craftsmanship to drive consumer engagement and further enhance product visibility. ③ Social Media Platforms: Driven by emotion-led engagement, foster deep user interaction through high-quality, relatable topics to better understand and respond to user needs. ④ Social Community: Strengthen user loyalty by integrating content and activities, nurturing high-retention user groups, and building an exclusive brand ecosystem.

(3) Driving store transformation across four dimensions: Guided by the principle of delivering meticulous, user-centered service, the Company is advancing a differentiated service system based on four strategic pillars: experiential, content-driven, brand-enhancing, and public relations-oriented. By introducing emotionally resonant products, reinforcing the sense of ceremony around true love through immersive experiences, and offering exclusive services for milestone moments such as anniversaries, the Company continues to deepen emotional connections with its customers. In parallel, through comprehensive customization services, including bespoke ring design, personalized packaging, and scenario-based offerings tailored to individual preferences, the Company creates unique emotional touchpoints. These initiatives collectively elevate both service experience and brand value, further strengthening the Company's market competitiveness and customer loyalty.

2. Products

As consumer preferences for wedding rings increasingly evolve toward greater personalization, emotional resonance, and brand consciousness, the Company remains dedicated to offering emotionally engaging products, distinctive experiential services, and an integrated service model that seamlessly connects retail spaces, product offerings, and sales personnel. In response to these shifting trends, the Company will continue to refine its brand positioning in 2025, adopting a global outlook with an emphasis on premium quality. From product design to the ceremonial signing of the *True Love Agreement*, the Company is dedicated to delivering an all-in-one wedding ring experience that fully meets consumers' aspirations for both quality and emotional connection. At the same time, it will continue to enhance product awareness and market competitiveness, thereby further solidifying its leadership position in the global wedding ring segment.

(1) Advancing signature product development: The Company will continue to invest substantially in creating signature products, positioning innovation as the core engine for product transformations. By focusing on iconic product lines, the Company will drive comprehensive enhancements across materials, craftsmanship, and design. This will infuse products with greater emotional significance and a stronger brand imprint—

elevating them into symbolic representations of the brand’s “one true love” ethos.

(2) Product category & material expansion: Building on the market insights and strategic positioning established in 2024, the Company will intensify efforts to introduce a high-end gold collection in 2025. By integrating international design sensibilities with Eastern artisanal techniques, the Company seeks to strike a balance between modern aesthetics and the reinvention of traditional craftsmanship. The resulting designs will honor the wearability of Western jewelry while embodying the cultural depth of Eastern gold artistry, establishing a distinctive brand narrative and aesthetic identity that will be brought to life through a series of flagship creations.

(3) Enhancing the couple ring product line: With deep insights into consumer psychology and purchasing behavior surrounding couple rings, the Company will transform the product line across multiple dimensions—spanning design style, sizing adaptability, and symbolic meaning. These enhancements seek to create a more distinctive couple ring offering, characterized by higher product quality, greater brand recognition, and more diversified styles that meet a wide range of emotional needs.

(4) Strengthening data-driven product Iteration: The Company will refine its product performance tracking mechanisms to ensure swift responsiveness to market changes. By building a robust data monitoring and analysis system, the Company will continuously assess sales results, consumer feedback, and other key indicators to drive product iteration. This agile approach will enable more precise adjustments in product strategy and reinforce brand identity, further enhancing brand equity and market influence.

3. Retail

As a primary touchpoint between the brand and its consumers, offline retail stores play a pivotal role in delivering brand value and conveying the essence of the True Love experience. In 2025, the Company will further enhance its retail operations by establishing “True Love Spaces” in cities, refining the in-store experience, and offering customers curated, high-touch solutions that capture life’s most meaningful moments.

(1) Channel optimization: The Company will analyze store performance indicators such as foot traffic and conversion rates to pinpoint key challenges. It will leverage city-level audits and a tier-based channel structure to develop channel deployment criteria. Through data-backed site selection and reverse validation processes, the Company will focus on expanding its presence in top-performing shopping centers while upgrading or replacing stores in lower-tier markets. In addition, a “one city, one store” strategy will be adopted, complemented by optimized staffing and integrated ecosystem collaboration to maximize single-store profitability.

(2) Store operation enhancement: The Company will leverage digital platforms such as Xiaohongshu (Little Red Book), Douyin (Chinese TikTok), and Dazhong Dianping, in conjunction with interactive in-store display installations, to enhance brand visibility and drive traffic to its offline retail stores. In addition, experience-focused services—centered on ritualistic elements and immersive in-store exhibitions—will be used to strengthen brand equity. On key romantic occasions like Valentine’s Day and Qixi Festival (the Chinese Valentine’s Day), the Company will deepen engagement through new product launches and cross-sector collaborations, cultivating brand loyalty and increasing customer retention.

(3) Integrated merchandise management: The Company will establish an integrated merchandise management system covering demand forecasting, inventory allocation, and visual presentation. Transaction efficiency will be improved across four key areas: merchandise data analysis, inventory-to-store alignment, appointment-based product selection, and in-store display optimization. Guided by the Company’s *Merchandise Management Manual*, standardized practices will be enforced, while AI-powered inventory planning will ensure seamless coordination of product allocation, presentation, and replenishment—enabling greater operational precision at the retail level.

(4) Retail innovation: The Company will establish a dedicated innovation lab for retail, providing a platform for pilot initiatives and enabling structured project selection and performance tracking. Sales processes and supporting tools will be optimized to fully implement the DR True Love ritual service philosophy, thereby enhancing user experience. In addition, a comprehensive training ecosystem will also be introduced,

covering brand culture, industry insights, traffic management, and performance improvement. These initiatives will empower frontline teams and significantly boost sales performance.

4. Organization

In 2025, the Company will prioritize team collaboration as its core mission, breaking down departmental silos and promoting cross-functional synergy. Through streamlined communication channels and integrated collaboration platforms, the Company will enhance information flow and resource sharing, thereby improving overall organizational effectiveness. Organizational development will be guided by the strategic framework of “1 Core Principle, 2 Tactical Priorities, and 3 Key Enhancements” to drive mutual success for the Company and its employees.

(1) Establishing a user-centric operational framework: Anchored in a user-first philosophy, all departments and team members will align around the needs and expectations of consumers. By maintaining a deep understanding of user preferences and continuously improving the customer experience, the Company will develop a responsive operational system that fosters user satisfaction, brand loyalty, and long-term value creation.

(2) Building an agile organizational structure: Supported by advanced IT infrastructure and a highly adaptive supply chain, the Company’s middle platform will receive strong, efficient support. In addition, through streamlined processes and integrated data systems, the platform will be enhanced in terms of responsiveness and coordination, enabling frontline teams to adapt rapidly to market dynamics and meet customer needs with agility and precision.

(3) Stimulating the vitality and creativity of the team: The Company will implement structured training systems, clear career development pathways, and performance-based incentive mechanisms to improve overall workforce capabilities. By optimizing organizational structure and role design, it will raise per capita productivity. In parallel, a transparent, merit-based profit-sharing model will also be introduced to align employee incentives with corporate goals—fostering motivation, innovation, and a shared sense of purpose. These initiatives are designed to strengthen the talent, quality, and engagement of employees.

(IV) Risks and Countermeasures

1. Weakened consumer confidence and market volatility

Diamond jewelry, as a discretionary consumer good, is highly sensitive to consumers’ income levels, confidence, and preferences. Purchasing behavior is easily influenced by macroeconomic conditions, employment prospects, and investment expectations. In recent years, the jewelry industry has undergone a clear structural shift: demand for diamond-studded jewelry has remained sluggish and slow to recover, while Gold Jewelry, valued for its risk aversion and preservation attributes, has seen a significant surge in popularity. This shift in consumer preference presents a substantial challenge for companies whose core offering revolves around diamond-studded jewelry.

To address this, the Company will enhance its market adaptability by strengthening brand positioning, improving product quality and innovation, and diversifying sales channels to reinforce competitiveness. While maintaining its focus on its core diamond-set business, the Company will moderately expand into gold and other jewelry categories to meet evolving consumer needs and reduce reliance on a single product line. These efforts will support flexible responses to cyclical and market fluctuations. Simultaneously, the Company will closely monitor the global raw diamond market, optimize procurement channels, and manage sourcing strategies to reduce costs and mitigate upstream supply chain risks.

2. Intensified market competition

The steady expansion of China’s jewelry market has intensified competition. With consumer demand becoming increasingly personalized and diversified, the industry is transitioning from price-based competition to multidimensional rivalry across brand, business model, sales channel, product design and quality. Leading players are gaining ground by capturing niche markets and leveraging deep consumer insights. Moreover, competition is no longer confined to the domestic market but is expanding globally. In this environment, companies must possess differentiated designs, strong brand equity, premium product

offerings, robust digital capabilities, solid financial strength, and agile execution. A failure to sustain competitive advantages could impact the Company's profitability.

To address this, the Company will: (1) Continue to build brand equity and enhance recognition and reputation to solidify its leading position; (2) Develop a differentiated product portfolio tailored to varied consumer groups and usage scenarios to capture emerging demand; and (3) Accelerate global market expansion, actively entering high-potential regions to enhance its international presence.

3. Risk associated with outsourced manufacturing

As the Company adopts an outsourced manufacturing model, delays in delivery or quality issues from OEM partners could affect inventory management, brand reputation, and financial results.

To mitigate this risk, the Company has implemented the following measures: (1) Strictly controlling supplier onboarding and raising qualification thresholds to ensure product quality; (2) Conducting on-site audits to evaluate suppliers' facilities, processes, and quality systems for compliance with Company standards; (3) Applying refined inspection practices such as blind sampling to verify compliance; (4) Performing monthly purity checks and random inspections of supplier materials. Through a comprehensive, multi-level quality control system, the Company ensures consistent execution of its quality management framework at every stage.

4. Diminished brand equity

Brand equity is a critical driver of the Company's long-term growth. In an increasingly competitive jewelry market, the continued emergence of new brands offers consumers a wider array of choices. If the Company fails to innovate or reinforce its brand distinctiveness, it may face declining brand relevance and consumer engagement. In addition, in the digital era, brand image is increasingly vulnerable to public opinion, while consumers often struggle to distinguish between accurate and misleading information—posing potential reputational risks. Moreover, as the Company expands internationally, it may encounter cultural differences and intensified competition from local brands, further challenging its brand-building efforts.

To respond this, the Company will: (1) Reinforce core brand values to deliver high-quality, emotionally resonant content grounded in its distinctive brand philosophy to deepen consumer connection and brand loyalty; (2) Establish a consumer insight mechanism to leverage data analytics and market research to identify evolving customer preferences, while enhancing brand engagement through social media platforms; (3) Strengthen product competitiveness to strengthen quality control processes and continuously improve the overall user experience to reinforce product differentiation; (4) Improve reputation management to enhance public opinion monitoring and crisis response capabilities to promptly address negative publicity and safeguard brand reputation.

5. Underperforming store operations

As a retail-driven company, store performance is closely tied to operational efficiency and channel optimization. Operating under a fully self-operated model, the Company faces significant challenges in store management. Persistent underperformance could adversely affect financial results and may trigger asset impairment risks.

To address these challenges, the Company will: (1) Conduct city-level audits and implement a tier-based channel structure to enhance retail network planning. These efforts will focus on key urban markets and premium commercial zones, with priority given to channels in flagship shopping centers. Meanwhile, it will explore potential opportunities in tier-2 and tier-3 cities; (2) Elevate in-store service rituals to deliver differentiated customer experiences, and enhance brand exposure through roadshows; (3) Optimize store operations by streamlining workflows, improving lease cost management, and reducing fixed expenses to enhance profitability and mitigate performance fluctuations and impairment risks.

XII. Registration Form for Surveys, Communication, Interviews and Other Activities during the Reporting Period

Applicable Not applicable

Date	Place	Method	Type of interviewer	Interviewer	Main discussion contents and materials provided	Index of surveys
April 28, 2024	Online meeting	Online communication	Institution	Personnel from 57 institutions including Changjiang Securities, GF Securities, and Ruiyi Investment, and some individual investors	2023 Annual Report and 2024Q1 Report presentations	For details, please refer to the record of investor relations activities disclosed by DRCO on April 28, 2024 on www.cninfo.com.cn
August 30, 2024	Online meeting	Online communication	Institution	Personnel from 103 institutions including CUAM, Sequoia Capital, and CR Trust, and some individual investors	2024 Interim Report presentations	For details, please refer to the record of investor relations activities disclosed by DRCO on August 30, 2024 on www.cninfo.com.cn
October 30, 2024	Online meeting	Online communication	Institution	Personnel from 28 institutions including Ping An Securities, J.P. Morgan Securities, and Bank of Communications Schroder Fund	2024Q3 Report presentations	For details, please refer to the record of investor relations activities disclosed by DRCO on October 30, 2024 on www.cninfo.com.cn
December 12, 2024	Online meeting	Online communication	Other	Investors participating in the "2024 Reception Day of Shenzhen Listed Companies" through the "Panorama Roadshow"	Stock price fluctuation, industry prospect, market landscape, current situation and prospect of DRCO's	For details, please refer to the record of investor relations activities disclosed by DRCO on December 12, 2024 on

				investor relations platform (https://rs.p5w.net)	business operation	www.cninfo.com.cn
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XIII. Formulation and Implementation of Market Capitalization Management System and Valuation Increase Plan

Whether DRCO formulated the market capitalization management system.

Yes No

Whether DRCO disclosed the valuation increase plan.

Yes No

To strengthen the market capitalization management efforts, further standardize market capitalization management practices, and safeguard the legitimate rights and interests of the Company, investors, and other stakeholders, DRCO considered and approved the *Proposal on Formulating Market Capitalization System* at the 12th meeting of the second board of directors on December 26, 2024 in accordance with rules, regulations, and normative documents including the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, the *No.2 Guidelines for Self-disciplined Regulation of Listed Companies - Standardized Operation of Listed Companies on ChiNext Market*, the *No.10 Guidelines for Supervision of Listed Companies - Market Value Management*, as well as the requirements of the provisions of DRCO's *Articles of Association*.

XIV. Implementation of “Quality Improvement & Return Increase” Action Plan

Whether DRCO disclosed the “Quality Improvement & Return Increase” Action Plan.

Yes No

Part IV. Corporate Governance

I. Basic Information of Corporate Governance

DRCO consistently regards standardized corporate governance as the cornerstone of steady development. By strictly abiding by relevant rules and regulations including the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, the *No.2 Guidelines for Self-disciplined Regulation of Listed Companies - Standardized Operation of Listed Companies on ChiNext Market* and the *Measures for the Administration of Independent Directors of Listed Companies*, as well as the provisions of DRCO's *Articles of Association*, the Company constantly improves its corporate governance structure through refining governance systems, ensuring compliant, transparent and effective business operations and protecting the legitimate rights and interests of shareholders, creditors and other stakeholders. The actual situation of the Company's governance complied with the requirements of rules, regulations and normative documents released by the regulators, including CSRC and SZSE.

(I) Corporate governance system

DRCO has established a complete set of strict governance systems subject to timely amendments and refinement in accordance with changes of laws and regulations and the actual needs of the Company's development. During the reporting period, DRCO revised the *Articles of Association*, the *Proceeds Management System*, the *Administrative Measures for Connected Transactions*, and the *Management System for Shares Held by Directors, Supervisors and Officers and Changes thereof*, thereby further improving the corporate governance system.

(II) Shareholders and general meetings

DRCO respects the legitimate rights and interests of all shareholders and ensures they can fully exercise their rights. During the reporting period, DRCO held one annual general meeting and one extraordinary general meeting, both in strict adherence to the *Rules of Procedure for General Meetings* to standardize the convening, notification, holding and voting procedures, thereby fully safeguarding shareholders' rights to information, participation, and voting. During these meetings, the Company provided equal opportunities for shareholders to speak, ensuring they could fully express their opinions and suggestions. The voting results of all proposals at the general meetings were separately counted and disclosed for minority shareholders to enhance their participation. The Company engaged lawyers to provide on-site witnessing and issue legal opinions, ensuring the legality and validity of the meeting procedures and resolutions.

(III) Directors and the Board of Directors

DRCO's Board of Directors comprises 9 directors, including 3 independent directors. The number and composition of the Board of Directors satisfy the requirements of relevant laws, regulations and the Articles of Association. The Board of Directors has four special committees: Strategy and Sustainable Development Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. Each has clear responsibilities and performs its own duties to justify decision-making of the Board of Directors. During the reporting period, DRCO convened four Board meetings and eight special committee meetings, all of which were convened and held in accordance with the procedures stipulated in the *Articles of Association*, the *Rules of Procedure of the Board of Directors* and other relevant laws and regulations, voted and formed resolutions in strict accordance with the relevant provisions, submitted matters requiring consideration at general meetings for consideration and decision at general meetings, effectively performed the duties authorized by the general meetings, strictly implemented the resolutions passed by general meetings. The directors of the Company have all diligently and faithfully performed their duties and actively participated in corporate governance. The independent directors have performed their duties independently in strict accordance with the relevant laws and regulations and the requirements of the *Working System for Independent Directors*, safeguarding the interests of the Company and all shareholders.

(IV) Supervisors and the Board of Supervisors

DRCO's Board of Supervisors comprises three supervisors including one employee representative. The number and composition of the Board of Supervisors meet the requirements of relevant laws, regulations and

the Articles of Association. During the reporting period, DRCO's Board of Supervisors held four meetings to perform its supervisory responsibilities in accordance with the requirements of relevant laws and regulations as well as the *Articles of Association*. By attending the general meetings and the Board meetings, supervisors exercised strict supervision over DRCO's standardized operation, business activities, material matters, financial position and the performance of duties by directors and senior management, effectively safeguarding the interests of shareholders. The meetings of the Board of Supervisors were convened in a lawful and valid manner, with no violation of relevant laws and regulations by the supervisors in exercising their powers.

(V) Information Disclosure and Transparency

DRCO attaches great importance to information disclosure and has established a comprehensive information disclosure management system to clarify the basic principles, content, approval procedures and responsibilities of information disclosure to ensure the timeliness, accuracy and completeness of information disclosure. DRCO publishes regular reports and interim announcements in a timely manner through the information disclosure media designated by the CSRC and the Company's official website in strict accordance with laws, regulations and regulatory requirements, so as to provide investors and the public with a comprehensive and truthful picture of the Company's business, financial condition and significant matters. During the reporting period, DRCO continuously improved the content and manner of information disclosure, enhanced the readability and comprehensibility of information, and maintained the continuity and consistency of information disclosure. By strengthening the management of information disclosure, the Company has enhanced transparency and strengthened investor confidence.

(VI) Management of Investor Relations

DRCO strictly observed relevant laws and regulations such as the *Company Law*, *the Securities Law* and *the Guidelines on Investor Relations Management for Listed Companies*, as well as internal systems such as the *Articles of Association*, and followed the basic principles of "full compliance, investor equality, proactive communication, honesty and good faith", to ensure that all investors have equal access to our corporate information. In terms of building communication channels and mechanisms, DRCO has established a sound investor relations management system consisting of diversified channels, including telephone, fax, e-mail, DRCO's official WeChat account, the "Investor Relations" section of DRCO's official website and on-site reception. In this way, DRCO can be contacted at any time, thereby enhancing the perception and recognition of the Company's value in the capital market by maintaining communication with investors and sell-side analysts.

In 2024, DRCO held three online performance briefings on regular reports for all shareholders to ensure fair information access of minority shareholders. The Company actively participated in the "2024 Reception Day for Listed Companies in Shenzhen" and disclosed research information from investment institutions through the *Registration Form of Investor Relations Activities*. DRCO values feedback, suggestions and needs of investors, and promptly addresses their key concerns. By strengthening investor relations management, the Company can better understand the needs and expectations of investors, and further enhance our governance and market image.

(VII) Stakeholders

DRCO fully recognizes the importance of stakeholders in its development and actively communicates and co-operates with stakeholders. We pursue common development with our stakeholders, strive to achieve a harmonious balance among the interests of shareholders, employees and society, and constantly promote our sustainable, stable and healthy growth. In accordance with the *GRI Standards* issued by the GSSB, the United Nations 2030 Sustainable Development Goals, and relevant laws, regulations and normative documents such as *The No.17 Guidelines of the Shenzhen Stock Exchange for Self-Discipline and Regulation of Listed Companies - Sustainable Development Report (Trial)*, and *The No.3 Guidelines of the Shenzhen Stock Exchange for Self-Discipline and Regulation of Listed Companies on ChiNext Market of Shenzhen Stock Exchange - Preparation of Sustainable Development Report*, DRCO has issued the *2024 Environmental, Social and Governance Report*, as detailed in the *2024 ESG Report* disclosed by DRCO on www.cninfo.com.cn on April 26, 2025.

Whether there is any significant difference between the actual situation of corporate governance and the laws, administrative regulations and the provisions on the governance of listed companies issued by the CSRC.

Yes No

There is no significant difference between the actual situation of corporate governance and the laws, administrative regulations and the provisions on the governance of listed companies issued by the CSRC.

II. Independence of DRCO from Controlling Shareholders and Actual Controllers in Asset, Personnel, Finance, Institution and Business

DRCO operates in accordance with the requirements of the *Company Law of PRC*, *the Securities Law* and other relevant laws and regulations, and the *Articles of Association*; and has established and improved the corporate governance structure. Therefore, DRCO is independent of the controlling shareholders, the actual controllers and other enterprises controlled by them in terms of assets, personnel, finance, institutions and business, and enjoys asset integrity and independence of business and the ability to operate independently in the market.

(I) Asset integrity

DRCO has the business system and related assets related to the operation, legally owns the ownership of or right to use the trademarks, patents and non-patented technologies related to the operation, and has its own raw material procurement system and product sales system. DRCO has clear and complete ownership of its assets, and enjoys independent control and domination over all assets. DRCO has not provided guarantees for the debts of shareholders with its assets, interests or creditworthiness, and does not have assets or funds being illegally occupied by controlling shareholders to the detriment of DRCO's interests and reliance on shareholders and other institutions.

(II) Personnel independence

The directors, supervisors and senior managers of DRCO are elected in strict accordance with the relevant provisions of the *Company Law and Articles of Association*; the general manager, the deputy general manager, the person in charge of finance, the Board secretary and other senior managers of DRCO neither hold positions other than director and supervisor in DRCO's controlling shareholders, actual controllers and other enterprises controlled by them, nor receive remuneration from DRCO's controlling shareholders, actual controllers and other enterprises controlled by them; the financial personnel of DRCO do not work part-time in the organizations of controlling shareholders or the actual controllers and other enterprises controlled by them.

(III) Financial independence

DRCO has set up an independent financial department with full-time accounting personnel, and established an independent financial accounting system and financial management policies to make financial decisions independently in strict accordance with accounting laws and regulations including the *Accounting Law of the People's Republic of China*. DRCO has a standardized financial accounting system and financial management policies for branches and subsidiaries; DRCO doesn't share bank accounts with controlling shareholders, actual controllers and other enterprises controlled by them.

(IV) Institutional independence

DRCO has set up and defined the responsibilities and rights of the general meeting of shareholders, the Board of Directors, the Board of Supervisors and other bodies for decision-making, operation management and supervision. Therefore, DRCO has established a standardized and effective corporate governance structure. Based on the development needs, DRCO has established a series of internal operation and management institutions that independently exercise the right of operation and management, and there is no institutional mixing with the controlling shareholders, the actual controller and other enterprises under their control.

(V) Business independence

DRCO has an independent and complete research and development, design, procurement and sales business system, with the ability to directly conduct business operation by itself on the market. DRCO's business is independent of the controlling shareholders, the actual controllers and other enterprises under their control. Between DRCO and its controlling shareholders, the actual controllers and other enterprises under their control, there is neither horizontal competition that has a material adverse effect on the issuer, nor any connected transaction that materially impacted the independence and was obviously unfair.

III. Horizontal Competition

Applicable Not applicable

IV. Annual General Meetings and Extraordinary General Meetings Held during Reporting Period**1. General meetings of shareholders during the reporting period**

Session	Type of meeting	Percentage of attending investors	Date of convening	Date of disclosure	Resolution of meeting
The First Extraordinary General Meeting of Shareholders in 2024	Extraordinary General Meeting of Shareholders	87.46%	January 16, 2024	January 16, 2024	For details, please refer to the Announcement for the Resolution of the First Extraordinary General Meeting of Shareholders in 2024 posted on www.cninfo.com.cn (No. 2024-002)
2023 Annual General Meeting of Shareholders	Annual general meeting of shareholders	87.54%	May 28, 2024	May 28, 2024	For details, please refer to the Announcement for the First General Meeting of Shareholders in 2023 published on www.cninfo.com.cn (No. 2024-027)

2. Preferred shareholders whose voting rights have been restored request to convene an extraordinary general meeting of shareholders

Applicable Not applicable

V. Weighted Voting Right Arrangement

Applicable Not applicable

VI. Corporate Governance of Red-chip Company

Applicable Not applicable

VII. Directors, Supervisors and Senior Management

1. Basic information

Name	Gender	Age	Position	Employment status	Start date of tenure	End date of tenure	Number of shares held at the beginning of the period (shares)	Number of shares increased during the current period (shares)	Number of shares reduced during the current period (shares)	Other increases or decreases (shares)	Shares held at the end of the current period (shares)	Reasons for changes in shares
Zhang Guotao	Male	39	Chairman	Incumbent	July 11, 2019	July 7, 2025	0	0	0	0	0	
Lu Yiwen	Female	38	Director	Incumbent	July 11, 2019	July 7, 2025	0	0	0	0	0	
Lu Yiwen	Female	38	General Manager (President)	Incumbent	August 25, 2023	July 7, 2025	0	0	0	0	0	
Huang Shuiro ng	Male	50	Director, Deputy General Manager (Vice President), Secretary of the Board and CFO	Incumbent	July 11, 2019	July 7, 2025	0	0	0	0	0	
Hu Xiaoming	Male	44	Director	Incumbent	July 11, 2019	July 7, 2025	0	0	0	0	0	
Chen Qisheng	Male	39	Director	Incumbent	March 8, 2021	July 7, 2025	0	0	0	0	0	
Zhao	Female	35	Director	Incumbent	May 26,	July 7,	0	0	0	0	0	

Ranran				bent	2023	2025						
Li Yang	Male	42	Independent Director	Incumbent	January 15, 2020	July 7, 2025	0	0	0	0	0	
Liang Jun	Male	47	Independent Director	Incumbent	January 15, 2020	July 7, 2025	0	0	0	0	0	
Zhong Min	Male	52	Independent Director	Incumbent	November 24, 2020	July 7, 2025	0	0	0	0	0	
Huang Yingfeng	Female	36	Chairman of the Board of Supervisors	Incumbent	July 8, 2022	July 7, 2025	0	0	0	0	0	
Shen Ai	Female	35	Supervisor	Incumbent	July 8, 2022	July 7, 2025	0	0	0	0	0	
Wu Wanhong	Female	31	Employee Representative Supervisor	Incumbent	April 10, 2023	July 7, 2025	0	0	0	0	0	
Total	--	--	--	--	--	--	0	0	0	0	0	--

Whether any directors, supervisors and senior officers were dismissed during the reporting period

Yes No

Changes in directors, supervisors and senior management of the Company

Applicable Not applicable

2. Positions

Professional background and career experience of DRCO's incumbent directors, supervisors and senior management and their current major responsibilities in DRCO.

(1) Profiles of the Board members

① Mr. Zhang Guotao

Mr. Zhang Guotao, Chairman of the Board, is a Chinese citizen without permanent residence permit outside China. Born in 1985, he holds an EMBA degree from Cheung Kong Graduate School of Business and is the founder of DRCO. Mr. Zhang has received awards including the "Outstanding Young Entrepreneur Award (40 years and below)" and the "Top 10 Leaders of Asian Brands". He was the executive director and general manager of Darry Corporation and now acts as DRCO's chairman, as well as the executive director & general manager of DR

Investment, Qianhai Wendi, Wendi Design, Wendi Technology and EveryYear Travel Photography.

② Ms. Lu Yiwen

Ms. Lu Yiwen is the director of DRCO. She is a Chinese citizen without permanent residence permit outside China. Born in 1987, she holds an EMBA degree from China Europe International Business School (CEIBS). As the founder of DRCO, she has received awards such as "Forbes 30 Under 30 China", "Hurun China Under 30s To Watch" and "Top 10 Leaders of Asian Brands". Ms. Lu was ever the vice president and supervisor of Darry Corporation and now acts as the director and general manager (president), the supervisor of DR Investment, the supervisor of EveryYear Travel Photography, the supervisor of Wendi Design and Wendi Technology.

③ Mr. Huang Shuirong

Mr. Huang Shuirong, the director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1974, Mr. Huang received his master's degree from Zhongnan University of Economics and Law, and he is a senior accountant. Mr. Huang once served as the financial manager of Guangdong-based Jianlibao Group, the chief financial officer of Xilong Chemical Co., Ltd., the general manager of the financial center at Xilong Chemical Co., Ltd., and the financial manager of Tiandi No.1 Beverage Inc.; since joining DRCO in 2018, he has held such positions as the vice president and financial manager of Darry Corporation and now is the director, deputy general manager (vice president), Board secretary and financial manager of DRCO.

④ Mr. Hu Xiaoming

Mr. Hu Xiaoming, the director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1980, he received his bachelor's degree from Shenzhen University. Mr. Hu used to be the planning manager of Guangzhou Himalayan Advertising Co., Ltd., the senior brand planning manager of Jiaduobao (China) Beverage Co., Ltd., the brand director of Shenzhen Shengzi Technology Co., Ltd., and the deputy brand director of Yulong Computer Communication Technology (Shenzhen) Co., Ltd. Since joining DRCO in 2016, he has held such positions as the brand director and strategy director at the market center of Darry Corporation, and now he acts as the director and strategy head at DRCO.

⑤ Mr. Chen Qisheng

Mr. Chen Qisheng, the director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1986, he received his bachelor's degree and holds the CMA certificate. He once worked in Chow Tai Fook Jewelry (Shenzhen) Co., Ltd., Kingdee Software (China) Co., Ltd. and Shenzhen Jianjiaqin Jewelry Co., Ltd. Since joining DRCO in 2015, he has ever held the position of a senior financial manager and now acts as the director and the responsible head for business and finance.

⑥ Ms. Zhao Ranran

Ms. Zhao Ranran, director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1989, holds a bachelor's degree from Central China Normal University. She joined the company in July 2013 and have served as Senior Manager and Deputy Director of User Operations; From July 2019 to July 2022, served as the Chairman of the first Supervisory Board of the company; she have been serving as the head of the company's brand

communication department since July 2019.

⑦ Mr. Li Yang

Mr. Li Yang, the independent director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1983, he received his PhD degree from Columbia University and is an Associate Professor of Cheung Kong Graduate School of Business. Since 2020, he has been an independent director of DRCO, as well as an independent director of 360 Ludashi Holdings Co., Ltd., Westingarea Supply Chain (Shanghai) Co., Ltd., New Tianli Technology Co., Ltd. and Shanghai Shangmei Cosmetics Co., Ltd .

⑧ Mr. Liang Jun

Mr. Liang Jun, the independent director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1977, he received his master's degree from Renmin University of China, and the EMBA degree from China Europe International Business School. Mr. Liang used to be the marketing manager of consumer goods subsidiary under Humanwell Healthcare, the board secretary of Shenzhen Sinobioway Xinpeng Biomedicine Co., Ltd., the senior partner and fund manager of Shenzhen-based Rabbit Fund; he has been serving as the independent director of DRCO since 2020.

⑨ Mr. Zhong Min

Mr. Zhong Min, the independent director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1973, he holds an EMBA degree from China Europe International Business School (CEIBS). Mr. Zhong ever served as a senior manager of Shenzhen Tongren Accounting Firm, a salaried partner of Shenzhen Pengcheng Enterprise Management Consulting Co., Ltd., the chief financial officer of Shenzhen Yuezhong Investment Holdings Co., Ltd., the independent director of Guangzhou Fangbang Electronics Co., Ltd.. He has been acting as the independent director of DRCO since 2020, and also a director of Shenzhen Yuezhong Investment Holdings Co., Ltd. and an independent director of Shenzhen Xunfang Technology Co., Ltd.

(2) Profiles of the members of the Board of Supervisors

① Ms. Huang Yingfeng

Ms. Huang Yingfeng, Chairman of the Board of Supervisors, is a Chinese citizen without permanent residence permit outside China. Born in 1989, she received her master's degree from Shenzhen University. She used to be the screenwriter of Shenzhen All Things Growth Media Co., Ltd., the content director of Beijing October 5th Film Media Co., Ltd, and the general manager of Shenzhen Weiwan Daixu Technology Co., Ltd.; She joined DRCO in 2020 and now acts as the Chairman of the Board of Supervisors and the responsible head for brand content Department.

② Ms. Shen Ai

Ms. Shen Ai, the supervisor of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1989, she received her bachelor's degree from Shenzhen University. Since joining DRCO in 2012, she has held the positions including the copywriter, copywriter manager and copywriter expert at Darry Corporation (戴瑞有限). Now she acts as the supervisor and UCC operation manager at DRCO.

③ Ms. Wu Wanhong

Ms. Wu Wanhong, the employee representative supervisor, is a Chinese citizen without permanent residence permit outside China. Born in 1993, she received her bachelor's degree from Guangzhou University. She ever worked as an accountant in Minhua Furniture Manufacturing (Shenzhen) Co., Ltd. Since joining DRCO in 2017, Ms. Wu has held such positions as the retail accounting manager and the senior accounting manager. Now she serves as the business and finance manager in DRCO.

(3) Profiles of senior management

① Ms. Lu Yiwen

Ms. Lu Yiwen currently serves as the director and deputy general manager (vice president). For her biographies, please refer to the section "Profiles of Board Members".

② Mr. Huang Shuirong

Mr. Huang Shuirong currently serves as the director and deputy general manager (vice president). For his biographies, please refer to the section "Profiles of Board Members".

Positions in shareholder entity

Applicable Not applicable

Name of employee	Name of shareholder entity	Position held in shareholder entity	Start date of tenure	End Date of tenure	Whether receive remunerations in shareholder entity
Zhang Guotao	DR Investment (Zhuhai) Co., Ltd.	Executive Director, General Manager	November 24, 2015		No
Zhang Guotao	Gongqingcheng Wendi No.1 Investment Management Partnership (LP)	Executive Partner (with a proxy appointed)	December 1, 2017		No
Zhang Guotao	Gongqingcheng Wendi No.2 Investment Management Partnership (LP)	Executive Partner (with a proxy appointed)	December 1, 2017		No

Zhang Guotao	Gongqingcheng Wendi No.3 Investment Management Partnership (LP)	Executive Partner (with a proxy appointed)	December 4, 2017		No
Lu Yiwen	DR Investment (Zhuhai) Co., Ltd.	Supervisor	November 24, 2015		No
Description of the position in the shareholder entity	Not applicable				

Employment in other entities

Applicable Not applicable

Name of employee	Name of other entity	Positions held in other entity	Start date of tenure	End date of tenure	Whether receive remuneration in other entity
Zhang Guotao	Shenzhen Qianhai Wendi Management Consulting Co., Ltd.	Executive Director, General Manager	September 5, 2017		No
Zhang Guotao	Zhuhai Wendi Design Consulting Co., Ltd	Executive Director, Manager	July, 26, 2021		No
Zhang Guotao	Zhuhai Wendi Technology Co., Ltd.	Executive Director, Manager	July 27, 2021		No
Zhang Guotao	Shenzhen EveryYear Travel Photography Culture Co., Ltd.	Executive Director, General Manager	August 10, 2021		No
Zhang Guotao	Shenzhen Xiangliang Investment Co., Ltd	Director, Manager	July 15, 2024		No

Zhang Guotao	Wendi Investment (Hainan) Co., Ltd	Director, General Manager	September 26, 2024		No
Lu Yiwen	Shenzhen EveryYear Travel Photography Culture Co., Ltd.	Supervisor	December 13, 2019		No
Lu Yiwen	Zhuhai Wendi Technology Co., Ltd.	Supervisor	July 27, 2021		No
Lu Yiwen	Zhuhai Wendi Design Consulting Co., Ltd	Supervisor	July 26, 2021		No
Lu Yiwen	Shenzhen Xiangliang Investment Ltd Co.,	Supervisor	July 15, 2024		No
Lu Yiwen	Wendi Investment (Hainan) Co., Ltd	Supervisor	September 26, 2024		No
Huang Shuirong	Shenzhen Rongzhi Lianchuang Investment Enterprise (LP)	Executive Partner	March 30, 2015	April 18, 2024	No
Li Yang	Cheung Kong Graduate School of Business	Associate Professor	July 1, 2017		Yes
Li Yang	360 Ludashi Holdings Limited	Independent Non-executive Director	June 5, 2019		Yes
Li Yang	Westingarea Supply Chain (Shanghai) Co., Ltd.	Independent Director	February 9, 2022		Yes
Li Yang	Xintianli Technology Co., Ltd.	Independent Director	July 11, 2022		Yes

Li Yang	Shanghai Shangmei Cosmetics Co., Ltd	Independent Director	May 30, 2024		Yes
Zhong Min	Shenzhen Yuezhong Investment Holding Co., Ltd.	Director	December 26, 2006		Yes
Zhong Min	Beijing Zhierxing Culture Media Co., Ltd	Director	November 14, 2013		No
Zhong Min	Shenzhen Binhai Penghui Fund Management Co., Ltd.	Chairman	November 15, 2018		No
Zhong Min	Shenzhen Xunfang Technology Co., Ltd	Independent Director	June 1, 2020		Yes
Description of position in other entity	No				

Whether DRCO's current and resigned directors, supervisors and senior management were penalized by securities regulators in the past three years

Applicable Not applicable

3. Remunerations of directors, supervisors and senior management

Decision-making process, basis for determination and actual payment of remunerations for directors, supervisors and senior management

The remuneration of DRCO's directors and supervisors is determined in accordance with the following principles: (1) Non-independent directors do not receive remuneration or allowances for their directorship roles but are compensated based on the specific position they hold in DRCO, industry benchmarks for similar roles, and the Company's annual performance appraisal system and the achievement of performance targets; independent directors receive allowances for independent directors from the Company; (2) Supervisors do not receive remuneration or allowances for their supervisory roles but are compensated based on the specific positions they hold in DRCO, industry benchmarks for similar roles, and the Company's annual performance appraisal system and the achievement of performance targets; (3) Senior management personnel are compensated based on the specific management positions they hold within the Company, industry benchmarks for similar roles, and the Company's annual performance appraisal system and the achievement of performance targets..

The remuneration plan for directors is considered and approved by the Board and the general meeting; the remuneration plan for supervisors is considered and approved by the general meeting; the remuneration plan for senior management is considered and approved by the Board. During the reporting period, the remuneration of the Company's directors, supervisors, and senior management has been paid in full.

Remuneration of directors, supervisors and senior management during the Reporting Period

Unit: RMB0'000

Name	Gender	Age	Position	Employment status	Total pre-tax compensation received from DRCO	Whether receive compensation from any connected party of DRCO
Zhang Guotao	Male	39	Chairman	Incumbent	289.28	No
Lu Yiwen	Female	38	Director, General Manager (President)	Incumbent	131.16	No
Huang Shuirong	Male	50	Director, Deputy General Manager (Vice President), Secretary of the Board and Financial Manager	Incumbent	126.96	No
Hu Xiaoming	Male	44	Director	Incumbent	58.87	No
Chen Qisheng	Male	39	Director	Incumbent	61.96	No
Zhao Ranran	Female	35	Director	Incumbent	61.75	No
Li Yang	Male	42	Independent Director	Incumbent	15	No
Liang Jun	Male	47	Independent Director	Incumbent	15	No
Zhong Min	Male	52	Independent Director	Incumbent	15	No
Huang Yingfeng	Female	36	Chairman of the Board of Supervisors	Incumbent	93.64	No
Shen Ai	Female	35	Supervisor	Incumbent	45.48	No
Wu Wanhong	Female	31	Employee Representative Supervisor	Incumbent	44.69	No
Total	--	--	--	--	958.79	--

Other notes

Applicable Not applicable

VIII. Performance of Duties by DRCO Directors during Reporting Period

1. Board of Directors in the reporting period

Session	Date of convening	Date of disclosure	Resolution of meeting
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Ninth Meeting of the Second Session of Board of Directors	April 25, 2024	April 27, 2024	For details, please refer to the Announcement for the Resolution of the Ninth Meeting of the Second Session of Board of Directors published on www.cninfo.com.cn (No. 2024-018)
Tenth Meeting of the Second Session of Board of Directors	August 28, 2024	August 30, 2024	For details, please refer to the Announcement for the Resolution of the Tenth Meeting of the Second Session of Board of Directors published on www.cninfo.com.cn (No. 2024-039)
Eleventh Meeting of the Second Session Board of Directors	October 28, 2024	October 30, 2024	For details, please refer to the Announcement for the Resolution of the Eleventh Meeting of the Second Session of Board of Directors published on www.cninfo.com.cn (No. 2024-050)
The 12th Meeting of the Second Session Board of Directors	December 26, 2024	December 28, 2024	For details, please refer to the Announcement for the Resolution of the 12th Meeting of the Second Session of Board of Directors published on www.cninfo.com.cn (No. 2024-063)

2. Attendance of directors at the Board meetings and the general meetings

Attendance of directors at the Board meetings and the general meetings							
Name of director(s)	Required attendance in Board meetings during the year	Attendance in Board meetings in person	Attendance in Board meetings via communication equipment	Attendance by proxy	Number of absences from Board meetings	Absence from two consecutive meetings or not	Attendance at general meetings
Zhang Guotao	4	3	1	0	0	No	1
Lu Yiwen	4	3	1	0	0	No	1
Huang	4	4	0	0	0	No	2

Shuirong							
Hu Xiaoming	4	4	0	0	0	No	2
Chen Qisheng	4	4	0	0	0	No	2
Zhao Ranran	4	4	0	0	0	No	0
Li Yang	4	2	2	0	0	No	2
Liang Jun	4	3	1	0	0	No	2
Zhong Min	4	3	1	0	0	No	2

Description of absence from two consecutive Board meetings in person

Not applicable.

3. Dissent of directors to corporate issues

Dissent of directors to relevant issues of DRCO

Yes No

During the reporting period, the directors did not raise any objection to the relevant matters of DRCO.

4. Other information on duty performance of directors

Whether the suggestions of the directors are adopted or not

Yes No

Descriptions on whether the suggestions of the directors are adopted or not

During the reporting period, all directors of DRCO strictly complied with relevant laws and regulations including the Company Law, the Securities Law and the Articles of Association of the Company. They consistently upheld a highly responsible attitude toward the Company and all shareholders, diligently fulfilling their duties. In terms of strategic planning, all directors actively participated in discussions and formulation, providing forward-looking suggestions and decision-making basis by combining industrial development trends with DRCO's particular conditions; regarding expanding new business areas, they conducted in-depth market research on project feasibility, ensuring the reasonable allocation of the Company's resources and promoting business development; as for the routine operation and management, they paid close attention to the Company's financial status, operating results and progress of significant matters, actively attended Board meetings, carefully considered various proposals, gave full play to their professional advantages, conducted in-depth analysis and evaluation of the proposals, identified operational problems and challenges, put forward constructive opinions, and urged the management to effectively implement the resolutions of the Board to ensure the stable operation. In addition, the directors set great store by the improvement and optimization of the corporate governance structure, actively participated in the construction and supervision of the Company's internal control system, thereby ensuring the standardized and transparent corporate governance and firmly safeguarding the legitimate rights and interests of all shareholders, especially minority shareholders.

IX. Special committees under the Board of Directors during Reporting Period

Name of committee	Members	Number of meetings	Date of convening	Contents of the meetings	Important opinions and suggestions	Other descriptions on duty performance	Details of dissent (if any)
Audit Committee	Zhong Min, Liang Jun, Chen Qisheng	5	March 29, 2024	Review the "Proposal on the 2023Q4 Work and 2024 Work Plan of DRCO's Audit Department"	The Audit Committee reviewed the matters under consideration in strict accordance with the Articles of Association, the Rules of Work of the Audit Committee and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.	Guide the internal audit work and play the role of the Audit Department in "improving corporate governance, adding value and achieving objectives".	
			April 24, 2024	<ol style="list-style-type: none"> Review the "Proposal on the 2023 Annual Report and Its Summary"; Review the "Proposal on the 2024Q1 Quarterly Results"; Review the "Proposal on the 2023 	The Audit Committee reviewed the matters under consideration in strict accordance with the Articles of Association, the Rules of Work of the Audit Committee and relevant laws and regulations, fully	<ol style="list-style-type: none"> Communicate with accounting firm to ensure that the financial statements present a true, fair and complete view of DRCO's overall financial position; Guide the internal audit work 	

			<p>Financial Results";</p> <p>4. Review the "Proposal on the 2023 Internal Control Self-assessment Report";</p> <p>5. Review the "Proposal on 2023 Annual Report on Deposit and Use of Proceeds"</p> <p>6. Review the "Proposal on Report on the Assessment of the Performance of the Accounting Firm and the Report on the Audit Committee's Performance of Oversight Responsibilities for the Year 2023";</p> <p>7. Review the "Proposal on Formulating the System for Engaging Accounting Firm";</p> <p>8. Review the "Proposal on Renewing Engagement of Auditor</p>	<p>communicated with DRCO and the auditors and unanimously approved the resolution after discussion.</p>	<p>and play the role of the Audit Department in "improving corporate governance, adding value and achieving objectives".</p>	
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				in 2024"			
			June 2024	28,	<p>1. Review the "Proposal on 2024Q1 Report on the Deposit and Use of Proceeds";</p> <p>2. Review the "Proposal on the 2024Q1 Work of DRCO's Audit Department"</p>	<p>The Audit Committee reviewed the matters under consideration in strict accordance with the Articles of Association, the Rules of Work of the Audit Committee and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.</p>	<p>Guide the internal audit work and play the role of the Audit Department in "improving corporate governance, adding value and achieving objectives".</p>
			August 2024	26,	<p>1. Review the "Proposal on the 2024 Interim Report and Its Summary";</p> <p>2. Review the "Proposal on the 2024 Interim Report on the Deposit and Use of Proceeds";</p> <p>3. Review the "Proposal on the 2024Q2 Work of DRCO's</p>	<p>The Audit Committee reviewed the matters under consideration in strict accordance with the Articles of Association, the Rules of Work of the Audit Committee and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously</p>	<p>Guide the internal audit work and play the role of the Audit Department in "improving corporate governance, adding value and achieving objectives".</p>

				Audit Department”	approved the resolution after discussion.		
			October 28, 2024	<p>1. Review the "Proposal on the 2024Q3 Quarterly Results";</p> <p>2. Review the "Proposal on 2024Q3 Report on the Deposit and Use of Proceeds";</p> <p>3. Review the “Proposal on the 2024Q3 Work of DRCO’s Audit Department”</p>	<p>The Audit Committee reviewed the matters under consideration in strict accordance with the Articles of Association, the Rules of Work of the Audit Committee and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.</p>	Guide the internal audit work and play the role of the Audit Department in "improving corporate governance, adding value and achieving objectives".	
Strategy and Sustainable Development Committee	Zhang Guotao, Li Yang, Hu Xiaoming	2	April 23, 2024	Review the “Proposal on the 2023 Environmental, Social and Corporate Governance Report”	The Strategy and Sustainable Development Committee, in strict accordance with the Articles of Association, the Working Rules of the Strategy and Sustainable Development Committee and relevant laws and regulations, unanimously approved the		

					proposal after in-depth discussion.		
			December 26, 2024	Review the "Proposal on Formulating Policies for Addressing Climate Changes"	The Strategy and Sustainable Development Committee, in strict accordance with the Articles of Association, the Working Rules of the Strategy and Sustainable Development Committee and relevant laws and regulations, unanimously approved the proposal after in-depth discussion.		
Remuneration and Appraisal Committee	Liang Jun, Zhong Min, Zhao Ranran	1	April 25, 2024	Review the "Proposal on Adjusting the Remuneration Plan for DRCO's Independent Directors"	This proposal has been reviewed by the Remuneration and Assessment Committee, with independent directors abstaining from voting, and is hereby submitted to the Board of Directors for deliberation.		

X. Work of Board of Supervisors

Whether the Board for Supervisors identified any risk to DRCO through supervisory activities during the reporting period

Yes No

The Board of Supervisors had no objection to the matters under its supervision during the reporting period.

XI. Employees of DRCO

1. Employee number, professional composition, and educational background

Number of current employees of the parent Company as of the end of the reporting period (persons)	1,632
Number of current employees of major subsidiaries as of the end of the reporting period (persons)	569
Total number of current employees as of the end of the reporting period (persons)	2,201
Total number of paid employees in the current period (persons)	2,201
Number of retired employees for whom the parent company and its major subsidiaries are responsible for the retirement benefits (persons)	0
Professional composition	
Category	Number of persons
Sales personnel	1,908
Technical personnel	89
Financial personnel	52
Administrative personnel	152
Total	2,201
Education background	
Category	Quantity (person)
Master's degree and above	46
Bachelor's degree	508
Junior college below	1,647
Total	2,201

2. Remuneration policy

DRCO has a comprehensive salary system with the compensation structure and bands matching the ranks, positions and lines of business by taking into account the internal and external remuneration contexts. Sticking to the strategy of setting positions and salaries based on skills, DRCO offers competitive compensation to top talents.

DRCO has been improving the performance-driven incentive mechanism that integrates long-term and short-term rewards. Through diversified approaches including incremental incentives, honorary recognition, and timely performance feedback, DRCO motivates employees while ensuring that all compensation practices comply with regulations and balance efficiency with fairness.

Performance-based incentives for employees align with DRCO's business results, enabling all staff to share the benefits of the corporate growth. The working environment with equal emphasis on efficiency and fairness enables employees to work in a loving environment and lays a foundation for the enthusiasm and stability that allows employees to achieve self-fulfillment.

3. Training program

During the reporting period, DRCO continued to improve our staff training program in line with the annual strategic planning and staff development requirements. DRCO customized training programs for new entrants and existing staff as well as officers, and delivered tailor-made training courses aligning with our business objectives, so as to improve the comprehensive quality of employees and boost cohesiveness and leadership of the management team. Online learning and offline intensive training were regularly organized for new employees in functional departments to help them better understand the corporate culture, brand, products and processes, and fit into the workplace quickly. Multiple leadership sessions for the management team were carried out for functional executives, which not only helped new comers quickly integrate into the team, but also drive the cohesion and leadership practices of the executive team as a whole. Training for retail staff focused on brand concept interpretation, professional work improvement, and sales service enhancement, and learning sessions of varied forms were launched nationwide, which raised the professional knowledge of terminal stores, enhanced the professionalism, ability to explain the works and service consciousness of employees, and improved customer experience. To train new comers and identify high-potential employees, DRCO launched a series of programs, including DR Novice Alliance, DR Master Party, Rising Managers, Elite Managers, and the "2+2 Training Program". A couple of practical courses were developed to empower employees in terms of vocational psychology, sales skills and continuous development. To help store managers fully understand the Company's development strategy and sales planning, DRCO worked out a store manager training program with a variety of specialized courses to help store managers effectively manage business data and improve decision-making ability through online learning and offline tutoring. The above-mentioned programs enhanced overall qualification and professional skills of DRCO's workforce, addressing the needs of staff for personal development while promoting sustainable development of the Company.

4. Labor outsourcing

Applicable Not applicable

Total working hours for labour outsourcing(hours)	26,972
Total remuneration paid for labour outsourcing (RMB)	836,446.63

XII. Profit Distribution Plan and Plan to Convert Reserves into Share Capital

Formulation, implementation or adjustment of profit distribution policy, particularly cash dividend policy, during the reporting period

Applicable Not applicable

DRCO implements the profit distribution policy in strict accordance with the relevant provisions of the Articles of Association of DRCO. The profit distribution plan during the reporting period complied with the provisions of the *Articles of Association* and the review procedures, fully protecting the legitimate rights and interests of all shareholders of DRCO. On May 28, 2024, DRCO held the 2023 annual general meeting of shareholders to consider and approve the *Proposal on the Profit Distribution Plan for 2023 and the proposal on the Dividend Plan for 2024 mid-term*. Based on the total share capital of 400,010,000 shares as of December 31, 2023, DRCO distributed RMB5.00 in cash (tax inclusive) for every 10 shares to all shareholders, amounting to a total cash dividend of RMB200,005,000.00 (tax inclusive). No bonus shares were offered and no capital reserve was converted into share capital. This profit distribution plan was completed on June 21, 2024.

Special notes on cash dividend policy	
Whether complies with the provisions of the Articles of Association or the requirements of the resolution of the general meeting of shareholders:	Yes
Whether the criteria and proportion of dividend distribution are clear and unambiguous	Yes
Whether relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have performed their duties and played their due roles:	Yes
If DRCO does not distribute cash dividends, disclose specific reasons and propose measures to increase investor returns:	Not applicable
Whether minority shareholders have the opportunity to fully express their opinions and requirements, and whether their legitimate rights and interests are fully protected:	Yes
If the cash dividend policy is adjusted or changed, whether the conditions and procedures are compliant and transparent:	Not applicable

DRCO's profit distribution plan and plan to convert reserves into share capital during the reporting period are in compliance with DRCO's Articles of Association and administrative measures for dividends

Yes No Not applicable

DRCO's profit distribution plan and plan to convert reserves into share capital during the reporting period are in compliance with DRCO's Articles of Association.

Profit distribution and capitalization of capital reserve for the year

Number of bonus shares to be distributed for every ten shares (share)	0
Amount to be distributed for every ten shares (RMB)	5

(tax inclusive)	
Number of shares to be converted into share capital for every ten shares (share)	0
Share capital base in distribution proposal (shares)	400,010,000
Cash dividend amount (RMB) (tax inclusive)	200,005,000.00
Amount of cash dividend in other forms (e.g. share repurchase) (RMB)	0.00
Total cash dividends (including those in other forms) (RMB)	200,005,000.00
Distributive profit (RMB)	1,119,710,177.28
Proportion of total cash dividends (including those in other forms) in total profit distribution	100%
Proposed Cash Dividend Distribution	
If DRCO is at its growth stage of the development with significant capital expenditure planned, the minimum cash dividend should be at least 20% of the profit distribution.	
Details of the profit distribution plan or the plan to convert reserves into share capital	
<p>Audited by Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership), the net profit attributable to shareholders of the listed company in the consolidated financial statements for the year 2024 amounted to RMB 53,029,532.69, of which the net profit attributable to the parent company was RMB 173,571,152.51. According to the relevant provisions of the <i>Company Law and DRCO's Articles of Association</i>, when distributing the current year's after-tax profit, DRCO should set aside 10% of the profit into the statutory surplus reserve. As of December 31, 2024, the cumulative balance of the statutory surplus reserve has reached 50% of DRCO's registered capital, and no further statutory surplus reserve will be withdrawn in 2024. As of December 31, 2024, the cumulative undistributed profits in the consolidated financial statements of the Company amounted to RMB 1,261,232,334.24, and the cumulative undistributed profits of the parent company amounted to RMB 1,119,710,177.28. Taking full account of the cash flow situation and ensuring DRCO's normal operation and long-term development, adhering to the principle of continuous return to shareholders and sharing operating results with all shareholders, the proposed profit distribution plan for the year 2024 is as follows: based on the total share capital of 400,010,000 shares as of December 31, 2024, a cash dividend of RMB 5 (tax inclusive) will be distributed to all shareholders for every 10 shares held, totaling a cash dividend of RMB 200,005,000.00 (tax inclusive), with no bonus shares and no capital reserve to be converted into share capital.</p> <p>During the period from the date of disclosure of the relevant announcement on profit distribution to the registration date of implementation of equity distribution, if the total share capital of the Company changes due to convertible debt to equity, share repurchase, equity incentive exercise, listing of new shares in refinancing, etc., the Company will maintain the distribution ratio per share unchanged and adjust the total distribution accordingly.</p>	

DRCO records profits and the parent company records a positive undistributed profit during the reporting period but there is no proposal for cash dividend

Applicable Not applicable

XIII. Implementation of Share Incentive Scheme, Employee Stock Ownership Scheme or**Other Incentive Measures for Employees**

Applicable Not applicable

There are no share incentive schemes, employee stock ownership schemes or other incentive measures for employees during the reporting period.

XIV. Construction and Implementation of Internal Control System during Reporting Period**1. Construction and implementation of internal control system**

During the reporting period, in accordance with the provisions of the *Basic Standard for Enterprise Internal Control* and its supporting guidelines as well as related laws, regulations and normative documents, in combination with the external environment, DRCO's own operating conditions and corporate governance requirements, DRCO comprehensively sorted out various business modules and processes, further improved its internal control system and established a scientific, standardized, concise and effective internal control system.

(1) With regard to the corporate governance structure, the Board of Directors of DRCO has established the Audit Committee which is responsible for communicating, reviewing and supervising DRCO's internal and external audits, and for monitoring and assessing DRCO's internal controls. DRCO has set up the Board of Supervisors to monitor the Board of Directors in developing and implementing the internal control system. DRCO has set up an audit department as a routine office, which exercises its functions and powers independently under the guidance of the Audit Committee. The audit department reviews and monitors the establishment and implementation of DRCO's internal control system and the authenticity and integrity of DRCO's financial information.

(2) In term the internal control system building, DRCO has formulated a sound internal control system, which covers the key business modules in its business activities, including: capital activities, procurement business, asset management, supply chain management, sales management, engineering projects, financial reports, comprehensive budget, contract and seal management, human resources management, information systems, and significant investments.

(3) In terms of the implementation and supervision of internal control, DRCO strengthens the compliance training of employees and enhances the risk prevention awareness of business departments. In order to ensure the effective operation of internal control, DRCO has formed an end-to-end supervision mode involving the Operations Audit Team, the Legal Affairs Department and the Audit Department.

2. Details of major deficiencies in internal control identified during the reporting period

Yes No

XV. Management and Control over Subsidiaries during Reporting Period

Company name	Integration plan	Progress of	Problems	Countermeasur	Working	Follow-up
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		integration		es	progress	resolution
Not applicable						

XVI. Internal Control Self-Assessment Report or Internal Control Audit Report

1. Internal control self-assessment report

Disclosure date of the full text of the Internal Control Self-assessment Report	April 26, 2025	
Disclosure index of the full text of the Internal Control Self-assessment Report	Please refer to see the <i>2024 Internal Control Self-Evaluation Report</i> disclosed by www.cninfo.com.cn	
Total assets of entities included in the scope of assessment as a percentage of total assets in DRCO's consolidated financial statements	100.00%	
Revenue of entities included in the scope of assessment as a percentage of revenue in DRCO's consolidated financial statements	100.00%	
Criteria to evaluate deficiencies		
Category	Financial report	Non-financial report
Qualitative criteria	<p>(1) Material weakness: correction of material errors in published financial reports; failure of the audit committee and the audit department to oversee the internal control; findings of fraud involving directors, supervisors and senior management of DRCO; material misstatements in current financial reports identified by the CPA but not by DRCO's internal control department.</p> <p>(2) Significant deficiency: failure to select and apply accounting policies in accordance with GAAP; failure to establish anti-fraud procedures and control measures; and one or more deficiencies of the financial reporting, for which the truthfulness and accuracy of the financial statements cannot be reasonably assured.</p> <p>(3) General deficiency: Other control deficiencies related to financial reporting that do not</p>	<p>(1) Material weakness: Violation of the State's laws, regulations or regulatory documents; lack of decision-making procedures or unscientific decision-making process that results in material errors; lack of systems or systemic failures of the system for important businesses; failure to rectify material weakness identified by the internal control assessment.</p> <p>(2) Significant errors resulting from deviations of DRCO's decision-making process from the objectives; deficiencies in significant business policies or systems; failure to correct significant deficiencies identified in the internal control assessment.</p> <p>(3) General deficiency: Inefficiency of DRCO's decision-making process; deficiencies in general business policies or systems; failure to correct general deficiencies identified in the internal</p>

	constitute material weakness or significant deficiency.	control assessment.
Quantitative criteria	<p>1. Losses resulting or likely to result from deficiencies in internal control are measured against consolidated revenue if they have impacts on the income statement.</p> <p>(1) Material weakness: Misstatement $\geq 2\%$ of consolidated revenue.</p> <p>(2) Significant deficiency: $1\% \leq \text{misstatement} < 2\%$ of consolidated revenue.</p> <p>(3) General deficiency: Misstatement $< 1\%$ of consolidated revenue.</p> <p>2. Losses resulting or likely to result from deficiencies in internal controls are measured against total consolidated assets if they have impacts on the asset management.</p> <p>(1) Material weakness: Misstatement $\geq 1\%$ of the total consolidated assets.</p> <p>(2) Significant deficiency: $0.5\% \leq \text{misstatement} < 1\%$ of the total consolidated assets.</p> <p>(3) General deficiency: misstatement $< 0.5\%$ of the total consolidated assets.</p>	<p>Direct property losses resulting from direct or potential negative impacts of the deficiencies in internal control are measured against the total consolidated assets.</p> <p>(1) Material weakness: direct property losses $\geq 1\%$ of the total consolidated assets.</p> <p>(2) Significant deficiency: $0.5\% \leq$ direct property losses $< 1\%$ of total consolidated assets.</p> <p>(3) General deficiency: direct property losses $< 0.5\%$ of total consolidated assets.</p>
Number of material weaknesses in financial reporting (#)		0
Number of material weaknesses in non-financial reporting (#)		0
Number of significant deficiencies in financial reporting (#)		0
Number of significant deficiencies in non-financial reporting (#)		0

2. Internal control audit reports

Applicable Not applicable

Opinion paragraph in the Internal Control Audit Report

In our opinion, DR Corporation Limited maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the <i>Basic Standard for Enterprise Internal Control</i> and related regulations.	
Internal control audit disclosure	Disclosed
Disclosure date of the full text of the Internal Control Audit Report	2025-04-26
Disclosure index of the full text of the Internal Control Audit Report	Please refer to see the <i>2024 Internal Control Audit Report</i> disclosed by www.cninfo.com.cn
Type of opinion in the Internal Control Audit Report	Standard unqualified opinion
Whether there are material deficiencies in non-financial reporting	No

Did the accounting firm issue a non-standard opinion in the Internal Control Audit Report?

Yes No

Is the opinion expressed in the Internal Control Audit Report issued by the accounting firm consistent with the Board of Directors' self-assessment report?

Yes No

XVII. Rectification in Self-Inspection Required by Special Campaign to Improve Governance of Listed Companies

Not applicable.

Part V. Environmental Protection and Social Responsibility

I. Material Environmental Issues

Whether the listed company and its subsidiaries are among key pollutant-discharging entities announced by environmental protection authorities

Yes No

Administrative penalties imposed for environmental issues during the reporting period

Name of DRCO or subsidiary	Reason for penalty	Violation	Penalty results	Impact on the production and operation of the listed company	Rectification measures
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Refer to other environmental information disclosed by key pollutant-discharging entities

Not applicable.

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

Applicable Not applicable

Reasons for not disclosing other environmental information

Not applicable.

II. Social Responsibility

For details, please refer to the 2024 ESG Report disclosed by DRCO at www.cninfo.com.cn on April 26, 2025.

III. Consolidating and Expanding Achievements in Poverty Alleviation While Revitalizing Rural Areas

Not applicable.

Part VI. Important Matters

I. Fulfillment of Commitments

1. Commitments fulfilled during the reporting period or suspended at the end of the reporting period by DRCO's de facto controllers, shareholders, related parties, acquirers and other committed parties

Applicable Not applicable

Reason	Commitment maker	Commitment type	Description	Commitment time	Commitment period	Status of fulfillment
Commitments made in the acquisition report or equity change report	Not applicable					
Commitments made during asset restructuring	Not applicable					
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd.	Commitments to lock-up	<p>1. The company shares directly or indirectly held by DRCO prior to the proposed offering shall not be transferred or entrusted to others; or be repurchased by DRCO, for a period of 36 months from the date of listing of DRCO's shares.</p> <p>2. If the closing price of the company shares is lower than the issue price for twenty consecutive trading days within six months after the listing of DRCO; or is less</p>	December 15, 2021	December 15, 2021 to June 15, 2025	Performing

		<p>than the issue price at the end of the six months after the listing (June 15, 2022, extended in case of non-trading day), the lock-up period when the company shares are held by DRCO shall be automatically extended by six months (subject to adjustment in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above-mentioned period).</p> <p>3. In case of any breach of the relevant commitments, DRCO will promptly announce relevant facts and reasons, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control. Any</p>			
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			<p>profit made as a result of the non-fulfillment of the commitments will belong to DRCO. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitment. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which the company is entitled until adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.</p> <p>The above commitments shall not be terminated due to the fact that the company steps down as the controlling shareholder of DRCO.</p>			
Commitments made at the time of the initial public offering or refinancing	Gongqingcheng Wendi No.1 Investment Management Partnership (LP),	Commitments to lock-up	1.The company shares directly or indirectly held by DRCO prior to the proposed	December 15, 2021	December 15, 2021 to June 15, 2025	Performing

	<p>Gongqingcheng Wendi No.2 Investment Management Partnership (LP), Gongqingcheng Wendi No.3 Investment Management Partnership (LP)</p>		<p>offering shall not be transferred or entrusted to others; or be repurchased by DRCO, for a period of 36 months from the date of listing of DRCO's shares.</p> <p>2.If the closing price of the company shares is lower than the issue price for twenty consecutive trading days within six months after the listing of DRCO; or is less than the issue price at the end of the six months after the listing (June 15, 2022, extended in case of non-trading day), the lock-up period when the company shares are held by DRCO shall be automatically extended by six months (subject to adjustment in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares</p>			
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			<p>or rights issue by DRCO during the above-mentioned period).</p> <p>3. In case of any breach of the relevant commitments, DRCO will promptly announce relevant facts and reasons, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control. Any profit made as a result of the non-fulfillment of the commitments will belong to DRCO. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitment.</p>			
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao and Lu Yiwen	Commitments to lock-up	1. The company shares directly or indirectly held by DRCO prior to the proposed offering shall not be	December 15, 2021	December 15, 2021 to June 15, 2025	Performing

			<p>transferred or entrusted to others; or be repurchased by DRCO, for a period of 36 months from the date of listing of DRCO's shares.</p> <p>2.If the closing price of the company shares is lower than the issue price for twenty consecutive trading days within six months after the listing of DRCO; or is less than the issue price at the end of the six months after the listing (June 15, 2022, extended in case of non-trading day), the lock-up period when the company shares are held by me shall be automatically extended by six months (subject to adjustment in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO</p>			
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			<p>during the above-mentioned period).</p> <p>3. Within six months after resignation, do not transfer the company shares directly or indirectly held by oneself; if I resign within six months of DRCO's shares being listed, I shall not transfer any shares held directly or indirectly in DRCO within 18 months of my resignation; if I resign between the seventh and twelfth months of DRCO's shares being listed, I shall not transfer any shares held directly or indirectly in DRCO within 12 months of my resignation.</p> <p>4. In case of any breach of the relevant commitments, I will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize to DRCO's shareholders and public investors except of force majeure or other reasons beyond</p>			
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			<p>my control. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to DRCO. I shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which I am entitled and suspend the payment of my remuneration or allowances during my employment with DRCO until adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.</p> <p>The above commitment shall not terminate if I step down as the actual controller of DRCO or if I change my position or resign from</p>			
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			DRCO.			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd.	Commitments to share reduction	In case of reducing the shareholding within two years after the expiry of the aforesaid lock-up period, DRCO will exactly comply with relevant regulations of the CSRC and the SZSE on share reduction, prudently formulate a share reduction plan; reduce the shareholding by law; make an official announcement three trading days prior to the reduction; and fulfill information disclosure obligations in a timely and accurate manner in accordance with the rules of the SZSE. The price for the reduction transaction shall not be lower than the issue price (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of	June 16, 2025	June 16, 2025 to June 15, 2027	Performing

		<p>shares, issue of additional shares or rights issue by DRCO during the above-mentioned period).</p> <p>In case of any breach of the relevant commitments, DRCO will promptly announce relevant facts and reasons, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control. Any profit made as a result of the non-fulfillment of the commitments will belong to DRCO. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitment. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which the company is</p>			
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			<p>entitled until adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.</p> <p>The above commitments shall not be terminated due to the fact that the company steps down as the controlling shareholder.</p>			
Commitments made at the time of the initial public offering or refinancing	<p>Gongqingcheng Wendi No.1 Investment Management Partnership (LP), Gongqingcheng Wendi No.2 Investment Management Partnership (LP), Gongqingcheng Wendi No.3 Investment Management Partnership (LP)</p>	Commitments to share reduction	<p>In case of reducing the shareholding within two years after the expiry of the aforesaid lock-up period, DRCO will exactly comply with relevant regulations of the CSRC and the SZSE on share reduction, prudently formulate a share reduction plan; reduce the shareholding by law; make an official announcement three trading days prior to the reduction; and fulfill information disclosure obligations in a timely and accurate manner in accordance with the rules of the SZSE. The price for the reduction</p>	June 16, 2025	June 16, 2025 to June 15, 2027	Performing

		<p>transaction shall not be lower than the issue price (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above-mentioned period).</p> <p>In case of any breach of the aforesaid commitments, DRCO will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to DRCO. The company shall be held liable for compensating DRCO or</p>			
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			investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments.			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Commitments to profit distribution policy	<p>I. Treatment of accumulated profits before the offering</p> <p>According to the resolution of the Fourth Extraordinary General Meeting of Shareholders of DRCO in 2020, the accumulated undistributed profits realized before the proposed public offering of shares will be shared by the new and existing shareholders of DRCO after the offering.</p> <p>II. Dividend distribution policy after initial public offering</p> <p>According to the resolution of DRCO's Fourth Extraordinary General Meeting of Shareholders in 2020, DRCO's profit distribution policy after the offering and listing is as</p>	December 15, 2021	May 28, 2024	Completion of performance

		<p>follows:</p> <p>1. Principles of profit distribution</p> <p>DRCO implements a continuous and stable profit distribution policy that attaches importance to providing investors with a reasonable and stable return on their investment and taking into account the long-term and sustainable development of DRCO.</p> <p>2. Form of profit distribution</p> <p>DRCO may distribute dividends in cash, stock, or a combination of cash and stock. DRCO will give priority to paying dividends in cash; if DRCO is growing rapidly, dividends may be paid in shares or a combination of cash and shares.</p> <p>3. Cash dividend policy</p> <p>In principle, DRCO makes an annual cash profit distribution if the conditions</p>			
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			<p>for cash profit distribution are met; DRCO may make an interim cash profit distribution if appropriate. If DRCO's distributable profit for the year are positive and there are no significant investment plans or material cash payments, DRCO's annual distribution of profits in cash shall not be less than 10% of the distributable profits realized for the year. Significant investment plan or material cash payment may be one of the following circumstances:</p> <p>(1) DRCO's proposed external investment, acquisition of assets or purchase of equipment over the next twelve months meets or exceeds 50% of DRCO's latest audited net assets and exceeds RMB50 million;</p> <p>(2) DRCO's proposed external investment, acquisition of assets or</p>			
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			purchase of equipment over the next twelve months meets or exceeds 30% of DRCO's latest audited total assets.			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments on horizontal competition, connected transactions, and capital appropriation	<p>I. Commitment on avoiding horizontal competition</p> <p>1. As of the date of this commitment letter, except for the company and its wholly-owned or controlled subsidiaries, the company/I and other enterprises, organizations or entities controlled by the company/me are not currently engaged, directly or indirectly, in any business activities that constitute competition with the main business of the company and its wholly-owned or controlled subsidiaries;</p> <p>2. No engagement or association with others, directly or indirectly, is allowed in any business which is the same as, similar to or in any way competitive with</p>	December 15, 2021	Permanently valid	Performing

			<p>the issuer.</p> <p>3. All of efforts shall be made to ensure other affiliates of the commitment makers not to deal in any business that is the same as, similar to or in any way competitive with the issuer.</p> <p>4. No investment shall be permitted in a company, enterprise or other entity or organization whose business is the same as, similar to or in any way competitive with the issuer.</p> <p>5. Any know-how or business secrets, such as sales channels or customer information, shall be disclosed to any other company, enterprise or other entity, organization or person whose business is the same as, similar to or in any way competitive with that of the issuer.</p> <p>6. If, in the future, the company/I get any business opportunity from any third</p>			
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			<p>party that may compete with the issuer in the same line of business, the company/I will, in accordance with the principle of the priority of the issuer, inform the issuer immediately and assist the issuer to the extent possible in obtaining such business opportunity;</p> <p>7. If the company/I breach the above commitments and cause financial loss to the issuer, the company/I shall be jointly and severally liable for all losses suffered by the issuer as a result, and the proceeds obtained by DRCO/I as a result of such breach shall accrue to the issuer.</p> <p>II. Commitment on reducing and regulating connected transactions</p> <p>1. The company/I shall try to avoid or reduce the occurrence of connected transactions with DRCO and the subsidiary</p>			
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		<p>entities, and urge the associate parities of the company and mine to avoid or reduce the connected transactions with DRCO and the subsidiary entities.</p> <p>2. If the transactions between I/the company or relevant parities of mine/the company with DRCO and the subsidiary entities are necessary and unavoidable, I/the company undertakes to operate at arm's length in accordance with market-based principles and fair prices, and comply with the transaction procedures and information disclosure obligations in accordance with the relevant laws and regulations, regulatory documents, rules of the stock exchange and the Articles of Association of DRCO, and ensure that the legitimate rights and interests of the issuer and its other shareholders or stakeholders are</p>			
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			<p>not prejudiced by connected transactions.</p> <p>3. If I/the company or the connected party of mine/the company breaches the above commitment, I/the company shall be held liable for all the liabilities arising therefrom and shall fully compensate or indemnify DRCO and its shareholders or stakeholders for all losses caused thereby.</p> <p>4. This commitment letter shall take effect from the date of the signature of mine/the company and shall expire on the date when 12 months have elapsed since I/the company cease to be affiliated with DRCO.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Commitments to post-IPO price stabilization	If, within three years after the listing of DRCO's shares, the closing price of DRCO (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the	December 15, 2021	December 15, 2021 to December 14, 2024	Completion of performance

			<p>event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO) is lower than DRCO's audited net asset value per share in the most recent period for 20 consecutive trading days (excluding the trading days on which the trading of DRCO's shares is suspended for the whole day, the same below) not because of force majeure factors (hereinafter referred to as the "Triggering Condition"), DRCO and its controlling shareholders as well as directors (other than independent directors) and senior management undertake to implement the following price stabilization measures in accordance with the laws, regulations and DRCO's Articles of Association without affecting the</p>			
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			<p>listing condition of DRCO:</p> <p>1. When the Triggering Condition is met, DRCO will convene the Board Meeting within 10 trading days to discuss the share repurchase proposal. The repurchase proposal includes, but not limited to, the number of shares to be repurchased, the repurchase price range, the source of funds for the repurchase, the impact of the repurchase on DRCO's share price and DRCO's operation, etc. After the proposal is passed by the Board Meeting, the shareholders' meeting will be convened in accordance with laws to review the proposal regarding share buyback and pass a resolution thereon, which must be approved by a least 2/3 of the voting rights held by the shareholders present at the meeting. The specific implementation</p>			
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			<p>plan will be announced after DRCO makes a resolution at the Board meeting and the general meeting in accordance with laws.</p> <p>2. After the general meeting of shareholders deliberates and approves the share repurchase plan, DRCO will notify the creditors in accordance with laws, and submit relevant materials to the securities regulators, the stock exchange and other competent departments for approval or filing procedures. The corresponding share repurchase plan will be initiated 10 trading days after the completion of all necessary approval, filing, information disclosure and other relevant procedures. Following the share repurchase, DRCO's equity distribution will continue to comply with the listing requirements.</p>			
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			<p>3. The repurchase period shall not exceed three months from the date of approval of the final share repurchase plan by the general meeting or the Board of Directors.</p> <p>4. DRCO will repurchase the shares with its own funds at a price not higher than the latest audited net asset value per share (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO after the base date of the audit), and the buyback shall be made by way of call auction trading, tender offer or other means approved by the securities regulators. However, if DRCO's share price no longer meets the conditions for</p>			
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			<p>initiating price stabilization measures prior to the implementation of the share repurchase plan, DRCO may discontinue the plan.</p> <p>5. The total amount of funds used by DRCO to repurchase shares shall not exceed the total amount of funds raised from DRCO's initial public offering of ordinary shares in RMB (A shares), and the amount of funds used to repurchase shares in a single fiscal year shall not exceed 20% of the audited net profit attributable to shareholders of the parent company for the previous fiscal year, and the number of shares repurchased in a single fiscal year shall not exceed 2% of the total share capital of DRCO.</p> <p>6. If DRCO breaches any of the foregoing commitments, it will promptly disclose the facts and reasons for</p>			
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			the breach and, except of force majeure or other reasons beyond DRCO's control, will apologize to DRCO's shareholders and public investors and at the same time propose supplementary or alternative commitments to protect the interests of investors as far as possible.			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd.	Commitment to post-IPO price stabilization	<p>1. When the Triggering Condition for DRCO is met, the company will increase our shareholdings in DRCO in accordance with laws and regulations including the Measures for the Administration of the Takeover of Listed Companies in any of the following cases:</p> <p>① The closing price of the DRCO is lower than its latest net asset value per share for each of the 10 consecutive trading days from the day after DRCO completes its share repurchase plan (subject to adjustments in accordance with</p>	December 15, 2021	December 15, 2021 to December 14, 2024	Completion of performance

			<p>the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO after the base date of the audit).</p> <p>② The Triggering Condition is again triggered within 3 months from the day after DRCO completes the implementation of its share repurchase plan.</p> <p>③ DRCO cannot implement the share repurchase plan.</p> <p>2. Within two trading days after the Triggering Condition is satisfied, the company will notify the Board of Directors of DRCO which will then publish an announcement on the increase of our holdings. The company will commence the increase on the day following the</p>			
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		<p>announcement and shall complete the increase within 30 trading days after the relevant legal procedures are fulfilled.</p> <p>3. To stabilize the stock price, the company will buy shares of DRCO through auction trading on the secondary market at a price of not higher than the latest audited net asset value per share (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO after the base date of the audit). However, if the share price of DR Corporation Limited no longer meets the conditions for initiating price stabilization measures within three trading days after it discloses our share purchase</p>			
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			<p>plan, the company may discontinue the proposed share purchase plan.</p> <p>4. The amount of funds used by the company for every single holding increase shall not be less than 10% nor more than 20% of the accumulated cash dividends received from DRCO in the last three fiscal years; the total amount of funds used for holding increases in a single fiscal year shall not exceed 50% of the accumulated cash dividends received from DRCO in the most recent three fiscal years; and the number of shares purchased in a single fiscal year shall not exceed 2% of the total share capital of DRCO.</p> <p>Following the increase of our shareholding, the equity distribution of DRCO will continue to comply with the listing requirements.</p> <p>5. The company undertakes not</p>			
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			<p>to sell the additional shares within six months of completion of the proposed increase.</p> <p>6. If the company breaches any of the foregoing commitments, DRCO will promptly disclose the facts and reasons for the breach and, except of force majeure or other reasons beyond our control, we will apologize to shareholders and public investors of DRCO who have the right to temporarily withhold the cash dividends (if any) that the company should enjoy until the corresponding measures are taken and implemented as committed.</p> <p>The above commitments shall not be terminated due to the fact that the company stepped down as the controlling shareholder of DRCO.</p>			
Commitments made at the time of the initial public offering or	Zhang Guotao, Lu Yiwen, Wei Qingxing, Huang Shuirong, Hu	Commitment to post-IPO price stabilization	1. When the Triggering Condition for DRCO is met, I will increase my shareholdings in	December 15, 2021	December 15, 2021 to December 14, 2024	Completion of performance

refinancing	Xiaoming, Chen Qisheng and Lin Zhenghai		<p>DRCO in accordance with laws and regulations including the <i>Measures for the Administration of the Takeover of Listed Companies</i> and the <i>Rules on the Management of Shares Held by the Directors, Supervisors and Senior Management Officers of Listed Companies and the Changes Thereof</i> in any of the following cases:</p> <p>① The closing price for each of the 10 consecutive trading days from the day after the controlling shareholder's shareholding increase plan is implemented is lower than the latest audited net asset value per share (ex-rights and ex-dividend treatment shall be made in the event of equity distribution, conversion of reserves into share capital or rights issue after the base date of the audit).</p> <p>② The Triggering</p>			
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			<p>Condition is again triggered within 3 months from the day after the controlling shareholder completes its shareholding increase plan.</p> <p>③ The controlling shareholder cannot implement the share repurchase plan.</p> <p>2. Within two trading days after the Triggering Condition is satisfied, I will notify the Board of Directors of DRCO which will then publish an announcement on my shareholding increase. I will commence the increase on the day following the announcement and shall complete the increase within 30 trading days after the relevant legal procedures are fulfilled.</p> <p>3. To stabilize the stock price, I will buy shares of DRCO through auction trading on the secondary market at a price of not higher</p>			
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		<p>than the latest audited net asset value per share (ex-rights and ex-dividend treatment shall be made in the event of equity distribution, conversion of reserves into share capital or rights issue after the base date of the audit). However, if the share price of DRCO no longer meets the conditions for initiating price stabilization measures within three trading days after DRCO discloses my share purchase plan, I may discontinue the proposed share purchase plan. The funds used for a single increase in shareholding shall not be less than 20% of the total after-tax remuneration received from DRCO in the previous year; the funds used to increase shareholdings in a single fiscal year shall not be more than 50% of the total after-tax remuneration received from DRCO in the previous year; and the cumulative</p>			
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			<p>increase in shareholding in a single fiscal year shall not exceed 2% of the enlarged share capital of DRCO.</p> <p>4. I undertake not to sell the additional shares within six months of completion of the proposed increase, and guarantee that the increase in my shareholding shall not cause the shareholding distribution of DRCO to fail to meet the listing conditions.</p> <p>5. If I breach any of the foregoing commitments, DRCO will promptly disclose the facts and reasons for the breach and, except of force majeure or other reasons beyond my control, I will apologize to shareholders and public investors of DRCO who will cease to pay me remuneration or allowances within five trading days from the foregoing, and the shares of DRCO held directly or indirectly by me</p>			
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			<p>shall not be transferred. Meanwhile, DRCO shall have the right to temporarily withhold the cash dividends (if any) that I should enjoy until the corresponding measures are taken and implemented as committed.</p> <p>The above commitment will not be terminated due to the change of my position or resignation.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments to compensating the issuer for possible losses due to the leased property	<p>If the issuer and its subsidiaries receive a notice of correction from the competent administrative authorities because the properties leased by them have not been registered for lease filing in accordance with the laws, regulations and normative documents currently in force, the company/I will actively supervise the issuer and its subsidiaries to make rectification in accordance with the</p>	December 15, 2021	Permanently valid	Performing

			<p>requirements.</p> <p>In the event that the issuer and its subsidiaries suffer financial losses due to failure to register the lease, defects in the title of the leased property or defects in the rights of the lessor, defects in the properties built on the leased collective land or administratively allocated land, the company/I shall agree to use our own funds to fully compensate the issue and its subsidiaries so that they do not suffer any financial losses as a result.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitment to retroactive payment of social security contributions and housing provident fund	<p>In the event that the issuer or its subsidiaries are required by the competent authorities to make retroactive payments due to failure to make full payment of social security contributions or housing fund in accordance with laws, the company/I shall be fully liable for the retroactive payments and shall ensure that the issuer or its</p>	December 15, 2021	Permanently valid	Performing

			subsidiaries shall not suffer any financial loss as a result.			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Binding measures in case of failure to fulfill commitments	<p>1. In the event of a breach of the relevant commitments, DRCO will promptly disclose the fact and reasons for the breach and, except for force majeure or other reasons beyond DRCO's control, DRCO will make a public apology to its shareholders and public investors;</p> <p>2. If the failure to fulfill the relevant commitments caused losses to investors, DRCO shall compensate investors for losses in accordance with laws.</p>	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd.	Binding measures in case of failure to fulfill commitments	<p>1. In the event of a breach of the relevant commitments, the company will promptly disclose the fact and reasons for the breach and, except for force majeure or other reasons beyond our control, the company will make a public apology to DRCO's shareholders and</p>	December 15, 2021	Permanently valid	Performing

			<p>public investors.</p> <p>2. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to the company. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments.</p> <p>3. In the event of a breach of the relevant commitments, DRCO shall be entitled to withhold the cash dividends (if any) to which the company is entitled until the adverse impact arising from the non-fulfillment of the relevant commitments has been fully eliminated.</p>			
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao, Lu Yiwen, Wei Qingxing, Huang Shuirong, Hu Xiaoming, Chen Qisheng, Li Yang, Liang Jun,	Binding measures in case of failure to fulfill commitments	1. In the event of a breach of the relevant commitments, I will promptly disclose the fact and reasons for the breach and, except for force majeure or other	December 15, 2021	Permanently valid	Performing

	Zhong Min, Lin Zhenghai, Zhao Ranran, Yin Luwen and Wang Tong		<p>reasons beyond my control, I will make a public apology to DRCO's shareholders and public investors;</p> <p>2. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to DRCO. The obligator shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments.</p> <p>3. In the event of a breach of the relevant commitments, DRCO shall be entitled to withhold the cash dividends (if any) to which I am entitled and suspend the payment of my remuneration or allowances during my employment with DRCO until the adverse impact arising from the non-fulfillment of the relevant commitments</p>			
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			has been fully eliminated.			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Commitments relating to disclosing shareholder information when applying for initial public offering and listing on the ChiNext Market	<p>1. DRCO has disclosed the information of shareholders in the prospectus in a true, complete and accurate manner;</p> <p>2. There are no cases of proxy shareholding or fiduciary shareholding in DRCO's development history, and there are no disputes or potential disputes over equities, etc.</p> <p>3. No stockholders directly or indirectly hold shares of the issuer, which is prohibited by laws and regulations.</p> <p>4. No intermediary participating into the offering or its supervisor, senior management or managerial personnel directly or indirectly hold shares of the issuer.</p> <p>5. DRCO does not have any improper transfer of benefits with the issuer's equity.</p>	December 15, 2021	Permanently valid	Performing

			6. If DRCO breaches the above commitments, it will be liable for all legal consequences arising therefrom.			
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao and Lu Yiwen	Share reduction commitment	<p>After the expiry of the lock-up commitment, I will declare annually to DRCO the shares I have owned directly or indirectly in DRCO and any changes therein during my tenure as a director, supervisor or senior manager of DRCO. The shares transferred each year will not exceed 25% of the total number of shares I hold directly or indirectly in DRCO.</p> <p>In case of reducing the shareholding within two years after the expiry of the lock-up period, I will exactly comply with the relevant regulations of the CSRC and the SZSE on shareholding reduction, prudently formulate a shareholding reduction plan,</p>	June 16, 2025	June 16, 2025 to June 15, 2027	Performing

		<p>reduce the shareholding through lawful means, and make an announcement through DRCO three trading days prior to the reduction, and fulfill information disclosure obligations in a timely and accurate manner in accordance with the rules of the SZSE. The reduction price shall not be lower than the issue price (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above-mentioned period).</p> <p>In case of any breach of the relevant commitments, I will promptly announce the facts and reasons for the breach of commitments,</p>			
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			and will publicly apologize to DRCO's shareholders and public investors except of force majeure or other reasons beyond my control. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to DRCO. I shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which I am entitled and suspend the payment of my remuneration or allowances during my employment with DRCO until adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.			
Commitments made at the	DR Corporation	Share repurchase	If, as a result of a false record,	December	Permanentl	Performing

time of the initial public offering or refinancing	Limited	commitment	misleading statement or material omission in the prospectus for DRCO's proposed offering and listing, which constitutes a material and substantial effect on the determination of whether DRCO complies with the offering conditions as required by laws, within 10 working days from the date such illegal facts are determined by the CSRC, the stock exchange or a competent authority such as a judicial authority, DRCO will initiate the share repurchase procedure in accordance with laws to repurchase all the new shares in the initial public offering. The repurchase price shall be no less than the issue price of DRCO's shares plus interest on deposits with banks for the same period from the issue of the shares to the time of repurchase (the above price will	15, 2021	y valid	
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			be adjusted accordingly in the event of ex-dividend or ex-rights actions such as dividend payment, bonus issue, conversion of reserves into share capital, issuance of additional shares or rights issue after the listing of DRCO).			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Share repurchase commitment	If, as a result of a false record, misleading statement or material omission in the prospectus for DRCO's proposed offering and listing, which constitutes a material and substantial effect on the determination of whether DRCO complies with the offering conditions as required by laws, within 10 working days from the date such illegal facts are determined by the CSRC, the stock exchange or a competent authority such as a judicial authority, the company/I will initiate the share buyback procedure in accordance with	December 15, 2021	Permanently valid	Performing

			<p>laws to buy back all restricted shares having been transferred, and the consideration for such buyback will not be lower than the issue price of DRCO plus the interest on deposits with banks for the same period from the time of stock issuance to the time of buyback (subject to adjustment in accordance with the relevant regulations of CSRC and SZSE in the event of ex-rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above-mentioned period). At the same time, the company/I will urge DRCO to repurchase all of its new shares issued during the IPO.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited, DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and	Commitments to share repurchase in case of fraudulent offering and listing	1. The company/I undertake and guarantee that there is no fraud in the proposed offering and listing of	December 15, 2021	Permanently valid	Performing

	Lu Yiwen		<p>DRCO;</p> <p>2. If DRCO does not meet the listing conditions, but fraudulently obtains the issuance registration and has been listed, the company/I will take share repurchase process to buy back all new stocks publicly issued by DRCO within 5 days after confirmed by competent authorities like CSRC.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Measures for and commitments to cover diluted immediate returns	<p>The proposed public offering may lead to dilution of investors' immediate returns. In order to further implement the relevant provisions of the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market (Guo Ban Fa [2013] No. 110), optimize the investment return mechanism and</p>	December 15, 2021	Permanently valid	Performing

			<p>safeguard the legitimate rights and interests of small and medium-sized investors, DRCO intends to take following measures to enhance DRCO's profitability and strengthen DRCO's ability to sustain returns:</p> <p>1. Strengthen the main business and improving DRCO's sustainable profitability:</p> <p>DRCO is mainly engaged in brand operation, customized sales, R&D and design of jewelry, and customizes high-quality diamond-inlaid jewelry such as engagement and wedding rings. To consolidate its core business, DRCO will take advantage of the rapid development of China's jewelry industry. Through the proposed public offering and listing, DRCO will enhance its brand image and influence, expand its marketing</p>			
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			<p>network, strengthen its information systems and improve its creative design ability of diamond jewelry. DRCO will consolidate its industry leadership and sharpen its sustainable profitability by enhancing its core competitiveness in terms of brand strength, capital strength, marketing network coverage and product design capability.</p> <p>2. Accelerate the investment progress of proceeds-funded projects, improve the efficiency of capital utilization, and strive to achieve the expected returns from the projects soon as possible</p> <p>The proceeds-funded projects include marketing network construction, information system construction, the R&D and creative design center for diamond jewelry</p>			
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			<p>and working capital replenishment, all of which are related to DRCO's main business. DRCO will speed up the construction progress of these projects and improve the capital utilization to enhance its profitability as soon as possible. Meanwhile, the use of the proceeds will be strictly managed to ensure the smooth progress of the proceeds-funded projects. These projects will help DRCO further enhance its market competitiveness, consolidate its existing sales channel advantages and R&D and design capabilities, increase expand the market share of its main business, and increase the return for shareholders.</p> <p>3. Increase the efficiency of daily operations, reduce operating costs, and improve business performance</p> <p>DRCO will further reduce its</p>			
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			<p>operating costs through reasonable means, and improve internal control, operating efficiency and profitability. At the same time, DRCO will strive to improve the human resources management and the supporting compensation system to motivate employees at all levels, continue to attract top talents and strengthen talent training, optimize the talent pools and reduce the risk of brain drain, hence laying a solid foundation for its rapid development.</p> <p>4. Refine the profit distribution policy, and optimize the return on investment mechanism</p> <p>In order to establish a continuous, stable and scientific mechanism for investors regarding the return on investment and to ensure the continuity and</p>			
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			<p>stability of the profit distribution policy through the systematic institutional arrangements, DRCO has, in accordance with the relevant requirements, clarified the specific conditions, ratio and form of profit distribution, improved the decision-making procedures and mechanism for profit distribution as well as the principles for adjusting the profit distribution policy. DRCO will distribute profits in strict accordance with the Articles of Association and other regulations, formulate and implement a continuous and stable cash dividend plan, and further improve the profit distribution system, especially the cash dividend policy where necessary, refine the investor return mechanism, and effectively safeguard the</p>			
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			<p>legitimate rights and interests of investors and improve the mechanism for protecting the rights and interests of minority investors.</p> <p>5. Further improving the protection system for minority investors</p> <p>DRCO has formulated a series of systems such as the Investor Relations Management System and the Information Disclosure Management System to fully protect the rights of minority investors to be informed and to participate in decision-making, and such institutional arrangements ensure their rights to access the corporate information, choose management officers and participate in major decisions. DRCO undertakes to further improve the relevant systems for protecting</p>			
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			<p>minority protectors in accordance with the implementation rules or requirements issued by regulatory authorities including the CSRC and the stock exchange as well as the common practices of listed peers.</p> <p>The above-mentioned measures are designed to not only ensure the effective use of the funds raised by DRCO and but also prevent the risk of diluting the immediate return by the proposed offering, which are conducive to sharpening DRCO's core competitiveness and sustainable profitability, increasing its future earnings and enhancing the return for shareholders. However, due to the objective existence of internal and external risks faced by DRCO, the implementation of the above measures does not represent a</p>			
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			guarantee of future profits made by DRCO.			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments to recovering diluted immediate returns	<p>1. The company/I shall not abuse the position as a controlling shareholder/actual controller, shall not interfere with the operation and management activities of DRCO beyond authority, and shall not encroach on the interests of DRCO.</p> <p>2. The company/I will actively urge DRCO to effectively implement the relevant measures to recover the immediate return.</p> <p>3. After the CSRC or the SZSE has issued separate opinions and implementation rules on measures and commitments to cover diluted immediate returns, if the relevant rules of DRCO and the commitments of the company/me are not in line with such rules, the company/I undertake to promptly make</p>	December 15, 2021	Permanently valid	Performing

			<p>additional commitments in accordance with the rules of the CSRC or the SZSE and actively urge DRCO to make new commitments to satisfy the requirements of the CSRC or the SZSE;</p> <p>4. If the company/I breach the above commitments and cause losses to DRCO or investors, the company/I will bear the responsibility to compensate DRCO or investors in accordance with laws.</p>			
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao, Lu Yiwen, Wei Qingxing, Huang Shuirong, Hu Xiaoming, Chen Qisheng, Li Yang, Liang Jun, Zhong Min and Lin Zhenghai	Commitments to cover diluted immediate returns	<p>1. I neither transmit benefits to other entities or individuals without compensation or on unfair terms, nor in any other way harm the interests of DRCO.</p> <p>2. I exercise restraint in duty consumption.</p> <p>3. I shall not use DRCO's assets to engage in investment and consumption activities unrelated to the performance of my duties.</p>	December 15, 2021	Permanently valid	Performing

			<p>4. I will actively promote the improvement of DRCO's remuneration system to make it better comply with the requirements of covering diluted immediate returns; I will support the Board of Directors or Remuneration Committee of DRCO in formulating, amending and supplementing DRCO's remuneration system in line with the implementation of DRCO's measures to recover the returns.</p> <p>5. When promoting DRCO's share incentive scheme (if any), I will actively promote the link between the exercise terms of the share incentive and the implementation of DRCO's measures to recover the return.</p> <p>6. After the CSRC or the SZSE has issued separate opinions and implementation rules on</p>			
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			<p>measures and commitments to cover diluted immediate returns, if my commitments are not in line with such rules, I undertake to promptly make additional commitments in accordance with the rules of the CSRC or the SZSE to satisfy the requirements of the CSRC or the SZSE;</p> <p>7. If I breach the above commitments and cause losses to DRCO or investors, I will bear the responsibility to compensate DRCO or investors in accordance with laws.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Commitments to undertaking liability for compensation in accordance with laws	<p>1. The prospectus for DRCO's initial public offering and listing on the ChiNext Market does not contain any false records, misleading statements or material omissions, and DRCO shall be jointly and severally liable for the authenticity, accuracy and completeness of the information</p>	December 15, 2021	Permanently valid	Performing

			<p>thereof.</p> <p>2. If an investor suffers loss in securities trading as a result of a false statement, misleading statement or material omission in DRCO's prospectus, DRCO shall compensate the investor for the loss in accordance with laws;</p> <p>3. In the event of a breach of the relevant commitments, DRCO will promptly disclose the fact and reasons for the breach and, except for force majeure or other reasons beyond DRCO's control, DRCO will make a public apology to its shareholders and public investors. If losses are caused to investors, compensation will be made in accordance with laws. Meanwhile, DRCO will make timely rectification in accordance with the requirements of the CSRC or the stock exchange.</p>			
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Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments to undertaking liability for compensation in accordance with laws	<p>1. The prospectus for DRCO's initial public offering and listing on the ChiNext Market does not contain any false records, misleading statements or material omissions, and the company/I shall be jointly and severally liable for the authenticity, accuracy and completeness of the information thereof.</p> <p>2. If an investor suffers loss in securities trading as a result of a false statement, misleading statement or material omission in DRCO's prospectus, the company/I shall compensate the investor for the loss in accordance with laws;</p> <p>3. In case of any breach of the foresaid commitments, DRCO will promptly disclose the facts and reasons for the breach and, except of force majeure or other reasons beyond our control, the</p>	December 15, 2021	Permanently valid	Performing
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			company will apologize to shareholders and public investors of DRCO who shall have the right to temporarily withhold the cash dividends (if any) to which the company is entitled until such time as adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.			
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao, Lu Yiwen, Wei Qingxing, Huang Shuirong, Hu Xiaoming, Chen Qisheng, Li Yang, Liang Jun, Zhong Min, Lin Zhenghai, Zhao Ranran, Yin Luwen and Wang Tong	Commitments to assume liability for compensation in accordance with laws	<p>1. The prospectus for DRCO's initial public offering and listing on the ChiNext Market does not contain any false records, misleading statements or material omissions, and I shall be jointly and severally liable for the authenticity, accuracy and completeness of the information thereof.</p> <p>2. If an investor suffers loss in securities trading as a result of a false statement, misleading statement or material omission in DRCO's</p>	December 15, 2021	Permanently valid	Performing

			<p>prospectus, I shall compensate the investor for the loss in accordance with laws.</p> <p>3. In case of any breach of the relevant commitments, DRCO will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize to DRCO's other shareholders and public investors except of force majeure or other reasons beyond my control. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which I am entitled and suspend the payment of my remuneration or allowances during my employment with DRCO until such time as adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.</p>			
Commitments to equity incentive	Not applicable					

Other commitments to minority shareholders of DRCO	Not applicable					
Other commitments	Not applicable					
Whether the commitment is fulfilled on time	Yes					
Details of specific reasons and next steps for any outstanding delayed commitment	Not applicable					

2. If there is a profit forecast for DRCO's assets or projects and the reporting period is still within the profit forecast period, DRCO provides an explanation of the assets or projects meeting the original profit forecast and the reasons thereof

Applicable Not applicable

II. Whether the Controlling Shareholders and Other Associates of DRCO Have Misappropriated DRCO's Funds for Non-Business Purpose

Applicable Not applicable

No controlling shareholders and other associates of DRCO have misappropriated DRCO's funds for non-business purpose.

III. Whether External Guarantees Are Provided in Violation of Provisions

Applicable Not applicable

During the reporting period, DRCO didn't provide external guarantees in violation of provisions.

IV. Statements of the Board of Directors on Latest "Non-standard Audit Report"

Applicable Not applicable

V. Statements of the Board of Directors, the Board of Supervisors and the Independent Directors (if any) on the "Non-standard Audit Report" Issued by the Accounting Firm for the Reporting Period

Applicable Not applicable

VI. Statements of the Board of Directors on Any Change in Accounting Policies and Accounting estimates or Any Correction of Significant Accounting Errors during Reporting Period

Applicable Not applicable

VII. Statements on Changes in Scope of Consolidated Financial Statements Compared with Financial Report for the Preceding Year

Applicable Not applicable

Information of subsidiaries newly established or deregistered during the reporting period:

Company name	Method of acquisition and disposal of subsidiaries during the reporting period	Whether included in the consolidation scope during the reporting period
Garland (Shenzhen) Jewelry Co., Ltd.	Established through investment	Yes
Garland International	Established through investment	Yes
Zhoukou DR Jewelry	Deregistered	Yes
Heze DR Jewelry	Deregistered	Yes
Linyi DR Jewelry	Deregistered	Yes
Jiaxing DR Jewelry	Deregistered	Yes
Fuyang DR Jewelry	Deregistered	Yes
Weifang DR Jewelry	Deregistered	Yes
Dongguan DR Jewelry	Deregistered	Yes
Baoding DR Jewelry Sales Co., Ltd.	Deregistered	Yes
Yiwu DR Jewelry	Deregistered	Yes

VIII. Appointment and Dismissal of Accounting Firms

Currently appointed

Name of domestic accounting firm	Ernst & Young Hua Ming LLP (Special General Partnership)
Remuneration of domestic accounting firm (RMB'000)	228
Number of consecutive years of audit by domestic accounting firm	8 years
Name of certified public accountants of domestic accounting firm	Li Jianguang, Chen Huijin
Number of continuous years of audit services by certified public accountants of domestic accounting firm	2 year, 3 years

Whether to change the accounting firm

Yes No

Appointment of accounting firm for internal control audit, financial adviser or sponsor

Applicable Not applicable

During the reporting period, the Company engaged Ernst & Young Huamin LLP (Special General Partnership) as the company's internal control audit accounting firm, with audit fees of RMB 380,000.

IX. Risk of Delisting after Disclosure of Annual Report

Applicable Not applicable

X. Matters Relating to Bankruptcy and Reorganization

Applicable Not applicable

No bankruptcy and reorganization-related matters occurred during the reporting period.

XI. Material Litigations and Arbitrations

Applicable Not applicable

Basic information on litigation (arbitration)	Amount involved (RMB'000)	Whether estimated liabilities are formed	Progress of litigation (arbitration)	Ruling results and impacts	Enforcement of judgments	Date of disclosure	Index for inquiry
There were 65 cases that don't meet the criteria for disclosure of material litigation (arbitration) and in which DRCO is the plaintiff/claimant, including 60 claims brought by DRCO for infringement of intellectual property rights.	211.21	No	As of the end of the reporting period, 41 of the aforementioned cases had been closed and 24 were pending.	No impact	Cases closed at the end of the reporting period were executed in accordance with the judgments/rulings or settlement and mediation programs.		Not applicable
There were seven cases that don't meet the criteria for disclosure of material litigation (arbitration) and in which DRCO was the defendant/respondent.	546.22	No	As of the end of the reporting period, 6 of the aforementioned cases had been closed and 1 was pending.	No impact	Cases closed at the end of the reporting period were executed in accordance with the judgments/rulings or settlement and mediation programs.		Not applicable

XII. Punishment and Rectification

Applicable Not applicable

There was no punishment or rectification during the reporting period.

XIII. Integrity of DRCO and Its Controlling Shareholders and Actual Controllers

Applicable Not applicable

XIV. Material Connected Transactions**1. Connected transactions related to daily operation**

Applicable Not applicable

There were no connected transactions related to daily operation during the reporting period.

2. Connected transactions related to the acquisition or disposal of assets or equity interests

Applicable Not applicable

There were no connected transactions related to the acquisition or disposal of assets or equity interests during the reporting period.

3. Connected transactions relating to common external investments

Applicable Not applicable

There were no connected transactions relating to common external investments during the reporting period.

4. Related creditor's right and debt transactions

Applicable Not applicable

There were no related creditor's right and debt transactions during the reporting period.

5. Transactions with financial companies with connected relationship

Applicable Not applicable

There were no deposits, loans, credit facilities or other financial operations between DRCO and connected parties or financial companies with connected relationships.

6. Transactions between financial companies controlled by DRCO and connected parties

Applicable Not applicable

There were no deposits, loans, credit facilities or other financial operations between financial companies controlled by DRCO and connected parties of DRCO.

7. Other material connected transactions

Applicable Not applicable

On October 28, 2024, the company held the third special meeting of independent directors in 2024, the eleventh meeting of the second board of directors and the eleventh meeting of the second board of supervisors, which respectively reviewed and approved the "Proposal on the Company's Intention to Participate in the Bidding for State-owned Land Use Rights and Invest in Construction Projects and Accept Guarantees from Related Parties". After deliberation, it is believed that the controlling shareholder's provision of gratuitous related-party guarantees for the company can facilitate the smooth progress of the project, demonstrating the controlling shareholder's support for the company's development. There is no situation that harms the interests of the company and its shareholders, especially those of small and medium-sized shareholders. For specific details, please refer to the announcement on Juchao Information Network titled "Announcement on the Company's Intention to Participate in the Bidding for State-owned Land Use Rights and Invest in Construction Projects and Accept Guarantees from Related Parties" (Announcement No. : 2024-049).

Inquiries related to the website for the disclosure of interim reports on major related-party transactions

Name of Temporary Announcement	The date of disclosure in the temporary announcement	A temporary announcement discloses the name of the website
《Announcement on the Company's Intention to Participate in the Bidding for State-owned Land Use Rights and Invest in Construction Projects and Accept Guarantees from Related Parties》	2024-10-30	Juchao Information Network (www.cninfo.com.cn)

XV. Contracts of Significance and Their Execution

1. Trust, contracting and leasing matters

(1) Trust

Applicable Not applicable

There was no trust during the reporting period.

(2) Contracting

Applicable Not applicable

There was no contracting during the reporting period.

(3) Leasing

Applicable Not applicable

Description of leasing matters

DRCO's leased assets are mainly leased for self-operated stores which have been recognized as right-of-use assets according to the new accounting standards for lease, and there are no other significant leased assets. For details, please refer to 12. Right-of-use Assets/VII. Notes to the Consolidated Financial Statement/Part X Financial Statements.

Projects whose gains/losses attributable to DRCO account for more than 10% of DRCO's total profit for the reporting period

Applicable Not applicable

There were no projects whose gains/losses attributable to DRCO account for more than 10% of DRCO's total profit for the reporting period.

2. Material guarantees

Applicable Not applicable

Unit: RMB0'000

External guarantees provided by DRCO and its subsidiaries (excluding guarantees for subsidiaries)										
Debtor	Date of disclosure of announcement on guarantee	Guarantee amount	Actual occurrence date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether fulfilled	Whether it is a guarantee for a related party

	amount									
DRCO's guarantee for subsidiaries										
Debtor	Date of disclosure of announcement on guarantee amount	Guarantee amount	Actual occurrence date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether fulfilled	Whether it is a guarantee for a related party
Shenyang DR Jewelry	August 29, 2022	450	September 1, 2022	196.68	Joint and several liability	No	No	21 months	Yes	No
Suzhou DR Jewelry	August 29, 2022	450	April 1, 2023	28.99	Joint and several liability	No	No	12 months	Yes	No
Tianjin DR Jewelry	August 29, 2022	750	December 1, 2022	319.64	Joint and several liability	No	No	17 months	Yes	No
Chongqing DR Jewelry	August 29, 2022	500	September 1, 2022	431.92	Joint and several liability	No	No	21 months	Yes	No
Dongguan DR Jewelry	October 28, 2022	200	January 1, 2023	52.66	Joint and several liability	No	No	15 months	Yes	No
Shenzhen DR Jewelry	October 28, 2022	140	February 1, 2023	90.06	Joint and several liability	No	No	14 months	Yes	No
Zhoukou DR Jewelry	October 28, 2022	50	January 1, 2023	32.81	Joint and several liability	No	No	33 months	No	No
Beijing DR Jewelry	August 29, 2022	700		0	Joint and several liability	No	No		No	No
Beijing Zhongzuan DR Jewelry	August 29, 2022	500	January 31, 2023	192.65	Joint and several liability	No	No	24 months	Yes	No
Chengdu DR Jewelry	August 29, 2022	1,000		0	Joint and several liability	No	No		No	No
Chengdu DR Jewelry	August 29, 2022	700		412.35 ¹	Joint and several liability	No	No	45 months	No	No
Hangzhou DR Jewelry	August 29, 2022	1,000	February 1, 2023	119.15	Joint and several liability	No	No	27 months	No	No
Jinan DR Jewelry	August 29, 2022	500	September 1, 2022	396.49	Joint and several liability	No	No	31 months	No	No
Kunming DR Jewelry	August 29, 2022	500	February 1, 2023	109.75	Joint and several liability	No	No	46 months	No	No
Ningbo DR	August 29, 2022	600	October 29, 2022	173.36	Joint and several	No	No	44 months	No	No

Jewelry					liability					
Ningbo DR Jewelry	August 29, 2022	600	January 1, 2023	95.97	Joint and several liability	No	No	47 months	No	No
Shanghai DR Jewelry Sales	August 29, 2022	600		0	Joint and several liability	No	No		No	No
Shanghai DR Jewelry	August 29, 2022	500		0	Joint and several liability	No	No		No	No
Shanghai DR Jewelry	August 29, 2022	450	October 1, 2022	237.37	Joint and several liability	No	No	41 months	No	No
Shenzhen DR Jewelry	August 29, 2022	400		0	Joint and several liability	No	No		No	No
Shenzhen DR Jewelry	August 29, 2022	400	May 1, 2023	242.08	Joint and several liability	No	No	34 months	No	No
Shenyang DR Jewelry	August 29, 2022	400		0	Joint and several liability	No	No		No	No
Suzhou Zhongzuan DR Jewelry	August 29, 2022	550		404.87	Joint and several liability	No	No	51 months	No	No
Wuhan Zhongzuan DR Jewelry	August 29, 2022	100		0	Joint and several liability	No	No		No	No
Xi'an Zhongzuan DR Jewelry	August 29, 2022	450	October 1, 2022	161.14	Joint and several liability	No	No	35 months	No	No
Xi'an DR Jewelry	August 29, 2022	100		0	Joint and several liability	No	No		No	No
Changsha DR Jewelry	August 29, 2022	900	September 1, 2022	894.06	Joint and several liability	No	No	45 months	No	No
Changsha DR Jewelry	August 29, 2022	100	December 1, 2022	85.25	Joint and several liability	No	No	31 months	No	No
Henan DR Jewelry	August 29, 2022	300		0	Joint and several liability	No	No		No	No
Zhengzhou DR Jewelry	August 29, 2022	350	January 1, 2023	141.9	Joint and several liability	No	No	45 months	No	No
Chongqing DR Jewelry	October 28, 2022	530		476.66	Joint and several liability	No	No	40 months	No	No
Xining DR Jewelry	October 28, 2022	100		0	Joint and several liability	No	No		No	No
Yinchuan	October	160		0	Joint and	No	No		No	No

n DR Jewelry	28, 2022				several liability					
Mianyang DR Jewelry	October 28, 2022	140	February 1, 2023	117.83	Joint and several liability	No	No	32 months	No	No
Shenyang DR Jewelry	October 28, 2022	150		0	Joint and several liability	No	No		No	No
Jining DR Jewelry	October 28, 2022	50	April 1, 2023	43.67	Joint and several liability	No	No	31 months	No	No
Guiyang DR Jewelry	December 31, 2022	162		0	Joint and several liability	No	No		No	No
Haoduo Diamond (Shenzhen) Co., Ltd.	April 28, 2023	30,000	October 23, 2023	10,000	Joint and several liability	No	No	36 months	Yes	No
			November 1, 2023	8,000	Joint and several liability	No	No	36 months	Yes	No
			November 2, 2023	10,000	Joint and several liability	No	No	36 months	Yes	No
Haoduo Diamond (Shenzhen) Co., Ltd.	April 27, 2024	30,000	October 23, 2024	10,000	Joint and several liability	No	No	36 months	No	No
Guarantees provided by subsidiaries for other subsidiaries										
Debtor	Date of disclosure of announcement on guarantee amount	Guarantee amount	Actual occurrence date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether fulfilled	Whether it is a guarantee for a related party
Total amount of approved guarantee for subsidiaries during the reporting period (C1)		30,000		Actual amount of guarantee for subsidiaries during the reporting period (C2)		0				
Actual amount of approved guarantee for subsidiaries as at the end of the reporting period (C3)		42,542 ²		Balance of actual guarantee for subsidiaries as at the end of the reporting period (C4)		14,099.06				
Total guarantee amount of DRCO (i.e., the sum of the first three items)										
Total amount of approved guarantee during the reporting period (A1+B1+C1)		30,000		Total amount of guarantee actually incurred during the reporting period		0				

		(A2+B2+C2)	
Total amount of approved guarantee as at the end of the reporting period (A3+B3+C3)	42,542	Total balance of guarantee actually incurred as at the end of the reporting period (A4+B4+C4)	14,099.06
Total actual guarantee amount (i.e., A4 + B4 + C4) as a percentage of DRCO's net assets		2.23%	
Including:			
Balance of debt guarantees provided, directly or indirectly, to those with a gearing ratio of more than 70% (E)			1,661.55 ³
Difference between total guarantee amount and 50% of net assets (F)			0
Total (D+E+F)			1,661.55
Details of the circumstances, if any, under which the guarantee liability arose during the reporting period or there is evidence of a likelihood of joint and several liability, for outstanding guarantee contracts	Not applicable		
Details of external guarantees against established procedures (if any)	Not applicable		

Note 1: As of the end of the reporting period, RMB 0.46 million under the actual guarantee for Chengdu DR Jewelry had been honored.

Note 2: The guarantee limits of companies that have been deregistered without any actual guarantee transactions, as well as limits that have expired without being used, have been excluded.

Note 3: The balance of this guarantee is all guarantees provided by the company to wholly-owned subsidiaries.

Description of the use of composite guarantee

3. Entrusted cash and assets under management

(1) Entrusted wealth management

Applicable Not applicable

Overview of entrusted wealth management during the reporting period

Unit: RMB0'000

Specific type	Source of funds for entrusted wealth management	Entrusted wealth management amount	Outstanding balance	Amount overdue and not recovered	Provision for impairment of wealth management amount overdue and not recovered
Wealth management products of securities brokers	Funds raised	131,800	126,800	0	0
Wealth management products of securities brokers	Proprietary funds	203,943	286,939.99	0	0

Wealth management products of banks	Funds raised	152,287.92	19,257.72	0	0
Wealth management products of banks	Proprietary funds	254,398.94	156,062.86	0	0
Total		742,429.86	589,060.57	0	0

Details of high-risk entrusted wealth management products featuring large amount, low safety and poor liquidity

Applicable Not applicable

Entrusted wealth management not expected to recover the principal, or other circumstances that may lead to impairment

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

There were no entrusted loans during the reporting period.

4. Other contracts of significance

Applicable Not applicable

Unit: RMB0'000

Contracting party	Contracting counterpart	Subject matter	Contract signing date	Book value of involved assets (if any)	Appraised value of involved assets (if any)	Appraisal agency (if any)	Appraisal reference date (if any)	Pricing principle	Transaction price	Whether a related-party transaction	Relationship	Execution status as at the end of the reporting period	Disclosure date	Disclosure index
DR Corporation Limited	Nanshan Bureau of the Planning and Natural Resources Bureau of Shenzhen Municipality	Land use right	November 25, 2024	46,444.67		No		Listing	46,600	No	Not applicable	According to the agreement between both parties, DRC O has paid the first installment of RMB 233million	November 27, 2024	<i>The "Announcement on the Progress of Signing the Contract for the Transfer of State-owned</i>

Part VII. Changes in Shares and Information of Shareholders

I. Changes in Shares

1. Changes in shares

Unit: shares

	Before this change		Increase/decrease (+, -)					After this change	
	Quantity	Percentage	Issue of new shares	Bonus shares	Conversion of reserves	Other	Subtotal	Quantity	Percentage
I. Shares subject to selling restrictions	360,000,000	90.00%						360,000,000	90.00%
1. Shares held by the state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic entities	360,000,000	90.00%						360,000,000	90.00%
Including : shares held by domestic legal persons	360,000,000	90.00%						360,000,000	90.00%
Shares held by domestic natural persons									
4. Shares held by foreign investors									

Including : Shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Shares not subject to selling restrictions	40,010,000	10.00%						40,010,000	10.00%
1. RMB-denominated ordinary shares	40,010,000	10.00%						40,010,000	10.00%
2. Foreign shares listed domestically									
3. Foreign shares listed overseas									
Others									
III. Total shares	400,010,000	100.00%						400,010,000	100.00%

Reasons for changes in shares

Applicable Not applicable

Approval of changes in shares

Applicable Not applicable

Transfer of changes in shares

Applicable Not applicable

Impact of changes in shares on financial indicators such as basic and diluted earnings per share and net asset value per share attributable to DRCO's holders of ordinary shares for the most recent year and the most recent period

Applicable Not applicable

Other disclosure deemed necessary by DRCO or required by securities regulatory authorities

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: shares

Name of shareholder	Number of restricted shares at the beginning of the period	Increase in the number of restricted shares during the period	Number of restricted shares released during the period	Number of restricted shares at the end of period	Reasons for selling restrictions	Date of release
DR Investment (Zhuhai) Co., Ltd.	342,000,000	0	0	342,000,000	Pre-IPO shares	June 16, 2025
Gongqingcheng Wendy No.1 Investment Management Partnership (LP)	7,200,000	0	0	7,200,000	Pre-IPO shares	June 16, 2025
Gongqingcheng Wendy No.2 Investment Management Partnership (LP)	7,200,000	0	0	7,200,000	Pre-IPO shares	June 16, 2025
Gongqingcheng Wendy No.3 Investment Management Partnership (LP)	3,600,000	0	0	3,600,000	Pre-IPO shares	June 16, 2025
Total	360,000,000	0	0	360,000,000	--	--

II. Issuance and listing of securities

1. Issuance of securities (excluding preferred shares) during the reporting period

Applicable Not applicable

2. Changes in the total number of shares and shareholder structure of DRCO, and changes in the asset and liability structure of DRCO

Applicable Not applicable

3. Employee stock ownership

Applicable Not applicable

III. Shareholders and Actual Controllers

1. Number of shareholders and their shareholdings

Unit: shares

Total number of ordinary shareholders at the end of the reporting period	11,988	Total number of holders of ordinary shares as of the end of the previous month before the disclosure date of the annual report	10,729	Total number of holders of preferred shares (if any) whose voting rights were restored at the end of the reporting period (see Note 9)	0	Total number of holders of preferred shares (if any) whose voting rights were restored at the end of the previous month prior to the disclosure date of the annual report (see Note 9)	0	Total number of shareholders holding special voting shares (if any)	0
Shareholders holding more than 5% of DRCO's shares or top 10 shareholders (excluding shares borrowed via margin financing)									
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Increase or decrease during the reporting period	Number of shares held subject to selling restrictions	Number of shares held not subject to selling restrictions	Pledged, marked or frozen		
							Shares status	Quantity	
DR Investment	Domestic non-state-	85.50%	342,000,000	0	342,000,000	0	Not applicable	0	

(Zhuhai) Co., Ltd.	owned legal person							
Gongqin gcheng Wendy No.1 Investment Management Partnership (LP)	Domestic non-state-owned legal person	1.80%	7,200,000	0	7,200,000	0	Not applicable	0
Gongqin gcheng Wendy No.2 Investment Management Partnership (LP)	Domestic non-state-owned legal person	1.80%	7,200,000	0	7,200,000	0	Not applicable	0
Gongqin gcheng Wendy No.3 Investment Management Partnership (LP)	Domestic non-state-owned legal person	0.90%	3,600,000	0	3,600,000	0	Not applicable	0
Zhuhai Runxin Zhirong No.1 Investment Partnership (LP)	State-owned legal person	0.64%	2,566,735	0	0	2,566,735	Not applicable	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.55%	2,205,837	1,618,009	0	2,205,837	Not applicable	0
Li	Domestic	0.30%	1,180,40	542,900	0	1,180,40	Not applicable	0

Rongjun	c natural persons		0			0		
China Securities - CMB - China Securities DR No. 1 Strategic Placement Collective Asset Management Plan	Other	0.14%	552,044	-42,500	0	552,044	Not applicable	0
Li Xiuzhi	Domestic natural persons	0.10%	416,400	11,000	0	416,400	Not applicable	0
Liu Zicheng	Domestic natural persons	0.09%	365,460	177,860	0	365,460	Not applicable	0
Any investor or general legal person becomes one of top 10 shareholder as a result of the placement of new shares (if any) (see Note 4)	Strategic person	<p>Zhuhai Runxin Zhirong No.1 Investment Partnership (LP) has become one of DRCO's top 10 shareholders as DRCO placed 2,566,735 shares that were locked up from December 15, 2021 to December 14, 2022. These shares were released and traded on the market from December 15, 2022.</p> <p>China Securities - CMB - China Securities DR No. 1 Strategic Placement Collective Asset Management Plan is a special asset management plan through which DRCO's senior management and core employees took part in the strategic allotment of DRCO's initial public offering. As a result, this asset management plan became one of DRCO's top 10 shareholders after DRCO placed 978,952 shares that were locked up from December 15, 2021 to December 14, 2022. These shares were released and traded on the market from December 15, 2022.</p>						
Relationship or acting in concert among the aforesaid shareholders		<p>Zhang Guotao and Lu Yiwen, the actual controllers of DRCO, hold a 100% stake in DR Investment (Zhuhai). DR Investment (Zhuhai), Gongqingcheng Wendi No.1 Investment Management Partnership (LP), Gongqingcheng Wendi No.2 Investment Management Partnership (LP) and Gongqingcheng Wendi No.3 Investment Management Partnership (LP) are all the enterprises controlled by Zhang Guotao, DRCO's actual controller. Other than that, DRCO is not aware of any connected relationship among the aforesaid shareholders, nor is DRCO aware of any parties acting in concert.</p>						
Whether the above-mentioned shareholders exercise voting rights via a proxy or as a proxy, or waive their voting		Not applicable.						

rights			
Whether top 10 shareholders have special accounts for share repurchase (if any) (see Note 10)	Not applicable.		
Shareholdings of the top 10 shareholders of unrestricted shares (excluding shares borrowed via financing margin and shares locked by executives)			
Name of shareholder	Number of unrestricted shares held at the end of the reporting period	Type of shares	
		Type of shares	Quantity
Zhuhai Runxin Zhirong No.1 Investment Partnership (LP)	2,566,735	RMB-denominated ordinary shares	2,566,735
Hong Kong Securities Clearing Company Ltd.	2,205,837	RMB-denominated ordinary shares	2,205,837
Li Rongjun	1,180,400	RMB-denominated ordinary shares	1,180,400
China Securities - CMB - China Securities DR No. 1 Strategic Placement Collective Asset Management Plan	552,044	RMB-denominated ordinary shares	552,044
Li Xiuzhi	416,400	RMB-denominated ordinary shares	416,400
Liu Zicheng	365,460	RMB-denominated ordinary shares	365,460
CMB - China Southern CSI 1000 Traded Open-end Index Securities Investment Fund	356,967	RMB-denominated ordinary shares	356,967
Ni Birong	342,299	RMB-denominated ordinary shares	342,299
MORGAN STANLEY & CO.	262,872	RMB-denominated ordinary shares	262,872

INTERNATIONAL PLC.			
CMB – China AMC CSI 1000 Traded Open-end Index Securities Investment Fund	196,858	RMB-denominated ordinary shares	196,858
Relationship or acting in concert among the top 10 shareholders of unrestricted tradable shares, and between the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders	DRCO is not aware of any connected relationship among the aforesaid top 10 shareholders of unrestricted shares, or between the top 10 shareholders of unrestricted shares and the top 10 shareholders, nor is DRCO aware of any parties acting in concert.		
Description of shareholders involved in margin financing and securities lending (if any) (see Note 5)	Not applicable.		

Share lending through margin financing among shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders of unrestricted outstanding shares

Applicable Not applicable

Unit: shares

Share lending through margin financing among shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders of unrestricted outstanding shares								
Shareholder (full name)	Beginning number of shares in general account and credit account		Beginning number of shares lent through margin financing and not returned		Ending number of shares in general account and credit account		Ending number of shares lent through margin financing and not returned	
	Total shares	% of total equity	Total shares	% of total equity	Total shares	% of total equity	Total shares	% of total equity
CMB - China Southern CSI 1000 Traded Open-end Index Securities Investment	47,007	0.01%	11,500	0.00%	356,967	0.09%	0	0.00%

Fund								
CMB – China AMC CSI 1000 Traded Open-end Index Securities Investment Fund	42,619	0.01%	6,000	0.00%	196,858	0.05%	0	0.00%

Changes in top 10 shareholders and top 10 shareholders of unrestricted outstanding shares due to shares lent/returned via margin financing

Applicable Not applicable

Whether DRCO has a weighted voting right arrangement

Applicable Not applicable

Whether DRCO's top 10 holders of ordinary shares and top 10 holders of unrestricted ordinary shares engaged in any repurchase agreement-based transaction during the reporting period

Yes No

DRCO's top 10 holders of ordinary shares and top 10 holders of unrestricted ordinary shares did not engage in any repurchase agreement-based transaction during the reporting period.

2. Controlling shareholders of DRCO

Nature of controlling shareholder: natural person

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge of the entity	Date of establishment	Organization code	Main business
DR Investment (Zhuhai) Co., Ltd.	Zhang Guotao	November 24, 2015	914403003587652274	General items: investment activities with own funds; business management consulting; information consulting services (excluding licensing information consulting services); marketing planning; corporate image planning; non-

				residential real estate leasing.
Shareholdings of other domestic and foreign listed companies controlled and participated in by the controlling shareholders during the reporting period	Not applicable.			

Changes in the controlling shareholder during the reporting period

Applicable Not applicable

here was no change in the controlling shareholder of DRCO during the reporting period.

3. DRCO's actual controller and its parties acting in concert

Nature of actual controller: domestic natural person

Type of actual controller: natural person

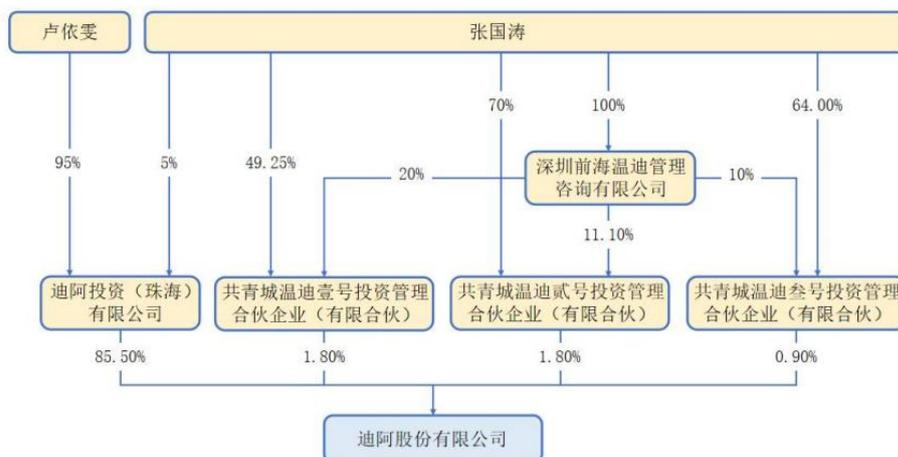
Name of actual controller	Relationship with actual controller	Nationality	Whether possess the right of abode in other countries or regions
Zhang Guotao	Himself	China	No
Lu Yiwen	Herself	China	No
Main occupation and position	Zhang Guotao is the chairman of DRCO, and Lu Yiwen is a director and the general manager (president) of DRCO.		
Domestic and foreign listed companies held during the past 10 years	Not applicable.		

Change in actual controllers during the reporting period

Applicable Not applicable

There was no change in the actual controller of DRCO during the reporting period.

Ownership and controlling relationship between DRCO and controlling shareholder



注：上图为截至 2024 年 12 月 31 日的控制关系图

张国涛	Zhang Guotao
卢依雯	Lu Yiwen
深圳前海温迪管理咨询有限公司	Shenzhen Qianhai Wendi Management Consulting Co., Ltd.
迪阿投资(珠海)有限公司	DR Investment (Zhuhai) Co., Ltd.
共青城温迪壹号投资管理合伙企业(有限合伙)	Gongqingcheng Wendi No.1 Investment Management Partnership (LP)
共青城温迪贰号投资管理合伙企业(有限合伙)	Gongqingcheng Wendi No.2 Investment Management Partnership (LP)
共青城温迪叁号投资管理合伙企业(有限合伙)	Gongqingcheng Wendi No.3 Investment Management Partnership (LP)
迪阿股份有限公司	DR Corporation Limited

注：上图为截止 2024 年 12 月 31 日的控制关系图

Note: The controlling relationship as of December 31, 2024

The actual controller controls DRCO through trust or other asset management means

Applicable Not applicable

4. The cumulative shares pledged by the controlling shareholder or the largest shareholder of DRCO and its parties acting in concert accounts for 80% of the shareholdings they hold in DRCO

Applicable Not applicable

5. Other legal-person shareholders holding more than 10% of DRCO's shares

Applicable Not applicable

6. Reduction of restricted shares by controlling shareholders, actual controllers, restructuring parties and other commitment entities

Applicable Not applicable

IV. Implementation of Share Repurchase during Reporting Period

Progress of the share repurchases

Applicable Not applicable

Progress of the reduction of share repurchased shares by means of call auction trading

Applicable Not applicable

Part VIII. Information about Preferred Shares

Applicable Not applicable

There were no preferred shares during the reporting period.

Part IX. Information about Bonds

Applicable Not applicable

Part X. Financial Report

I. Auditor's report

Auditor's opinion	Unqualified opinion
Date of signing	24 April 2025
Auditor	Ernst & Young Hua Ming LLP
Auditor's report No.	Ernst & Young Hua Ming (2025) Shen Zi No. 70031863_H01
Chinese Certified Public Accountant	Li Jianguang, Chen Huijin

Auditor's Report (Body)

To the board of directors of DR Corporation Limited

(I) Opinion

We have audited the financial statements of DR Corporation Limited (the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2024, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2024, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

(II) Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with China Code of Ethics for Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) Key audit matters

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

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters:	How our audit addressed the matters:
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<p>Revenue recognition</p> <p>For the year ended 31 December 2024, the consolidated revenue of DR Corporation Limited and its subsidiaries (hereinafter collectively referred to as the "Group") was RMB1.482 billion.</p> <p>The Group's current business model mainly includes: retail directly to the end consumers through offline direct-operated stores, e-commerce platforms and offline joint-operated stores in collaboration with shopping malls. And the Group recognised revenue when the end customers received goods.</p> <p>The total amount of revenue as a KPI is material to the financial statements as a whole and there is a huge volume of scattered revenue transactions. And there is an inherent risk that management may manipulate revenue to achieve specific purpose. Therefore, revenue recognition is identified as a key audit matter.</p> <p>For further disclosure, refer to Note V.26 Revenue, Note VII.35 Revenue and cost of sales, Note V.30 Other significant accounting policies and estimates (2) Estimation uncertainty: disclosure of loyalty points.</p>	<p>Our procedures in relation to revenue recognition mainly included:</p> <ol style="list-style-type: none"> 1) Obtaining an understanding of the accounting policies of revenue recognition and reviewing main sales contract terms to assess the appropriateness of revenue recognition policies; 2) Obtaining an understanding of and evaluating the design of internal control over transaction process of revenue recognition, and testing the operation effectiveness of relevant control within the reporting period; 3) Performing tests of details and reviewing customers' orders, receipt records, express receipts, bank receipt and settlement documents and invoices, etc. on a sampling basis; 4) Performing confirmation procedures for transaction amounts and balance of accounts receivable on a sampling basis; 5) Obtaining an understanding of the settlement method between the Group and customers. For the main collection platforms, check each order against each bank flow in on collection platform; 6) Performing data matching analysis on sales order and revenue breakdown by month, region, customer ID, etc.; 7) Performing revenue cut-off procedures, inspecting the outbound bills and relevant express delivery records and customer receipts for one month before and after the balance sheet date and checking whether they are recorded in the correct accounting period; 8) Performing analytical review procedures for revenue, including analysis of monthly revenue trend, analysis of revenue trends for different types of products, and analysis of revenue changes in key stores etc.
<p>Existence of inventory and valuation of net realizable value</p> <p>As at 31 December 2024, the outstanding balance of the Group's inventory was RMB467 million, and the provision for decline in value of inventories was RMB19.15 million.</p> <p>At the balance sheet date, management states each inventory item at the lower of cost and net realizable value, and recognised a provision for inventory write-down for the amount by which cost exceeded net realizable value. Net realizable value is estimated based on the selling price, the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes, which involves significant management estimation. Furthermore, the unit price of inventory is high and there is a higher inherent risk of easy theft and difficult to distinguish authenticity. Therefore, the existence of inventory and provision for write-down of inventories is regarded as a key audit matter.</p> <p>For further disclosure, refers to Note V.14 Inventories, Note V.30 Significant accounting judgments and estimates and Note VII.6 Inventories.</p>	<p>Our procedures in relation to existence of inventory and valuation of net realizable value mainly included:</p> <ol style="list-style-type: none"> 1) Obtaining an understanding of and evaluating the design of internal control relating to inventory procurement, stock-take and provision for decline in value of inventories, and testing the operation effectiveness of relevant control within the reporting period; 2) Attending the annual physical inventory count, inspecting the Group's physical inventory count plan and observing whether the plan was implemented properly; 3) Performing stocktaking procedures on a sampling basis, checking the quantity and weight of the inventories, inspecting the certificates of the inventories and verifying the certificate number on the website of the appraisal organisation; 4) Understanding the accounting policies of provision for decline in value of inventories and evaluating whether the relevant accounting policies comply with the relevant provisions of the ASBEs; 5) Obtaining management's calculation of net realizable value, checking the key estimates used in the calculation to determine net realizable value, comparing net realizable value with inventory cost, and recalculating the amount of the provision for decline in value of inventories; 6) Retrospectively comparing provision for write-down of inventories in prior year and its movements in current year, and obtaining the list of defective and obsolete products to evaluate the sufficiency of the provision.
<p>Impairment of long-term assets of stores' asset groups</p> <p>The asset groups of the Group's stores mainly include long-term assets such as long-term prepaid expenses and right-of-use assets. As at 31 December 2024, the total carrying amount of the above long-term assets was RMB131 million, including RMB43.79 million of provision for impairment made for</p>	<p>Our procedures in relation to impairment of long-term assets of stores' asset groups mainly included:</p> <ol style="list-style-type: none"> 1) Obtaining an understanding of and evaluating internal control relating to impairment testing of long-term assets of stores' asset groups;

<p>stores' asset groups whose recoverable amount was lower than their carrying amount.</p> <p>Stores' asset groups are significant to these financial statements as a whole, and the provision for impairment of stores' asset groups involves significant management judgments and estimates, for example, the determination of asset groups, revenue growth rate, gross profit rate and discount rate of stores with indicators of impairment. Such judgments and estimates are influenced by management's judgments on the way in which business activities are managed, future markets and economic environment, and different judgments and estimates made may have a significant impact on the calculation of long-term asset impairment. Therefore, we consider the impairment of long-term assets of stores' asset groups of the Group as a key audit matter.</p> <p>For further disclosure, refer to Note V.20 Impairment of long-term assets, Note V.21 Long-term prepaid expenses, Note V.29 Leases, Note V.30 Other significant accounting policies and estimates, Note VII.12 Right-of-use assets and Note VII.14 Long-term prepaid expenses.</p>	<p>2) Discussing with management the basis for determining indicators of impairment of stores' asset groups, and evaluating whether management's judgment on indicators of impairment of stores' asset groups was reasonable;</p> <p>3) Communicating with management and internal valuation experts to evaluate key parameters of valuation; evaluating, with the assistance of internal valuation experts, the reasonableness of methods, assumptions and estimates used to discount expected future cash flows of the asset groups based on ASBE requirements; Checking the accuracy of the calculation process for impairment testing of stores' asset groups;</p> <p>4) Evaluating whether disclosures related to impairment of long-term assets of stores' asset groups in these financial statements met ASBE requirements.</p>
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(IV) Other information

The management of the Company is responsible for other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

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

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

(V) Responsibilities of the management and those charged with governance for the financial statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is 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, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

(VI) Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Ernst & Young Hua Ming LLP	Chinese Certified Public Accountant: Li Jianguang (Engagement Partner)
	Chinese Certified Public Accountant: Chen Huijin
Beijing, the People's Republic of China	24 April 2025

II. Financial statements

The notes to financial statements are expressed in Renminbi Yuan.

1.Consolidated balance sheet

Preparer: DR Corporation Limited

31 December 2024

Currency: Renminbi Yuan

Items	Closing balance	Opening balance
Current assets:		
Currency funds	139,789,945.04	227,854,223.17
Settlement reserves		
Placements to banks and other financial institutions		
Financial assets held for trading	4,579,301,487.22	4,841,946,705.07
Derivative financial assets		
Notes receivable		
Accounts receivable	80,913,074.97	83,147,399.06
Receivables financing		
Prepayments	31,799,965.88	34,724,152.09
Premium receivable		
Reinsurance receivables		
Due from Reinsurer for reserve of reinsurance contract		
Other receivables	5,861,059.14	5,614,656.53
Including: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventories	447,453,664.80	526,939,044.37
Including: Data resources		
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	433,485,362.17	446,602,964.10

Other current assets	162,203,323.60	131,984,050.79
Total current assets	5,880,807,882.82	6,298,813,195.18
Non-current assets:		
Loans and advances to customers		
Debt investments	569,885,924.01	891,976,307.01
Other debt investments		
Long-term receivables		
Long-term equity investments		
Other equity investments		
Other non-current financial assets	403,675,066.37	0.00
Investment properties		
Fixed assets	8,468,744.76	12,617,322.42
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets	152,164,147.57	208,971,654.66
Intangible assets	468,810,408.38	6,608,420.04
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	33,080,008.71	50,207,871.43
Deferred tax assets	12,604,433.20	15,293,850.94
Other non-current assets	22,796,044.75	45,593,685.77
Total non-current assets	1,671,484,777.75	1,231,269,112.27
Total assets	7,552,292,660.57	7,530,082,307.45
Current liabilities:		
Short-term borrowings	339,509,472.61	389,995,277.14
Borrowings from the Central Bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading	144,722,831.86	62,813,557.52
Derivative financial liabilities		
Notes payable	32,833,149.16	47,986,785.70
Accounts payable	31,342,378.26	28,164,899.34
Receipts in advance		
Contract liabilities	112,689,599.45	109,633,363.46
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Customer money for securities trading		
Proceeds from securities underwriting on agency basis		
Employee benefits payable	49,322,968.57	52,933,070.66
Taxes and surcharges payable	24,920,783.07	18,207,805.96

Other payables	284,488,227.25	44,381,542.05
Including: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance payables		
Liabilities classified as held for sale		
Current portion of non-current liabilities	118,680,935.15	195,515,150.71
Other current liabilities	16,893,330.57	11,288,478.87
Total current liabilities	1,155,403,675.95	960,919,931.41
Non-current liabilities:		
Reserves for insurance Contract		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	57,720,087.24	67,781,149.67
Long-term payables		
Long-term employee benefits payable		
Provisions	2,396,714.59	14,103,391.00
Deferred income		
Deferred tax liabilities	13,267,878.46	14,639,993.41
Other non-current liabilities		
Total non-current liabilities	73,384,680.29	96,524,534.08
Total liabilities	1,228,788,356.24	1,057,444,465.49
Owners' equity:		
Share capital	400,010,000.00	400,010,000.00
Other equity investments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	4,460,323,165.76	4,459,965,139.16
Less: Treasury shares		
Other comprehensive income	1,933,804.33	4,449,901.25
Specialised reserves		
Surplus reserves	200,005,000.00	200,005,000.00
General reserve		
Unappropriated profit	1,261,232,334.24	1,408,207,801.55
Total equity attributable to owners of the parent	6,323,504,304.33	6,472,637,841.96
Non-controlling interests		
Total equity	6,323,504,304.33	6,472,637,841.96
Total liabilities and equity	7,552,292,660.57	7,530,082,307.45

Legal representative: Zhang Guotao Financial controller: Huang Shuirong Accounting supervisor: Ou Zhipeng

2. Parent company's balance sheet

Currency: Renminbi Yuan

Items	Closing balance	Opening balance
Current assets:		

Currency funds	84,371,254.48	195,314,775.95
Financial assets held for trading	3,778,922,269.59	4,636,980,087.44
Derivative financial assets		
Notes receivable		
Accounts receivable	158,171,764.44	107,234,146.13
Receivables financing		
Prepayments	25,600,858.22	28,159,458.09
Other receivables	1,074,292,359.51	224,498,084.63
Including: Interest receivable		
Dividends receivable	0.00	96,000,000.00
Inventories	446,324,926.43	517,950,509.71
Including: Data resources		
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	376,061,459.78	347,035,401.68
Other current assets	158,117,584.81	68,496,153.02
Total current assets	6,101,862,477.26	6,125,668,616.65
Non-current assets:		
Debt investments	517,058,449.21	787,775,721.47
Other debt investments		
Long-term receivables		
Long-term equity investments	346,935,477.77	201,935,477.77
Other equity investments		
Other non-current financial assets	0.00	0.00
Investment properties		
Fixed assets	4,346,285.63	7,674,038.14
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets	122,061,607.94	176,707,741.44
Intangible assets	464,537,282.07	351,782.75
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	31,972,813.41	45,849,747.57
Deferred tax assets	9,559,397.03	12,146,753.43
Other non-current assets	19,314,052.30	42,891,321.87
Total non-current assets	1,515,785,365.36	1,275,332,584.44
Total assets	7,617,647,842.62	7,401,001,201.09
Current liabilities:		
Short-term borrowings	17,000,000.00	60,000,000.00

Financial liabilities held for trading	144,722,831.86	62,813,557.52
Derivative financial liabilities		
Notes payable	302,534,337.13	359,262,543.58
Accounts payable	132,454,442.00	106,655,119.15
Receipts in advance		
Contract liabilities	90,314,827.40	100,572,333.72
Employee benefits payable	30,766,040.52	36,167,620.75
Taxes and surcharges payable	10,483,418.92	14,344,956.11
Other payables	540,282,419.90	192,424,646.39
Including: Interest payable		
Dividends payable		
Liabilities classified as held for sale		
Current portion of non-current liabilities	93,781,384.02	173,309,407.81
Other current liabilities	9,670,311.10	10,288,264.17
Total current liabilities	1,372,010,012.85	1,115,838,449.20
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	47,880,487.44	52,972,065.86
Long-term payables		
Long-term employee benefits payable		
Provisions	8,149,374.59	13,919,541.00
Deferred income		
Deferred tax liabilities	9,559,397.03	12,146,753.43
Other non-current liabilities		
Total non-current liabilities	65,589,259.06	79,038,360.29
Total liabilities	1,437,599,271.91	1,194,876,809.49
Owners' equity:		
Share capital	400,010,000.00	400,010,000.00
Other equity investments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	4,460,323,393.43	4,459,965,366.83
Less: Treasury shares		
Other comprehensive income		
Specialised reserves		
Surplus reserves	200,005,000.00	200,005,000.00
Unappropriated profit	1,119,710,177.28	1,146,144,024.77
Total equity	6,180,048,570.71	6,206,124,391.60
Total liabilities and equity	7,617,647,842.62	7,401,001,201.09

3.Consolidated income statement

Currency: Renminbi Yuan

Items	2024	2023
I. Total Revenue	1,482,423,153.98	2,180,277,744.00
Including: Revenue	1,482,423,153.98	2,180,277,744.00
Interest income		
Premium earned		
Fee and commission income		
II. Total Costs	1,570,976,795.23	2,228,826,160.48
Including: Cost of sales	511,619,039.82	679,553,257.88
Interest expenses		
Fee and commission expenses		
Surrender value payment		
Net claim payments		
Net amount of provisions for insurance contract liabilities recognised		
Policy dividend payments		
Reinsurance expenses		
Taxes and surcharges	74,439,790.96	121,030,304.52
Selling expenses	815,592,363.96	1,228,761,165.59
Administrative expenses	143,151,851.03	151,996,111.88
Research and development expenses	17,924,589.44	21,715,215.75
Finance expenses	8,249,160.02	25,770,104.86
Including: Interest expenses	12,534,223.67	22,148,238.97
Interest income	2,694,877.83	8,288,198.44
Add: Other income	11,825,783.06	26,746,998.56
Investment income (loss is expressed with “-”)	141,600,575.22	201,459,628.10
Including: Income from investments in associates and joint ventures		
Income from the derecognition of financial assets measured at amortised cost		
Exchange gains (loss is expressed with “-”)		
Net position hedging gains (loss is expressed with “-”)		
Fair value gains (loss is expressed with “-”)	33,342,417.09	31,151,566.30
Credit impairment losses (loss is expressed with “-”)	2,073,814.11	-7,519,950.73
Impairment losses of assets (loss is expressed with “-”)	-30,065,543.88	-105,342,656.15
Gains on disposal of assets (loss is expressed with “-”)	10,862,835.63	19,708,867.36
III. Operating profit (loss is expressed with “-”)	81,086,239.98	117,656,036.96
Add: Non-operating income	3,683,906.32	2,881,923.18
Less: Non-operating expenses	2,491,264.18	7,709,541.48
IV. Profit before income tax (loss is expressed with “-”)	82,278,882.12	112,828,418.66
Less: Income tax expenses	29,249,349.43	43,870,850.26
V. Profit (loss is expressed with “-”)	53,029,532.69	68,957,568.40
1. Classified by continuity of operations		
(1) Profit from continuing operations (loss is expressed with “-”)	53,029,532.69	68,957,568.40

(2) Profit from a discontinued operation (loss is expressed with “-”)		
2. Classified by ownership		
(1) Profit attributable to shareholders of the parent	53,029,532.69	68,957,568.40
(2) Profit or loss attributable to non-controlling interests		
VI. Other comprehensive income, net of tax	-2,516,096.92	456,647.25
Other comprehensive income, net of tax, attributable to owners of the parent	-2,516,096.92	456,647.25
1. Other comprehensive income that will not be reclassified to profit or loss		
(1) Remeasurement of a defined benefit plan		
(2) Other comprehensive income using the equity method that will not be reclassified to profit or loss		
(3) Change in the fair value of other equity investments		
(4) Change in the fair value of the entity’s own credit risks		
(5) Others		
2. Other comprehensive income that may be reclassified to profit or loss	-2,516,096.92	456,647.25
(1) Other comprehensive income using the equity method that may be reclassified to profit or loss		
(2) Change in the fair value of other debt investments		
(3) Amount recognised in other comprehensive income resulting from the reclassification of financial assets		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedge reserve		
(6) Exchange differences on translation of foreign currency financial statements	-2,516,096.92	456,647.25
(7) Others		
Other comprehensive income, net of tax, attributable to non-controlling interests		
VII. Total comprehensive income	50,513,435.77	69,414,215.65
Total comprehensive income attributable to owners of the parent	50,513,435.77	69,414,215.65
Total comprehensive income attributable to non-controlling interests		
VIII. Earnings per share		
1. Basic earnings per share	0.13	0.17
2. Diluted earnings per share	0.13	0.17

For business combination involving entities under common control occurring during the current period, the net profit of the combined party generated before the business combination is RMB0.00, and the net profit of the combined party generated for the prior period is RMB0.00.

Legal representative: Zhang Guotao Financial controller: Huang Shuirong Accounting supervisor: Ou Zhipeng

4. Parent company’s income statement

Currency: Renminbi Yuan

Items	2024	2023
I. Revenue	1,337,224,832.29	2,010,592,757.73
Less: Cost of sales	504,417,211.25	665,347,541.25

Taxes and surcharges	64,645,825.01	108,051,410.12
Selling expenses	697,666,146.73	1,131,004,661.01
Administrative expenses	284,868,330.13	390,460,699.86
Research and development expenses	0.00	0.00
Finance expenses	10,218,948.86	17,217,940.04
Including: Interest expenses	7,851,291.80	14,229,104.56
Interest income	2,004,435.80	6,827,374.58
Add: Other income	3,535,619.61	9,632,263.68
Investment income (loss is expressed with “-”)	395,708,884.62	653,594,748.45
Including: Income from investments in associates and joint ventures		
Income from the derecognition of financial assets measured at amortised cost (loss is expressed with “-”)		
Net position hedging gains (loss is expressed with “-”)		
Fair value gains (loss is expressed with “-”)	13,957,317.06	29,656,965.02
Credit impairment losses (loss is expressed with “-”)	1,939,179.11	-7,385,315.73
Impairment losses of assets (loss is expressed with “-”)	-27,705,111.96	-100,643,050.35
Gains on disposal of assets (loss is expressed with “-”)	10,754,774.88	18,585,721.49
II. Operating profit (loss is expressed with “-”)	173,599,033.63	301,951,838.01
Add: Non-operating income	2,505,560.45	1,837,867.01
Less: Non-operating expenses	2,479,145.51	6,706,248.93
III. Profit before income tax (loss is expressed with “-”)	173,625,448.57	297,083,456.09
Less: Income tax expenses	54,296.06	-3,012,702.56
IV. Profit (loss is expressed with “-”)	173,571,152.51	300,096,158.65
1. Profit from continuing operations (loss is expressed with “-”)	173,571,152.51	300,096,158.65
2. Profit from a discontinued operation (loss is expressed with “-”)		
V. Other comprehensive income, net of tax		
1. Other comprehensive income that will not be reclassified to profit or loss		
(1) Remeasurement of a defined benefit plan		
(2) Other comprehensive income using the equity method that will not be reclassified to profit or loss		
(3) Change in the fair value of other equity investments		
(4) Change in the fair value of the entity’s own credit risks		
(5) Others		
2. Other comprehensive income that may be reclassified to profit or loss		
(1) Other comprehensive income using the equity method that may be reclassified to profit or loss		
(2) Change in the fair value of other debt investments		
(3) Amount recognised in other comprehensive income resulting from the reclassification of financial assets		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedge reserve		
(6) Exchange differences on translation of foreign currency financial statements		
(7) Others		
VI. Total comprehensive income	173,571,152.51	300,096,158.65
VII. Earnings per share:		
1. Basic earnings per share		

2. Diluted earnings per share		
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5. Consolidated statement of cash flows

Currency: Renminbi Yuan

Items	2024	2023
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from the sale of goods and the rendering of services	1,559,437,979.11	2,278,366,294.04
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in borrowings from the Central Bank		
Net increase in placements from other financial institutions		
Cash receipts for premium of original insurance contract		
Net cash receipts for reinsurance business		
Net increase in policyholders' deposits and investment funds		
Cash received from interest, fee and commission income		
Net increase in placements from banks and other financial institutions		
Net increase in funds for repurchase business		
Net cash receipts for securities trading on agency basis		
Receipts of taxes and surcharges refunds	15,214,722.25	31,218,358.13
Other cash receipts relating to operating activities	29,614,770.22	54,391,172.84
Total cash inflows from operating activities	1,604,267,471.58	2,363,975,825.01
Cash payments for goods and services	423,436,156.82	1,006,024,236.82
Net increase in loans and advances to customers		
Net increase in deposits with the Central Bank and other financial institutions		
Cash payments for the settlement of claims under the original insurance contract		
Net increase in placements to banks and other financial institutions		
Cash payments for interest, fee and commission expenses		
Cash payments for insurance policy dividends		
Cash payments to and on behalf of employees	428,563,742.77	558,894,605.16
Payments of all types of taxes and surcharges	153,090,651.94	350,767,441.44
Other cash payments relating to operating activities	283,021,080.97	411,324,033.78
Total cash outflows from operating activities	1,288,111,632.50	2,327,010,317.20
Net cash flows from operating activities	316,155,839.08	36,965,507.81
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from returns of investments	6,641,616,655.93	8,403,748,941.31
Cash receipts from returns on investments	166,840,806.45	171,066,968.49
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	543,411.43	120,350.52
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Total cash inflows from investing activities	6,809,000,873.81	8,574,936,260.32
Cash payments to acquire fixed assets, intangible assets and other long-term assets	272,199,748.49	77,196,087.26
Cash payments for investments	6,450,465,591.22	8,043,851,820.32
Net increase in pledged loans		
Net cash payments for acquisition of subsidiaries and other business units		

Other cash payments relating to other investing activities		
Total cash outflows from investing activities	6,722,665,339.71	8,121,047,907.58
Net cash flows from investing activities	86,335,534.10	453,888,352.74
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from investments by others		
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		
Cash receipts from borrowings	427,287,829.95	517,721,409.20
Other cash receipts relating to financing activities	18,707,850.67	15,612,044.41
Total cash inflows from financing activities	445,995,680.62	533,333,453.61
Cash repayments for debts	478,342,977.65	559,721,849.22
Cash payments for distribution of dividends or profit and interest expenses	203,605,772.64	408,807,640.15
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		
Other cash payments relating to financing activities	246,774,140.69	350,995,774.08
Total cash outflows from financing activities	928,722,890.98	1,319,525,263.45
Net cash flows from financing activities	-482,727,210.36	-786,191,809.84
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-6,940,805.55	676,529.63
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	-87,176,642.73	-294,661,419.66
Add: Cash and cash equivalents at beginning of period	226,963,610.96	521,625,030.62
6. CASH AND CASH EQUIVALENTS AT END OF PERIOD	139,786,968.23	226,963,610.96

6. Parent company's statement of cash flows

Currency: Renminbi Yuan

Items	2024	2023
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from the sale of goods and the rendering of services	1,527,126,332.65	2,347,244,990.19
Receipts of taxes and surcharges refunds	224,614.03	22,840,647.61
Other cash receipts relating to operating activities	762,935,326.97	399,867,497.80
Total cash inflows from operating activities	2,290,286,273.65	2,769,953,135.60
Cash payments for goods and services	340,290,886.36	1,011,624,072.25
Cash payments to and on behalf of employees	337,651,727.17	459,678,315.90
Payments of all types of taxes and surcharges	106,205,843.19	222,211,813.20
Other cash payments relating to operating activities	2,286,548,582.51	1,323,785,442.55
Total cash outflows from operating activities	3,070,697,039.23	3,017,299,643.90
Net cash flows from operating activities	-780,410,765.58	-247,346,508.30
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from returns of investments	6,468,279,402.52	7,877,941,603.71
Cash receipts from returns on investments	528,752,372.03	665,199,284.52
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	543,411.43	120,350.52
Net cash receipts from disposal of subsidiaries and other business units	13.47	14,008,195.97
Other cash receipts relating to investing activities	0.00	0.00
Total cash inflows from investing activities	6,997,575,199.45	8,557,269,434.72
Cash payments to acquire fixed assets, intangible assets and other long-term assets	270,129,361.21	72,009,896.77
Cash payments for investments	5,616,432,591.30	7,631,186,071.23
Net cash payments for acquisition of subsidiaries and other business units	0.00	0.00
Other cash payments relating to other investing activities	0.00	0.00
Total cash outflows from investing activities	5,886,561,952.51	7,703,195,968.00

Net cash flows from investing activities	1,111,013,246.94	854,073,466.72
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from investments by others		
Cash receipts from borrowings	17,000,000.00	60,000,000.00
Other cash receipts relating to financing activities	16,103,308.61	15,195,224.09
Total cash inflows from financing activities	33,103,308.61	75,195,224.09
Cash repayments for debts	60,000,000.00	
Cash payments for distribution of dividends or profit and interest expenses	200,660,088.90	400,122,500.00
Other cash payments relating to financing activities	213,278,217.05	306,542,100.91
Total cash outflows from financing activities	473,938,305.95	706,664,600.91
Net cash flows from financing activities	-440,834,997.34	-631,469,376.82
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	305.56	
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	-110,232,210.42	-24,742,418.40
Add: Cash and cash equivalents at beginning of period	194,600,488.22	219,342,906.62
6. CASH AND CASH EQUIVALENTS AT END OF PERIOD	84,368,277.80	194,600,488.22

7.Consolidated statement of changes in equity

Amount for the period

Currency: Renminbi Yuan

Items	2024													
	Attributable to owners of the parent												Non-controlling interests	Total equity
	Share capital	Other equity investments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	General reserve	Unappropriated profit	Others		
	Preference shares	Perpetual bonds	Others											
I. Balance at end of prior year	400,010,000.00				4,459,965,139.16		4,449,901.25		200,005,000.00		1,408,207,801.55		6,472,637,841.96	6,472,637,841.96
Add: Changes in accounting policies														
Correction of prior period errors														
Others														
II. Balance at beginning of year	400,010,000.00				4,459,965,139.16		4,449,901.25		200,005,000.00		1,408,207,801.55		6,472,637,841.96	6,472,637,841.96
III. Changes for the period (loss is expressed with "-")					358,026.60		-2,516,096.92				-146,975,467.31		-149,133,537.63	-149,133,537.63
1. Total comprehensive income							-2,516,096.92				53,029,532.69		50,513,435.77	50,513,435.77
2. Owners' contributions and reduction in capital					358,026.60								358,026.60	358,026.60
(1) Ordinary shares invested by owners														
(2) Capital contributions from holders of other equity instruments														
(3) Amount of share-based payments recognised in equity					358,026.60								358,026.60	358,026.60
(4) Others														
3. Profit distribution											-200,005,000.00		-200,005,000.00	-200,005,000.00
(1) Appropriation to surplus reserves														
(2) Appropriation to general reserve														

(3) Distribution to owners (or shareholders)												-200,005,000.00		-200,005,000.00		-200,005,000.00
(4) Others																
4. Transfer within equity																
(1) Capitalisation of capital reserves (or share capital)																
(2) Capitalisation of surplus reserves (or share capital)																
(3) Loss made up by surplus reserves																
(4) Transfer of changes in the defined benefit plan to retained earnings																
(5) Transfer of other comprehensive income to retained earnings																
(6) Others																
5. Specialised reserves																
(1) Appropriation for the period																
(2) Utilisation for the period																
6. Others																
IV. Balance at end of period	400,010,000.00				4,460,323,165.76		1,933,804.33		200,005,000.00		1,261,232,334.24		6,323,504,304.33		6,323,504,304.33	

Amount for the last period

Currency: Renminbi Yuan

Items	2023														Non-controlling interests	Total equity
	Attributable to owners of the parent												Subtotal			
	Share capital	Other equity investments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	General reserve	Unappropriated profit	Others				
	Preference shares	Perpetual bonds	Others													
I. Balance at end of prior year	400,010,000.00				4,459,777,716.81		3,993,254.00		200,005,000.00		1,739,260,233.15		6,803,046,203.96		6,803,046,203.96	
Add: Changes in accounting policies																
Correction of prior period errors																
Others																

II. Balance at beginning of year	400,010,000.00				4,459,777,716.81		3,993,254.00		200,005,000.00		1,739,260,233.15		6,803,046,203.96		6,803,046,203.96
III. Changes for the period (loss is expressed with "-")					187,422.35		456,647.25				-331,052,431.60		-330,408,362.00		-330,408,362.00
1. Total comprehensive income							456,647.25				68,957,568.40		69,414,215.65		69,414,215.65
2. Owners' contributions and reduction in capital					187,422.35								187,422.35		187,422.35
(1) Ordinary shares invested by owners															
(2) Capital contributions from holders of other equity instruments															
(3) Amount of share-based payments recognised in equity					187,422.35								187,422.35		187,422.35
(4) Others															
3. Profit distribution											-400,010,000.00		-400,010,000.00		-400,010,000.00
(1) Appropriation to surplus reserves															
(2) Appropriation to general reserve															
(3) Distribution to owners (or shareholders)											-400,010,000.00		-400,010,000.00		-400,010,000.00
(4) Others															
4. Transfer within equity															
(1) Capitalisation of capital reserves (or share capital)															
(2) Capitalisation of surplus reserves (or share capital)															
(3) Loss made up by surplus reserves															
(4) Transfer of changes in the defined benefit plan to retained earnings															
(5) Transfer of other comprehensive income to retained earnings															
(6) Others															
5. Specialised reserves															
(1) Appropriation for the period															

(2) Utilisation for the period														
6. Others														
IV. Balance at end of period	400,010,000.00				4,459,965,139.16		4,449,901.25		200,005,000.00		1,408,207,801.55		6,472,637,841.96	6,472,637,841.96

8. Parent company's statement of changes in equity

Amount for the period

Currency: Renminbi Yuan

Items	2024											
	Share capital	Other equity investments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	Unappropriated profit	Others	Total equity
		Preference shares	Perpetual bonds	Others								
I. Balance at end of prior year	400,010,000.00				4,459,965,366.83				200,005,000.00	1,146,144,024.77		6,206,124,391.60
Add: Changes in accounting policies												
Correction of prior period errors												
Others												
II. Balance at beginning of year	400,010,000.00				4,459,965,366.83				200,005,000.00	1,146,144,024.77		6,206,124,391.60
III. Changes for the period (loss is expressed with "-")					358,026.60					-26,433,847.49		-26,075,820.89
1. Total comprehensive income										173,571,152.51		173,571,152.51
2. Owners' contributions and reduction in capital					358,026.60							358,026.60
(1) Ordinary shares invested by owners												
(2) Capital contributions from holders of other equity instruments												
(3) Amount of share-based payments recognised in equity					358,026.60							358,026.60
(4) Others												
3. Profit distribution										-200,005,000.00		-200,005,000.00
(1) Appropriation to surplus reserves												
(2) Distribution to owners (or shareholders)										-200,005,000.00		-200,005,000.00
(3) Others												
4. Transfer within equity												

(1) Capitalisation of capital reserves (or share capital)												
(2) Capitalisation of surplus reserves (or share capital)												
(3) Loss made up by surplus reserves												
(4) Transfer of changes in the defined benefit plan to retained earnings												
(5) Transfer of other comprehensive income to retained earnings												
(6) Others												
5. Specialised reserves												
(1) Appropriation for the period												
(2) Utilisation for the period												
6. Others												
IV. Balance at end of period	400,010,000.00				4,460,323,393.43				200,005,000.00	1,119,710,177.28		6,180,048,570.71

Amount for the last period

Currency: Renminbi Yuan

Items	2023											
	Share capital	Other equity investments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specialised reserves	Surplus reserves	Unappropriated profit	Others	Total equity
		Preference shares	Perpetual bonds	Others								
I. Balance at end of prior year	400,010,000.00				4,459,777,944.48				200,005,000.00	1,246,057,866.12		6,305,850,810.60
Add: Changes in accounting policies												
Correction of prior period errors												
Others												
II. Balance at beginning of year	400,010,000.00				4,459,777,944.48				200,005,000.00	1,246,057,866.12		6,305,850,810.60
III. Changes for the period (loss is expressed with "-")					187,422.35					-99,913,841.35		-99,726,419.00
1. Total comprehensive income										300,096,158.65		300,096,158.65
2. Owners' contributions and reduction in capital					187,422.35							187,422.35
(1) Ordinary shares invested by owners												
(2) Capital contributions from holders of other equity instruments												
(3) Amount of share-based payments recognised in equity					187,422.35							187,422.35
(4) Others												

3. Profit distribution											-400,010,000.00		-400,010,000.00
(1) Appropriation to surplus reserves													
(2) Distribution to owners (or shareholders)											-400,010,000.00		-400,010,000.00
(3) Others													
4. Transfer within equity													
(1) Capitalisation of capital reserves (or share capital)													
(2) Capitalisation of surplus reserves (or share capital)													
(3) Loss made up by surplus reserves													
(4) Transfer of changes in the defined benefit plan to retained earnings													
(5) Transfer of other comprehensive income to retained earnings													
(6) Others													
5. Specialised reserves													
(1) Appropriation for the period													
(2) Utilisation for the period													
6. Others													
IV. Balance at end of period	400,010,000.00					4,459,965,366.83				200,005,000.00	1,146,144,024.77		6,206,124,391.60

III. General information

DR Corporation Limited (the “Company”) is a limited liability company registered in Shenzhen, Guangdong Province of the People’s Republic of China. The Company was established on 8 April 2010 with a term of perpetual operation. In 2024, the registered place of the Company was changed from Room 306, Wing Building of Luohu Investment Holding Building, No. 112 Qingshuihe 1st Road, Qingshuihe Community, Qingshuihe Street, Luohu District, Shenzhen to Room 1308, Block C, CR Land Building, Dachong Community, Yuehai Street, Nanshan District, Shenzhen. The industrial and commercial change registration procedures were completed at Shenzhen Administration For Market Regulation on 25 June 2024.

In accordance with the approval of the Listing Committee of the Growth Enterprise Market of the Shenzhen Stock Exchange and the CSRC’s “Approval on Agreeing the Registration of DR Corporation Limited for Initial Public Offering of Shares (Zheng Jian Xu Ke No. [2021] 3043)” on 16 September 2021, the Company conducted an initial public offering of 40,001,000 ordinary shares (A shares) with an issue price of RMB116.88 per share. The additional registered capital from the IPO has been verified by Ernst & Young Hua Ming LLP that issued a “Capital Verification Report” (Ernst & Young Hua Ming (2021) Yan Zi No. 61403707_H01). The Company was listed on the Shenzhen Stock Exchange on 15 December 2021. The total number of shares of the Company after the offering is 40,010,000.00.

The parent and ultimate parent company of the Group is DR Investment (Zhuhai) Co., Ltd., which is incorporated in the People’s Republic of China. The financial statements were approved and authorised for issue by the board of directors on 24 April 2025.

IV. Basis of preparation of the financial statements

1. Basis of preparation

These financial statements have been prepared in accordance with Accounting Standards for Business Enterprises - Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions issued subsequently by the Ministry of Finance (the “MOF”) (collectively referred to as “ASBEs”). In addition, the financial statements also disclosed relevant financial information in accordance with the Rules for the Preparation and Reporting of Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports.

2. Going concern

The financial statements have been prepared on a going concern basis.

V. Material accounting policies and significant estimates

Tips of specific accounting policies and accounting estimates:

The Group has formulated specific accounting policies and accounting estimates based on the characteristics of actual production and operation, which are mainly reflected in impairment allowance for receivables, inventory valuation method, provision for decline in value of inventories, amortisation of long-term prepaid expenses, depreciation of right-of-use assets, impairment of long-term assets, revenue recognition and measurement, etc.

1.Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present truly and completely the financial position of the Group and the Company as at 31 December 2024, and the financial performance and the cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2.Accounting year

The accounting year of the Group is a calendar year, i.e., from 1 January to 31 December of each year.

3.Operating cycle

The Group has adopted a normal operating cycle of 12 months as the criterion for classifying the liquidity of its assets and liabilities.

4.Functional currency

The Company's functional and presentation currency is Renminbi ("RMB"). The currency unit is RMBYuan unless otherwise stated.

Each subsidiary of the Group determines its own functional currency based on the primary economic environment in which it operates. In preparation of these financial statements, their functional currencies are translated into RMB.

5.Determination method and selection basis for criteria for significance

Applicable Not applicable

Items	Criteria for significance
Significant recovery or reversal of impairment allowance for receivables	The amount of the recovery or reversal accounts for more than 10% of the total impairment allowance for receivables and the amount is more than RMB5 million
Significant actual write-off of receivables	The amount of the write-off accounts for more than 10% of the total impairment allowance for receivables and the amount is more than RMB5 million
Significant debt investments	The amount of the debt investment accounts for more than 10% of the total debt investment
Significant actual write-off of debt investments	The amount of the write-off accounts for more than 10% of the total of debt investments
Asset group with significant impairment amount for the current	The impairment amount of a single store asset group is more

year	than RMB500 thousand
Significant prepayments and dividends receivable aged over one year	The amount of the prepayment and dividends receivable aged over one year accounts for more than 10% of the total of prepayments and dividends receivable and the amount is more than RMB5 million
Significant contract liabilities aged over one year	The amount of the contract liability aged over one year accounts for more than 10% of the total of contract liabilities
Significant accounts payable and other payables overdue or aged over one year	The amount of the account payable and other payable overdue or aged over one year accounts for more than 10% of the total of accounts payable and other payables and the amount is more than RMB5 million
Significant cash receipts or payments relating to investing activities	The amount of the cash receipt or payment relating to investing activities accounts for more than 10% of total of cash receipts or payments relating to investing activities and is greater than RMB50 million
Significant subsidiaries	The net profit of the subsidiary accounts for more than 10% of the consolidated net profit of the Group

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

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

(1) Business combination involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the entity being absorbed) that are obtained by the absorbing entity in a business combination involving entities under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted against capital premium under the capital reserves. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

(2) Business combination not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date.

Goodwill is initially recognised and measured at cost, being the excess of the cost of the combination over the Group's interest in the fair value of the acquiree's net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the cost of the combination is lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of the combination. If the cost of the combination is lower than the Group's interest

in the fair value of the net identifiable assets acquired, the difference is, after reassessment, recognised in profit or loss.

7.Determination criteria of control and preparation of consolidated financial statements

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. A subsidiary is an entity that is controlled by the Company (such as an enterprise, a deemed separate entity, or a structured entity controlled by the Company). An investor controls an investee if and only if the investor has all the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

If the accounting policies or the accounting period of a subsidiary are different from those of the Company, necessary adjustments are made to the subsidiary's financial statements based on the Company's own accounting policies or accounting period in preparing the consolidated financial statements. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination had been in existence since the date the ultimate controlling party first obtained the control.

The Group reassesses whether or not it controls an investee if any change in facts and circumstances indicates that there are changes to one or more of the three elements of control.

8.Recognition criteria of cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value.

9.Foreign currency transactions and foreign currency translation

The Group translates foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded, on initial recognition in the functional currency using the spot exchange rates prevailing at the dates of transactions, except for capital contributions in foreign currencies by investors, where they are recorded using the spot exchange rates prevailing at the dates of transactions. Monetary items denominated in foreign currencies are translated at the spot exchange rates ruling at the balance sheet date. Differences arising on settlement or translation of monetary items are

recognised in profit or loss, with the exception of those relating to foreign currency borrowings specifically for the construction and acquisition of qualifying assets, which are capitalised in accordance with the guidance for capitalisation of borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on initial recognition, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

For foreign operations, the Group translates their functional currency amounts into RMB when preparing the financial statements as follows: as at the balance sheet date, the assets and liabilities are translated using the spot exchange rates at the balance sheet date, and equity items other than “unappropriated profit” are translated at the spot exchange rates at the dates of transactions; revenue and expense items in profit or loss are translated using the average exchange rates for the period in which the transactions occur. The resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the spot exchange rates prevailing on the dates of cash flows. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Recognition and derecognition

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated balance sheet) when:

- ① the rights to receive cash flows from the financial asset have expired; or
- ② the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting. Regular way purchases or sales are purchases or sales of financial assets under contracts whose terms require delivery within the time frame generally established by regulation or convention in the marketplace concerned. The trade date is the date that the Group commits to purchase or sell a financial asset.

(2) Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

With the exception of accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, financial assets are measured at fair value on initial recognition. Accounts receivable or notes receivable that do not contain significant financing components or for which the Group has applied the practical expedient are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

The subsequent measurement of financial assets depends on their classification as follows:

① Debt investments measured at amortised cost

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met: (a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

② Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

(3) Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or financial liabilities measured at amortised cost. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to financial liabilities measured at amortised cost are included in the initial recognition amounts.

The subsequent measurement of financial liabilities depends on their classification as follows:

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are

presented in other comprehensive income will lead to or expand accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

A financial liability can be designated at initial recognition as one measured at fair value through profit or loss only if it satisfies one of the following conditions:

- (1) It can eliminate or significantly reduce accounting mismatches;
- (2) The formal written documents of risk management or investment strategies have clearly stated that the portfolio of financial instruments is managed, evaluated and reported to key management personnel on the basis of fair value.
- (3) A hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives do not significantly change the cash flows of the hybrid instrument, or it is apparent that the embedded derivatives should not be separated from the related hybrid instrument;
- (4) Hybrid instruments containing embedded derivatives that need to be separated but cannot be measured separately at the time of acquisition or subsequent balance sheet date.

Once an enterprise designates a financial liability as a financial liability measured at fair value with changes recognised in profit or loss at initial recognition, it cannot be reclassified as a financial liability of another category; nor can a financial liability of another category be re-designated as a financial liability measured at fair value with changes recognised in profit or loss after initial recognition.

In accordance with the above conditions, the Group's designated financial liabilities of this type mainly include transactional financial liabilities formed by gold leasing business.

② Financial liabilities measured at amortised cost

After initial recognition, such financial liabilities are measured at amortised cost using the effective interest method.

(4) Impairment of financial assets

Determination and accounting treatment of ECLs

Based on the expected credit losses ("ECLs"), the Group recognises an allowance for ECLs for the financial assets measured at amortised cost.

For accounts receivable that do not contain a significant financing component, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

Except for financial assets which apply the simplified approach as mentioned above, the Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate. If the credit risk of financial instruments is low at the balance sheet date, the Group assumes that the credit risk has not increased significantly since initial recognition.

The Group assesses ECLs of financial assets on an individual and an asset group basis. The Group considers the credit risk characteristics of different customers, and assesses the expected credit losses of financial instruments based on common risk features and aging combinations. The Group determines the

aging based on the date or receiving the goods. For financial instruments other than those for which ECLs are assessed through the aforementioned combined approach, the Group assesses ECLs on an individual basis. If a counterparty's credit risk characteristics are significantly different from others in the same grouping, the bad debt provision for relevant receivables is made individually.

Refer to Note XII for the Group's criteria for determining significant increases in credit risk and the definition of credit-impaired assets.

The Group measures expected credit losses on a financial instrument in a way that reflects: (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the balance sheet date about past events, current conditions and forecasts of future economic conditions.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(5) Transfers of financial assets

A financial asset is derecognised when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Group retains substantially all the risks and rewards of the financial asset.

When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset; or (ii) continues to recognise the transferred asset to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability.

Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the guarantee amount. The guarantee amount is the maximum amount of consideration that the Group could be required to repay.

The Company is required to comply with the disclosure requirements for "Jewelry-related business" stipulated in the *Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure*.

11.Accounts receivable

Refer to relevant policies on financial instruments for the determination and accounting treatment of ECLs of accounts receivable.

12.Other receivables

Refer to relevant policies on financial instruments for the determination and accounting treatment of ECLs of other receivables.

13.Contract assets

The Group presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer's payment in the balance sheet. The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

A contract asset is the right to consideration in exchange for goods or services that the Company has transferred to a customer, and that right is conditioned on something other than the passage of time. For details of how the Group measures and accounts for the ECLs of a contract asset, refer to Note V.10.

14. Inventories

The Company is required to comply with the disclosure requirements for “Jewelry-related business” stipulated in the *Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure*.

Inventories include raw materials, semi-finished products, finished goods, turnover materials, issued goods and outsourced processing materials.

Inventories are initially carried at cost. Cost of inventories comprises raw material costs, processing costs and other costs. Cost is determined on the specific identification basis. Turnover materials include low value consumables and packing materials, which are on the immediate write-off basis.

The inventory system is a perpetual inventory system.

At the balance sheet date, inventories are stated at the lower of cost and net realisable value. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Provisions for inventory write-downs should be made item by item.

The Company is required to comply with the disclosure requirements for “Retail business” stipulated in the *Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure*.

15. Debt investments

Refer to relevant policies on financial instruments for the determination and accounting treatment of ECLs of debt investments

16. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries.

Long-term equity investments shall be recognized at initial investment cost upon acquisition. For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost shall be the share of the carrying amount of the owner’s equity of the entity being absorbed acquired in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration of the combination shall be adjusted to the capital reserve (if the capital reserve is not sufficient to absorb the difference, any excess shall be offset against retained earnings). For a long-term equity investment through a business combination involving entities not under common control, the initial investment cost of the long-term equity investment is the cost of combination (for a business combination involving entities not under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer’s previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date). For a long-term equity investment acquired otherwise than through a business combination, the

initial investment cost is determined as follows: for a long-term equity investment acquired by cash, the initial investment cost is the actual purchase price paid and direct costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued.

For a long-term equity investment where the Company can exercise control over the investee, the long-term investment is accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

Upon disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss.

17.Fixed assets

(1) Recognition criteria

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss or the cost of related assets as incurred according to the beneficiaries.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

(2) Depreciation method

Category	Depreciation method	Depreciation period	Residual value rates	Annual depreciation rates
Vehicles	Straight-line method	4	5.00%	23.75%
Office equipment and others	Straight-line method	3 to 5 years	5.00%	19.00%-31.67%

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and make adjustments if necessary.

18. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred.

The capitalisation of borrowing costs commences only when the expenditures for the asset and the borrowing costs have been incurred, and the activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows:

- (1) where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds;
- (2) where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

19. Intangible assets

(1) Useful life and its determination basis, estimation, amortisation method or review procedures

An intangible asset shall be recognised only when it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

Intangible assets with limited useful lives are amortised using the straight-line method over their useful lives. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least at each year end and makes adjustment if necessary.

Intangible assets of the Group are mainly software products and trademarks, which are amortised on a straight-line basis over their useful lives as follows:

Type	Useful lives
Software	1 to 5 years

Trademarks	5 years
Land use right	30 years

(2) Collection scope and relevant accounting treatment methods of R&D expenditure

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred. Expenditure on the development phase is capitalised only when the Group can demonstrate all of the following: (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (b) the intention to complete the intangible asset and use or sell it; (c) how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); (d) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (e) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these criteria is recognised in profit or loss when incurred.

20. Impairment of long-term assets

Impairment of assets other than inventories, deferred tax and financial assets is determined in the following way:

the Group assesses at the balance sheet date whether there is any indication that an asset may be impaired; if any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

21. Long-term prepaid expenses

Long-term prepaid expenses are amortised using the straight-line method as follows:

Category	Amortisation period
Right-of-use asset improvement expenses	1 to 5 years

22.Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer, such as an amount of consideration that an entity has received before the transfer of the promised goods or services. The obligation to transfer goods or services to customers after receiving consideration from customers or obtaining the unconditional right to receive consideration before the transfer of goods or services to customers is recognised as a contract liability.

23.Employee benefits

(1)Accounting for short-term employee benefits

Occurred short-term employee benefits are recognised as a liability in the accounting period in which an employee provides services, with a corresponding charge to profit or loss or cost of an asset.

(2)Accounting for post-employment benefits

For the employees of the Group participate participating in a pension scheme and unemployment insurance managed by the local government, the corresponding expenses shall bear included in the cost of related assets or profit or loss.

(3)Accounting for termination benefits

The Group provides termination benefits to employees and recognises an employee benefits liability for termination benefits, with a corresponding charge to profit or loss, at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits resulting from an employment termination plan or a curtailment proposal; and (b) when the Group recognises costs involving the payment of termination benefits.

(4)Accounting for other long-term employee benefits

24.Provisions

Except for contingent consideration and contingent liabilities assumed in a business combination not involving enterprises under common control, obligations related to contingencies are present obligations assumed by the Group, the performance of which is likely to result in an outflow of economic benefits from the Group, and the relevant amounts can be measured reliably, the Group recognises them as estimated liabilities.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Provisions are reviewed and adjusted appropriately at each balance sheet date to reflect the current best estimate.

25.Share-based payments

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves. If such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the satisfaction of a specified performance condition, at each balance sheet date during the vesting period, the Group recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. The fair value of equity instruments is determined based on the assessment by a third-party independent asset appraisal agency.

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

26.Revenue

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

Revenue from contracts with customers is recognised when the Group has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

Contracts for the sale of goods

A contract for the sale of goods between the Group and the customer usually includes commitments to transfer the goods, which vary depending on the agreement with the customer. The Group considers the terms of the contract and its past customary business practices to determine the transaction price. The transaction price is the amount of consideration to which it expects to be entitled in exchange for transferring the promised services to a customer.

The principal business of the Group is to retail goods to customers using the self-operated model through offline direct-operated stores, offline joint-operated stores and online e-commerce platforms. The Group recognises revenue at the point of receiving the goods by customers by taking into account the following indicators, which include: a present right to payment for goods, the transfer of significant risks and rewards of ownership of goods, the transfer of legal title to goods, the transfer of physical possession of goods, the customer's acceptance of goods.

For the Offline Joint-Operated business model, cooperative shopping malls provide stores or counters to the Group for the sale of goods, and the shopping malls receive a commission according to a certain percentage of the turnover. Having considered the legal form of the contract and relevant facts and circumstances (the primary responsibility for the transfer of goods to customers, the inventory risk bore before or after the transfer of goods, and whether the Group is entitled to determine the transaction price of the goods), the Group considers that the Group undertakes primary responsibility for the transfer of goods to customers, is entitled to determine the transaction price, and bears the inventory risk. Therefore, the Group is a principal and recognises revenue based on the total consideration received or receivable when customers receive the goods.

The Group adopts a loyalty points programme, granting customers with loyalty points upon the sale of the goods, which may be redeemed within 12 months to offset the selling price of goods, gifts, or vouchers they purchase. On the basis of the relative proportion between the stand-alone selling price of the good and loyalty points, the payment for goods sold is allocated between the sale of goods and the loyalty points awarded to customers. The portion related to the loyalty points is recognised as a contract liability before transferring to revenue when the loyalty points are redeemed or expired.

For sale with a right of return, the Group recognises the revenue in the amount of consideration to which the Group expects to be entitled in exchange for transferring control of the goods to the customer, and recognises the amount expected to be refunded as a result of the sales return as a refund liability. At the same time, an asset recognised for an entity's right to recover goods from a customer on settling a refund liability is measured by reference to the carrying amount of the goods less any expected costs to recover the goods (including potential decreases in the value of the returned goods), that is, right-of-return assets, and cost of sales is recognised based on the carrying amount of the transferred goods at the time of transfer of the goods less the net cost of the asset above. At each balance sheet date, the Group re-estimates the future sales return and remeasures the asset and liability above.

For contracts with additional customer purchase options, the Group evaluates whether the option constitutes the provision of a material right to the customer when the customer acquires control of the relevant goods. Where such an option provides a material right to a customer, the Group considers the right as a separate performance obligation and recognises the revenue in the amount of consideration to which the Group expects to be entitled in exchange for transferring control of the goods to the customer, and transaction price is apportioned to separate performance obligations based on the relative proportion to the individual selling prices of the goods committed to the separate performance obligations.

Different revenue recognition methods and measurement methods involved in different operating models adopted by similar businesses

The Company shall comply with the disclosure requirements of “retail industry” in *Shenzhen Stock Exchange Guideline No.3 on Self-Monitoring for Listed Companies – Industry Information Disclosure*.

The Company shall comply with the disclosure requirements of “jewelry-related business” in *Shenzhen Stock Exchange Guideline No.3 on Self-Monitoring for Listed Companies – Industry Information Disclosure*.

27. Government grants

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

Grants specified in government documents for the acquisition, construction or otherwise forming of long-term assets shall be regarded as government grants related to assets; if government documents are not clear, the judgment shall be based on the basic conditions that must be met to obtain the government grant.

A government grant related to income is accounted for as follows: (a) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, it is recognised as deferred income, and released in profit or loss or offset against related expenses over the periods in which the related costs are recognised; or (b) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss or offset against relevant expenses.

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

28. Deferred tax assets/deferred tax liabilities

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and on the temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) when the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except:

- (1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

29. Leases

(1) Accounting treatment for leases as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group recognises lease liabilities and right-of-use assets.

① Right-of-use assets

At the commencement date of the lease, the Group recognises right-of-use assets. Right-of-use assets are initially measured at cost. The cost of the right-of-use asset comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date of the lease less any lease incentives received; (c) any initial direct cost incurred; and (d) estimates of costs incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the lease. The Group remeasures the lease liabilities for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying assets will be transferred to the Group at the end of the lease terms, the Group depreciates the assets from the commencement date to the end of the useful lives of the assets. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful lives of the assets and the end of the lease terms.

② Lease liabilities

At the commencement date of the lease, the Group measures lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease.

Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related assets as required.

In addition, the Group remeasures lease liabilities at the present value of the revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

③ Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. If the Group subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. The Group recognises lease liabilities and right-of-use assets for short-term leases and leases of low-value assets occurred in the leases of buildings.

(2) Accounting treatment for leases as lessor

30. Other significant accounting policies and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(1) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

① Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

② Whether a contract is, or contains, a lease

The Group entered into a service agreement under Offline Joint-Operated business model. The Group believes that, based on the agreement, there is an identified asset and the Group controls the right to use the asset during the lease period. Therefore, the service agreement contains a lease and the Group treats it as a lease.

(2) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

① Impairment of financial instruments

The Group uses the expected credit loss model to assess the impairment of financial instruments. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and

estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may not be representative of the actual impairment loss in the future.

② Impairment of non-current assets other than financial assets

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in Note VII.44.

③ Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

④ Loyalty points

The Group makes reasonable estimate of the stand-alone selling price of the loyalty points for contract consideration allocation by taking into account all relevant information, such as the stand-alone selling prices for the customer to acquire additional free goods or services or the discounts enjoyed by the customer using the loyalty points and the possibility for the customer to exercise the redemption right. The Group considers the likelihood for the customer to exercise the redemption right based on the historical data of point redemption, the current point redemption and the future changes of customer demands, the future trend of the market and other factors. The Group re-evaluates the estimated redemption rate of loyalty points at least on each balance sheet date and calculates the amounts of revenue and balance that should be recognised for considerations related to loyalty points based on the re-evaluation results.

⑤ Inventory provision determined on net realizable value

The Group measures the inventories at the lower of cost and net realizable value in accordance with the accounting policies for inventories. The inventories are written down below cost to net realizable value and the write-down is recognised in profit or loss if the cost is higher than the net realizable value. The Group re-estimates at each balance sheet date whether the net realizable value of individual inventory items is lower than the cost of inventory.

⑥ Fair value of wealth management products and structured deposits

For wealth management products and structured deposits measured at fair value, the Group needs to make estimates about expected future cash flows, credit risk, volatility and discount rates, and hence they are subject to uncertainty.

⑦ Provisions for store recovery

As the lessee, the Group undertakes the obligation to restore the leased assets to the state agreed in the lease terms in accordance the lease contract. The management estimates provisions arising from the

fulfillment of recovery obligations based on industry conditions and historical experience. At the balance sheet date, management reviews and adjusts provisions appropriately at each balance sheet date to reflect the current best estimate.

⑧ Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

31.Changes in material accounting policies and significant estimates

(1)Changes in material accounting policies

Applicable Not applicable

(2)Changes in significant accounting estimates

Applicable Not applicable

(3)Adjustments to opening balance sheet items upon initial application of new accounting standards effective from 2024

Applicable Not applicable

VI. Taxation

1. Major categories of taxes and tax rates

Category	Basis	Tax rate
Value added tax	Difference between sales amount and output tax calculated at applicable tax rate after deducting input tax allowed to be deducted	3%, 6%, 13%, 20%
Excise tax	Sales of taxable consumer goods (ad valorem)	5%
Urban maintenance and construction tax	Value added taxes and excise taxes actually paid	5%, 7%
Corporate income tax	Taxable income	15%, 16.5%, 17%, 19%, 20%, 21%, 24%, 25%
Education surcharge	Value added taxes and excise taxes actually paid	3%
Local education surcharge	Value added taxes and excise taxes actually paid	2%

Disclosure of information on taxpayers with different corporate income tax rates

Taxpayers	Income tax rate
DR Corporation Limited	25%

Shenzhen Darry Commercial Management Service Co., Ltd	15%
Shenzhen Love Only AI Cloud Technology Co., Ltd.	15%
DR Jewelry	15%
Garland International	15%
He'er Culture (Shenzhen) Co., Ltd	15%
DR Group Company Limited	16.5%
DARRY JEWELRY (HK) LIMITED	16.5%
Couple Only Jewelry HongKong Company Limited	16.5%
LOVEMONT HONG KONG LIMITED	16.5%
DR LUXURY (SINGAPORE) PTE. LTD.	17%
DR LUXURY USA INC	21%
LOVEMONT (MALAYSIA) SDN.BHD	24%
Shanghai Darry Diamond Co., Ltd	25%
Haoduo Diamond (Shenzhen) Co., Ltd	25%
DR Luxury Netherlands Holding B.V.	19%
Other subsidiaries of the Group incorporated in Chinese mainland	20%

2. Tax benefits

(1) Income tax benefits

According to the Notice of the Ministry of Finance and the State Taxation Administration on Extending the Preferential Policies for Corporate Income Tax in the Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Cai Shui [2021] No. 30), from 1 January 2021 to 31 December 2025, the corporate income tax policy of the Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone will be continued, and eligible enterprises located in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone will be subject to corporate income tax at a reduced rate of 15%. Shenzhen Darry Commercial Management Service Co., Ltd. and He'er Culture (Shenzhen) Co., Ltd., subsidiaries of the Company, are established in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, and will be subject to corporate income tax at a reduced rate of 15% in 2024. According to the provisions of the Corporate Income Tax Law of the People's Republic of China, Shenzhen Love Only AI Cloud Technology Co., Ltd. (hereinafter referred to as "Love Only AI"), a subsidiary of the Company, obtained the qualification of high-tech enterprise on 16 October 2023, which is valid for three years, and can enjoy a preferential income tax rate of 15% for high-tech enterprises from 2023 to 2025. In 2024, Love Only AI was subject to a corporate income rate of 15%.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Preferential Income Tax Policy for Small and Micro Enterprises and Individual Industrial and Commercial Enterprises (No. 6 of 2023), from 1 January 2023 to 31 December 2027, the annual taxable income of small and micro-profit enterprises does not exceed RMB1 million, on the basis of the preferential policies stipulated in Article 2 of the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementation of the Preferential Income Tax Policy for Small and Micro Enterprises (Cai Shui [2022] No. 13), corporate income tax will be reduced by half. Some subsidiaries of the Company will meet the conditions of small and micro-profit enterprises in 2024 and apply the corresponding preferential policies on their own.

(2) VAT tax benefits

According to the Notice of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on Adjusting the Relevant Tax Policies of the Diamond and Shanghai Diamond Exchange (Cai Shui [2006] No. 65), polished diamonds imported through the customs declaration of the

competent customs of the Diamond Exchange shall be levied and refunded immediately if the actual VAT burden exceeds 4% at the import stage. Shanghai Darry Diamond Co., Ltd. (hereinafter referred to as “Shanghai Darry”), a subsidiary of the Company, has the membership of the Shanghai Diamond Exchange and enjoys the tax treatment of immediate refund for the part of the actual VAT burden in the import process exceeding 4%.

According to the Announcement of the State Taxation Administration on Tax Collection and Administration Matters Relating to VAT Relief and Other Policies for Small-scale VAT Taxpayers (SAT Announcement No. 1 [2023]), small-scale taxpayers who engage in VAT taxable sales and their total monthly sales do not exceed RMB100,000 (or RMB300,000 if one quarter is a tax period) are exempted from VAT. According to the Announcement of the State Taxation Administration of the Ministry of Finance on VAT Relief Policies for Small-scale VAT Taxpayers (Announcement No. 19 of 2023 of the State Taxation Administration of the Ministry of Finance), small-scale VAT taxpayers with monthly sales of less than RMB100,000 (inclusive) are exempted from VAT; for small-scale VAT taxpayers subject to taxable sales income at a levy rate of 3%, the VAT at a levy rate of 1% will be reduced; for items subject to a 3% pre-levy rate, the prepayment VAT at a pre-levy rate of 1% will be reduced. Some of the Company’s branches are small-scale taxpayers and meet the above standards, and will be exempt from VAT in 2024.

(3) Additional tax incentives

According to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing the “Six Taxes and Two Fees” Reduction and Reduction Policy for Small and Micro Enterprises (Announcement No. 10 of 2022 of the State Taxation Administration of the Ministry of Finance), the people’s governments of provinces, autonomous regions and municipalities directly under the Central Government can determine that small-scale tax taxpayers of value-added tax, small and micro-profit enterprises and individual industrial and commercial enterprises may reduce resource tax, urban maintenance and construction tax, real estate tax, urban land use tax, stamp tax (excluding securities transaction stamp tax), farmland occupation tax, education surcharge, and local education surcharge within a 50% tax amount range. In 2024, some of the Company’s branches are small and micro-profit enterprises, and some of the Company’s branches are small-scale taxpayers and meet the above standards, so corresponding preferential policies for reduction and exemption will be applied.

According to the Circular of the Ministry of Finance and the State Taxation Administration on Expanding the Scope of Exemption for Relevant Government Funds (Cai Shui [2016] No. 12), the scope of education fee surcharge, local education surcharge and water conservancy construction fund will be exempted by the obligor whose monthly sales or turnover currently taxed monthly does not exceed RMB30,000 (quarterly sales or turnover that pays quarterly tax does not exceed RMB90,000). Extended to payers whose monthly sales or turnover for monthly tax does not exceed RMB100,000 (quarterly sales or turnover for quarterly tax does not exceed RMB300,000). Some branches of the Company meet the above standards and will be exempted from education surcharge, local education surcharge and water conservancy construction funds in 2024.

VII. Notes to items of the consolidated financial statements

1. Currency funds

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Cash on hand	115,321.08	434,213.76
Cash at banks	136,056,695.45	224,395,861.65
Others	3,617,928.51	3,024,147.76
Total	139,789,945.04	227,854,223.17
Including: Total amounts deposited overseas	8,914,267.89	7,753,196.85

Other descriptions:

- (1) The Group's other currency funds mainly included account balances on third-party payment platforms such as WeChat pay and Alipay.
- (2) As at 31 December 2024, the Group's restricted currency funds totaled RMB2,976.81 (31 December 2023: RMB890,612.21), which was mainly due to the change of account types.
- (3) The Group obtains interest income on its bank deposits at the interest rate for demand deposits.

2. Financial assets held for trading

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	4,579,301,487.22	4,841,946,705.07
Including:		
Structured deposits	108,046,531.50	445,437,534.25
Wealth management products	4,471,254,955.72	4,396,509,170.82
Including:		
Total	4,579,301,487.22	4,841,946,705.07

Other descriptions:

- (1) The structured deposits are principal guaranteed floating income structured deposit linked to the spot exchange rate of the US dollar against the euro.
- (2) The wealth management products are principal guaranteed fixed income products, and principal guaranteed and non-principal guaranteed floating income wealth management products issued by the financial institutions.

3. Accounts receivable

(1) Disclosed by aging

Currency: Renminbi Yuan

Aging	Closing outstanding balance	Opening outstanding balance
Within 1 year, inclusive	83,151,605.84	85,531,799.66
1 to 2 years	583,134.16	659,976.99
Total	83,734,740.00	86,191,776.65

(2) Disclosed by method of determining impairment allowance

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Outstanding balance		Impairment allowance		Carrying amount	Outstanding balance		Impairment allowance		Carrying amount
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Accounts receivable for which impairment allowance is individually assessed	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
Including:										
Accounts receivable for which impairment allowance is collectively assessed	83,734,740.00	100.00%	2,821,665.03	3.37%	80,913,074.97	86,191,776.65	100.00%	3,044,377.59	3.53%	83,147,399.06
Including:										
Accounts receivable from POS machines and e-commerce platforms	31,169,350.11	37.22%	0.00	0.00%	31,169,350.11	29,797,960.89	34.57%	0.00	0.00%	29,797,960.89
Accounts receivable from shopping malls	52,565,389.89	62.78%	2,821,665.03	5.37%	49,743,724.86	56,393,815.76	65.43%	3,044,377.59	5.40%	53,349,438.17
Total	83,734,740.00	100.00%	2,821,665.03	3.37%	80,913,074.97	86,191,776.65	100.00%	3,044,377.59	3.53%	83,147,399.06

Impairment allowance which is collectively assessed: 2,821,665.03

Currency: Renminbi Yuan

Name	Closing balance		
	Outstanding balance	Impairment allowance	Provision ratio
Accounts receivable from POS machines and e-commerce platforms	31,169,350.11	0.00	0.00%
Accounts receivable from shopping malls	52,565,389.89	2,821,665.03	5.37%
Total	83,734,740.00	2,821,665.03	

Description of the basis for determining the combination:

If the Group recognises impairment allowance based on the general model of ECLs:

Applicable Not applicable

(3) Impairment allowance recognised, recovered or reversed for the current period

Impairment allowance for the current period:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the period				Closing balance
		Provision	Recovery or reversal	Write-offs	Others	
Accounts receivable from shopping malls	3,044,377.59	2,773,964.30	2,997,697.80	0.00	1,020.94	2,821,665.03
Total	3,044,377.59	2,773,964.30	2,997,697.80	0.00	1,020.94	2,821,665.03

Including: significant recovery or reversal of impairment allowance for the current period:

Currency: Renminbi Yuan

Entity	Amount recovered or reversed	Reasons for reversal	Methods for reversal	The basis and rationality of determining the ratio for original impairment allowance
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As at 31 December 2024 and 31 December 2023, the Group had no accounts receivable for which individual provision for bad debts is made.

(4)The top 5 largest accounts receivable and contract assets at end of year categorised by debtor

Currency: Renminbi Yuan

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of total closing balance of accounts receivable and contract assets	Closing balance of impairment allowance of accounts receivable and contract assets
No.1	5,806,798.55	0.00	5,806,798.55	6.93%	0.00
No.2	4,959,224.87	0.00	4,959,224.87	5.92%	0.00
No.3	4,860,855.30	0.00	4,860,855.30	5.81%	0.00
No.4	4,590,418.24	0.00	4,590,418.24	5.48%	0.00
No.5	3,400,416.16	0.00	3,400,416.16	4.06%	0.00
Total	23,617,713.12	0.00	23,617,713.12	28.20%	0.00

4.Other receivables

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Other receivables	5,861,059.14	5,614,656.53
Total	5,861,059.14	5,614,656.53

(1)Other receivables

1)Other receivables categorised by nature

Currency: Renminbi Yuan

Nature	Closing outstanding balance	Opening outstanding balance
Social insurances and housing fund borne by employees	4,147,653.59	4,485,068.29
Temporary loans for employees	269,116.67	327,705.15
Others	3,349,288.88	2,706,883.09
Total	7,766,059.14	7,519,656.53

2)Disclosed by aging

Currency: Renminbi Yuan

Aging	Closing outstanding balance	Opening outstanding balance
Within 1 year, inclusive	5,792,037.44	5,614,656.53

1 to 2 years	69,021.70	
2 to 3 years		1,905,000.00
Over 3 years	1,905,000.00	
3 to 4 years	1,905,000.00	
Total	7,766,059.14	7,519,656.53

(3) Disclosed by method of determining impairment allowance
 Applicable Not applicable

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Outstanding balance		Impairment allowance		Carrying amount	Outstanding balance		Impairment allowance		Carrying amount
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Other receivables for which impairment allowance is individually assessed	1,905,000.00	24.53%	1,905,000.00	100.00%	0.00	1,905,000.00	25.33%	1,905,000.00	100.00%	0.00
Including:										
Other receivables for which impairment allowance is collectively assessed	5,861,059.14	75.47%	0.00	0.00%	5,861,059.14	5,614,656.53	74.67%	0.00	0.00%	5,614,656.53
Including:										
Total	7,766,059.14	100.00%	1,905,000.00	24.53%	5,861,059.14	7,519,656.53	100.00%	1,905,000.00	25.33%	5,614,656.53

Other receivables for which impairment allowance is individually assessed:

Currency: Renminbi Yuan

Name	Opening balance		Closing balance			
	Outstanding balance	Impairment allowance	Outstanding balance	Impairment allowance	Provision ratio	Reasons for provision
Company A	1,905,000.00	1,905,000.00	1,905,000.00	1,905,000.00	100.00%	It is not expected to be recovered due to deteriorating operation condition of the counter party.
Total	1,905,000.00	1,905,000.00	1,905,000.00	1,905,000.00		

If the Group recognises impairment allowance based on the general model of ECLs:

Currency: Renminbi Yuan

Impairment allowance	Stage 1	Stage 2	Stage 3	Total
	12-Month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Balance at 1 January 2024			1,905,000.00	1,905,000.00
Balance at 1 January				

2024 provided in the current period				
Balance at 31 December 2024			1,905,000.00	1,905,000.00

Basis for the division of each stage and provision ratio for impairment allowance

Changes in outstanding balance with significant changes in the amount of impairment allowance in the current period

Applicable Not applicable

(4) Impairment allowance recognised, recovered or reversed for the current period

Impairment allowance for the current period:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the period				Closing balance
		Provision	Recovery or reversal	Reversal or write-off	Others	
Impairment allowance for other receivables	1,905,000.00	0.00	0.00	0.00	0.00	1,905,000.00
Total	1,905,000.00	0.00	0.00	0.00	0.00	1,905,000.00

Including: significant reversal or recovery of impairment allowance for the current period:

Currency: Renminbi Yuan

Entity	Amount recovered or reversed	Reasons for reversal	Methods for reversal	The basis and rationality of determining the ratio for original impairment allowance

5) The top 5 largest other receivables at end of period categorised by debtor

Currency: Renminbi Yuan

Entity	Nature	Closing balance	Aging	Proportion of total closing balance of other receivables	Closing balance of impairment allowance
No.1	Payments for fixed assets	1,905,000.00	Over 2 years	24.53%	1,905,000.00
No.2	Others	1,504,500.00	Within 1 year	19.37%	0.00
No.3	Temporary loans for employees	200,000.00	Within 2 years	2.58%	0.00
No.4	Others	170,000.00	Within 1 year	2.19%	0.00
No.5	Temporary loans for employees	33,311.87	Within 1 year	0.43%	0.00
Total		3,812,811.87		49.10%	1,905,000.00

5. Prepayments

(1) Prepayments presented by aging

Currency: Renminbi Yuan

Aging	Closing balance		Opening balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	28,998,178.45	91.19%	33,060,094.20	95.21%
1 to 2 years	2,801,787.43	8.81%	1,664,057.89	4.79%
Total	31,799,965.88		34,724,152.09	

Description of the reason why significant prepayments aged over one year were not settled in time:

As at 31 December 2024, the Group had no significant prepayments aged over one year (31 December 2023: nil).

(2) The top 5 largest prepayments at end of year categorised by receivers

Currency: Renminbi Yuan

Entity	Closing balance	Proportion of total closing balance of prepayments	Remarks
No.1	1,717,494.00	5.40%	Business promotion fees
No.2	975,499.32	3.07%	Business promotion fees
No.3	831,472.28	2.61%	Business promotion fees
No.4	786,561.48	2.47%	Business promotion fees
No.5	629,514.47	1.98%	Business promotion fees
Total	4,940,541.55	15.53%	

Other descriptions:

6. Inventories

Whether the Company has followed the disclosure requirements to real estate industry

No

(1) Category of inventories

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Outstanding balance	Provision for write-down of inventories or impairment of costs to fulfil a contract	Carrying amount	Outstanding balance	Provision for write-down of inventories or impairment of costs to fulfil a contract	Carrying amount
Raw materials	82,644,133.19	12,258,810.26	70,385,322.93	126,507,534.93	0.00	126,507,534.93
Finished goods	347,801,731.14	6,892,108.12	340,909,623.02	392,190,024.81	10,237,764.15	381,952,260.66
Turnover materials	4,325,395.02		4,325,395.02	2,713,164.17		2,713,164.17
Goods upon delivery	353,284.04		353,284.04	318,575.15		318,575.15
Semi-finished products	16,540,227.01		16,540,227.01	4,015,757.66		4,015,757.66
Outsourced processing	14,939,812.78		14,939,812.78	11,431,751.80		11,431,751.80

materials						
Total	466,604,583.18	19,150,918.38	447,453,664.80	537,176,808.52	10,237,764.15	526,939,044.37

The Company should comply with the disclosure requirements about “Jewelry related business “in the Shenzhen Stock Exchange for Self-regulation of Listed Companies No. 3–Industry-specific Information Disclosure

Distribution of inventories at the end of reporting period

Currency: RMB10 thousand Yuan

Item	Closing outstanding balance of inventories						
	Semi-finished products	Finished goods	Outsourced processing materials	Raw materials	Turnover materials	Goods upon delivery	Total
Karat gold jewelry	1,378.02	31,242.02	69.07	-	-	26.50	32,715.61
Platinum jewelry	260.54	1,247.47	9.52	-	-	8.43	1,525.95
Gold jewelry	4.74	2,131.38	6.43	-	-	0.15	2,142.70
Diamond	-	-	1,406.52	8,210.18	-	-	9,616.71
Turnover materials	-	-	-	-	432.54	0.25	432.79
Others	10.73	159.31	2.44	54.23	-	-	226.71
Total	1,654.02	34,780.17	1,493.98	8,264.41	432.54	35.33	46,660.46

Note: The values above are rounded to two decimal places. Minor discrepancies may exist in the values’ trailing digits, which are due to rounding and not calculation errors.

(2) Provision for write-down of inventories and impairment of costs to fulfil a contract

Currency: Renminbi Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	0.00	12,258,810.26		0.00		12,258,810.26
Finished goods	10,237,764.15	7,907,108.63		11,252,764.66		6,892,108.12
Total	10,237,764.15	20,165,918.89		11,252,764.66		19,150,918.38

Provision for decline in value of inventories which is assessed on a portfolio basis

Currency: Renminbi Yuan

Name	At end of period			At beginning of period		
	Closing balance	Provision for decline in value	Provision ratio for decline in value	Opening balance	Provision for decline in value	Provision ratio for decline in value
Raw materials	82,644,133.19	12,258,810.26	14.83%	0.00	0.00	0.00%
Finished goods	347,801,731.14	6,892,108.12	1.98%	392,190,024.81	10,237,764.15	2.61%
Total	430,445,864.33	19,150,918.38	4.45%	392,190,024.81	10,237,764.15	2.61%

The standard of provision for decline in value of inventories which is assessed on a portfolio basis

For finished goods on regular sale, the net realizable value of the inventory is the estimated selling price of the inventory less the estimated selling expenses and related taxes. For inventories of materials subject to processing, the net realizable value of inventories is the estimated selling price of the finished goods produced less the estimated costs of completion, estimated selling expenses and related taxes. For finished goods to be disposed of and removed from shelves, the net realizable value is the amount of gold and loose stone recovered after melting. For materials used for sale, the net realizable value is the estimated selling price of the inventory less the estimated selling expenses and related taxes.

The reason for write-off of the provision for decline in value of goods on hand is that inventories have been sold or disposal of relevant write-off of the provision for decline in value of inventories.

7.Current portion of non-current assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Debt investments due within one year	368,696,594.82 ¹	390,061,500.32
Other debt investments due within one year	0.00	0.00
Deposits	66,943,416.02	63,410,461.50
Bad debt provision for current portion of non-current assets	-2,154,648.67	-6,868,997.72
Total	433,485,362.17	446,602,964.10

Note 1: As at 31 December 2024, the debt investment refers to the large certificates of deposit purchased by the Group with a maturity within one year (from February to December 2025) and a deposit interest rate of 3.13% to 3.55% (31 December 2023: the maturity is from January to December 2024 and deposit interest rate is 3.55% to 3.85%). The group's business model for managing the financial assets is to collect contractual cash flows at amortized cost.

(1)Debt investments due within one year

Applicable Not applicable

1)Debt investments due within one year

Currency: Renminbi Yuan

Name	Closing balance			Opening balance		
	Outstanding balance	Provision for impairment	Carrying amount	Outstanding balance	Provision for impairment	Carrying amount
Certificate of deposit with a maturity of more than one year and due within one year	368,696,594.82	0.00	368,696,594.82 ¹	390,061,500.32	0.00	390,061,500.32
Total	368,696,594.82	0.00	368,696,594.82	390,061,500.32	0.00	390,061,500.32

Note 1: As at 31 December 2024 and 31 December 2023, the Company considered that the certificate of deposit was not subject to significant credit risk and would not cause material losses due to default of financial institutions, so no provision for asset impairment was made.

Changes in impairment provision for the current period for debt investments due within one year

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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2) Important debt investments due within one year at end of period

Currency: Renminbi Yuan

Item	Par value	Coupon rate	Maturity date	Effective interest rate		Overdue principal	
				Closing balance	Opening balance	Closing balance	Opening balance
Corporate certificate of deposit of China Minsheng Bank	100,000,000.00	3.18%	9 February 2025	3.18%		0.00	0.00
Corporate certificate of deposit of Bank of China	50,000,000.00	3.30%	7 April 2025	3.30%		0.00	0.00
Corporate certificate of deposit of China Minsheng Bank	50,000,000.00	3.13%	1 July 2025	3.13%		0.00	0.00
Certificate of deposit of Bank of Dongguan	100,000,000.00	3.55%	8 November 2025	3.55%		0.00	0.00
Total	300,000,000.00					0.00	0.00

8. Other current assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Right-of-return assets	335,071.94	151,973.99
Wealth management products with fixed income ¹	150,009,254.44	85,819,724.44
Prepaid income tax	12,106.84	7,032,156.60
Input VAT to be certified, deducted, and retained	3,849,073.12	31,107,132.76
Expenses to be amortised	7,997,817.26	7,873,063.00
Total	162,203,323.60	131,984,050.79

Note 1: The principal guaranteed fixed income wealth management products held by the Group are mainly 7-day treasury bond reverse repurchases and 14-day treasury bond reverse repurchases purchased by the Company. As at 31 December 2024 and 31 December 2023, the Group considered that there was no significant credit risk in treasury bond reverse repurchase and there would be no significant losses due to default of financial institutions, so no provision for asset impairment was made.

Other descriptions:

9. Debt investments**(1) Details of debt investments**

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Outstanding balance	Provision for impairment	Carrying amount	Outstanding balance	Provision for impairment	Carrying amount
Certificate of deposit with a maturity of	569,885,924.01	0.00	569,885,924.01 ¹	891,976,307.01	0.00	891,976,307.01

more than one year						
Total	569,885,924.01	0.00	569,885,924.01	891,976,307.01	0.00	891,976,307.01

Notes 1: (1) As at 31 December 2024, the carrying amount of debt investment is primarily comprised of certificates of deposit purchased by the Group with a maturity of more than one year (from February 2026 to May 2027) and a deposit interest rate of 3.00% to 3.30% (31 December 2023: the maturity is from February 2025 to March 2026 and the deposit interest rate is 3.10% to 3.55%). The Group's business model for managing the financial assets is to collect contractual cash flows at amortized cost. (2) As at 31 December 2024 and 31 December 2023, the Group considered that the credit risk of the certificate of deposit has not increased significantly since its initial recognition and the provision for losses is measured according to the expected credit losses over the next 12 months. The Group considered that the certificate of deposit was not subject to significant credit risk and would not cause material losses due to default of financial institutions, so no provision for asset impairment was made.

The movements in provision for impairment of debt investments

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
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(2) Important debt investments at end of period

Currency: Renminbi Yuan

Item	Closing balance					Opening balance				
	Par value	Coupon rate	Effective interest rate	Maturity date	Overdue principal	Par value	Coupon rate	Effective interest rate	Maturity date	Overdue principal
Corporate certificate of deposit of China Minsheng Bank	100,000,000.00	3.30%	3.30%	6 February 2026		100,000,000.00	3.30%	3.30%	6 February 2026	
Certificate of deposit of China CITIC Bank	200,000,000.00	3.30%	3.30%	1 March 2026		200,000,000.00	3.30%	3.30%	1 March 2026	
Time deposits of China Everbright Bank	150,000,000.00	3.25%	3.25%	14 March 2026		150,000,000.00	3.25%	3.25%	14 March 2026	
Total	450,000,000.00					450,000,000.00				

10. Other non-current financial assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss,	403,675,066.37	0.00
Total	403,675,066.37	0.00

Other descriptions:

As at 31 December 2024, other non-current financial assets were mainly long-term wealth management products purchased by the Group.

11. Fixed assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
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Fixed assets	8,468,744.76	12,617,322.42
Total	8,468,744.76	12,617,322.42

(1) Fixed assets

Currency: Renminbi Yuan

Item	Transportation equipment	Office equipment and others	Total
I. Original book value:			
1. Opening balance	5,074,321.53	23,583,044.44	28,657,365.97
2. Increase		1,963,345.19	1,963,345.19
(1) Purchases		1,961,120.23	1,961,120.23
(2) Transfers from construction in progress			
(3) Increase from business combinations			
Exchange differences on translation of financial statements denominated in foreign currency		2,224.96	2,224.96
3. Decrease		164,726.31	164,726.31
(1) Disposal or retirement		164,726.31	164,726.31
4. Closing balance	5,074,321.53	25,381,663.32	30,455,984.85
II. Accumulated depreciation			
1. Opening balance	3,090,485.74	12,949,557.81	16,040,043.55
2. Increase	736,815.37	5,347,972.90	6,084,788.27
(1) Provision	736,815.37	5,346,074.56	6,082,889.93
Exchange differences on translation of financial statements denominated in foreign currency		1,898.34	1,898.34
3. Decrease		137,591.73	137,591.73
(1) Disposals or retirements		137,591.73	137,591.73
4. Closing balance	3,827,301.11	18,159,938.98	21,987,240.09
III. Provision for impairment			
1. Opening balance			
2. Increase			
(1) Provision			
3. Decrease			
(1) Disposals or retirements			
4. Closing balance			
IV. Carrying amount			
1. Closing carrying amount	1,247,020.42	7,221,724.34	8,468,744.76
2. Opening carrying amount	1,983,835.79	10,633,486.63	12,617,322.42

12.Right-of-use assets**(1)Right-of-use assets**

Currency: Renminbi Yuan

Item	Buildings	Total
I. Original book value		
1. Opening balance	746,919,067.15	746,919,067.15
2. Increase	201,163,210.04	201,163,210.04
(1) Increase	201,344,400.14	201,344,400.14
(2) Exchange differences on translation of financial statements denominated in foreign currency	-181,190.10	-181,190.10
3. Decrease	545,877,204.45	545,877,204.45
(1) Disposals	545,877,204.45	545,877,204.45
4. Closing balance	402,205,072.74	402,205,072.74
II. Accumulated depreciation		
1. Opening balance	477,466,282.79	477,466,282.79
2. Increase	226,344,202.92	226,344,202.92
(1) Provision	226,317,546.27	226,317,546.27
(2) Exchange differences on translation of financial statements denominated in foreign currency	26,656.65	26,656.65
3. Decrease	490,163,458.67	490,163,458.67
(1) Disposals	490,163,458.67	490,163,458.67
4. Closing balance	213,647,027.04	213,647,027.04
III. Provision for impairment		
1. Opening balance	60,481,129.70	60,481,129.70
2. Increase	12,163,817.50	12,163,817.50
(1) Provision	12,399,129.88	12,399,129.88
(2) Exchange differences on translation of financial statements denominated in foreign currency	-235,312.38	-235,312.38
3. Decrease	36,251,049.07	36,251,049.07
(1) Disposals	36,251,049.07	36,251,049.07
4. Closing balance	36,393,898.13	36,393,898.13
IV. Carrying amount		
1. Closing carrying amount	152,164,147.57	152,164,147.57
2. Opening carrying amount	208,971,654.66	208,971,654.66

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

Applicable Not applicable

The net recoverable amount is determined by fair value less disposal expenses

Applicable Not applicable

The recoverable amount is determined according to the present value of the future cash flows

Applicable Not applicable

Currency: Renminbi Yuan

Item	Carrying amount	Recoverable amount	Impaired amount	Length of prediction period	Key parameters of prediction period	Key parameters of stable period	Basis for determining key parameters of prediction period
DR Wuhan Optics Valley store	4,562,781.35	2,358,209.13	2,204,572.22	The earlier of the expiration date of the lease contract and the expected closing date of the store	(1) Operating income: forecasts are based on the company's strategic objectives, the external environment, consumer stimulus policies introduced by the state and the historical revenue growth of the stores; (2) Operating costs: calculated based on historical average gross margins; (3) Operating expenses: calculated based on historical expenses as a percentage of operating income; (4) Pre-tax discount rate: 14.48%	N/A	N/A
DR Nanning Parkson (Impression City) store	713,273.79	163,469.53	549,804.26	The earlier of the expiration date of the lease contract and the expected closing date of the store	(1) Operating income: forecasts are based on the company's strategic objectives, the external environment, consumer stimulus policies introduced by the state and the historical revenue growth of the stores; (2) Operating costs: calculated based on historical average gross	N/A	N/A

					<p>margins;</p> <p>(3) Operating expenses: calculated based on historical expenses as a percentage of operating income;</p> <p>(4) Pre-tax discount rate: 14.48%</p>		
DR Shenzhen Longhua Uniworld Area D store	851,250.13	309,706.70	541,543.43	The earlier of the expiration date of the lease contract and the expected closing date of the store	<p>(1) Operating income: forecasts are based on the company's strategic objectives, the external environment, consumer stimulus policies introduced by the state and the historical revenue growth of the stores;</p> <p>(2) Operating costs: calculated based on historical average gross margins;</p> <p>(3) Operating expenses: calculated based on historical expenses as a percentage of operating income;</p> <p>(4) Pre-tax discount rate: 14.48%</p>	N/A	N/A
DR Guangzhou Pazhou Poly store	614,780.38	0.00	614,780.38	The earlier of the expiration date of the lease contract and the expected closing date of the store	<p>(1) Operating income: forecasts are based on the company's strategic objectives, the external environment, consumer stimulus policies introduced by the state and the historical revenue growth</p>	N/A	N/A

					of the stores; (2) Operating costs: calculated based on historical average gross margins; (3) Operating expenses: calculated based on historical expenses as a percentage of operating income; (4) Pre-tax discount rate: 14.48%		
DR Jiangmen IMIX PARK store	1,453,072.78	940,240.91	512,831.87	The earlier of the expiration date of the lease contract and the expected closing date of the store	(1) Operating income: forecasts are based on the company's strategic objectives, the external environment, consumer stimulus policies introduced by the state and the historical revenue growth of the stores; (2) Operating costs: calculated based on historical average gross margins; (3) Operating expenses: calculated based on historical expenses as a percentage of operating income; (4) Pre-tax discount rate: 14.48%	N/A	N/A
Total	8,195,158.43	3,771,626.27	4,423,532.16				

Reasons for clearly differences between the foregoing information and information or external information used for impairment testing in prior year

Reasons for clearly differences between the information used for impairment testing in prior year by the Company and actual conditions in that year

Other descriptions:

The Group uses a single store as an asset group, and conducts an impairment test on the asset group of the store showing any indication of impairment. The recoverable amount of the asset group is determined according to the present value of the estimated future cash flow of a single store. Based on the projected cash flows over the remaining lease term or expected operational period, where the carrying amount of the asset group is higher than the recoverable amount, the Group makes a provision for impairment for the excess amount. The table above presents the details of impairment testing for asset groups with significant impairment charges recognised during the year. The amount of impairment is allocated between long-term prepaid expenses and the right-of-use assets based on the proportion of their respective carrying amounts at the end of the period.

The amount of the impairment loss is used to reduce the carrying amount of each asset on a pro-rata basis according to the proportion of the carrying amount of the right-of-use asset and the long-term prepaid expenses within the asset group of the store.

13.Intangible assets

(1)Intangible assets

Currency: Renminbi Yuan

Item	Land use rights	Patents	Non-patent technology	Software	Trademarks	Total
I. Original book value						
1. Opening balance				13,288,693.23	5,212,440.40	18,501,133.63
2. Increase	466,000,000.00				-216,775.00	465,783,225.00
(1) Purchases	466,000,000.00					466,000,000.00
(2) Internal R&D						
(3) Increase from business combinations						
(4) Exchange differences on translation of financial statements denominated in foreign currency					-216,775.00	-216,775.00
3. Decrease				44,247.78		44,247.78
(1) Disposals				44,247.78		44,247.78
4. Closing balance	466,000,000.00			13,244,445.45	4,995,665.40	484,240,110.85
II. Accumulated amortisation						
1. Opening balance				11,550,291.82	342,421.77	11,892,713.59
2. Increase	1,553,333.33			1,036,574.49	986,166.60	3,576,074.42
(1) Provision	1,553,333.33			1,036,574.49	1,017,519.15	3,607,426.97
(2) Exchange differences on translation of financial statements denominated in foreign currency					-31,352.55	-31,352.55
3. Decrease				39,085.54		39,085.54
(1) Disposals				39,085.54		39,085.54
4. Closing balance	1,553,333.33			12,547,780.77	1,328,588.37	15,429,702.47

III. Provision for impairment						
1. Opening balance						
2. Increase						
(1) Provision						
3. Decrease						
(1) Disposals						
4. Closing balance						
IV. Carrying amount						
1. Closing carrying amount	464,446,666.67			696,664.68	3,667,077.03	468,810,408.38
2. Opening carrying amount				1,738,401.41	4,870,018.63	6,608,420.04

Intangible assets arising from internal research and development at the end of the year account for 0.00% of the intangible assets balance.

(2) Land use rights that have not obtained the ownership certificates

Currency: Renminbi Yuan

Item	Carrying amount	Reasons for not obtaining the ownership certificates
Land use rights	466,000,000.00	As it is stipulated in the contract terms, the certificate will be applied for after the final payment is made in November 2025,

Currency: Renminbi Yuan

Other descriptions:

In November 2024, the Group won the land use rights for a parcel (No.: K602-0014) located at the northeast corner of Houhaibin Road and Lanxiang 1st Street, Yuehai Subdistrict, Nanshan District, Shenzhen, in a public tender organized by the Shenzhen Municipal Planning and Natural Resources Bureau, Nanshan Administration. According to the Shenzhen Municipal State-Owned Construction Land Use Rights Transfer Contract, the Group will pay the final installment in November 2025 (Note VII. 22). As of 31 December 2024, the Group had not yet obtained the ownership certificate for its land use rights.

14. Long-term prepaid expenses

Currency: Renminbi Yuan

Item	Opening balance	Increase	Amortisation	Other decrease	Closing balance
Expenses on improvement of fixed assets under operating leases	50,207,871.43	30,404,018.20	44,909,904.06	2,621,976.86	33,080,008.71
Total	50,207,871.43	30,404,018.20	44,909,904.06	2,621,976.86	33,080,008.71

Other descriptions:

(1) The Group uses a single store as an asset group, and conducts an impairment test on the asset group of the store showing any indication of impairment. The recoverable amount of the asset group is determined according to the present value of the estimated future cash flow. Refer to Note VII. 12.

(2) According to the result of the impairment test, the carrying amount of some store asset groups is lower than the recoverable amount, and the corresponding provision for impairment of long-term prepaid expenses is RMB2,621,976.86.

15. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

Currency: Renminbi Yuan

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	69,646,810.10	16,309,546.15	111,821,826.34	26,138,406.75
Unrealised profit on inter-company transactions	4,134,107.05	1,033,526.76	3,658,302.65	914,575.66
Deductible losses	131,659,085.48	23,889,098.37	54,919,145.86	8,733,943.91
Provision for store restoration obligations	6,296,113.37	1,547,720.57	10,493,433.70	2,623,358.43
Difference between tax and accounting of lease liability	169,207,924.45	37,368,757.77	256,182,711.66	58,796,450.30
Total	380,944,040.45	80,148,649.62	437,075,420.21	97,206,735.05

(2) Deferred tax liabilities before offsetting

Currency: Renminbi Yuan

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of financial instruments	127,578,295.35	29,985,115.83	94,022,539.08	23,211,068.90
Accrued interest on certificates of deposit	44,259,299.18	10,462,653.69	55,022,301.44	13,112,046.59
Difference between tax and accounting of right-of-use assets	185,271,104.25	40,364,325.36	269,452,784.36	60,229,762.03
Total	357,108,698.78	80,812,094.88	418,497,624.88	96,552,877.52

(3) Deferred tax assets or liabilities shown in the net amount after offsetting

Currency: Renminbi Yuan

Item	The offset amount of deferred tax assets and liabilities at end of period	Closing balance of deferred tax assets or liabilities after offsetting	The offset amount of deferred tax assets and liabilities at beginning of period	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	67,544,216.42	12,604,433.20	81,912,884.11	15,293,850.94
Deferred tax liabilities	67,544,216.42	13,267,878.46	81,912,884.11	14,639,993.41

(4)Details of unrecognised deferred tax assets

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Deductible losses	299,778,341.65	190,916,873.26
Unrecognised provision for impairment	175,218.62	134,635.01
Unrecognised difference between tax and accounting of lease liabilities	5,914,927.12	0.00
Total	305,868,487.39	191,051,508.27

(5)Deductible losses on unrecognised deferred tax assets will become due in the following years

Currency: Renminbi Yuan

Year	Closing balance	Opening balance	Remarks
2024	0.00	0.00	
2025	1,207,915.36	1,207,915.36	
2026	2,014,907.27	2,014,907.27	
2027	693,393.30	1,479,152.70	
2028	158,572,257.76	159,995,313.06	
2029	107,297,930.13	0.00	
Infinity	29,991,937.83	26,219,584.87	
Total	299,778,341.65	190,916,873.26	

Other descriptions:

DR Jewelry, a subsidiary established in France, incurred a cumulative loss of RMB29,991,937.83 on 31 December 2024 (the cumulative loss incurred on 31 December 2023 was RMB26,219,584.87), which can be made up indefinitely in the future. As at 31 December 2024, the deductible tax losses that were not recognised by DR Corporation Limited as deferred tax assets were RMB244,315,426.74 (31 December 2023: RMB154,330,960.63), which comprises of RMB154,353,048.93 to be expired in 2028 and RMB89,962,377.81 to be expired in 2029.

The Group calculates and recognises deferred tax assets arising from deductible temporary differences at the applicable tax rate for the period in which the asset is expected to be recovered or the liability is liquidated, up to the taxable income that is likely to be acquired in future periods to offset deductible temporary differences and deductible losses.

16.Other non-current assets

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Outstanding balance	Provision for impairment	Carrying amount	Outstanding balance	Provision for impairment	Carrying amount
Lease deposit with a term exceeding one year	22,796,044.75		22,796,044.75	45,593,685.77		45,593,685.77
Total	22,796,044.75		22,796,044.75	45,593,685.77		45,593,685.77

Other descriptions:

As at 31 December 2024, the Group assessed the expected credit loss ratio as low based on historical loss rates and forward-looking macroeconomic data.

17.Assets with restricted ownership or right of use

Currency: Renminbi Yuan

Item	Closing balance				Opening balance			
	Outstanding balance	Carrying amount	Restricted type	Restrictions	Outstanding balance	Carrying amount	Restricted type	Restrictions
Currency funds	2,976.81	2,976.81	Frozen	Change of account types, etc	890,612.21	890,612.21	Frozen	Preservation of law issue, change of account types, etc
Total	2,976.81	2,976.81			890,612.21	890,612.21		

Other descriptions:

As at 31 December 2024, the Group's restricted currency funds totaled RMB2,976.81 (31 December 2023: RMB890,612.21), which were restrictions on bank fund transfer mainly due to change of account types.

18.Short-term borrowings

(1)Classification of short-term borrowings

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Credit loans	17,000,000.00	60,000,000.00
Discounted borrowing on bills	270,852,882.08	329,995,277.14
Loans through Rongyixin	51,656,590.53	0.00
Total	339,509,472.61	389,995,277.14

Description of classification of short-term borrowings:

The discounted borrowing on bills refers to the amount of bank acceptance bills issued between affiliated companies within the scope of consolidation that have been discounted but not yet matured at the end of the year.

The credit loan is a short-term borrowing obtained by the Company from Shenzhen Hi-tech Zone Branch of Bank of China Limited. The borrowing period is from November 2024 to November 2025. The interest rate is a floating rate, which is re-priced every 6 months.

The loans through Rongyixin refers to the loans issued by the Company to its subsidiary through the Rongyixin platform of the Bank of China. The subsidiary applies for financing from financial institutions by using the loans held through Rongyixin.

19.Trading financial liabilities

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
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Including:		
Financial liabilities designated at fair value through profit or loss	144,722,831.86	62,813,557.52
Including:		
Gold leasing	144,722,831.86	62,813,557.52
Total	144,722,831.86	62,813,557.52

Other descriptions:

The Group borrowed gold from banks for production and operation. Before maturity date, the Company would return the gold to the banks with the same quantity and specification purchased through Shanghai Gold Exchange or borrowed from the banks, and pay the agreed lease interest. The lease term is within one year (one year inclusive). As at 31 December 2024, the cost of the financial liabilities was RMB135,333,178.04 and the change in fair value was RMB-9,389,653.82 (2023: the cost of the financial liabilities was RMB59,044,746.72 and the change in fair value was RMB-3,768,810.80).

20. Notes payable

Currency: Renminbi Yuan

Category	Closing balance	Opening balance
Bank acceptance bills	32,833,149.16	47,986,785.70
Total	32,833,149.16	47,986,785.70

The total amount of notes payable due and unpaid at end of period was RMB0.00. The reason for the non-payment is.

21. Accounts payable

(1) Accounts payable are listed as follows

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Accounts payable	31,342,378.26	28,164,899.34
Total	31,342,378.26	28,164,899.34

(2) Significant accounts payable aged over 1 year or overdue

Currency: Renminbi Yuan

Item	Closing balance	Reason for not being paid or carried forward
Over 1 year	3,485,224.98	The supplier fails to reach the settlement conditions as agreed in the contract
Total	3,485,224.98	

Other descriptions:

22. Other payables

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Other payables	284,488,227.25	44,381,542.05
Total	284,488,227.25	44,381,542.05

(1) Other payables**1) Other payables categorised by nature**

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Land payables ¹	233,000,000.00	0.00
Rent and property management fees payable	15,238,547.46	13,469,448.60
Renovation expenses payable	14,289,041.20	15,322,612.68
Advertisement expenses payable	5,698,041.65	2,429,097.28
Other expenses accrued ¹	4,997,057.80	7,390,825.59
Deposit	3,713,635.25	2,334,052.80
Others	7,551,903.89	3,435,505.10
Total	284,488,227.25	44,381,542.05

Note 1: the Group purchased land use right from the Planning and Natural Resources Bureau of Shenzhen Municipality on 19 November 2024 (No. K602-0014) with the total transaction price of RMB466 million. According to the agreement between the two parties, the Group has made the initial payment of RMB233 million on schedule, and the remaining payment of RMB233 million will be completed before 13 November 2025 in accordance with the contract.

2) Significant other accounts payable aged over 1 year or overdue

Currency: Renminbi Yuan

Item	Closing balance	Reason for not being paid or carried forward
Other descriptions:		

Other descriptions:

As at 31 December 2024, there were no significant other payables aged over 1 year or overdue (31 December 2023: Nil).

23. Contract liabilities

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Receipts in advance of order payment ¹	108,244,059.04	109,633,363.46
Membership loyalty points redemption obligations ²	4,445,540.41	0.00
Total	112,689,599.45	109,633,363.46

Note 1: The receipts of order payment in advance mainly represent the prepayment collected from customers and membership loyalty points redemption obligations before the Group fulfills its performance obligations. Revenue relating to this contract will be recognised when the Group fulfils its performance obligations. Normally, when the Group receives advance payments for orders from customers, it will normally fulfill its performance obligations and recognise revenue within 30 days.

2: The obligation of membership rewards points redemption refers to the Group's obligation to redeem the rewards points earned by the customer through product purchases.

Significant contract liabilities aged over 1 year

Currency: Renminbi Yuan

Item	Closing balance	Reason for not being paid or carried forward
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The amount and reason for significant changes in carrying amount within the reporting period.

Currency: Renminbi Yuan

Item	Changes	Reasons
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24. Employee benefits payable

(1) Employee benefits payable are listed as follows

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	52,933,070.66	366,826,372.36	371,548,893.79	48,210,549.23
II. Post-employment benefits - defined contribution plan		45,034,598.79	45,034,598.79	
III. Termination benefits		13,092,669.53	11,980,250.19	1,112,419.34
Total	52,933,070.66	424,953,640.68	428,563,742.77	49,322,968.57

(2) Short-term employee benefits are as follows

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Salaries, bonuses, allowances and subsidies	50,720,505.59	318,994,860.93	322,724,154.75	46,991,211.77
2. Staff welfare	1,159,040.70	9,564,402.97	9,544,067.77	1,179,375.90
3. Social security contributions		21,475,782.11	21,475,782.11	
Including: Medical insurance		19,748,128.15	19,748,128.15	
Work-related injury insurance		1,029,192.30	1,029,192.30	
Maternity insurance		698,461.66	698,461.66	
4. Housing funds	977,074.62	15,043,621.63	16,020,696.25	
5. Union fund and Employee education fund	76,449.75	1,747,704.72	1,784,192.91	39,961.56
Total	52,933,070.66	366,826,372.36	371,548,893.79	48,210,549.23

(3) Defined contribution plan are as follows

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension		43,213,384.34	43,213,384.34	

insurance				
2. Unemployment insurance premium		1,821,214.45	1,821,214.45	
Total		45,034,598.79	45,034,598.79	

Other descriptions:

As at 31 December 2024, the Group had no arrears in the nature of remuneration payable to employees.

25. Taxes payable

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Value added tax	4,389,457.09	5,728,457.95
Excise tax	7,827,165.08	9,698,112.45
Corporate income tax	9,164,340.71	301,256.61
Individual income tax withheld	909,947.27	869,148.96
Urban maintenance and construction tax	810,393.79	964,902.69
Education surcharge	322,253.49	375,449.44
Local education surcharge	214,835.81	250,299.91
Others	1,282,389.83	20,177.95
Total	24,920,783.07	18,207,805.96

Other descriptions:

26. Current portion of non-current liabilities

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Lease liabilities due within 1 year	118,680,935.15	195,515,150.71
Total	118,680,935.15	195,515,150.71

Other descriptions:

27. Other current liabilities

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Output VAT to be transferred ¹	10,993,820.57	11,288,478.87
Store restoration obligations due within one year	5,899,510.00	0.00
Total	16,893,330.57	11,288,478.87

Note 1: The Group has presented the output VAT portion of the advance receipts as the amount of output VAT to be transferred.

Changes in short-term bonds payable:

Currency: Renminbi Yuan

Name	Par value	Coupon rate	Issue date	Term	Issue amount	Opening balance	Bonds issued	Accrued interest at	Amortisation of premium or	Repayment		Closing balance	Default or not
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								par value	depreciation				
Total													

Other descriptions:

28. Lease liabilities

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Lease payments payable	57,720,087.24	67,781,149.67
Total	57,720,087.24	67,781,149.67

Other descriptions:

29. Provisions

Currency: Renminbi Yuan

Item	Closing balance	Opening balance	Reasons
Provision for returns	675,111.59	487,409.00	Provision for returns is made for sales of goods with sales return conditions. The Group makes provision for returns based on historical experience data and sales.
Store restoration obligations	7,621,113.00	13,615,982.00	Store restoration obligations represent costs that the Group, as the lessee, expects to incur under the lease agreement to restore the leased assets to the condition agreed under the terms of the lease. The Group estimates restoration costs based on industry conditions and historical experience.
Less: Provisions due within one year	-5,899,510.00	0.00	
Total	2,396,714.59	14,103,391.00	

Other descriptions, including description of significant assumptions and estimates related to significant provisions:

30. Share capital

Currency: Renminbi Yuan

	Opening balance	Increase/decrease (+, -)					Closing balance
		New shares issued	Bonus shares	Conversion of provident funds into shares	Others	Subtotal	
Total shares	400,010,000.00						400,010,000.00

Other descriptions:

31. Capital reserves

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (Share premium)	4,403,792,844.63			4,403,792,844.63
Shareholding system transformation	29,640,980.88			29,640,980.88
Share-based payments included in the capital	26,531,541.32	358,026.60		26,889,567.92

reserve				
Others		-227.67		-227.67
Total	4,459,965,139.16	358,026.60		4,460,323,165.76

Other descriptions, including description of changes for the period and reasons:

32. Other comprehensive income

Currency: Renminbi Yuan

Item	Opening balance	Amount for the current period						Closing balance
		Amount incurred before income tax for the current period	Less: Reclassification from other comprehensive income to profit or loss	Less: Reclassification from other comprehensive income to retained earnings	Less: Income tax expenses	Profit attributable to the parent company after tax	Attributable to non-controlling interests after tax	
II. Other comprehensive income that may be reclassified to profit or loss	4,449,901.25	-2,516,096.92				-2,516,096.92		1,933,804.33
Exchange differences on translation of foreign currency financial statements	4,449,901.25	-2,516,096.92				-2,516,096.92		1,933,804.33
Total other comprehensive income	4,449,901.25	-2,516,096.92				-2,516,096.92		1,933,804.33

Other descriptions, including adjustment to the transferred effective profit or loss arising from cash flow hedge to initially recognised amount of the hedged item:

33. Surplus reserves

Currency: Renminbi Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	200,005,000.00			200,005,000.00
Total	200,005,000.00			200,005,000.00

Description of surplus reserves, including description of changes for the period and reasons:

According to the provisions of the Company Law and the Articles of Association of the company under the Group, the company under the Group appropriates 10% of the profit to the statutory surplus reserves. Where the accumulated amount of the surplus reserves reaches 50% or more of the company's registered capital, further appropriation is not required.

34.Unappropriated profit

Currency: Renminbi Yuan

Item	For the current period	For the prior period
Balance at beginning of current period after adjustment	1,408,207,801.55	1,739,260,233.15
Add: Net profit attributable to shareholders of the parent company for the current period	53,029,532.69	68,957,568.40
Less: Appropriation to statutory surplus reserves	0.00	0.00
Dividends payable on ordinary shares	200,005,000.00	400,010,000.00
Balance at end of current period	1,261,232,334.24	1,408,207,801.55

Details of adjustment to balance at beginning of current period:

- 1) No balance adjustment of unappropriated profit at beginning of current period was made in relation to changes in the Accounting Standard for Business Enterprises and other new regulations.
- 2) No balance adjustment of unappropriated profit at beginning of current period was made in relation to changes in accounting policies.
- 3) No balance adjustment of unappropriated profit at beginning of current period was made in relation to significant accounting error correction.
- 4) No balance adjustment of unappropriated profit at beginning of current period was made in relation to changes in scope of business combination under the same control.
- 5) No balance adjustment of unappropriated profit at beginning of current period was made in relation to other adjustments.

35.Revenue and cost of sales

Currency: Renminbi Yuan

Item	Amount for the current period		Amount for the prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Principal business	1,474,288,180.73	507,787,350.88	2,173,757,035.39	675,742,928.54
Other business	8,134,973.25	3,831,688.94	6,520,708.61	3,810,329.34
Total	1,482,423,153.98	511,619,039.82	2,180,277,744.00	679,553,257.88

Whether the lower of the audited net profit before and after deducting non-recurring profit or loss is negative

 Yes No

Currency: Renminbi Yuan

Item	Current year	Details of deductions	Prior year	Details of deductions
Revenue	1,482,423,153.98	/	2,180,277,744.00	/
Total amount of revenue deduction items	8,134,973.25	It is mainly the revenue from wedding planning business, sales of products to be disposed, packaging materials and other revenues.	6,520,708.61	It is mainly the revenue from wedding planning business, sales of products to be disposed, packaging materials and other revenues.
Proportion of total amount of revenue deduction items in revenue	0.55%		0.30%	
I. Revenue unrelated to the principal business				

1. Revenue from other business other than normal operating business. For example, the revenue from leasing fixed assets, intangible assets and packaging materials, selling materials, exchanging non-monetary assets with materials, and operating entrusted management business, as well as the revenue included in the revenue from principal business but outside the normal business operation of listed companies.	8,134,973.25	It is mainly the revenue from wedding planning business, sales of products to be disposed, packaging materials and other revenues.	6,520,708.61	It is mainly the revenue from wedding planning business, sales of products to be disposed, packaging materials and other revenues.
Subtotal of revenue unrelated to principal business	8,134,973.25	It is mainly the revenue from wedding planning business, sales of products to be disposed, packaging materials and other revenues.	6,520,708.61	It is mainly the revenue from wedding planning business, sales of products to be disposed, packaging materials and other revenues.
II. Revenue without commercial substance				
Subtotal of revenue without commercial substance	0.00	N/A	0.00	N/A
Amount of revenue after deduction	1,474,288,180.73	/	2,173,757,035.39	/

Disaggregation of revenue and cost of sales:

Currency: Renminbi Yuan

Category of contracts	Segment 1		Segment 2				Total	
	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales
Type of business	1,482,423,153.98	511,619,039.82					1,482,423,153.98	511,619,039.82
Including:								
Engagement diamond rings	1,135,857,760.62	352,833,294.89					1,135,857,760.62	352,833,294.89
Wedding diamond rings	296,072,560.15	127,933,815.61					296,072,560.15	127,933,815.61
Other accessories	42,357,859.96	27,020,240.38					42,357,859.96	27,020,240.38
Other businesses	8,134,973.25	3,831,688.94					8,134,973.25	3,831,688.94
Classified by region of operation	1,482,423,153.98	511,619,039.82					1,482,423,153.98	511,619,039.82
Including:								
Mainland	1,431,522,805.46	491,842,873.68					1,431,522,805.46	491,842,873.68
Overseas	50,900,348.52	19,776,166.14					50,900,348.52	19,776,166.14
Market or								

customer type								
Including:								
Type of contract								
Including:								
Classified by time of goods transfer	1,482,423,153.98	511,619,039.82				1,482,423,153.98	511,619,039.82	
Including:								
Income recognised at a point in time	1,482,423,153.98	511,619,039.82				1,482,423,153.98	511,619,039.82	
Classified by contract period								
Including:								
Classified by sales channel	1,482,423,153.98	511,619,039.82				1,482,423,153.98	511,619,039.82	
Including:								
Self-employment income	1,482,423,153.98	511,619,039.82				1,482,423,153.98	511,619,039.82	
Total	1,482,423,153.98	511,619,039.82				1,482,423,153.98	511,619,039.82	

Information about the performance obligations:

Item	Time for fulfilment of performance obligations	Significant payment terms	Nature of the goods the Company commits to transfer	Whether it is the principal	Amount assumed by the Company that is expected to be refunded to the customer	Type of quality assurance provided by the Company and related obligations
Sales of goods	At delivery of goods	Under normal circumstances, the Company delivers the goods within 15-60 days after the consumer has paid in advance for the order.	Jewelry	Yes	The customer has the right to return the product within 15 days after receiving it, so it is necessary to estimate the return rate based on the historical sales situation and calculate the provision for return, which is detailed in Note VII.29.	Not applicable

Other descriptions

Under the self-operated business, the customer completes the performance obligations when receiving the goods. Under normal circumstances, for stores directly operated, the goods are delivered within 30 days after receiving the contract price; for mall associates and e-commerce, the contract price is usually received within 15-60 days after delivery. The customer has the right to

return the product within 15 days after receiving it, so it is necessary to estimate the return rate based on the historical sales situation and calculate the provision for return, which is detailed in Note VII.29.

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

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but have not yet been fulfilled or completed was RMB112,689,599.45. Among them, RMBis expected to be recognised in, RMBis expected to be recognised in, and RMBis expected to be recognised in.

Information about variable consideration in the contract:

Significant changes in the contract or significant transaction price adjustments

Currency: Renminbi Yuan

Item	Accounting treatment	Amount affected on revenue
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Other descriptions:

36. Taxes and surcharges

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Excise tax	61,508,021.85	94,846,226.96
Urban maintenance and construction tax	7,171,221.55	14,685,678.85
Education surcharge	2,831,751.11	6,012,263.70
Land use tax	1,920.81	0.00
Vehicle use tax	4,620.00	4,620.00
Stamp tax	1,034,422.82	1,469,675.40
Local education surcharge	1,887,832.82	4,011,599.61
Others	0.00	240.00
Total	74,439,790.96	121,030,304.52

Other descriptions:

37. Administrative expenses

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Wages or salaries	78,533,542.23	76,131,686.65
Input tax not deductible for intra-group transactions	15,690,635.54	24,529,983.06
Depreciation and amortisation	17,977,022.45	20,230,746.21
Professional agency service expenses	13,125,819.76	15,193,056.82
Office expenses	7,576,651.04	4,384,275.67
Property management and utility expenses	3,319,830.43	3,898,623.79
Traveling expenses	2,385,856.01	1,356,038.53
Share-based payment expenses	358,026.60	187,422.35
Others	4,184,466.97	6,084,278.80
Total	143,151,851.03	151,996,111.88

Other descriptions:

38. Selling expenses

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Wages or salaries	329,810,093.39	447,166,997.01
Marketing expenses	114,488,764.64	207,691,788.25
Depreciation and amortisation	262,083,791.40	435,539,360.20
Property management and utility expenses	48,649,010.06	73,305,894.36
Platform service fees	10,778,038.87	11,837,832.98
Office expenses	9,116,013.61	13,981,781.58
Traveling expenses	6,726,684.20	8,109,667.15
Professional agency service expenses	8,987,195.21	5,205,649.32
Variable rents excluded in the lease liabilities	7,379,903.15	6,427,115.11
Courier expenses	1,912,739.59	2,383,810.20
Packaging expenses	734,607.81	1,043,861.83
Others	14,925,522.03	16,067,407.60
Total	815,592,363.96	1,228,761,165.59

Other descriptions:

39. Research and development expenses

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Wages or salaries	16,610,005.06	18,580,887.31
Commissioned development service expenses	777,674.92	2,596,996.98
Depreciation and amortisation	536,909.46	536,909.46
Others	0.00	422.00
Total	17,924,589.44	21,715,215.75

Other descriptions:

40. Finance expenses

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Interest expenses	12,534,223.67	22,148,238.97
Less: Interest income	2,694,877.83	8,288,198.44
Foreign exchange differences	-9,384,356.03	1,377,037.20
Bank charges	7,794,170.21	10,533,027.13
Total	8,249,160.02	25,770,104.86

Other descriptions:

41. Other income

Currency: Renminbi Yuan

Source of other income	Amount for the current period	Amount for the prior period
Government grants related to routine activities	2,792,775.88	17,239,801.74
VAT levied and refunded ¹	7,740,248.29	8,266,133.90
Tax benefits ²	1,292,758.89	1,118,925.88
Others	0.00	122,137.04

Note1: According to the Notice of the General Administration of Customs of the Ministry of Finance and the State Taxation Administration on Adjusting the Relevant Tax Policies of the Diamond and Shanghai Diamond Exchange (Cai Shui [2006] No.

65), polished diamonds imported through the customs declaration of the competent customs of the Diamond Exchange shall be levied and refunded immediately if the actual VAT burden exceeds 4% at the import stage. Shanghai Darry, a subsidiary of the Company, has the membership of the Shanghai Diamond Exchange and enjoys the tax treatment of immediate refund for the part of the actual VAT burden in the import process exceeding 4%.

Note 2: According to the Announcement of the State Taxation Administration on Tax Collection and Administration Issues related to the Exemption of VAT for Small-Scale Taxpayers (SAT Announcement [2023] No. 19), small-scale taxpayers who engage in VAT taxable sales with total monthly sales not exceeding RMB100,000 (or RMB300,000 if one quarter is a tax period) are exempt from VAT. Some of the Company's branches are small-scale taxpayers and meet the above standards, and will be exempt from VAT in 2024.

42. Fair value gains

Currency: Renminbi Yuan

Source of fair value gains	Amount for the current period	Amount for the prior period
Financial assets held for trading	32,842,878.90	34,920,377.10
Financial liabilities held for trading	-5,620,843.02	-3,768,810.80
Other non-current financial assets	6,120,381.21	0.00
Total	33,342,417.09	31,151,566.30

Other descriptions:

43. Investment income

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Investment income of financial assets held-for-trading during the holding period	131,910,968.32	158,725,753.87
Interest income earned during the holding period of debt investment	31,445,485.07	43,188,743.26
Investment loss received from disposal of financial liabilities designated at fair value through profit or loss	-21,755,878.17	-454,869.03
Total	141,600,575.22	201,459,628.10

Other descriptions:

44. Credit impairment losses

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Impairment loss for accounts receivable	223,733.50	2,006,036.23
Impairment loss for other receivables	0.00	0.00
Impairment loss for non-current assets due within one year	1,850,080.61	-9,525,986.96
Total	2,073,814.11	-7,519,950.73

Other descriptions:

45. Impairment losses of assets

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
I. Losses from decline in value of inventories and losses from impairment of contract performance cost	-15,044,437.14	-12,880,040.30
XII. Others	-15,021,106.74	-92,462,615.85
Total	-30,065,543.88	-105,342,656.15

Other descriptions:

The amount for 2024, RMB-15,021,106.74, includes impairment loss of long-term prepaid expenses (RMB-2,621,976.86) and impairment loss of right-of-use assets (RMB-12,399,129.88);

The amount for 2023, RMB-92,462,615.85, includes impairment loss of long-term prepaid expenses (RMB-35,721,596.82) and impairment loss of right-of-use assets (RMB-56,741,019.03).

46. Gains on disposal of assets

Currency: Renminbi Yuan

Source of gains on disposal of assets	Amount for the current period	Amount for the prior period
Gain or loss on disposal of long-term assets	10,862,835.63	19,708,867.36

47. Non-operating income

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the current period
Compensation	3,043,343.20	2,632,045.72	3,043,343.20
Others	640,563.12	249,877.46	640,563.12
Total	3,683,906.32	2,881,923.18	3,683,906.32

Other descriptions:

48. Non-operating expenses

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the current period
Liquidated damages and late fees	1,869,451.74	7,042,543.67	313,635.04
Others	621,812.44	666,997.81	621,812.44
Total	2,491,264.18	7,709,541.48	935,447.48

Other descriptions:

The liquidated damages and late fees in 2024 were mainly the liquidated damages arising from the early closure of stores.

49. Income tax expenses

(1) Statement of income tax expenses

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Current tax	27,953,667.10	45,086,187.04
Deferred tax	1,295,682.33	-1,215,336.78
Total	29,249,349.43	43,870,850.26

(2) Reconciliation of income tax expenses to the accounting profit

Currency: Renminbi Yuan

Item	Amount for the current period
Profit before income tax	82,278,882.12
Tax at the statutory/applicable tax rate	20,569,720.52
Effect of different tax rates for subsidiaries	-13,381,389.39
Effect of adjustments to income tax in respect of prior periods	102,430.84
Effect of cost, expense and loss not deductible for tax	1,086,156.65
Effect of deductible temporary difference or deductible loss not recognised for deferred tax assets for the current period	24,024,573.30
R&D expenses are super-deducted	-1,916,122.50
Effect of utilising deductible loss not recognised for deferred tax assets for the prior period	-1,236,019.99
Income tax expenses	29,249,349.43

Other descriptions:

The income tax of the Group has been provided at the applicable rate on the estimated assessable taxable profits arising in Mainland China. Income taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, in accordance with existing laws, interpretations and practices.

50. Other comprehensive income

Refer to Note VII. 32 for details.

51. Items in the cash flow statement

(1) Cash relating to operating activities

Other cash receipts relating to operating activities

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Recovery of other deposits	9,446,516.92	7,460,972.41
Bank interest income	2,694,974.37	8,288,198.44
Government grants	2,806,714.26	17,239,801.74
Others	14,666,564.67	21,402,200.25
Total	29,614,770.22	54,391,172.84

Description of other cash receipts relating to operating activities:

Other cash payments relating to operating activities

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Payment of rent commission, property management and utility expenses	56,481,135.28	76,949,766.73
Payment of marketing expenses	133,611,656.88	217,121,618.34
Payment of office and travel expenses	20,134,492.74	28,540,022.33
Payment of courier expenses	8,567,114.39	6,627,529.76
Payment of packaging expenses	8,030,766.16	12,469,544.20
Payment of card fee	9,428,225.45	10,986,186.41
Payment of renovation and other deposits	3,916,260.25	3,638,793.10
Payment of consultation and testing expenses	21,807,860.98	34,787,513.75
Payment of e-commerce platform service fee	8,506,208.69	11,643,632.23
Others	12,537,360.15	8,559,426.93
Total	283,021,080.97	411,324,033.78

Other cash payments relating to operating activities:

(2)Cash relating to investing activities

Other cash receipts relating to investing activities

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
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Significant cash receipts relating to investing activities

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Receipt of investments in bank WMPs	6,001,616,655.93	1,700,000,000.00
Receipt of investments in structured deposits	640,000,000.00	6,703,748,941.31
Total	6,641,616,655.93	8,403,748,941.31

Description of other cash receipts relating to investing activities:

Other cash payments relating to investing activities

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
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Significant cash payments relating to investing activities

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Payment for bank WMPs investment	5,943,043,366.22	1,610,000,000.00
Payment of structured deposit investments	507,422,225.00	6,433,851,820.32
Total	6,450,465,591.22	8,043,851,820.32

Description of other cash payments relating to investing activities:

(3)Cash relating to financing activities

Other cash receipts relating to financing activities

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Receipts of returned rental deposit	17,473,501.27	12,925,343.87
Receipts of withholding dividend tax	1,234,349.40	2,686,700.54
Total	18,707,850.67	15,612,044.41

Description of other cash receipts relating to financing activities:

Other cash payments relating to financing activities

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Payment of fixed rent	240,224,136.72	343,219,838.63
Payment of rental deposit	5,315,654.57	5,089,234.91
Payment of withholding dividend bonus tax	1,234,349.40	2,686,700.54
Total	246,774,140.69	350,995,774.08

Description of other cash payments relating to financing activities:

Changes in liabilities arising from financing activities

 Applicable Not applicable

Currency: Renminbi Yuan

Item	Opening balance	Increase		Decrease		Closing balance
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term borrowings	389,995,277.14	427,287,829.95	3,515,026.91	481,288,661.39		339,509,472.61
Lease liabilities (Including lease liabilities due within one year)	263,296,300.38		207,689,527.69	240,224,136.72	54,360,668.96	176,401,022.39
Total	653,291,577.52	427,287,829.95	211,204,554.60	721,512,798.11	54,360,668.96	515,910,495.00

52.Supplement to cash flow statement**(1)Supplement to cash flow statement**

Currency: Renminbi Yuan

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of profit to net cash flows from operating activities		
Net Profit	53,029,532.69	68,957,568.40
Add: Provisions for asset impairment	30,065,543.88	105,342,656.15
Depreciation of fixed assets, depletion of oil and natural gas assets and depreciation of bearer biological assets	6,082,889.93	6,007,930.70
Depreciation of right-of-use assets	226,317,546.27	351,904,368.67

Amortisation of intangible assets	3,607,426.97	2,630,723.90
Amortisation of long-term prepaid expenses	44,909,904.06	97,016,164.88
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains are expressed with "-")	-10,862,835.63	-19,708,867.36
Loss of retirement of fixed assets (gains are expressed with "-")		
Loss on fair value changes (gains are expressed with "-")	-33,342,417.09	-31,151,566.30
Finance expenses (gains are expressed with "-")	1,515,908.93	23,070,045.62
Investment losses (gains are expressed with "-")	-141,600,575.22	-201,459,628.10
Decrease in deferred tax assets (increase is expressed with "-")	2,689,417.74	-7,102,331.80
Increase in deferred tax liabilities (decrease is expressed with "-")	-1,372,114.95	5,886,995.02
Decrease in inventories (increase is expressed with "-")	79,485,379.57	189,112,300.03
Decrease in operating receivables (increase is expressed with "-")	38,006,567.43	19,295,931.37
Increase in operating payables (decrease is expressed with "-")	25,146,618.42	-577,721,730.54
Others	-7,522,953.92	4,884,947.17
Net cash flows from operating activities	316,155,839.08	36,965,507.81
2. Significant non-cash investing and financing activities		
Debts converted to capital		
Convertible bonds due within 1 year		
Fixed assets under finance leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	139,786,968.23	226,963,610.96
Less: Opening balance of cash	226,963,610.96	521,625,030.62
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-87,176,642.73	-294,661,419.66

(2) Composition of cash and cash equivalents

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
I. Cash	139,786,968.23	226,963,610.96
Including: Cash on hand	115,321.08	434,213.76
Bank deposits on demand	136,053,718.64	223,505,249.44
Other currency funds on demand	3,617,928.51	3,024,147.76
III. Cash and cash equivalents at end of period	139,786,968.23	226,963,610.96

53. Monetary items denominated in foreign currencies**(1) Monetary items denominated in foreign currencies**

Currency: Renminbi Yuan

Item	Closing balance denominated in foreign currencies	Exchange rate	Closing balance in RMB
Currency funds			
Including: USD	4,107,406.16	7.1884	29,525,678.44
EUR	61,527.04	7.5257	463,034.04
HKD	921,440.40	0.9260	853,253.81
MYR	10,554.00	1.6199	17,096.42
SGD	6,158.99	5.3214	32,774.45
Accounts receivable			
Including: USD	2,870,316.67	7.1884	20,632,984.35
EUR	15,346.53	7.5257	115,493.38
HKD	263,346.60	0.9260	243,858.95
Long-term borrowings			
Including: USD			
EUR			
HKD			
Accounts payable			
USD	44,550.93	7.1884	320,249.91
HKD	42,823.45	0.9260	39,654.51
Other payables			
HKD	96,203.25	0.9260	89,084.21
EUR	6,470.58	7.5257	48,695.64
USD	207,711.59	7.1884	1,493,113.99

Other descriptions:

Monetary items denominated in foreign currencies refer to non-RMB monetary items.

(2) Description of overseas operating entities. For key overseas operating entities, their major overseas principal place of business, functional currencies and selection basis shall be disclosed. In case of any changes in functional currencies, the reasons for such changes shall also be disclosed.

Applicable Not applicable

54. Leases**(1) The Company as a lessee**

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

(1) As lessee

Currency: Renminbi Yuan

	2024	2023
Interest expense on lease liabilities	6,794,614.55	14,955,205.03
Variable lease payments not included in the measurement of lease liabilities	7,379,903.15	6,427,115.11
Cash outflows for fixed lease payments	240,224,136.72	343,219,833.63
Total cash outflow for leases	247,604,039.87	364,602,158.77

The Group has lease contracts for various items of houses and buildings used in its operations. Leases generally have lease terms of 1 to 5 years. Generally, the Group is restricted from assigning and subleasing the underlying assets. There are several lease contracts that include extension and termination options and variable lease payments. Refer to “Potential future cash outflows not included in the measurement of lease liabilities” for the impact of clauses relating to variable lease payments on future potential cash outflows.

(2) Potential future cash outflows not included in the measurement of lease liabilities

The potential future cash outflows that the Group does not include in the measurement of lease liabilities mainly arise from variable lease payments, and risk exposures of leases that have been promised but not yet commenced.

Variable lease payments

The property leases within the Group contain variable lease payment clauses that are linked to sales generated from the underlying store. These clauses are used, when possible, in order to match lease payments with stores generating higher cash flows.

As at 31 December 2024, the leasing status of the Group's houses and buildings was as follows:

Currency: Renminbi Yuan

	Number of stores and offices	Fixed payments	Variable payments	Total payments
Fixed payments only	225	148,032,382.84	0.00	148,032,382.84
Variable payments	165	92,191,753.88	7,379,903.15	99,571,657.03
Total	390	240,224,136.72	7,379,903.15	247,604,039.87

If the sales of all the Group's stores increase by 5%, the total lease payments are expected to increase by 0.13%; If the sales of all the Group's stores decrease by 5%, the total lease payment is expected to decrease by 0.11%.

As at 31 December 2024, the Group had no lease contracts that have been entered into but have not yet been implemented.

(3) Other information relating to leases

For right-of-use assets, refer to Note VII.12. For lease liabilities, refer to Note VII.26 and Note VII.28.

Expenses relating to leases of short-term leases or low-value assets accounted for applying practical expedients

Applicable Not applicable

Situations involving sale and leaseback transactions

VIII. Research and development expenditure

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Wages and salaries	16,610,005.06	18,580,887.31

Commissioned development service expenses	777,674.92	2,596,996.98
Depreciation and amortisation	536,909.46	536,909.46
Others	0.00	422.00
Total	17,924,589.44	21,715,215.75
Including: research and development expenses	17,924,589.44	21,715,215.75

IX. Changes in the scope of consolidation

1.Changes in scope of consolidation caused by other reasons

Description of changes in scope of consolidation caused by other reasons (e.g., establishment and liquidation of subsidiaries) and other relevant conditions:

Entity	Purpose for the establishment/cancellation	The way of changes in scope of consolidation	Impact on overall performance
Garland (Shenzhen) Jewelry Co., Ltd.	Business needs	New in 2024	Not significant
Garland International	Business needs	New in 2024	Not significant
Zhoukou DR Jewelry Co., Ltd.	Business needs	Canceled in 2024	Not significant
Heze DR Jewelry Co., Ltd.	Business needs	Canceled in 2024	Not significant
Linyi DR Jewelry Co., Ltd	Business needs	Canceled in 2024	Not significant
Jiaxing DR Jewelry Co., Ltd	Business needs	Canceled in 2024	Not significant
Fuyang DR Jewelry Co., Ltd	Business needs	Canceled in 2024	Not significant
Weifang DR Jewelry Co., Ltd	Business needs	Canceled in 2024	Not significant
Dongguan DR Jewelry Co., Ltd.	Business needs	Canceled in 2024	Not significant
Baoding DR Jewelry Sales Co., Ltd	Business needs	Canceled in 2024	Not significant
Yiwu DR Jewelry Co., Ltd.	Business needs	Canceled in 2024	Not significant

X.Interests in other entities

1.Interests in subsidiaries

(1)Composition of enterprise group

Currency: Renminbi Yuan

Subsidiary	Registered capital	Principal place of business	Place of incorporation	Nature of business	Ownership interest (%)		Mode of acquisition
					Direct	Indirect	
DR Group Company Limited	30,000,000.00 ¹	Hong Kong, China	Hong Kong, China	Store sales in Hong Kong and overseas loose stone procurement		100.00%	Establishment
Shanghai Darry Diamond	5,000,000.00	Shanghai	Shanghai	Member of Shanghai Diamond	100.00%		Establishment

Co., Ltd				Exchange, responsible for the procurement and customs declaration of overseas loose stone			
Chongqing Darry Jewelry Co., Ltd	4,000,000.00	Chongqing	Chongqing	Store sales in Chongqing	100.00%		Establishment
Shenzhen Love Only AI Cloud Technology Co., Ltd.	25,000,000.00	Shenzhen	Shenzhen	Information technology services	100.00%		Establishment
Couple Only (Shenzhen) Jewelry Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Sub-brand cultivation	100.00%		Establishment
Shenzhen Darry Commercial Management Service Co., Ltd	10,000,000.00	Shenzhen	Shenzhen	Supply chain management, R&D design, customised product services and related supporting services	100.00%		Establishment
DARRY JEWELRY (HK) LIMITED	1,289,000.00 ²	Hong Kong, China	Hong Kong, China	Sub-brand cultivation		100.00%	Establishment
Couple Only Jewelry HongKong Company Limited	10,000,000.00 ³	Hong Kong, China	Hong Kong, China	Sub-brand cultivation		100.00%	Establishment
DR Jewelry	1,000,000.00 ⁴	France	France	Sales in France		100.00%	Establishment
He'er Culture (Shenzhen) Co., Ltd	10,000,000.00	Shenzhen	Shenzhen	Creative planning services	100.00%		Establishment
Haoduo Diamond (Shenzhen) Co., Ltd	60,000,000.00	Shenzhen	Shenzhen	Responsible for domestic loose stone procurement	100.00%		Establishment
Xiamen DR Jewelry Co., Ltd	1,000,000.00	Xiamen	Xiamen	Store sales in Xiamen	100.00%		Establishment
Shenyang DR Jewelry Co., Ltd	1,000,000.00	Shenyang	Shenyang	Store sales in Shenyang	100.00%		Establishment
Tianjin DR Jewelry Co.,	5,000,000.00	Tianjin	Tianjin	Store sales in Tianjin	100.00%		Establishment

Ltd							
Chengdu DR Jewelry Co., Ltd	5,000,000.00	Chengdu	Chengdu	Store sales in Chengdu	100.00%		Establishment
Kunming DR Jewelry Co., Ltd	5,000,000.00	Kunming	Kunming	Store sales in Kunming	100.00%		Establishment
Shanghai DR Jewelry Co., Ltd	3,000,000.00	Shanghai	Shanghai	Store sales in Shanghai	100.00%		Establishment
Suzhou Zhongzuan DR Jewelry Co., Ltd.	3,000,000.00	Suzhou	Suzhou	Store sales in Suzhou	100.00%		Establishment
Jinan DR Jewelry Co., Ltd	4,000,000.00	Jinan	Jinan	Store sales in Jinan	100.00%		Establishment
Shenzhen DR Jewelry Co., Ltd	1,000,000.00	Shenzhen	Shenzhen	Store sales in Shenzhen	100.00%		Establishment
Beijing Zhongzuan DR Jewelry Co., Ltd	1,000,000.00	Beijing	Beijing	Store sales in Beijing	100.00%		Establishment
Suzhou DR Jewelry Co., Ltd.	1,000,000.00	Suzhou	Suzhou	Store sales in Suzhou	100.00%		Establishment
Shenyang DR Jewelry Accessories Co., Ltd.	3,000,000.00	Shenyang	Shenyang	Store sales in Shenyang	100.00%		Establishment
Hangzhou DR Jewelry Co., Ltd.	5,000,000.00	Hangzhou	Hangzhou	Store sales in Hangzhou	100.00%		Establishment
Beijing DR Jewelry Co., Ltd	1,000,000.00	Beijing	Beijing	Store sales in Beijing	100.00%		Establishment
Wuhan Zhongzuan DR Jewelry Co., Ltd	1,000,000.00	Wuhan	Wuhan	Store sales in Wuhan	100.00%		Establishment
Xi'an DR Jewelry Co., Ltd	1,000,000.00	Xi'an	Xi'an	Store sales in Xi'an	100.00%		Establishment
Chengdu DR True Love Jewelry Co., Ltd	1,000,000.00	Chengdu	Chengdu	Store sales in Chengdu	100.00%		Establishment
Ningbo DR Jewelry Co., Ltd	5,000,000.00	Ningbo	Ningbo	Store sales in Ningbo	100.00%		Establishment
Beijing Huazuan DR Jewelry Co., Ltd	1,000,000.00	Beijing	Beijing	Store sales in Beijing	100.00%		Establishment
Chongqing DR Jewelry	4,000,000.00	Chongqing	Chongqing	Store sales in Chongqing	100.00%		Establishment

Co., Ltd							
Hangzhou DR True Love Jewelry Co., Ltd	5,000,000.00	Hangzhou	Hangzhou	Store sales in Hangzhou	100.00%		Establishment
Henan DR Jewelry Co., Ltd	1,000,000.00	Henan	Henan	Store sales in Henan	100.00%		Establishment
Xi'an Zhongzuan DR Jewelry Co., Ltd	3,000,000.00	Xi'an	Xi'an	Store sales in Xi'an	100.00%		Establishment
Zhengzhou DR Jewelry Co., Ltd.	3,000,000.00	Zhengzhou	Zhengzhou	Store sales in Zhengzhou	100.00%		Establishment
Shenzhen DR Jewelry Co., Ltd	1,000,000.00	Shenzhen	Shenzhen	Store sales in Shenzhen	100.00%		Establishment
Shenzhen DR Jewelry Ornament Co., Ltd	1,000,000.00	Shenzhen	Shenzhen	Store sales in Shenzhen	100.00%		Establishment
Changsha DR Jewelry Co., Ltd.	5,000,000.00	Changsha	Changsha	Store sales in Changsha	100.00%		Establishment
Shanghai DR Jewelry Ornament Co., Ltd	1,000,000.00	Shanghai	Shanghai	Store sales in Shanghai	100.00%		Establishment
Shanghai DR Jewelry Sales Co., Ltd	1,000,000.00	Shanghai	Shanghai	Store sales in Shanghai	100.00%		Establishment
Xining DR Jewelry Co., Ltd	1,000,000.00	Xining	Xining	Store sales in Xining	100.00%		Establishment
Yinchuan DR Jewelry Co., Ltd	1,000,000.00	Yinchuan	Yinchuan	Store sales in Yinchuan	100.00%		Establishment
Jining DR Jewelry Co., Ltd	1,000,000.00	Jining	Jining	Store sales in Jining	100.00%		Establishment
Mianyang DR Jewelry Co., Ltd	1,000,000.00	Mianyang	Mianyang	Store sales in Mianyang	100.00%		Establishment
Guiyang DR Jewelry Co., Ltd	1,000,000.00	Fuyang	Fuyang	Store sales in Guiyang	100.00%		Establishment
Haoduo Diamond Zhizao (Shenzhen) Co., Ltd	10,000,000.00	Shenzhen	Shenzhen	Cutting and production of rough diamonds		100.00%	Establishment
He'er Culture (Hainan) Co., Ltd	10,000,000.00	Sanya	Sanya	Cultural and creative services	100.00%		Establishment
Shenzhen	10,000,000.00	Shenzhen	Shenzhen	Jewelry retail	100.00%		Establishment

DR Jewelry Sales Co., Ltd	0			business			
Lifetime Love Wedding Planning (Shenzhen) Co., Ltd	10,000,000.00	Shenzhen	Shenzhen	Wedding planning services	100.00%		Establishment
Happy Love Psychology Research Center (Shenzhen) Co., Ltd	5,000,000.00	Shenzhen	Shenzhen	Happiness and love related research and consulting	100.00%		Establishment
DR LUXURY (SINGAPORE) PTE. LTD.	10,000,000.00 ⁵	Singapore	Singapore	Responsible for overseas investment and sales in Singapore		100.00%	Establishment
DR Luxury Netherlands Holding B.V.	100,000.00 ⁶	The Netherlands	The Netherlands	Investment management		100.00%	Establishment
LOVEMON T (MALAYSIA) SDN.BHD.	1.00 ⁷	Malaysia	Malaysia	Sales in Malaysia		100.00%	Establishment
DR LUXURY USA INC	75,000.00 ⁸	United State of America	United State of America	Sales in the United State of America		100.00%	Establishment
Lifetime Love Wedding Planning (Sanya) Co., Ltd	5,000,000.00	Sanya	Sanya	Wedding planning services	100.00%		Establishment
LOVEMON T HONG KONG LIMITED	100,000.00 ⁹	Hong Kong, China	Hong Kong, China	Overseas loose diamond procurement		100.00%	Establishment
Garland (Shenzhen) Jewelry Co., Ltd.	500,000.00 ¹⁰	Shenzhen	Shenzhen	Jewelry retail		100.00%	Newly established in the current year
Garland International	10,000.00 ¹¹	France	France	Sales in France		100.00%	Newly established in the current year

Note: 1. It is denominated in HKD.

2. It is denominated in USD.

3. It is denominated in HKD.

4. It is denominated in EUR.

5. It is denominated in SGD.

6. It is denominated in EUR.

7. It is denominated in MYR.

8. It is denominated in USD.
 9. It is denominated in USD.
 10. It is denominated in SGD.
 11. It is denominated in EUR.

Description of the reason why the shareholding proportion held in subsidiary is different from the voting right proportion:

Not applicable.

The basis for controlling the investees of which the Group is holding half or less than half of the voting rights, and the basis for not controlling the investees of which the Group is holding more than half of the voting rights:

Not applicable.

For significant structured entities included into the scope of consolidation, the basis for control:

Not applicable.

Basis for determining whether the Company is an agent or a principal:

Not applicable.

Other descriptions:

XI. Government grants

1. Government grants recognised at amounts receivable at the end of the reporting period

Applicable Not applicable

Reasons for failing to receive the estimated amount of government grants at the estimated time point

Applicable Not applicable

2. Liability items relating to government grants

Applicable Not applicable

3. Government grants recognised in profit or loss

Applicable Not applicable

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Recognised as other income	2,792,775.88	17,239,801.74

Other descriptions

XII.Risks related to financial instruments

1.Risks arising from financial instruments

1.Risks of financial instruments

The Group is exposed to various financial instrument risks in its day-to-day activities, mainly including credit risk, liquidity risk and market risk (including exchange rate risk). The Group's risk management policies are outlined below.

The Group diversifies the risk of financial instruments through appropriate diversification of investment and business portfolio, and reduces the risk of concentration on specific counterparties by formulating appropriate risk management policies.

Credit risk

The Group trades only with recognised and creditworthy third parties. According to the Group's policy, a credit review is required for all customers who require credit transactions. In addition, the Group continuously monitors the balance of accounts receivable to ensure that the Group does not face significant bad debt risks.

These financial instruments have low credit risk because the counterparties of currency funds and financial assets held for trading are reputable banks with high credit ratings.

Other financial assets of the Group include accounts receivable, other receivables, fixed income products in other current assets and other non-current assets whose credit risk derives from counterparty defaults and whose maximum exposure is equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Credit risk is centrally managed by industry. As at 31 December 2024, the Group had a specific credit risk concentration and 62.78% of the Group's accounts receivable (31 December 2023: 66.76%) were shopping malls that collected orders on their behalf.

Determination of significant increase in credit risk

At each balance sheet date, the Group assesses whether the credit risk on the relevant financial instruments has increased significantly since initial recognition.

The Group's main criterion for determining a significant increase in credit risk is that the number of days past due exceeds 30 days, or there are significant changes in one or more of the following indicators: significant adverse changes in the operating environment in which the debtor is located, internal and external credit ratings, actual or expected operating results, etc.

Definition of credit-impaired financial assets

The Group's main criterion for determining that credit impairment has occurred is that the number of days past due exceeds 90 days. However, in some cases, if internal or external information indicates that the contract amount may not be recovered in full before considering any credit enhancements held, the Group will also consider it as credit impairment.

The impairment of financial assets may not be necessarily due to a single discrete event, the combined effects of multiple events may result in financial assets being credit-impaired.

(1)Liquidity risk

The Group's objective is to use a variety of financing instruments to maintain a balance between the continuity and flexibility of financing. The Group finances its operations through funds from operations and borrowings.

The tables below summarise the maturity profile of the Company's financial liabilities and lease liabilities based on undiscounted contractual cash flows:

Financial liabilities and lease liabilities

2024

Currency: Renminbi Yuan

	Within 1 year	1-3 years	3-5 years	Over 5 years	Total
Short-term borrowings	339,914,561.65				339,914,561.65
Financial liabilities held for trading	144,722,831.86				144,722,831.86
Notes payable	32,833,149.16				32,833,149.16
Accounts payable	31,342,378.26				31,342,378.26
Other payables	284,488,227.25	-	-	-	284,488,227.25
Current portion of non-current liabilities	130,177,427.54	-	-	-	130,177,427.54
Lease liabilities	-	64,545,680.75	171,854.82	-	64,717,535.57
Total	963,478,575.72	64,545,680.75	171,854.82	-	1,028,196,111.29

2023

Currency: Renminbi Yuan

	Within 1 year	1-3 years	3-5 years	Over 5 years	Total
Short-term borrowings	390,632,777.14	-	-	-	390,632,777.14
Notes payable	47,986,785.70	-	-	-	47,986,785.70
Accounts payable	28,164,899.34	-	-	-	28,164,899.34
Other payables	44,381,542.05	-	-	-	44,381,542.05
Provisions	10,178,765.00	3,056,709.00	380,508.00	-	13,615,982.00
Current portion of non-current liabilities	201,537,017.35	-	-	-	201,537,017.35
Lease liabilities	-	56,118,094.10	13,994,560.27	-	70,112,654.37
Total	722,881,786.58	59,174,803.10	14,375,068.27	-	796,431,657.95

(2)Market risk

Currency risk

The Group is exposed to transactional exchange rate risk resulting from sales or purchases made by business units in currencies other than their functional currency. In FY2024, approximately 3.43% (2023: 0.55%) of the Group's sales was denominated in currencies other than the functional currency of business units in which the sales occurred, while approximately 3.87% (2023: 0.61%) of the cost was denominated in currencies other than the functional currency of business units. The Group does not engage in foreign exchange hedging.

The table below provides a sensitivity analysis of exchange rate risk and reflects the impact of potential reasonable changes in USD, EUR and HKD exchange rates on net profit or loss (due to changes in the fair

value of monetary assets and monetary liabilities) and other comprehensive income, net of tax, under the assumption that all other variables remain unchanged.

2024

Currency: Renminbi Yuan

	Change in USD rate	Post-tax profit	Other comprehensive income, net of tax	Total shareholders' equity
	Increase/(decrease)	Increase/(decrease)	Increase/(decrease)	Increase/(decrease)
If RMBweakens against USD	3%	1,450,358.97	-	1,450,358.97
If RMBstrengthens against USD	(3%)	(1,450,358.97)	-	(1,450,358.97)

2023

Currency: Renminbi Yuan

	Change in USD rate	Post-tax profit	Other comprehensive income, net of tax	Total shareholders' equity
	Increase/(decrease)	Increase/(decrease)	Increase/(decrease)	Increase/(decrease)
If RMBweakens against USD	3%	185,141.01	-	185,141.01
If RMBstrengthens against USD	(3%)	(185,141.01)	-	(185,141.01)

2.Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages and adjusts its capital structure in response to changes in the economic situation and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not bound by any externally imposed capital requirements. In 2024 and 2023, the capital management objectives, policies or procedures remain unchanged.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. It is the Group's policy to maintain a reasonable debt-to-asset ratio. The Group's debt-to-asset ratio at the balance sheet date is as follows:

Currency: Renminbi Yuan

	2024	2023
Total assets	7,552,292,660.57	7,530,082,307.45
Total liabilities	1,228,788,356.24	1,057,444,465.49
Debt-to-asset ratio	16.27%	14.04%

XIII.Disclosure of fair value

1.Closing balance of assets and liabilities measured at fair value

Currency: Renminbi Yuan

Item	Closing balance			
	Fair value	Fair value	Fair value	Total

	measurements within Level 1	measurements within Level 2	measurements within Level 3	
1. Recurring fair value measurements	--	--	--	--
(I) Financial assets held for trading		4,982,976,553.59		4,982,976,553.59
1. Financial assets at fair value through profit or loss		4,982,976,553.59		4,982,976,553.59
Total assets measured at fair value on a recurring basis		4,982,976,553.59		4,982,976,553.59
(VII) Financial liabilities designated as being measured at fair value through profit or loss	144,722,831.86			144,722,831.86
Total liabilities measured at fair value on a recurring basis	144,722,831.86			144,722,831.86
2. Non-recurring fair value measurements	--	--	--	--

2. Basis of determining the market prices of recurring and non-recurring fair value measurements within Level 1

The financial liabilities at fair value through profit or loss refer to the physical gold leased by the Company from banks, and there is an active market for gold (i.e., Shanghai Gold Exchange), and the Shanghai Gold Exchange publishes the closing price of gold contract transactions on each trading day. At the end of the reporting period, the Company determines the market price based on the closing price of gold contract transactions published by Shanghai Gold Exchange on the same day or the latest previous trading day.

3. Qualitative and quantitative information on the valuation techniques used and significant parameters in recurring and non-recurring fair value measurements within Level 2

Financial assets at fair value through profit or loss are bank wealth management products with fair value determined using expected future cash flows expected to be available in the market and discounted at an interest rate determined based on the best estimate of the expected level of risk.

4. Qualitative and quantitative information on the valuation techniques used and significant parameters in recurring and non-recurring fair value measurements within Level 3

No recurring and non-recurring fair value measurements within Level 3 at the end of the reporting period.

5.Reconciliation information between opening and closing carrying amounts and sensitivity analysis of unobservable parameters in recurring fair value measurements within Level 3

Not applicable.

6.For items measured at fair value on a recurring basis, disclose the amounts of any transfers between different levels of the fair value hierarchy, the reasons for those transfers and the policy for determining when transfers between levels are deemed to have occurred.

No transfers between different levels occurred during the reporting period.

7.Changes in valuation techniques that occurred during the period and the reasons for the changes

No valuation techniques occurred during the reporting period.

8.Fair value of financial assets and financial liabilities that are not measured at fair value

The Company has assessed its currency funds, accounts receivable, other receivables, other current assets, notes payable, accounts payable and other payables and the fair value is in line with the carrying amount due to the short remaining period.

9.Others

XIV.Related party relationships and transactions

1.Parent

Parent	Registered address	Nature of business	Registered capital	Proportion of ownership interest in the Company (%)	Proportion of voting power in the Company(%)
DR Investment (Zhuhai) Co., Ltd.	Zhuhai	Business management consulting, business information consulting, investment management, etc.	RMB50,000,000.00	85.50%	85.50%

Information about the parent

The parent “Shenzhen DR Investment Co., Ltd.” changed its name to the current “DR Investment (Zhuhai) Co., Ltd.” in January 2022.

The ultimate controlling party of the Company is Mr. Zhang Guotao and Mrs. Lu Yiwen.

Other descriptions:

2.Subsidiaries

Information about the subsidiaries of the Company is disclosed in Note X.1.

3.Other related parties

Name	Related party relationships
Lu Yiwen	The actual controller of the Company
Zhang Guotao	The actual controller of the Company
Shenzhen Every Year Travel Photography Culture Co., Ltd.	A wholly-owned subsidiary of DR Investment, the Company's controlling shareholder; an enterprise indirectly controlled by the actual controllers Zhang Guotao and Lu Yiwen
Director, general manager and other senior management of the Company	Key management personnel of the Company

Other descriptions:

4.Related party transactions

(1)Compensation of key management personnel

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Compensation of key management personnel	9,833,094.65	12,556,600.01
Including: share-based payment expenses	245,133.44	367,807.31

XV.Share-based payment

1.Summary

 Applicable Not applicable

Currency: Renminbi Yuan

Category of recipient	Equity instruments granted in the current period		Equity instruments exercised in the current period		Equity instruments unlocked in the current period		Equity instruments which became invalid in the current period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Management personnel	0	0.00	0	0.00	1,614,328.77	8,592,447.03	0	0.00
Total	0	0.00	0.00	0.00	1,614,328.77	8,592,447.03	0.00	0.00

Stock options or other equity instruments issued and outstanding by the Company at end of period

 Applicable Not applicable

Category of recipient	Stock options issued and outstanding by the Company at end of period		Other equity instruments issued and outstanding by the Company at end of period	
	Range of exercise prices	Remaining term of the contract	Range of exercise prices	Remaining term of the contract
Management personnel	1.67	0.01 years		

Other descriptions:

Share-based payment plan

(1)On 20 November 2019, the Company approved the “DR Corporation Limited Equity Incentive scheme” through the resolution of the second extraordinary general meeting of shareholders in 2019, and the Company granted 2,412,000 restricted shares of the Company to 12 incentive recipients through the Gongqingcheng Wendy No.1 Investment Management Partnership (Limited Partnership) and the Gongqingcheng Wendy No.2 Investment Management Partnership (Limited Partnership), with 20 November 2019 as the grant date. The grant price is RMB1.67 per share. Gongqingcheng Wendy No.1 Investment Management Partnership (Limited Partnership) and Komsomolsk Wendy No.2 Investment Management Partnership (Limited Partnership) set restrictive conditions, that is, after 5 years from the grant date, the incentive shares held by the incentive recipients meet the feasible right conditions stipulated in the incentive scheme, and the Company’s shares held by the incentive recipients cannot be transferred within three years from the date of listing on the Shenzhen Stock Exchange.

(2)Modification of the second equity incentive scheme and newly granted restricted stocks

On 11 March 2020, the Company passed the resolution of the second extraordinary general meeting of shareholders in 2020, approving the amendment of the equity incentive scheme “DR Corporation Limited Equity Incentive Scheme”, which added that in the case of the incentive recipients leaving the Company within 5 years and the Company has been listed, the incentive shares held by the incentive recipients after years of service since the grant date meet the vesting conditions. Subject to the fact that the conditions for listing within 5 years of the Company can be met, the amendment acts as a number of separate share-based payment schemes, recognising share-based payment expenses during their respective vesting periods. At the same time, pursuant to the revised equity incentive scheme, the Group granted 810,000 new restricted shares to two incentive recipients through Gongqingcheng Wendy No. 1 Investment Management Partnership (Limited Partnership) on 11 March 2020 at a grant price of RMB1.67 per share.

(3) On 14 June 2023 and 26 July 2023, two incentive recipients of the original equity incentive scheme left the Company, and the recognised share-based payment expense of RMB516,361.18 was reversed in 2023.

(4) Based on the fair value of restricted stock at the time of grant and the estimated exercise date and turnover rate assessed by the valuation firm engaged by the Company according to the income method, the total share-based payment expenses to be recognised in 2024 are RMB358,026.60 (2023: RMB187,422.35).

2. Equity-settled share-based payments

Applicable Not applicable

Currency: Renminbi Yuan

Methodology for determining the fair value of equity instruments at the grant date	Income method
Significant parameters for determining the fair value of equity instruments at the grant date	Expected income growth rate, perpetual growth rate and discount rate
Basis for determining the number of exercisable equity instruments	Best estimate of the number of equity instruments expected to vest
Reasons for material differences between the current and prior period estimates	Nil
Accumulated amount included in capital reserve for equity-settled share-based payments	26,889,567.92
Total expenses recognised for equity-settled share-based payments in the current period	358,026.60

Other descriptions:

3. Cash-settled share-based payments

Applicable Not applicable

4.Share-based payment expenses

Applicable Not applicable

Currency: Renminbi Yuan

Category of recipient	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Management personnel	358,026.60	
Total	358,026.60	

Other descriptions:

5.Modification and termination of share-based payments

Nil

XVI.Commitments and contingencies**1.Significant commitments**

Significant commitments existing as at the balance sheet date

As at the date of approval of these financial statements, the Group had no significant commitments required to be disclosed.

2.Contingencies**(1)Significant contingencies existing as at the balance sheet date**

As at the date of approval of these financial statements, the Group had no contingencies required to be disclosed.

(2)To state that the Company has no significant contingencies required to be disclosed

The Company had no significant contingencies required to be disclosed.

3.Others**XVII. Events after the balance sheet date****1.Profit distribution**

Dividends to be distributed for every 10 shares (RMB yuan)	5
Bonus shares to be distributed for every 10 shares (shares)	0
Shares increased for every 10 shares (shares)	0
Profit distribution plan	Based on the Company's total share capital of 400,010,000 shares as at 31 December 2024, it is proposed to distribute cash of RMB5.00 (tax inclusive) for every 10 shares to all shareholders, with a total cash dividend of RMB200,005,000.00 (tax inclusive), without any bonus

	shares granted or capital reserve being converted into share capital. The profit proposal is yet to be considered at the Company's shareholders' meeting.
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XVIII. Other significant events

1. Segment information

(1) Reasons should be provided where a company has no reporting segments or is unable to disclose the total assets and total liabilities of each reporting segment

The management of the Group considers the internal structure, management requirements and internal reporting system and other aspects to believe that the businesses of the companies in the Group share obvious similarities, all of which are in the jewelry retail industry. Management regularly reviews the Group's overall financial statements for resource allocation and performance evaluation, and as a result, according to Accounting Standard for Business Enterprises No. 35-Segment Reporting, the Group's operations constitute a single operating segment and no segment reporting information is prepared.

(2) Other descriptions

(1) Information about products and services

Revenue from external customers

Currency: Renminbi Yuan

	2024	2023
Engagement diamond rings	1,135,857,760.62	1,699,139,354.11
Wedding diamond rings	296,072,560.15	449,380,892.69
Other accessories	42,357,859.96	25,236,788.59
Other businesses	8,134,973.25	6,520,708.61
Total	1,482,423,153.98	2,180,277,744.00

(2) Geographic information

The Group's geographical division is relatively concentrated, and 96.57% of the external transaction income was attributable to the Chinese mainland region in 2024(2023: 99.45%); As at 31 December 2024, 99.49% of non-current assets were attributable to the Chinese mainland region (31 December 2023: 99.85%).

(3) Information about major customers

The Group's customers are relatively fragmented and there is no single customer with more than 10% of the Group's transaction volume.

XIX. Notes to key items of the Company's financial statements

1. Accounts receivable

(1) Disclosed by aging

Currency: Renminbi Yuan

Aging	Closing outstanding balance	Opening outstanding balance
Within 1 year, inclusive	160,770,623.58	109,571,866.94
1 to 2 years	175,105.16	659,976.99
Total	160,945,728.74	110,231,843.93

(2) Disclosed by method of determining impairment allowance

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Outstanding balance		Impairment allowance		Carrying amount	Outstanding balance		Impairment allowance		Carrying amount
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Including:										
Accounts receivable for which impairment allowance is recognised on the grouping basis	160,945,728.74	100.00%	2,773,964.30	1.72%	158,171,764.44	110,231,843.93	100.00%	2,997,697.80	2.72%	107,234,146.13
Including:										
Amounts due from subsidiaries	92,061,258.26	57.20%	0.00	0.00%	92,061,258.26	31,063,668.50	28.18%	0.00	0.00%	31,063,668.50

Accounts receivable from POS machines and e-commerce platforms	22,614,843.45	14.05%	0.00	0.00%	22,614,843.45	28,153,043.64	25.54%	0.00	0.00%	28,153,043.64
Accounts Receivable from the mall	46,269,627.03	28.75%	2,773,964.30	6.00%	43,495,662.73	51,015,131.79	46.28%	2,997,697.80	5.88%	48,017,433.99
Total	160,945,728.74	100.00%	2,773,964.30	1.72%	158,171,764.44	110,231,843.93	100.00%	2,997,697.80	2.72%	107,234,146.13

Impairment allowance which is recognised on the grouping basis: 2,773,964.30

Currency: Renminbi Yuan

Name	Closing balance		
	Outstanding balance	Impairment allowance	Provision ratio
Accounts receivable from the mall	46,269,627.03	2,773,964.30	6.00%
Total	46,269,627.03	2,773,964.30	

Description of the basis for determining impairment allowance recognised on the grouping basis:

Impairment allowance is recognised based on the grouping of credit risk characteristics.

If the Company recognises impairment allowance based on the general model of ECLs:

Applicable Not applicable

(3) Impairment allowance recognised, recovered or reversed for the current period

Impairment allowance for the current period:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Accounts receivable from the mall	2,997,697.80	2,773,964.30	2,997,697.80	0.00	0.00	2,773,964.30
Total	2,997,697.80	2,773,964.30	2,997,697.80	0.00	0.00	2,773,964.30

Including: significant recovery or reversal of impairment allowance for the current period:

Currency: Renminbi Yuan

Entity	Amount recovered or reversed	Reason for reversal	Methods for reversal	The basis and rationality of determining the ratio for original impairment

				allowance
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(4)The top 5 largest accounts receivable and contract assets at end of period categorised by debtor

Currency: Renminbi Yuan

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of total closing balance of accounts receivable and contract assets	Closing balance of impairment of accounts receivable and contract assets
No.1	43,345,305.02		43,345,305.02	26.93%	
No.2	5,790,111.97		5,790,111.97	3.60%	
No.3	4,947,880.58		4,947,880.58	3.07%	
No.4	4,590,418.24		4,590,418.24	2.85%	
No.5	3,589,769.18		3,589,769.18	2.23%	
Total	62,263,484.99		62,263,484.99	38.68%	

2.Other receivables

Currency: Renminbi Yuan

Item	Closing balance	Opening balance
Dividends receivable	0.00	96,000,000.00
Other receivables	1,074,292,359.51	128,498,084.63
Total	1,074,292,359.51	224,498,084.63

(1)Dividends receivable**1)Category of dividends receivable**

2. Currency: Renminbi Yuan

Item (or investee)	Closing balance	Opening balance
Shenzhen Love Only AI Cloud Technology Co., Ltd.	0.00	81,000,000.00
Shenzhen Darry Commercial Management Service Co., Ltd.	0.00	15,000,000.00
Total	0.00	96,000,000.00

2)Significant dividends receivable aged over 1 year

Currency: Renminbi Yuan

Item (or investee)	Closing balance	Aging	Reasons for not being recovered	Impairment or not and basis for judgment

3)Disclosed by method of determining impairment allowance

Applicable Not applicable

(2)Other receivables**1)Other receivables categorised by nature**

Currency: Renminbi Yuan

Nature	Closing outstanding balance	Opening outstanding balance
Amounts due from subsidiaries	1,070,228,066.26	124,899,102.54
Social insurances and housing fund borne by employees	2,392,220.30	2,671,188.70
Temporary loans for employees	234,587.30	295,945.15
Others	3,342,485.65	2,536,848.24
Total	1,076,197,359.51	130,403,084.63

2)Disclosed by aging

Currency: Renminbi Yuan

Aging	Closing outstanding balance	Opening outstanding balance
Within 1 year, inclusive	1,074,216,213.62	128,498,084.63
1 to 2 years	76,145.89	0.00
2 to 3 years	0.00	1,905,000.00
Over 3 years	1,905,000.00	0.00
3 to 4 years	1,905,000.00	0.00
Total	1,076,197,359.51	130,403,084.63

3)Disclosed by method of determining impairment allowance

Currency: Renminbi Yuan

Category	Closing balance					Opening balance				
	Outstanding balance		Impairment allowance		Carrying amount	Outstanding balance		Impairment allowance		Carrying amount
	Amount	Percentage	Amount	Provision ratio		Amount	Percentage	Amount	Provision ratio	
Impairment allowance which is recognised individually	1,905,000.00	0.18%	1,905,000.00	100.00%	0.00	1,905,000.00	1.46%	1,905,000.00	100.00%	0.00

Including:										
Impairment allowance which is recognised individually on the grouping basis	1,074,292,359.51	99.82%	0.00	0.00%	1,074,292,359.51	128,498,084.63	98.54%	0.00	0.00%	128,498,084.63
Including:										
Total	1,076,197,359.51	100.00%	1,905,000.00	0.18%	1,074,292,359.51	130,403,084.63	100.00%	1,905,000.00	1.46%	128,498,084.63

Impairment allowance which is recognised individually: 1,905,000

Currency: Renminbi Yuan

Name	Opening balance		Closing balance			
	Outstanding balance	Impairment allowance	Outstanding balance	Impairment allowance	Provision ratio	Reasons for provision
Company A	1,905,000.00	1,905,000.00	1,905,000.00	1,905,000.00	100.00%	It is not expected to be recovered due to deteriorating operation condition of the counterparty.
Total	1,905,000.00	1,905,000.00	1,905,000.00	1,905,000.00		

Impairment allowance which is recognised based on the general model of ECLs:

Currency: Renminbi Yuan

Impairment allowance	Stage 1	Stage 2	Stage 3	Total
	12-month ECLs	Lifetime ECLs (not yet credit-impaired)	Lifetime ECLs (credit-impaired)	
Balance as at 1 January 2024			1,905,000.00	1,905,000.00
Balance as at 1 January 2024 provided in the current period				
Balance as at 31 December 2024			1,905,000.00	1,905,000.00

Basis for the division of each stage and provision ratio for impairment allowance

Changes in the gross carrying amount with significant changes in the loss allowance in the current period

Applicable Not applicable

4) Impairment allowance recognised, recovered or reversed for the current period

Impairment allowance for the current period:

Currency: Renminbi Yuan

Category	Opening balance	Changes for the period				Closing balance
		Provision	Recovery or reversal	Transfer out or write-off	Others	
Impairment allowance for other receivables	1,905,000.00	0.00	0.00	0.00	0.00	1,905,000.00
Total	1,905,000.00	0.00	0.00	0.00	0.00	1,905,000.00

Including: significant reversal or recovery of impairment allowance for other receivables in the current period:

Currency: Renminbi Yuan

Entity	Amount recovered or reversed	Reason for reversal	Methods for reversal	The basis and rationality of determining the ratio for original impairment allowance

5) The top 5 largest other receivables at end of period categorised by debtor

Currency: Renminbi Yuan

Entity	Nature	Closing balance	Aging	Proportion of total closing balance of other receivables	Closing balance of impairment allowance
No.1	Amounts due from subsidiaries	863,610,649.06	Within 1 year	80.25%	
No.2	Amounts due from subsidiaries	137,323,759.21	Within 1 year	12.76%	
No.3	Amounts due from subsidiaries	29,424,507.11	Within 1 year	2.73%	
No.4	Amounts due from subsidiaries	5,164,615.07	Within 1 year	0.48%	
No.5	Amounts due from subsidiaries	2,705,389.21	Within 1 year	0.25%	
Total		1,038,228,919.66		96.47%	

3. Long-term equity investments

Currency: Renminbi Yuan

Item	Closing balance			Opening balance		
	Outstanding balance	Impairment allowance	Carrying amount	Outstanding balance	Impairment allowance	Carrying amount
Investments in subsidiaries	346,935,477.77		346,935,477.77	201,935,477.77		201,935,477.77

Total	346,935,477.77		346,935,477.77	201,935,477.77		201,935,477.77
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(1) Investments in subsidiaries

Currency: Renminbi Yuan

Investee	Opening balance (carrying amount)	Opening balance of impairment allowance	Changes for the current period				Closing balance (carrying amount)	Closing balance of impairment allowance
			Additions	Reductions	Provision for impairment	Others		
Shanghai Darry Diamond Co., Ltd	5,000,000.00						5,000,000.00	
Chongqing Darry Jewelry Co., Ltd	4,000,000.00						4,000,000.00	
Shenzhen Love Only AI Cloud Technology Co., Ltd.	25,000,000.00						25,000,000.00	
Couple Only (Shenzhen) Jewelry Co., Ltd.	5,000,000.00						5,000,000.00	
Shenzhen Darry Commercial Management Service Co., Ltd.	10,000,000.00						10,000,000.00	
He'er Culture (Shenzhen) Co., Ltd	9,935,477.77						9,935,477.77	
Haoduo Diamond (Shenzhen) Co., Ltd	60,000,000.00						60,000,000.00	
He'er Culture (Hainan) Co., Ltd	0.00		150,000,000.00				150,000,000.00	
Other subsidiaries	83,000,000.00			5,000,000.00			78,000,000.00	
Total	201,935,477.77		150,000,000.00	5,000,000.00			346,935,477.77	

4.Revenue and cost of sales

Currency: Renminbi Yuan

Item	Amount for the current period		Amount for the prior period	
	Revenue	Cost	Revenue	Cost
Primary business	1,330,465,611.87	501,043,066.39	2,005,711,510.45	662,886,503.09
Other businesses	6,759,220.42	3,374,144.86	4,881,247.28	2,461,038.16
Total	1,337,224,832.29	504,417,211.25	2,010,592,757.73	665,347,541.25

Disaggregation of revenue and cost of sales:

Currency: Renminbi Yuan

Category of contracts	Segment 1		Segment 2				Total	
	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales
Type of business								
Including:								
Classified by region of operation								
Including:								
Market or customer type								
Including:								
Type of contract								
Including:								

Classified by time of goods transfer								
Including:								
Classified by contract term								
Including:								
Classified by sales channel								

Including:								
Total								

Information about the performance obligations:

Item	Time for fulfillment of performance obligations	Significant payment terms	Nature of the goods the Company commits to transfer	Whether it is the principal	Amount assumed by the Company that is expected to be refunded to the customer	Type of quality assurance provided by the Company and related obligations
Sales of goods		Under normal circumstances, the Company delivers the goods within 15-60 days after the consumer has paid in advance for the order.	Jewelry	Yes	The customer has the right to return the product within 15 days after receiving it, so it is necessary to estimate the return rate based on the historical sales situation and calculate the provision for return, which is detailed in Note VII.29.	Not applicable

Other descriptions

Under the self-operated model, the performance obligation is completed when the customer receives the goods. Typically for direct store operations, goods are delivered within 30 days of receipt of the contract price; for associated stores in cooperation with shopping malls and e-commerce platforms, the contract price is typically received within 15-60 days of delivery of the goods. The customer has the right to return the product within 15 days after receiving it, so it is necessary to estimate the return rate based on the historical sales situation and calculate the provision for return, which is detailed in Note VII.29.

Information related to transaction price allocated to the remaining performance obligation:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been contracted but have not yet been fulfilled or completely fulfilled is RMB90,314,827.40, of which, revenue is expected to be recognised for RMB in the year Y, revenue is expected to be recognised for RMB in the year Y, revenue is expected to be recognised for RMB in the year Y.

Significant changes in contract or material adjustment to transaction price

Currency: Renminbi Yuan

Item	Method for accounting treatment	Effect on income
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Other descriptions:

5. Investment income

Currency: Renminbi Yuan

Item	Amount for the current period	Amount for the prior period
Investment income from financial assets held for trading during the holding period	128,391,934.63	149,403,162.82
Investment income from debt investments during the holding period	25,152,915.64	34,638,211.12
Investment loss from disposal of financial liabilities at fair value through profit or loss	-21,755,878.17	-454,869.03
Dividend income of subsidiaries	263,919,912.52	470,008,243.54
Total	395,708,884.62	653,594,748.45

6. Others

XX. Supplemental information

1. Breakdown of non-recurring profit or loss

Applicable Not applicable

Currency: Renminbi Yuan

Item	Amount	Description
Gains or losses on disposal of non-current assets	2,324.86	
Government grants included in gains or losses (except for government grants which are closely related to normal business operations of the Company, are in compliance with national policies and regulations, are available under determined standards and have continuous impact on the gains or losses of the Company)	2,792,775.88	
Gains or losses on changes in fair value of financial assets and financial liabilities and gains or losses on disposal of financial assets and financial liabilities held by non-financial enterprises, other than those used in the effective hedging activities relating to normal business operations	174,942,992.31	Gains or losses on changes in fair value of financial assets held for trading and investment income from wealth management products during the reporting period.
Reversal of impairment allowance for accounts receivable that are tested for impairment losses individually	3,730,738.14	During the reporting period, the Company recovered the long-term overdue payment from the shopping mall and the lease deposit of the store.
Other non-operating income and expenses other than the above	2,748,458.84	Mainly the external compensation during the reporting period.
Less: income tax effects	4,783,877.46	
Total	179,433,412.57	--

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

Applicable Not applicable

The Company had no other specific circumstances that meet the definition of non-recurring profit and loss items.

The non-recurring profit and loss items listed in Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public—Non-Recurring Profit or Loss are defined as regular profit and loss items:

Applicable Not applicable

Item	Amount (RMB)	Reason
VAT refund upon collection for the actual tax burden on diamond imports exceeding 4%	7,740,248.29	Government grants which are closely related to normal business operations of the Company, are in compliance with national policies and regulations, are available at determined standards and have continuous impact on the gains or losses of the Company
VAT exemption for small-scale taxpayers with monthly sales not	1,292,758.89	Government grants which are closely related to normal business operations of

exceeding RMB100,000 (or RMB300,000 for quarterly sales if a quarter is a tax period)		the Company, are in compliance with national policies and regulations, are available at determined standards and have continuous impact on the gains or losses of the Company
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2.Return on net assets and earnings per share

Profit for the reporting period	Weighted average of return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Profit attributable to ordinary shareholders of the Company	0.83%	0.13	0.13
Profit after non-recurring profit or loss attributable to ordinary shareholders of the Company	-1.98%	-0.32	-0.32

3.Differences in accounting data under domestic and overseas accounting standards

(1)Differences in profit and net assets between financial reports under the international accounting standards and the Chinese accounting standards.

Applicable Not applicable

(2)Differences in profit and net assets between financial reports under the foreign accounting standards and the Chinese Accounting standards.

Applicable Not applicable

(3)Reasons for differences in accounting data under domestic and foreign accounting standards. Where adjustments are made for the difference in the data audited by an overseas audit institution, the name of the overseas institution shall be indicated.

Applicable Not applicable

4.Others