

Shenzhen Textile (Holdings) Co., Ltd

2025 Semi-annual Report.



August 2025

Section I Important Notes, Table of Contents and Interpretations

The Board of Directors, Board of Supervisors, directors, supervisors and senior officers of the Company guarantee the authenticity, accuracy and completeness of the contents of the semi-annual report, and bear individual and joint legal liabilities for any false records, misleading statements or major omissions.

The Principal YIN Kefei, the Chief Finance Officer LIU Yu and the Chief Accountant(accounting supervisor) HUANG Min declare that they will ensure the authenticity, accuracy and completeness of the financial report in this semi-annual report.

All directors have attended the board meeting at which this semi-annual report was considered.

Forward-looking statements such as future development plans involved in this report do not constitute a substantial commitment by the Company to investors. Investors and related persons should maintain sufficient risk awareness and understand the differences between plans, forecasts and commitments. Investors are requested to pay attention to investment risks.

The Company is exposed to macroeconomic risks, market risks, raw materials risks and intensified competition risks. Investors are advised to pay attention to investment risks. For details, please refer to "X. Risks and Countermeasures Faced by the Company" in "Section III Management Discussion and Analysis" of this report.

The Company plans not to distribute cash dividends, issue bonus shares, or

increase share capital through capitalization of reserves.

This report is prepared in Chinese and English respectively. In case of any ambiguity between the Chinese and foreign versions, the Chinese version shall prevail.

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List of Reference Documents

I. Accounting statements bearing the signatures and seals of the legal representative, Finance Director and Chief Accountant of the Company;

II. The original of all the Company's documents and the original of the announcement that have been publicly disclosed by the Company on the website designated by the China Securities Regulatory Commission during the reporting period.

The above-mentioned documents are kept in the office of the Board of Directors for reference.

Interpretations

Item of interpretations	Refers to	Interpretations
Company/ the Company / Shenzhen Textile	Refers to	Shenzhen Textile (Holdings) Co., Ltd.
Articles of Association	Refers to	Articles of Association of Shenzhen Textile (Holdings) Co., Ltd.
Actual owner / Shenzhen SASAC	Refers to	State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government
Controlling shareholder / Shenzhen Investment Holdings	Refers to	Shenzhen Investment Holdings Co., Ltd.
Shenchao Technology	Refers to	Shenzhen Shenchao Technology Investment Co., Ltd.
SAPO Photoelectric	Refers to	Shenzhen SAPO Photoelectric Co., Ltd.
Meibainian	Refers to	Shenzhen Meibainian Garment Co., Ltd.
Hengmei Optoelectronics	Refers to	Hengmei Optoelectronics Co., Ltd.
Hong Kong Xieli	Refers to	Hong Kong Xieli Maintenance Co., Ltd.
Shenzhen Xieli	Refers to	Shenzhen Xieli Automobile Enterprise Co., Ltd.
Line 4	Refers to	Polarizer for TFT-LCD Phase I Line 4 Project
Line 5	Refers to	Polarizer for TFT-LCD Phase I Line 5 Project
Line 6	Refers to	Polarizer for TFT-LCD Phase II Line 6 Project
Line 7	Refers to	Polarizer industry project for ultra-large-size TV
China Securities Regulatory Commission	Refers to	China Securities Regulatory Commission
This report	Refers to	2025 Semi-annual Report

Section II Company Profile and Major Financial Indicators

I. Company profile

Stock name	Shenzhen Textile A, Shenzhen Textile B	Stock code	000045、200045
Stock name before the change (if any)	None		
Stock exchange where the Company's stocks are listed	Shenzhen Stock Exchange		
Chinese name	深圳市纺织(集团)股份有限公司		
Chinese name of the Company (if any)	深纺织		
Foreign name of the Company (if any)	SHENZHEN TEXTILE(HOLDINGS)CO.,LTD		
Abbreviation of the Company's foreign name (if any)	STHC		
Legal representative	YIN Kefei		

II. Contact person and contact information

	Secretary of the Board of Directors	Securities affairs representative
Name	JIANG Peng	LI Zhenyu
Contact address	Floor 6, Block A, Shen Fang Building, No. 3 Huaqiang North Road, Futian District, Shenzhen	Floor 6, Block A, Shen Fang Building, No. 3 Huaqiang North Road, Futian District, Shenzhen
Tel.	0755-83776043	0755-83776043
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III. Other circumstances

1. Company contact information

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

☒Applicable ☐ Not applicable

Company's registered address	Room A1203, Tower A, China State-owned Capital Venture Building, No. 2 Hengsheng Street, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen
Postal code of the Company's registered address	518052
Company's office address	Floor 6, Block A, Shen Fang Building, No. 3 Huaqiang North Road, Futian District, Shenzhen
Postal code of the Company's office address	518031
Company's website	http://www.chinasthc.com

Company E-mail	szfzjt@chinasthc.com
Designated website inquiry date disclosed in the provisional announcement (if any)	January 25, 2025
Designated websites inquiry index disclosed in the provisional announcement (if any)	Cninfo (http://www.cninfo.com.cn)

2. Information disclosure and storage location

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

☐ Applicable ☒ Not Applicable

The website of the stock exchange and the name and address of the media where the company discloses the semi-annual report, and the storage location where the Company's semi-annual report is prepared has not changed during the reporting period. For details, please refer to the 2024 Annual Report.

3. Other relevant information

Whether other relevant information has changed during the reporting period

☐ Applicable ☒ Not Applicable

IV. Key accounting data and financial indicators

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

☐ Yes ☒ No

	This reporting period	Same period last year	Increase or decrease in the reporting period compared with the same period last year
Operating revenue (RMB)	1,600,481,626.31	1,623,384,151.90	-1.41%
Net profit attributable to the shareholders of the listed company (RMB)	35,234,765.52	43,894,075.23	-19.73%
Net profit attributable to shareholders of listed companies after deducting non-recurring profit or loss (RMB)	25,189,003.47	35,257,756.79	-28.56%
Net cash flows from operating activities (RMB)	325,334,320.99	11,834,849.94	2,648.95%
Basic earnings per share (RMB/share)	0.0696	0.0867	-19.72%
Diluted earnings per share (RMB/share)	0.0696	0.0867	-19.72%
Weighted average rate of return on net assets	1.19%	1.52%	-0.33%
	At the end of the reporting period	At the end of last year	Increase or decrease at the end of the reporting period compared with the end of the last year
Total assets (RMB)	5,305,750,458.31	5,232,150,397.33	1.41%
Net assets attributable to shareholders of the listed company (RMB)	2,951,141,646.68	2,951,869,910.25	-0.02%

V. Differences between accounting data under domestic and overseas accounting standards

1. Differences in net profit and net assets in the financial reports disclosed in accordance with the international accounting standards and the Chinese accounting standards

☐ Applicable ☒ Not Applicable

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

2. Differences in net profit and net assets in financial reports disclosed in accordance with both the international accounting standards and Chinese accounting standards

☐ Applicable ☒ Not Applicable

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

VI. Non-recurring profit or loss items and amounts

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Notes
Profit or loss on disposal of non-current assets (including write-off of provision for asset impairment)	1,163,586.44	Mainly the income from disposal of fixed assets.
Government subsidies included in the current profit or loss (except for those that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a sustained impact on the Company's profit or loss)	498,899.73	Mainly government subsidies.
Profit or loss from changes in fair value of financial assets and liabilities held by non-financial enterprises and profit or loss from the disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	5,593,507.63	Mainly the gains and losses from changes in fair value arising from trading financial assets and derivative financial liabilities held by the company.
Reversal of provision for impairment of accounts receivable subject to separate impairment test	4,371,571.58	
Non-operating revenue and expenses other than the above-mentioned items	3,046,216.02	Mainly the non-operating income carried forward from long-term accounts payable.
Less: income tax effects	1,610,581.15	
Affected amount of minority interests (after tax)	3,017,438.20	
Total	10,045,762.05	

Specific circumstances of other profit or loss items that meet the definition of non-recurring profit or loss:

☐ Applicable ☒ Not Applicable

The Company had no specific profit or loss items that meet the definition of non-recurring profit or loss.

Notes on the definition of the non-recurring profit or loss items listed in the "Interpretive Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss" as recurring profit or loss items

☐ Applicable ☒ Not Applicable

The Company had no circumstances of definition of the non-recurring profit or loss items listed in the "Interpretive Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss" as recurring profit or loss items.

Section III Management's Discussion and Analysis

I. Main business engaged by the Company during the reporting period

(I) Development of the industry to which the company belongs

The polarizer is also called polarized light sheet, which can control the polarization direction of a specific beam. When the natural light passes through the polarizer, the light with the vibration direction perpendicular to the polarizer transmission axis will be absorbed, and only the polarized light with the vibration direction parallel to the polarizer transmission axis will be transmitted. The downstream applications of polarizers are mainly in the panel industry. According to different panel types, polarizer are mainly classified into TN type, STN type, TFT type and OLED type. At present, the global polarizer market is mainly based on polarizers for TFT-LCD panels. One LCD panel requires two polarizers, while one OLED panel requires one polarizer.

The high-quality development of the polarizer industry has a profound impact on the entire display industry. As one of the three core raw materials of the display panel, the demand for polarizer is directly affected by the fluctuation of the display panel market. In recent years, with the accelerated transfer of the global display panel industry to China, China's polarizer industry has ushered in a stage of rapid development. The production capacity and process technology level of domestic polarizer manufacturers have continuously jumped. China's polarizer industry has significantly improved its position and influence in the global market. Chinese mainland has become the world's largest polarizer production base.

The Company is one of the main polarizer R&D, production and sales enterprises in China. It is the pioneer of China's polarizer industry. Now it has developed into a leading enterprise in China's polarizer industry, and has become an important supplier of mainstream panel enterprises in the world. In 1Q25, thanks to the rising export demand and the stimulus of the "trade-in" policy, the overall demand for display terminal products was strong, driving the release of the polarizer market demand; Since Q2, the international trade environment and the marginal effect of policies have changed, and the market's wait-and-see sentiment has increased. At present, China has occupied a dominant position in the panel market. Under the business strategy of "production on demand" of panel manufacturers, the industry cycle has gradually shortened. At the same time, the trend of large-size terminal display products and the continuous expansion of emerging display applications such as vehicles have further driven the increase in demand for polarizers and display panels. However, there are still many uncertainties in the current global political and economic dynamics, and it is expected that the overall market demand in the second half of the year may be more conservative than that in the first half of the year.

(II) Main business of the Company

The company's main business is a high-tech industry based on the research and development, production and sales of polarizers for OLED and LCD display, as well as the operation and management of its own properties and textile and garment business..

During the reporting period, there was no significant change in the Company's primary business. Firstly, the Company actively optimizes the product structure, implements differentiation strategies, increases the market sales of high-value products such as polarizers for super-large size TVs and polarizers for OLED cellphones, and actively seizes market share; Secondly, the Company continues to carry out lean management, improve production management efficiency, promote process optimization and improvement, further improve production machine speed and yield, and continuously reduce the frequency of film breakage; Thirdly, the Company strengthens innovation leadership, increases investment in research and development, and continues to promote key technology research and innovative product development. The full-fitting vehicle-mounted products have been sent for sample verification; Fourthly, the Company continues to do a good job in the management of its own properties, improve the quality of property leasing services, and actively promote the orderly exit of textile business; Fifthly, the Company pays close attention to work safety, carries out safety inspections, safety drills and training, strengthens security forces, consolidates weak links, and prevents accidents.

During the reporting period, the Company reported an operating income of RMB1.6bn, down 1.41% compared with the same period last year; The NP attributable to shareholders of listed companies was RMB35.2348mn, down 19.73% compared with the same

period last year. The main reasons for the decrease in the net profit attributable to shareholders of listed companies during the reporting period compared with the same period last year are: in In the first half of 2025, it was affected by factors such as the decline in the prices of some products, the increase in comprehensive costs caused by the rise of the Japanese yen against the RMB exchange rate, and the increase in R&D investment.

(III) Main products of the Company and their uses

Currently, the company has 7 mass-production polarizer production lines, covering TN, STN, TFT, OLED, 3D, dye films, optical films for touch screens and other fields, which are mainly used in TVs, laptops, navigators, displays, vehicles, industrial controls, instruments and meters, smartphones, wearable devices, 3D glasses, sunglasses and other products. By continuously strengthening the expansion of of sales channels and the construction of its own brand, the Company has become a qualified supplier for mainstream panel enterprises such as CSOT, BOE, LGD, CHOT, HKC, Tianma Microelectronic, Sharp, etc.

The main product types and applications of the Company's polarizer production lines are as follows:

Production lines	Address	Product width	Planned capacity	Main product type
Line 1	Pingshan	500mm	600,000 square meters	TN/STN/dye films
Line 2	Pingshan	500mm	1.2 million square meters	TN/STN/CSTN
Line 3	Pingshan	650mm	1 million square meters	TFT
Line 4	Pingshan	1490mm	6 million square meters	TFT/OLED
Line 5	Pingshan	650mm	2 million square meters	TFT/OLED
Line 6	Pingshan	1490mm	10 million square meters	TFT/OLED
Line 7	Pingshan	2500mm	32 million square meters	TFT/OLED

(IV) Business model of the Company

The polarizer industry is gradually shifting from the traditional business model of R&D, production and sales to a customer-centric, joint R&D and comprehensive service business model. By understanding customer needs, the Company jointly develops and carries out high-standard production management, manufactures high-quality products, uses advanced polarizer roll-on equipment to cooperate with downstream panel manufacturers' production lines, optimizes production and logistics links, reduces production and transportation costs, creates value for customers, and achieves win-win cooperation.

(V) Market position of the Company's products

The Company is one of the main domestic enterprises in the R&D, production, and sales of polarizers. It began its polarizer business in 1995 and achieved the first mass production of polarizers in China in 1998, becoming a pioneer in China's polarizer industry. The Company has mastered core technologies for the R&D and production of TN/STN, TFT-LCD, and OLED display polarizers. It is one of the few domestic polarizer manufacturers with the capability to produce a full range of polarizer products in large, medium, and small sizes. The Company was the first to achieve mass production of polarizers for OLED TVs and OLED mobile phones, filling a gap in the domestic market.

The Company's main products are medium and large-sized polarizers for TFT-LCD. Its Line 7 is one of the few 2,500mm ultra-wide polarizer production lines in the world, capable of meeting the needs of high-generation panel production lines such as 8.5/8.6, 10.5/11 generations globally. Especially, it offers the best economic production efficiency for 10.5/11 generation lines and has an industry-leading advantage in the technology and production capacities for ultra-large and large-sized products.

(VI) Main performance drivers of the Company

See "II. Core Competitiveness Analysis" in this section for details.

II. Analysis of core competitiveness

(I) Technical advantages. SAPO Photoelectric is one of the earliest national high-tech enterprises in China to enter the field of display polarizer research and development and production. It has 30 years of polarizer industry operation experience, and its products cover mainstream display applications such as TN type, STN type, TFT type, OLED, etc. It has a complete set of proprietary technology and independent intellectual property rights for polarizers that can meet customer needs, and has the production capacity of a full range of polarizers in large, medium and small sizes. As of the end of the reporting period, SAPO Photoelectric has been granted a total of 110 patents, including 22 domestic invention patents, 86 domestic utility model patents and 2 overseas utility model patents. 4 national standards and 2 industry standards were independently drafted and formulated by SAPO Photoelectric and approved for implementation; In addition, it participated in the drafting and formulation of 1 industry standard and 3 group standards, which have been approved for implementation.

SAPO Photoelectric has three innovation platforms, including "Guangdong Provincial Engineering Research Center", "Shenzhen Polarization Material and Technology Engineering Laboratory" and "Shenzhen Enterprise Technology Center". The platforms focus on the R&D and industrialization of the core production technologies of polarizers for OLED and LCD, as well as the localization research of raw materials for polarizer production. Among them, the projects of polarizers for OLED TVs and OLED mobile phones have successfully achieved mass production, breaking the monopoly of Japan and South Korea and filling the domestic gap. It has a leading edge compared with other polarizer manufacturers.

(II) Talent advantages. The Company has always regarded the talent strategy as the foundation of development, systematically laid out and promoted the construction of talent team in an all-round way, deeply explored the potential of existing talents, fully stimulated their vitality, continuously improved the core competitiveness of the Company, and laid a solid foundation for the high-quality development of the Company. The first is to promote the continuous release of innovation efficiency, build a scientific and efficient self-owned R&D management system around independent innovation, and cultivate a professional team with exquisite technology, rich experience and international vision, covering polarizer management talents and senior technicians. The second is to focus on talent training and team forging, promote the dual-channel promotion system to ensure the equal development of technical and management talents, and ensure the stability of the core technical team. The Company has successfully developed a series of innovative products with influence in the industry, such as super-large size TV polarizer and OLED polarizer. The third is to constantly enrich the team of middle-level cadres and core backbone talents. Supplement and equip core backbone talents through diversified channels such as market-oriented recruitment, public recruitment and internal selection to inject strong impetus into the company's development. The fourth is to continuously improve the salary assessment and distribution mechanism of "efficiency first, taking into account fairness, rewarding the good and punishing the bad, combining incentives and constraints", and further optimize the salary structure and level of employees against the market benchmark through the method of "salary structure optimization + special rewards and incentives", improve the per capita salary, retain the core backbone team, and fully mobilize the work enthusiasm and creativity of employees.

(III) Market advantages. The Company has a good customer base in the domestic and foreign markets. Compared with foreign advanced peers, the biggest advantage lies in the localized supporting capacity close to the panel market and the strong support of the national industrial policy. In terms of market demand, with the successive mass production of high-generation TFT-LCD panel production lines such as domestic 10.5-generation and 11-generation lines, as well as the accelerated development of larger-sized panels and terminal products, the demand for polarizers, especially ultra-large-size polarizers, in the domestic market has shown a steady growth trend. The Company possesses one of the few 2,500mm ultra-wide polarizer production lines in the world, maintaining an industry-leading advantage in both technology and production capacity for ultra-large and large-size products, which enables the Company to better align with the market demand for the ultra-large-size polarizers. With the continuous breakthrough of cutting-edge technology, the demand for high-end polarizer products such as OLED and vehicle-mounted polarizer is growing rapidly, and is

becoming a blue ocean market for polarizer companies to compete. The Company has achieved mass production breakthroughs in OLED TVs and mobile phone products, and has accumulated rich experience in the production of high-quality automotive polarizers, which will put it in a favorable position in future market competition. In terms of market development, the Company focuses on customer needs, continuously optimizes the production process and product structure, improves quality control, organically combines production and sales, establishes a rapid response mechanism, gives full play to the advantages of localization, effectively provides point-to-point professional services, and promotes the verification of various models around the overall strategic deployment to form a stable supply chain and continuously improve market share.

(IV) Quality advantages. The Company always adheres to the quality policy of "meeting customer needs, pursuing excellent quality; implementing green manufacturing and achieving continuous improvement", pays attention to product quality control, and the products are comparable to international quality standards. The Company strictly controls product performance indicators, standardizes incoming inspection standards, and takes quality improvement and consumption reduction as the starting point to achieve simultaneous improvement of output and quality; introduces modern management system, and passes ISO9001 quality management system, ISO14001 environmental management system, ISO45001 occupational health and safety management system, QCO80000 hazardous substance management system and ISO50001 energy management system certification; The product has passed the CTI test, meets the environment protection requirements of RoHS directive, and realizes the standardized management of the whole process from raw materials supply, manufacturing, marketing to customer service, so as to ensure the stability of product quality. During the reporting period, SAPO Photoelectric was awarded the honor of "the ninth batch of national green factories" by the Ministry of Industry and Information of the People's Republic of China, and the Company's green manufacturing concept was further recognized.

(V) Management advantages. The Company has been deeply involved in the industry for more than 30 years, and has accumulated rich management experience in the production and manufacturing of polarizers. It has a domestic leading polarizer production management process control system, quality management system and stable raw materials supply channels. The Company has carried out in-depth and comprehensive benchmarking work, organized management personnel to learn advanced experience from customers and peers, vigorously promoted standardized management, refined management processes, and learned from the management experience of domestic and overseas polarizer enterprises to optimize the company's organizational structure, reduce management levels, and further improve the company's management efficiency; The Company continues to implement advanced management systems and reasonable incentive mechanisms to improve decision-making efficiency, enhance market response speed, and refine the R&D reward system. In addition, it achieves a deeper integration of corporate value and employee value, stimulating new business vitality; the Company steadily promotes strategic transformation, optimizes resource allocation, and orderly phases out "non-core businesses and inefficient assets"; the Company has improved the efficiency of production management and enhanced the production stability, with significant progress in film-breaking reduction across production lines, reaching a industry-leading level; the Company has strengthened quality management, leading to a significant reduction in customer complaints and return rates, earning multiple quality improvement awards from multiple key customers; through the approach of listing tasks based on project initiation, the Company has effectively improved efficiency and quality, resulting in noticeable reductions in material costs and an increase in product yield rates.

(VI) Policy advantages. Polarizer is an important part of the new display industry. The continuous development of the Company's polarizer business has improved the overall supply capacity of domestic polarizer, greatly reduced the dependence of domestic panel enterprises on imported polarizer, maintained the safety of the country's new display industry, played a positive role in enhancing the overall competitiveness of China's new display industry chain, and boosted the coordinated development of the whole industrial chain of "20+8" ultra-high-definition video display industry cluster in Shenzhen. The Company's polarizer business unit, SAPO Photoelectric, has continued to receive recognition as a national high-tech enterprise and its polarizer projects have received multiple policy and

financial supports from national and local governments; in addition, SAPO Photoelectric also enjoys the the preferential policy of import duty exemptions on key raw materials.

III. Analysis of primary business

Overview

See the relevant contents of "I. Main business engaged in by the Company during the reporting period".

YoY changes in key financial data

Unit: RMB

	This reporting period	Same period last year	YoY change	Reason for changes
Operating revenue	1,600,481,626.31	1,623,384,151.90	-1.41%	
Operating costs	1,362,512,734.09	1,389,606,053.06	-1.95%	
Selling and distribution expenses	16,031,119.28	18,259,030.20	-12.20%	
G&A expenses	59,632,564.54	59,979,111.15	-0.58%	
Financial expenses	22,668,488.90	-10,806,472.40	309.77%	Mainly due to the increase in exchange losses due to the fluctuations of exchange rate during the reporting period.
Income tax expenses	7,663,966.35	11,082,190.34	-30.84%	Mainly due to the decrease in deferred income tax expenses during the reporting period.
R&D investment	52,739,746.19	47,870,863.46	10.17%	
Net cash flows from operating activities	325,334,320.99	11,834,849.94	2,648.95%	Mainly due to the increase in sales collection during the reporting period.
Net cash flows from the investing activities	23,352,146.97	-133,584,181.81	117.48%	Mainly due to the increase in cash inflows due to the maturity of the Company's wealth management products during the reporting period.
Net cash flows from financing activities	-67,003,672.36	-109,285,165.04	38.69%	Mainly due to the decrease in cash outflows for repayment of loans during the reporting period.
Net increase in cash and cash equivalents	275,139,281.81	-237,474,891.86	215.86%	Mainly due to the increase in sales collection during the reporting period.

Significant changes in the Company's profit composition or profit sources during the reporting period

☐ Applicable ☒ Not Applicable

There were no significant changes in the Company's profit composition or profit sources during the reporting period.

Composition of operating revenue

Unit: RMB

	This reporting period		Same period last year		YoY change
	Amount	Percentage of operating revenue	Amount	Percentage of operating revenue	
Total operating revenue	1,600,481,626.31	100%	1,623,384,151.90	100%	-1.41%

By industry					
Manufacturing	1,543,457,384.39	96.44%	1,567,392,357.26	96.55%	-1.53%
Property leasing	57,024,241.92	3.56%	55,991,794.64	3.45%	1.84%
By product					
Polarizer sales business	1,511,063,971.82	94.41%	1,540,330,898.01	94.88%	-1.90%
Property leasing and other business	89,417,654.49	5.59%	83,053,253.89	5.12%	7.66%
By region					
Domestic	1,401,726,654.92	87.58%	1,550,122,549.78	95.49%	-9.57%
Overseas	198,754,971.39	12.42%	73,261,602.12	4.51%	171.29%

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

☒ Applicable ☐ Not applicable

Unit: RMB

	Operating revenue	Operating costs	Gross margin	YoY change in operating revenue	YoY change in operating costs	YoY change in gross margin
By industry						
Manufacturing	1,543,457,384.39	1,349,446,161.44	12.57%	-1.53%	-2.04%	0.46%
Property leasing	57,024,241.92	13,066,572.65	77.09%	1.84%	8.64%	-1.43%
By product						
Polarizer sales business	1,511,063,971.82	1,320,794,606.93	12.59%	-1.90%	-2.60%	0.62%
Property leasing and other business	89,417,654.49	41,718,127.16	53.34%	7.66%	24.15%	-6.20%
By region						
Domestic	1,401,726,654.92	1,208,765,909.08	13.77%	-9.57%	-9.22%	-0.33%
Overseas	198,754,971.39	153,746,825.01	22.65%	171.29%	164.62%	1.96%

Under the circumstances that the calculation method of the Company's main business data is adjusted during the reporting period, the Company's main business data for the latest period is adjusted according to the calculation method at the end of the reporting period

☐ Applicable ☒ Not Applicable

IV. Analysis of non-primary business

☒ Applicable ☐ Not applicable

Unit: RMB

	Amount	Ratio of total profit	Formation reasons	Whether it is sustainable
Investment income	130,107.09	0.24%	It was mainly due to the gains from the Company's purchase of wealth management products and the losses of participating enterprises during the reporting period.	Sustainable
Gains/losses on changes in fair value	5,911,007.63	10.71%	It is mainly due to the income and fair value changes obtained by the Company from purchasing financial products and the unexpired part of forward foreign exchange contracts during the reporting period.	Not sustainable
Asset impairment	-55,273,530.83	-100.15%	It was mainly due to the provision for inventory depreciation made by the	Sustainable

			Company in accordance with the accounting policies during the reporting period.	
Non-operating revenue	3,104,116.81	5.62%	It was mainly due to the non-operating income carried forward from long-term accounts payable during the reporting period.	Not sustainable
Non-operating expenses	57,900.79	0.10%	It was mainly due to the scrapping loss of the Company's fixed assets and overdue fines during the reporting period.	Not sustainable
Other income	18,162,062.42	32.91%	It is mainly due to the government subsidies received by and the preferential policy of additional value-added tax deduction enjoyed by the Company during the reporting period.	Sustainable

V. Analysis of assets and liabilities

1. Major changes in asset composition

Unit: RMB

	At the end of the reporting period		At the end of last year		Increase/decrease in percentage	Explanation of significant changes
	Amount	Ratio of total assets	Amount	Ratio of total assets		
Monetary funds	583,308,982.61	10.99%	340,961,443.82	6.52%	4.47%	It was mainly due to the increase in the Company's sales collection during the reporting period.
Accounts receivable	814,121,353.42	15.34%	863,731,936.89	16.51%	-1.17%	
Inventories	810,014,233.21	15.27%	789,756,700.88	15.09%	0.18%	
Investment properties	110,513,722.85	2.08%	115,993,390.19	2.22%	-0.14%	
Long-term equity investments	110,948,976.97	2.09%	114,828,026.04	2.19%	-0.10%	
Fixed assets	1,761,352,875.57	33.20%	1,873,552,843.91	35.81%	-2.61%	It was mainly due to depreciation.
Construction in progress	5,589,741.14	0.11%	5,814,012.03	0.11%	0.00%	
Right-of-use assets	17,733,269.31	0.33%	15,338,117.86	0.29%	0.04%	
Contract liabilities	2,417,170.20	0.05%	490,562.97	0.01%	0.04%	
Long-term borrowings	146,994,855.00	2.77%	162,388,870.00	3.10%	-0.33%	It was mainly due to the repayment of loans.
Lease liabilities	10,337,042.95	0.19%	9,496,564.12	0.18%	0.01%	
Financial assets held for trading	714,772,329.76	13.47%	731,419,904.42	13.98%	-0.51%	
Accounts payable	405,630,895.77	7.65%	304,812,580.55	5.83%	1.82%	

Other payables	162,765,912.58	3.07%	160,296,989.98	3.06%	0.01%	
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2. Main overseas assets

☐ Applicable ☒ Not Applicable

3. Assets and liabilities measured at fair value

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Beginning balance	Profit or loss from changes in fair value in the current period	Cumulative changes in fair value included in equity	Impairment provision in the current period	Amount purchased in the current period	Amount sold in the current period	Other changes	Ending balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	731,419,904.42	5,127,945.21	0.00	0.00	500,000,000.00	521,775,519.87	0.00	714,772,329.76
2. Derivative financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Other equity instrument investments	165,402,900.00	0.00	0.00	0.00	0.00	0.00	0.00	165,402,900.00
Sub-total of financial assets	896,822,804.42	5,127,945.21	0.00	0.00	500,000,000.00	521,775,519.87	0.00	880,175,229.76
Total of the above	896,822,804.42	5,127,945.21	0.00	0.00	500,000,000.00	521,775,519.87	0.00	880,175,229.76
Financial liabilities	1,278,559.35	783,062.42	0.00	0.00	0.00	1,566,124.84	0.00	495,496.93

Other changes

None

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

☐ Yes ☒ No

4. Restrictions on asset rights as of the end of the reporting period

Restricted assets as of the end of the reporting period are monetary funds, notes receivable, fixed assets and intangible assets, of which:

(1) The restricted monetary funds mainly includes the restricted funds equivalent to RMB3,401,500.00 due to the freezing of accounts, and the deposits for bills and letters of credit of RMB2,104,358.22.

(2) Restricted notes receivable are notes receivable that have been endorsed by the Company and have not yet matured on the balance sheet date.

(3) The restricted fixed assets and intangible assets are mainly the mortgage loans applied for subsidiary SAPO Photoelectric with part of its self-owned properties from the syndicate led by Bank of Communications Co., Ltd. Shenzhen Branch, and the guarantee provided by the Company for the mortgage loans. For details, please refer to the Announcement on the Provision of Guarantees by the Company for Subsidiaries to Apply for Bank Mortgage Loans (No. 2020-19) and the Announcement on the Progress of the Provision of Guarantees by the Company for Subsidiaries (No. 2020-46) published by the Company on Cninfo(<http://www.cninfo.com.cn>).

VI. Analysis of investment status

1. Overall situation

☐ Applicable ☒ Not Applicable

2. Major equity investments acquired during the reporting period

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

4. Investment in the financial assets

(1) Securities investment

☐ Applicable ☒ Not Applicable

The Company had no securities investment during the reporting period.

(2) Derivative investment

1) Derivatives investment for the purpose of hedging during the reporting period

☒ Applicable ☐ Not Applicable

Unit: RMB 10,000

Derivative investment types	Initial investment amount	Initial amount	Fair value change profit and loss of the period	Accumulated changes in fair value included in equity	Purchase amount during the reporting period	Sales amount during the reporting period	End-of-period amount	The proportion of the ending investment amount to the company's net assets at the end of the report
Forward Foreign Exchange Contract	0.00	9,246.60	78.31	0.00	14,868.10	14,195.90	9,918.80	2.00%
amount to	0.00	9,246.60	78.31	0.00	14,868.10	14,195.90	9,918.80	2.00%
The accounting policies and specific principles of accounting for hedging business during the reporting period, as well as a description of whether there is a significant change compared with the previous reporting period	The company conducts recognition and measurement in accordance with Accounting Standards for Business Enterprises No.22 —— Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No.37 —— Presentation of Financial Instruments, and conducts accounting and disclosure for the proposed foreign exchange derivatives trading business to reflect relevant items on the balance sheet and income statement.							
A description of the actual profit and loss during the reporting period	During the reporting period, the profit and loss of the fair value change of the undelivered Forward Foreign Exchange Contract was 783,100 yuan, and the investment loss of the delivered Forward Foreign Exchange Contract was 317,500 yuan.							
Explanation of hedging effect	To mitigate risks in the foreign exchange market, prevent uncertainties caused by significant currency fluctuations on corporate performance, and enhance financial stability, Shengbo Optoelectronics (a subsidiary of the company) has initiated foreign exchange derivatives trading for hedging purposes. The company's moderate engagement in these transactions will not hinder the development of its core business operations, and it will prudently allocate capital based on actual operational needs.							
Derivative investment funding sources	funds in the hands of the localities							

Risk analysis and control measures of derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>The company's foreign exchange hedging operations are conducted under the "risk-neutral" management philosophy, avoiding speculative and arbitrage transactions. All hedging activities are grounded in regular business operations, supported by specific operational needs, with the primary objective of mitigating and preventing currency risks. However, these hedging activities inherently carry certain risks, which mainly include:</p> <ol style="list-style-type: none"> 1. Risk of exchange rate fluctuation: If the trend of foreign exchange rate deviates significantly from the company's judgment of the direction of exchange rate fluctuation, hedging losses may occur; 2. Internal control risks: Foreign exchange hedging business is highly professional and complex, which may cause risks due to imperfect internal control system; 3. Performance risk: the risk caused by the failure to perform the contract and default in foreign exchange hedging business; 4. Legal risks: The contract may not be executed normally due to the change of relevant laws and regulations or the violation of relevant laws and regulations by the counterparty, which may cause losses to the company. <p>The risk control measures adopted by the company:</p> <ol style="list-style-type: none"> 1. Shengbo Optoelectronics will implement the company's "Foreign Exchange Hedging Business Management System" by further refining its hedging framework and operational guidelines. The company will establish clear regulations covering foreign exchange management principles, approval authorities, hedging strategies, internal workflows, information segregation measures, risk management mechanisms, risk mitigation procedures, and information disclosure requirements. 2. To mitigate the risks of significant exchange rate fluctuations, Shengbo Optoelectronics has deployed dedicated professionals in business operations and risk management to handle currency risk control, market analysis, and product research. The company has also engaged third-party institutions for expert decision-making support. These teams promptly report any anomalies, implement emergency measures, and adjust business strategies as needed to minimize foreign exchange losses. 3. The company's independent directors and the board of supervisors shall have the right to supervise and inspect the use of funds, and may employ professional institutions to conduct audit when necessary. 4. The audit department of the company is the supervision department for foreign exchange hedging business, responsible for reviewing and supervising the actual operation, fund use and profit and loss of foreign exchange hedging business, urging the financial department to timely carry out accounting treatment, and verifying the accounting treatment. 5. In order to control the risk of transaction default, Shengbo Optoelectronics only conducts foreign exchange hedging business with large banks and other financial institutions with legal qualifications.
The situation of market price or fair value changes of products in the reporting period of the invested derivatives shall be disclosed. The analysis of the fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters	<p>The company conducts recognition and measurement in accordance with Chapter 7 "Determination of Fair Value" of Accounting Standards for Business Enterprises Article 22 Financial Instruments:</p> <p>During the reporting period, the fair value change of Forward Foreign Exchange Contract recognized was 783,100 yuan.</p> <p>The fair value of the Forward Foreign Exchange Contract is determined according to the bank's foreign exchange product quotation on the balance sheet date.</p>
Subject matter (if applicable)	not applicable
Date of disclosure of the approval of derivative investment by the Board of Directors (if any)	December 06,2024
Date of disclosure of the approval of derivative investment by the shareholders' meeting (if any)	December 25,2024

2) Speculative derivatives investments during the reporting period

☐ Applicable ☒ Not Applicable

The company did not have derivatives investment for speculative purposes during the reporting period.

5. Use of funds raised

☐ Applicable ☒ Not Applicable

The Company had no use of funds raised during the reporting period.

VII. Sale of major assets and equities**1. Sales of major assets**

☐ Applicable ☒ Not Applicable

The Company did not sell major assets during the reporting period.

2. Sale of major equity

☐ Applicable ☒ Not Applicable

VIII. Analysis of major holding and participating companies

☒ Applicable ☐ Not applicable

Major subsidiaries and participating companies with an impact of 10% or more on the Company's net profit

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen SAPO Photoelectric Co., Ltd.	Subsidiaries	Production and sales of polarizers	583,333,333.00	4,133,430,052.98	3,234,000,214.31	1,548,606,518.05	29,540,876.80	30,734,140.16

Information on acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Not Applicable

Notes to main holding and participating companies

The financial data of the subsidiary SAPO Photoelectric in the above table are the data of its consolidated financial statements. For details of its performance fluctuations and reasons for changes, please refer to "III Analysis of primary business" in "Section III Management Discussion and Analysis".

IX. Structured entities controlled by the Company

☐ Applicable ☒ Not Applicable

10. Risks faced by the Company and countermeasures**(I) Macroeconomic risks**

At present, the domestic economy is stable and progressing, and the overall situation is repairing. However, the international environment is complex and severe, geopolitical tensions, and global economic growth is facing slowdown pressure. As one of the upstream manufacturers in the display product market, the Company cannot rule out the risk that unpredictable macroeconomic fluctuations may affect the Company's performance.

Countermeasures: The Company will pay close attention to the economic development dynamics at home and abroad, take the initiative to study and judge the macroeconomic environment, study the national policy orientation, strengthen the tracking and analysis of major industry information, timely grasp the development trend of the industry, improve the early warning ability of business risks, and timely adjust the Company's operation and management strategies according to the market changes. At the same time, the Company will continue to optimize the product structure, improve the market development ability, strengthen internal management, control business risks, and ensure the steady development of the Company.

(II) Market risk

The polarizer industry is an important part of China's new display industry. The demand for display panels and the development of corresponding technologies are changing rapidly. The process of domestic substitution in the polarizer industry is underway. With the development of new display technologies such as ultra-large size displays, OLED displays, and vehicle displays, if the Company's technology and products cannot respond to the needs of the application field in a timely manner, the new product development and application are weaker than expected, or the intensified market competition leads to the decline in the price of display products, and the downward pressure on the price is transmitted to the polarizer market, which will have an adverse impact on the Company.

Countermeasures: Under the complex market environment, the Company actively promotes the introduction of new product clients to stabilize customer confidence; At the same time, it will maintain close communication with customers at all levels, pay attention to the dynamics of product demand, deeply explore market potential capabilities, optimize product structure, and increase market share; In addition, it adheres to technological innovation, improves and optimizes the R&D innovation system, continuously enhances the product development ability to meet market demand, continuously improves the yield of production lines, reduces material losses, effectively enhances core competitiveness, and cope with market risks.

(III) Raw materials risk

There are high barriers to the core production technology of upstream materials of polarizers, which are mostly monopolized by foreign manufacturers, and the localization rate is not high. At present, the key raw materials required for the manufacture of polarizers, such as PVA film, TAC film and other optical films, are basically monopolized by Japanese enterprises. The price of the main optical film materials is affected by the production capacity of Japanese suppliers, market demand and the exchange rate of Japanese yen, thus affecting the unit cost of the Company's products.

Countermeasures: the company will continue to optimize the supply chain system, improve the bargaining power with suppliers, increase the research and development of independent intellectual property rights, promote the introduction of cost-effective raw materials, actively explore the domestic substitution of imported raw materials, improve the utilization and reduce the loss rate, maintain the stability and continuity of production, and reduce the production cost of products; If necessary, the Company can choose to take measures such as forward foreign exchange and foreign exchange options to reduce the cost risk caused by drastic fluctuations in exchange rates.

(IV) Risks of intensified competition

With the accelerated production of new and expanded production lines by major domestic polarizer manufacturers in recent years, polarizer production capacity, especially large-size polarizer production capacity, will continue to grow in the future. If the recovery of downstream consumer markets is weaker than expected, the competition in the polarizer industry will further intensify.

Countermeasures: Facing fierce competition, the Company will strengthen the close cooperation with existing high-quality customers through excellent product quality and customer service. At the same time, pay close attention to the dynamics of new product demand, increase R&D investment, optimize product structure, continuously explore potential markets, and increase market share.

XI. Formulation and implementation of market value management system and valuation improvement plan

Whether the Company has formulated a market value management system.

☐Yes ☒No

Whether the Company has disclosed plans for valuation enhancement.

☐Yes ☒No

XII. Implementation of the action plan of "double improvement of quality and return"

Whether the company has disclosed the announcement of the action plan of "double improvement of quality return".

☐Yes ☒No

Section IV Corporate governance, Environment and Society

I. Changes in directors, supervisors and senior officers of the Company

☒Applicable ☐ Not applicable

name	position	type	date	cause
Ma Jie	general manager	engage	January 24,2025	job transfer
Lin Xia	vice president	engage	January 24,2025	job transfer
Wangzi Han	vice president	engage	January 24,2025	job transfer
Ma Jie	director	Elected	February 18,2025	job transfer
Wei Junfeng	director	Elected	February 18,2025	job transfer
Ning Maozai	Deputy Party Secretary, Director	Resigned	January 22,2025	job transfer
Wang Chuan	vice president	Resigned	January 21,2025	job transfer

II. Profit distribution and conversion of capital reserves into share capital during the reporting period

☐ Applicable ☒Not Applicable

The Company plans not to distribute cash dividends, issue bonus shares, or convert capital reserves into share capital for half a year.

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

☐ Applicable ☒Not Applicable

During the reporting period, the Company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation.

IV. Environmental information disclosure

Whether the listed companies and their main subsidiaries are included in the list of enterprises legally disclosing environmental information

☒Yes ☐No

Number of enterprises included in the list of enterprises legally disclosing environmental information		1
No.	Name of enterprise	Inquiry index of environmental information disclosure report according to law
1	Shenzhen SAPO Photoelectric Co., Ltd.	Public website of Department of Ecology and Environment of Guangdong Province (https://www-app.gdeci.cn/gdeepub/front/dal/dal/newindex)

V. Social responsibilities

As of June 30, 2025, the Company actively fulfilled its corporate social responsibility, actively participated in the consumption assistance work, and completed the consumption assistance procurement of RMB437,900.

During the reporting period, the company disclosed the "2024 Environmental, Social and Corporate Governance (ESG) Report", which systematically displayed the company's achievements in environmental, social and corporate governance in 2024. For details, please refer to the "2024 Environmental, Social and Corporate Governance (ESG) Report" of Juchao Information Network (<http://www.cninfo.com.cn>) on June 28, 2025.

Section V Important Matters

1. Commitments made by the Company's actual controller, shareholders, related parties, acquirers and the Company that have been fulfilled during the reporting period and have not been fulfilled beyond the time limit as of the end of the reporting period

☐ Applicable ☒ Not Applicable

During the reporting period, there were no commitments that have been fulfilled by the Company's actual controller, shareholders, related parties, acquirers, the Company and other related parties during the reporting period and have not been fulfilled beyond the time limit as of the end of the reporting period.

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

☐ Applicable ☒ Not Applicable

During the reporting period, there were no non-operational funds occupied by the controlling shareholders and other related parties for the listed company.

III. Illegal external guarantees

☐ Applicable ☒ Not Applicable

The Company had no illegal external guarantee during the reporting period.

IV. Appointment and dismissal of the accounting firm

Whether the semi-annual financial report has been audited

☐ Yes ☒ No

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

V. Explanation of the Board of Directors and the Board of Supervisors on the "modified audit report" of the accounting firm during the reporting period

☐ Applicable ☒ Not Applicable

VI. Explanation of the Board of Directors on the "Modified Audit Report" of the previous year

☐ Applicable ☒ Not Applicable

VII. Matters relating to bankruptcy and reorganization

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no bankruptcy restructuring related matters.

VIII. Litigation matters

Significant litigation and arbitration

☐ Applicable ☒ Not Applicable

There were no significant litigation or arbitration during the reporting period.

Other litigation matters

☒ Applicable ☐ Not applicable

Basic information of litigation (arbitration)	Amount involved (RMB10,000)	Whether estimated liabilities are formed	Proceedings of litigation (arbitration)	Results and influence of litigation (arbitration) trial	Execution of litigation (arbitration) judgment	Date of disclosure	Disclosure index
During the reporting period, the Company and its subsidiaries were involved in a total of 5 other litigation and arbitration cases that did not meet the criteria for disclosure of material litigation, mainly contract disputes, of which 4 were brought as plaintiffs and 1 as a third party.	339.75	No	As of the end of the reporting period, the aforementioned 5 cases are still under trial, pending effective judgments from courts and arbitration institutions.	The concluded cases basically supported the Company's claims and had no material adverse impact on the Company.	As at the end of the reporting period, the concluded cases were in the process of execution or completed, with no material adverse impact on the Company.		/

IX. Penalties and rectification

☐ Applicable ☒ Not Applicable

There was no punishment or rectification during the reporting period.

X. Integrity status of the Company and its controlling shareholders and actual owner

☒ Applicable ☐ Not applicable

The Company, its controlling shareholders and actual owners are in good standing in terms of their integrity and have not failed to perform the effective judgments of the court or failed to pay the larger amount due, etc.

XI. Major related party transactions

1. Related party transactions related to daily operations

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no related party transactions related to daily operations.

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

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no related party transactions arising from the acquisition or sale of assets or equity.

3. Related party transactions arising from joint external investment

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no related party transactions arising from joint external investment.

4. Related claims and debts

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no related debt transactions.

5. Information on transactions with finance companies with related relationship

☐ Applicable ☒ Not Applicable

There was no deposit, loan, credit or other financial business between the Company and the finance companies with related relationship and their related parties.

6. Transactions between the Company's holding finance companies and its related parties

☐ Applicable ☒ Not Applicable

There was no deposit, loan, credit or other financial business between the Company's holding finance companies and its related parties.

7. Other major related party transactions

☐ Applicable ☒ Not Applicable

The Company had no other major related party transactions during the reporting period.

XII. Major contracts and their performance

1. Custody, contracting and lease matters

(1) Custody

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had nothing under custody.

(2) Contracting

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no contracting.

(3) Leases

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no leases.

2. Significant guarantees

☒ Applicable ☐ Not applicable

Unit: RMB10,000

External guarantees of the Company and its subsidiaries (excluding the guarantees to subsidiaries)										
Name of guarantor	Disclosure date of guarantee limit related announcements	Guarantee limit	Actual date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether the performance is completed	Whether to guarantee for a related party
Guarantees to subsidiaries by the Company										
Name of guarantor	Disclosure date of guarantee limit related announcements	Guarantee limit	Actual date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether the performance is completed	Whether to guarantee for a related party
Shenzhen SAPO Photoelectric Co., Ltd.	March 18, 2020	48,000.00	September 8, 2020	11,319.12	Joint and several liability guarantee			From the effective date of the guarantee agreement to the expiration date of the actual loan performance period	No	No
Total guarantee limit to be approved to subsidiaries during the reporting period		0.00		Total actual amount of guarantee incurred to subsidiaries during		-1,244.93				

(B1)				the reporting period (B2)						
Total approved guarantee limit to subsidiaries at the end of the reporting period (B3)		48,000.00		Total actual balance of guarantees to subsidiaries at the end of the reporting period (B4)		11,319.12				
Guarantees by subsidiaries to subsidiaries										
Name of guarantor	Disclosure date of guarantee limit related announcements	Guarantee limit	Actual date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Whether the performance is completed	Whether to guarantee for a related party
Total guarantee limit to be approved to subsidiaries during the reporting period (C1)		0.00		Total actual amount of guarantee incurred to subsidiaries during the reporting period (C2)		0.00				
Total approved guarantee limit to subsidiaries at the end of the reporting period (C3)		0.00		Total actual balance of guarantees to subsidiaries at the end of the reporting period (C4)		0.00				
Total guarantees of the Company (i.e. the total of the top three items)										
Total guarantee limit to be approved during the reporting period (A1+B1+C1)		0.00		Total actual amount of guarantee incurred during the reporting period (A2+B2+C2)		-1,244.93				
Total approved guarantee limit at the end of the reporting period (A3+B3+C3)		48,000.00		Total actual balance of guarantees at the end of the reporting period (A4+B4+C4)		11,319.12				
Total actual guarantees (i.e. A4+B4+C4) as a percentage of the Company's net assets				3.84%						
Including:										
Balance of guarantees provided for shareholders, actual owner and their related parties (D)				0.00						
Balance of debt guarantees provided directly or indirectly for the guaranteed object whose asset-liability ratio exceeds 70% (E)				0.00						
Amount of total guarantees exceeding 50% of net assets (F)				0.00						
Total amount of the above three guarantees (D+E+F)				0.00						
Explanation of the situation in which the guarantee liability occurs or there is evidence				None						

that it may bear joint and several repayment liability during the reporting period in respect of unexpired guarantee contracts (if any)	
Explanation of provision of guarantee to external parties in violation of the prescribed procedures (if any)	None

Explanation of the specific situation of the guarantee by the adoption of composite method

3. Entrusted wealth management

☒ Applicable ☐ Not applicable

Unit: RMB10,000

Specific type	Sources of funds for entrusted wealth management	Amount of entrusted wealth management	Outstanding balance	Delinquent uncollected amount	Delinquent uncollected amount of financial assets with provision for impairment
Bank wealth management products	Self-owned funds	50,000.00	50,000.00	0.00	0.00
Others	Self-owned funds	0.00	21,477.23	0.00	0.00
Total		50,000.00	71,477.23	0.00	0.00

Details of high-risk entrusted wealth management with significant single amount, low safety and poor liquidity

☒ Applicable ☐ Not applicable

Unit: RMB10,000

Name of trustee institution (or name of trustee)	Type of trustee institution (or trustee)	Product type	Amount	Source of funds	Start date	Expiry date	Investment of funds	Determination method of remuneration	Reference annualized rate of return	Expected earnings(if any)	Actual profit or loss amount during the reporting period	Actual recovery of profit or loss during the reporting period	Amount of provision for impairment in the current year(if any)	Whether to go through legal procedures	Whether there will be any entrusted wealth management plan in the future	Overview of matter and index of related enquiries (if any)
Bank of Jiangsu Co., Ltd.	Bank	Financing	30,000.00	Self-owned funds	May 16, 2025	November 3, 2025	Others	Lump sum payment upon maturity	2.70%	381.70	0.00	Undue	0.00	Yes	Not applicable	

China CITI Bank Corporation Limited	Bank	Financing	20,000.00	Self-owned funds	May 16, 2025	November 12, 2025	Others	Lump sum payment upon maturity	2.55%	252.90	0.00	Undue	0.00	Yes	Not applicable	
Total			50,000.00	--	--	--	--	--	--	634.60	0.00	--	0.00	--	--	--

Entrusted wealth management that may fail to recover the principal or other circumstances that may lead to impairment

☐ Applicable ☒ Not Applicable

4. Other major contracts

☐ Applicable ☒ Not Applicable

There were no other major contracts of the Company during the reporting period.

XIII. Notes to other major matters

☒ Applicable ☐ Not applicable

Disposal of assets of the joint venture Shenzhen Xieli

The Company and Hong Kong Xieli Maintenance Co., Ltd. (hereinafter referred to as "Hong Kong Xieli") invested and established a Sino-foreign joint venture enterprise, Shenzhen Xieli Automobile Enterprise Co., Ltd. (hereinafter referred to as "Shenzhen Xieli"). In March 2020, Shenzhen Xieli was deregistered from its industrial and commercial registration by the Shenzhen Administration for Market Regulation. In July 2020, the Company filed an administrative action with the Yantian District People's Court of Shenzhen City, Guangdong Province to revoke the approval of Shenzhen Administration for Market Regulation for the deregistration of Shenzhen Xieli.

In December 2022, the Yantian District People's Court of Shenzhen City, Guangdong Province retried the first-instance judgment and revoked the administrative act of approving the deregistration of Shenzhen Xieli. In January 2023, the third party of the original trial Hong Kong Xieli appealed to the Shenzhen Intermediate People's Court of Guangdong Province. Later, because Hong Kong Xieli failed to prepay the case acceptance fee on time, the Shenzhen Intermediate Peoples Court of Guangdong Province issued an administrative ruling, ruling that Hong Kong Xieli should withdraw the appeal, and the retrial judgment of first instance took effect on March 22, 2023. At present, Shenzhen Xieli has resumed its existence in the industrial and commercial registration, but its future direction still needs to be negotiated by all shareholders.

XIV. Major matters of the Company's subsidiaries

☐ Applicable ☒ Not Applicable

Section VI Changes in Shares and Shareholders

I. Changes in shares

1. Changes in shares

Unit: shares

	Before the change		Increase or decrease in this change (+, -)					After the change	
	Number	Ratio	New shares issued	Bonus issue	Conversion of provident fund into shares	Others	Sub-total	Number	Ratio
I. Shares with restrictive conditions for sales	93,000	0.02%	0	0	0	-93,000	-93,000	0	0.00%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by the state-owned legal persons	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic holdings	93,000	0.02%	0	0	0	-93,000	-93,000	0	0.00%
Including: shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	93,000	0.02%	0	0	0	-93,000	-93,000	0	0.00%
4. Foreign shareholding	0	0.00%	0	0	0	0	0	0	0.00%
Including: shares held by overseas legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by overseas natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without restrictive conditions for sales	506,428,849	99.98%	0	0	0	93,000	93,000	506,521,849	100.00%
1. RMB ordinary shares	457,021,849	90.23%	0	0	0	0	0	457,021,849	90.23%
2. Foreign shares listed domestically	49,407,000	9.75%	0	0	0	93,000	93,000	49,500,000	9.77%
3. Foreign shares listed overseas	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	506,521,849	100.00%	0	0	0	0	0	506,521,849	100.00%

Reasons for changes in shares

☒Applicable ☐ Not applicable

Zhu Meizhu, the former Director and General Manager of the Company, retired on November 29, 2024, and the 93,000 restricted tradable shares of the Company held by him were converted into non-restricted tradable shares on May 31, 2025.

Approval of changes in shares

☐ Applicable ☒Not Applicable

Transfer of changes in shares

☐ Applicable ☒Not Applicable

Implementation progress of share repurchase

☐ Applicable ☒Not Applicable

Progress of the implementation of the reduction of repurchased shares through centralized bidding

☐ Applicable ☒Not Applicable

Effect of changes in shares on financial indicators such as basic earnings per share and diluted earnings per share in the latest year and the latest period, and net assets per share attributable to the Company's ordinary shareholders

☐ Applicable ☒Not Applicable

Other contents deemed necessary by the Company or required by the securities regulators to be disclosed

☐ Applicable ☒Not Applicable

2. Changes in restricted shares

☒Applicable ☐ Not applicable

Unit: shares

Name of shareholder	Beginning number of restricted shares	Number of restricted shares lifted in the current period	Increase in restricted shares in the current period	Ending number of restricted shares	Reasons for sales restriction	Date of lifting sales restrictions
Zhu Meizhu	93,000	93,000	0	0	Directors and senior officers shall not transfer the Company's shares held within six months after their resignation.	May 31, 2025
Total	93,000	93,000	0	0	--	--

II. Issuance and listing of securities

☐ Applicable ☒Not Applicable

III. Number of the Company's shareholders and shareholding ratios

Unit: shares

Total number of ordinary shareholders at the end of the reporting period.		31,598		Total number of preferred shareholders with restoration of voting rights at the end of the reporting period (if any) (see Note 8)			0	
Shareholdings of shareholders holding more than 5% or the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholder	Shareholding	Number of shares held at	Changes during the	Number of	Number of shares held	Pledge, marking or freezing	

		ratio	the end of the reporting period	reporting period	shares held under restricted conditions	without restrictions on sales	Share status	Number
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	46.21%	234,069,436	0	0	234,069,436	Not applicable	0
Shenzhen Shenchao Technology Investment Co., Ltd.	State-owned legal person	3.18%	16,129,032	0	0	16,129,032	Not applicable	0
Sun Huiming	Domestic natural person	1.60%	8,088,853	0	0	8,088,853	Not applicable	0
Chen Xiaobao	Domestic natural person	0.73%	3,703,420	374,800	0	3,703,420	Not applicable	0
Su Weipeng	Domestic natural person	0.71%	3,580,000	0	0	3,580,000	Pledged	3,000,000
Li Zengmao	Domestic natural person	0.61%	3,109,197	31,200	0	3,109,197	Not applicable	0
Sun Wenbo	Domestic natural person	0.39%	1,986,800	-13,400	0	1,986,800	Not applicable	0
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas legal person	0.34%	1,745,900	-762,082	0	1,745,900	Not applicable	0
LIN Chuanguang	Domestic natural person	0.28%	1,431,601	1,431,601	0	1,431,601	Not applicable	0
HONG Fan	Domestic natural person	0.28%	1,410,000	0	0	1,410,000	Not applicable	0
Strategic investors or general legal person becoming the top 10 shareholders due to placement of new shares (if any)	None							
Notes to shareholders' related relationship or persons acting in concert	Among the top 10 ordinary shareholders, Shenzhen Investment Holdings Co., Ltd. and Shenzhen Shenchao Technology Investment Co., Ltd. do not constitute a relationship of persons acting in concert. In addition, the Company does not know whether there is any related relationship among the top 10 ordinary shareholders, nor whether does it know whether they are persons acting in concert as stipulated in the Administrative Measures for the Acquisition of Listed Companies.							
Explanation of the above shareholders' involvement in entrusting/being	None							

entrusted voting rights and waiver of voting rights			
Special explanation for the existence of repurchase accounts among the top 10 shareholders (if any)	None		
Shareholdings of the top 10 shareholders without restrictions on sales (excluding shares lent through refinancing and shares locked by senior management)			
Name of shareholder	Number of shares held without restrictions on sales at the end of the reporting period	Type of shares	
		Type of shares	Number
Shenzhen Investment Holdings Co., Ltd.	234,069,436	RMB ordinary shares	234,069,436
Shenzhen Shenchao Technology Investment Co., Ltd.	16,129,032	RMB ordinary shares	16,129,032
Sun Huiming	8,088,853	Domestically listed foreign shares	8,088,853
Chen Xiaobao	3,703,420	RMB ordinary shares	3,703,420
Su Weipeng	3,580,000	RMB ordinary shares	3,580,000
Li Zengmao	3,109,197	RMB ordinary shares	3,109,197
Sun Wenbo	1,986,800	RMB ordinary shares	1,986,800
Hong Kong Securities Clearing Company Ltd. (HKSCC)	1,745,900	RMB ordinary shares	1,745,900
LIN Chuanguang	1,431,601	RMB ordinary shares	1,431,601
HONG Fan	1,410,000	RMB ordinary shares	1,410,000
Explanation of the related relationship or concerted action among the top 10 shareholders not subject to trading restrictions, and between the top 10 shareholders not subject to trading restrictions and the top 10 shareholders	Among the top 10 ordinary shareholders, Shenzhen Investment Holdings Co., Ltd. and Shenzhen Shenchao Technology Investment Co., Ltd. do not constitute a relationship of persons acting in concert. In addition, the Company does not know whether there is any related relationship among the top 10 ordinary shareholders, nor whether does it know whether they are are persons acting in concert as stipulated in the Administrative Measures for the Acquisition of Listed Companies.		
Explanation of the top 10 ordinary shareholders' participation in margin financing and securities lending business (if any)	None		

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares in refinancing business and lending shares

☐ Applicable ☒ Not Applicable

Changes of the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares compared with the previous period due to refinancing lending/repayment

☐ Applicable ☒ Not Applicable

Whether the Company's top 10 ordinary shareholders and the top 10 ordinary shareholders without restrictive condition for sales

conduct any agreed repurchase transactions during the reporting period

☐Yes ☒No

The Company's top 10 ordinary shareholders, and top 10 ordinary shareholders without restrictive condition for sales did not conduct any agreed repurchase transaction during the reporting period.

IV. Changes in shareholdings of directors, supervisors and senior officers

☐ Applicable ☒ Not Applicable

There was no change in the shareholdings of the Company's directors, supervisors and senior officers during the reporting period. For details, please refer to the 2024 Annual Report.

V. Changes in controlling shareholders or actual controllers

Changes in controlling shareholders during the reporting period

☐ Applicable ☒ Not Applicable

There was no change in the controlling shareholder of the Company during the reporting period.

Changes in actual owner during the reporting period

☐ Applicable ☒ Not Applicable

There was no change in the actual owner of the Company during the reporting period.

VI. Preferred stock

☐ Applicable ☒ Not Applicable

During the reporting period, the Company had no preferred shares.

Section VII. Bonds

☐ Applicable ☒ Not Applicable

Section VIII Financial Reports

I. Audit report

Whether the semi-annual report has been audited

☐Yes ☒No

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

II. Financial statements

The unit in the notes to the financial statements is: RMB

1. Consolidated balance sheet

Prepared by: Shenzhen Textile (Holdings) Co., Ltd.

June 30, 2025

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary funds	583,308,982.61	340,961,443.82
Financial assets held for trading	714,772,329.76	731,419,904.42
Notes receivable	20,078,297.52	47,305,221.88
Accounts receivable	814,121,353.42	863,731,936.89
Receivables financing	8,286,636.78	6,804,603.68
Advances to suppliers	22,845,276.38	8,176,724.70
Other receivables	3,133,087.51	3,596,543.96
Including: interest receivable	0.00	0.00
Dividends receivable	0.00	0.00
Inventories	810,014,233.21	789,756,700.88
Including: data resources	0.00	0.00
Other current assets	33,224,139.84	21,461,736.14
Total current assets	3,009,784,337.03	2,813,214,816.37
Non-current assets:		
Long-term equity investments	110,948,976.97	114,828,026.04
Other equity instrument investments	165,402,900.00	165,402,900.00
Investment properties	110,513,722.85	115,993,390.19
Fixed assets	1,761,352,875.57	1,873,552,843.91
Construction in progress	5,589,741.14	5,814,012.03
Right-of-use assets	17,733,269.31	15,338,117.86
Intangible assets	33,255,872.13	35,207,791.95
Goodwill	0.00	0.00
Long-term deferred expenses	6,244,717.57	6,084,115.87

Deferred tax assets	57,045,245.89	58,920,511.20
Other non-current assets	27,878,799.85	27,793,871.91
Total non-current assets	2,295,966,121.28	2,418,935,580.96
Total assets	5,305,750,458.31	5,232,150,397.33
Current liabilities:		
Derivative financial liabilities	495,496.93	1,278,559.35
Notes payable	33,929,917.81	31,095,540.29
Accounts payable	405,630,895.77	304,812,580.55
Advances from customers	636,186.67	1,051,491.96
Contract liabilities	2,417,170.20	490,562.97
Employee compensation payable	52,499,656.11	56,685,289.92
Taxes payable	10,126,058.86	6,853,730.84
Other payables	162,765,912.58	160,296,989.98
Including: interest payable	0.00	0.00
Dividends payable	0.00	0.00
Non-current liabilities maturing within one year	49,362,042.58	63,347,555.03
Other current liabilities	43,856,759.56	54,072,022.27
Total current liabilities	761,720,097.07	679,984,323.16
Non-current liabilities:		
Long-term borrowings	146,994,855.00	162,388,870.00
Lease liabilities	10,337,042.95	9,496,564.12
Deferred income	91,526,423.03	96,349,196.26
Deferred tax liabilities	48,286,013.64	48,610,809.66
Total non-current liabilities	297,144,334.62	316,845,440.04
Total liabilities	1,058,864,431.69	996,829,763.20
Owners' equity:		
Equity	506,521,849.00	506,521,849.00
Capital reserve	1,961,599,824.63	1,961,599,824.63
Other comprehensive income	106,877,807.32	106,877,807.32
Surplus reserves	104,262,315.64	104,262,315.64
Undistributed profits	271,879,850.09	272,608,113.66
Total equity attributable to owners of the parent company	2,951,141,646.68	2,951,869,910.25
Minority interests	1,295,744,379.94	1,283,450,723.88
Total owners' equity	4,246,886,026.62	4,235,320,634.13
Total liabilities and owners' equity	5,305,750,458.31	5,232,150,397.33

Legal representative: YIN Kefei Principal Chief Finance Officer: LIU Yu Chief Accountant: HUANG Min

2. Balance sheet of the parent company

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary funds	22,409,020.11	13,630,974.26
Financial assets held for trading	714,772,329.76	731,419,904.42

Accounts receivable	14,727,202.78	13,028,987.63
Advances to suppliers	96,500.00	99,904.79
Other receivables	1,053,257.66	1,534,395.80
Including: interest receivable	0.00	0.00
Dividends receivable	0.00	0.00
Inventories	53,268.05	39,835.05
Total current assets	753,111,578.36	759,754,001.95
Non-current assets:		
Long-term equity investments	2,036,810,957.64	2,040,690,006.71
Other equity instrument investments	152,221,200.00	152,221,200.00
Investment properties	90,270,093.42	94,773,462.23
Fixed assets	1,862,225.04	2,099,585.67
Intangible assets	58,614.51	83,350.98
Long-term deferred expenses	4,810,530.71	4,448,190.05
Other non-current assets	25,760,086.27	25,860,862.33
Total non-current assets	2,311,793,707.59	2,320,176,657.97
Total assets	3,064,905,285.95	3,079,930,659.92
Current liabilities:		
Accounts payable	411,743.57	411,743.57
Advances from customers	540,673.07	540,673.07
Employee compensation payable	16,012,998.77	17,955,509.70
Taxes payable	5,537,698.39	5,619,509.34
Other payables	93,320,607.95	87,029,351.12
Including: interest payable	0.00	0.00
Dividends payable	0.00	0.00
Total current liabilities	115,823,721.75	111,556,786.80
Non-current liabilities:		
Deferred income	50,000.00	100,000.00
Deferred tax liabilities	33,761,011.78	34,086,313.51
Total non-current liabilities	33,811,011.78	34,186,313.51
Total liabilities	149,634,733.53	145,743,100.31
Owners' equity:		
Equity	506,521,849.00	506,521,849.00
Capital reserve	1,577,392,975.96	1,577,392,975.96
Other comprehensive income	98,116,532.32	98,116,532.32
Surplus reserves	104,262,315.64	104,262,315.64
Undistributed profits	628,976,879.50	647,893,886.69
Total owners' equity	2,915,270,552.42	2,934,187,559.61
Total liabilities and owners' equity	3,064,905,285.95	3,079,930,659.92

3. Consolidated income statement

Unit: RMB

Item	Half year period of 2025	Half year period of 2024
I. Total operating revenue	1,600,481,626.31	1,623,384,151.90

Including: operating revenue	1,600,481,626.31	1,623,384,151.90
II. Total operating costs	1,519,243,714.80	1,509,523,068.26
Including: operating costs	1,362,512,734.09	1,389,606,053.06
Taxes and surcharges	5,659,061.80	4,614,482.79
Selling and distribution expenses	16,031,119.28	18,259,030.20
G&A expenses	59,632,564.54	59,979,111.15
R&D expenses	52,739,746.19	47,870,863.46
Financial expenses	22,668,488.90	-10,806,472.40
Including: interest expenses	3,666,950.38	11,411,878.99
Interest income	2,493,076.60	4,864,600.64
Plus: other income	18,162,062.42	18,891,082.37
Investment income ("-" for losses)	130,107.09	3,206,756.62
Including: investment income from associates and joint ventures	-3,645,599.07	-4,247,734.12
Gains from derecognition of financial assets measured at amortized costs	0.00	0.00
Gains from changes in fair value ("-" for losses)	5,911,007.63	1,283,637.11
Credit impairment losses ("-" for losses)	815,027.65	-8,275,241.40
Assets impairment losses ("-" for loss)	-55,273,530.83	-48,933,632.55
Gains from disposal of assets ("-" for losses)	1,163,586.44	0.00
III. Operating profit ("-" for losses)	52,146,171.91	80,033,685.79
Plus: non-operating revenue	3,104,116.81	162,935.79
Less: non-operating expenses	57,900.79	2,311,469.51
IV. Total profits ("-" for total loss)	55,192,387.93	77,885,152.07
Less: income tax expenses	7,663,966.35	11,082,190.34
V. Net profit ("-" for net losses)	47,528,421.58	66,802,961.73
(I) Classified by operating sustainability		
1. Net profit from continued operation ("-" for net losses)	47,528,421.58	66,802,961.73
2. Net profit from discontinued operations ("-" for net losses)	0.00	0.00
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company ("-" for net losses)	35,234,765.52	43,894,075.23
2. Minority interest income ("-" for net losses)	12,293,656.06	22,908,886.50
VI. Other comprehensive income, net of tax	0.00	-115,825.06
Other comprehensive income, net of tax, attributable to owners of parent company	0.00	-115,825.06
(I) Other comprehensive income that cannot be reclassified into profit or loss later	0.00	0.00
1. Changes in re-measurement of defined benefit plans	0.00	0.00
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method	0.00	0.00
3. Changes in fair value of other equity instrument investments	0.00	0.00
4. Changes in fair value of the enterprise's own credit risk	0.00	0.00
5. Others	0.00	0.00
(II) Other comprehensive income that will be reclassified into profit or loss	0.00	-115,825.06

1. Other comprehensive income that can be transferred to profit or loss under the equity method	0.00	0.00
2. Changes in fair value of other debt investments	0.00	0.00
3. Amount of financial assets reclassified and included in other comprehensive income	0.00	0.00
4. Provision for credit impairment of other debt investments	0.00	0.00
5. Reserve for cash flows	0.00	0.00
6. Differences arising from translation of foreign-currency financial statements	0.00	-115,825.06
7. Others	0.00	0.00
Net of tax of other comprehensive income attributable to minority shareholders	0.00	0.00
VII. Total comprehensive income	47,528,421.58	66,687,136.67
Total comprehensive income attributable to the owner of the parent company	35,234,765.52	43,778,250.17
Total comprehensive income attributable to minority shareholders	12,293,656.06	22,908,886.50
VIII. Earnings per share:		
(I) Basic earnings per share	0.0696	0.0867
(II) Diluted earnings per share	0.0696	0.0867

In case of any business combination under the same control in the current period, the net profit realized by the combinee before the combination was RMB0.00, and the net profit realized by the combinee in the previous period was RMB 0.00.

Legal representative: YIN Kefei Principal Chief Finance Officer: LIU Yu Chief Accountant: HUANG Min

4. Income statement of the parent company

Unit: RMB

Item	Half year period of 2025	Half year period of 2024
I. Operating revenue	38,597,362.56	37,598,506.94
Less: operating costs	5,734,623.16	4,849,806.55
Taxes and surcharges	1,514,685.13	1,557,197.01
Selling and distribution expenses	9,356.70	28,576.00
G&A expenses	18,677,086.91	18,630,597.44
Financial expenses	-257,485.04	-1,041,915.34
Including: interest expenses	2,831.38	5,709.68
Interest income	290,763.85	1,142,495.37
Plus: other income	100,758.85	114,150.75
Investment income ("-" for losses)	4,647,607.09	4,103,395.00
Including: investment income from associates and joint ventures	-3,645,599.07	-4,247,734.12
Gains from derecognition of financial assets measured by amortized costs ("-" for losses)	0.00	0.00
Gains from changes in fair value ("-" for losses)	5,127,945.21	257,446.36
Credit impairment losses ("-" for losses)	-123,846.10	-11,329.80
Assets impairment losses ("-" for loss)	0.00	0.00
Gains from disposal of assets ("-" for losses)	0.00	0.00
II. Operating profit ("-" for losses)	22,671,560.75	18,037,907.59
Plus: non-operating revenue	0.05	0.00

Less: non-operating expenses	27,285.06	18,097.45
III. Total profit ("-" for total loss)	22,644,275.74	18,019,810.14
Less: income tax expenses	5,598,253.84	4,285,037.46
IV. Net profit ("-" for net losses)	17,046,021.90	13,734,772.68
(I) Net profit from continued operation ("-" for net losses)	17,046,021.90	13,734,772.68
(II) Net profit from discontinued operation ("-" for net losses)	0.00	0.00
V. Net of tax of other comprehensive income	0.00	-115,825.06
(I) Other comprehensive income that cannot be reclassified into profit or loss later	0.00	0.00
1. Changes in re-measurement of defined benefit plans	0.00	0.00
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method	0.00	0.00
3. Changes in fair value of other equity instrument investments	0.00	0.00
4. Changes in fair value of the enterprise's own credit risk	0.00	0.00
5. Others	0.00	0.00
(II) Other comprehensive income that will be reclassified into profit or loss	0.00	-115,825.06
1. Other comprehensive income that can be transferred to profit or loss under the equity method	0.00	0.00
2. Changes in fair value of other debt investments	0.00	0.00
3. Amount of financial assets reclassified and included in other comprehensive income	0.00	0.00
4. Provision for credit impairment of other debt investments	0.00	0.00
5. Reserve for cash flows	0.00	0.00
6. Differences arising from translation of foreign-currency financial statements	0.00	-115,825.06
7. Others	0.00	0.00
VI. Total comprehensive income	17,046,021.90	13,618,947.62

5. Consolidated statement of cash flows

Unit: RMB

Item	Half year period of 2025	Half year period of 2024
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	1,671,434,675.35	1,485,990,801.73
Refunds of taxes and surcharges received	0.00	6,793,213.50
Other cash received related to operating activities	68,058,342.69	56,983,404.25
Sub-total of cash inflows from operating activities	1,739,493,018.04	1,549,767,419.48
Cash paid for purchase of goods and receipt of services	1,218,647,653.85	1,347,905,854.18
Cash paid to and on behalf of employees	127,820,808.26	124,223,211.21
Cash paid for taxes and surcharges	27,343,241.72	15,045,793.07
Other cash paid related to operating activities	40,346,993.22	50,757,711.08
Sub-total of cash outflows from operating activities	1,414,158,697.05	1,537,932,569.54
Net cash flows from operating activities	325,334,320.99	11,834,849.94
II. Cash flows from investing activities:		
Cash received from recovery of investment	0.00	0.00
Cash received from investment income	8,334,676.03	7,303,767.71

Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,431,771.50	0.00
Net cash received from disposal of subsidiaries and other business units	0.00	0.00
Other cash received related to investing activities	518,000,000.00	965,100,513.30
Sub-total of cash inflows from investing activities	529,766,447.53	972,404,281.01
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	6,414,300.56	6,988,462.82
Cash paid for investments	0.00	0.00
Net cash paid to acquire subsidiaries and other business units	0.00	0.00
Other cash paid related to investing activities	500,000,000.00	1,099,000,000.00
Sub-total of cash outflows from investing activities	506,414,300.56	1,105,988,462.82
Net cash flows from the investing activities	23,352,146.97	-133,584,181.81
III. Cash flows from financing activities:		
Cash received from absorption of investments	0.00	0.00
Including: cash received by subsidiaries from absorption of investments of minority shareholders	0.00	0.00
Cash received from acquisition of borrowings	0.00	257,600.00
Other cash received related to financing activities	0.00	0.00
Sub-total of cash inflows from financing activities	0.00	257,600.00
Cash paid for debt repayments	20,736,765.00	58,921,670.00
Cash paid for distribution of dividends and profits or payment of interests	39,283,617.02	44,157,958.67
Including: dividends and profit paid to minority shareholders by subsidiaries	0.00	0.00
Other cash paid related to financing activities	6,983,290.34	6,463,136.37
Sub-total of cash outflows from financing activities	67,003,672.36	109,542,765.04
Net cash flows from financing activities	-67,003,672.36	-109,285,165.04
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	-6,543,513.79	-6,440,394.95
V. Net increase in cash equivalents	275,139,281.81	-237,474,891.86
Plus: beginning balance of cash equivalents	302,084,839.35	461,420,457.33
VI. Ending balance of cash equivalents	577,224,121.16	223,945,565.47

6. The statement of cash flows of the parent company

Unit: RMB

Item	Half year period of 2025	Half year period of 2024
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	40,571,767.79	40,534,005.59
Refunds of taxes and surcharges received	0.00	67,999.80
Other cash received related to operating activities	2,078,250.77	4,967,943.81
Sub-total of cash inflows from operating activities	42,650,018.56	45,569,949.20
Cash paid for purchase of goods and receipt of services	1,904,909.90	1,110,239.45
Cash paid to and on behalf of employees	19,685,814.75	19,875,978.31
Cash paid for taxes and surcharges	9,256,504.29	8,337,487.47
Other cash paid related to operating activities	3,271,796.24	18,437,225.42
Sub-total of cash outflows from operating activities	34,119,025.18	47,760,930.65
Net cash flows from operating activities	8,530,993.38	-2,190,981.45
II. Cash flows from investing activities:		
Cash received from recovery of investment	0.00	0.00
Cash received from investment income	9,852,176.03	9,003,767.71
Net cash received from disposal of fixed assets, intangible assets	0.00	0.00

and other long-term assets		
Net cash received from disposal of subsidiaries and other business units	0.00	0.00
Other cash received related to investing activities	527,000,000.00	885,100,513.30
Sub-total of cash inflows from investing activities	536,852,176.03	894,104,281.01
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	640,844.32	1,288,821.77
Cash paid for investments	0.00	0.00
Net cash paid to acquire subsidiaries and other business units	0.00	0.00
Other cash paid related to investing activities	500,000,000.00	850,000,000.00
Sub-total of cash outflows from investing activities	500,640,844.32	851,288,821.77
Net cash flows from the investing activities	36,211,331.71	42,815,459.24
III. Cash flows from financing activities:		
Cash received from absorption of investments	0.00	0.00
Cash received from acquisition of borrowings	0.00	257,600.00
Other cash received related to financing activities	0.00	1,585,151.73
Sub-total of cash inflows from financing activities	0.00	1,842,751.73
Cash paid for debt repayments	0.00	0.00
Cash paid for distribution of dividends and profits or payment of interests	35,963,029.09	32,923,916.72
Other cash paid related to financing activities	0.00	0.00
Sub-total of cash outflows from financing activities	35,963,029.09	32,923,916.72
Net cash flows from financing activities	-35,963,029.09	-31,081,164.99
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	-1,250.15	364.54
V. Net increase in cash equivalents	8,778,045.85	9,543,677.34
Plus: beginning balance of cash equivalents	13,630,974.26	9,125,800.27
VI. Ending balance of cash equivalents	22,409,020.11	18,669,477.61

7. Consolidated statements of changes in owners' equity

The current period

Unit: RMB

Item	Half year period of 2025							
	Equity attributable to owners of the parent company						Minority interests	Total shareholders' equity
	Equity	Capital reserve	Other comprehensive income	Surplus reserves	Undistributed profits	Sub-total		
I. Ending balance last year	506,521,849.00	1,961,599,824.63	106,877,807.32	104,262,315.64	272,608,113.66	2,951,869,910.25	1,283,450,723.88	4,235,320,634.13
Plus: changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Correction of prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Beginning balance as at the beginning of this year	506,521,849.00	1,961,599,824.63	106,877,807.32	104,262,315.64	272,608,113.66	2,951,869,910.25	1,283,450,723.88	4,235,320,634.13
III. Increase/decrease in the current period	0.00	0.00	0.00	0.00	-728,263.57	-728,263.57	12,293,656.06	11,565,392.49
(I) Total comprehensive income	0.00	0.00	0.00	0.00	35,234,765.52	35,234,765.52	12,293,656.06	47,528,421.58
(II) Capital contributed or reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	-35,963,029.09	-35,963,029.09	0.00	-35,963,029.09
1. Withdrawal of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Withdrawal of general risk reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Profits distributed to shareholders	0.00	0.00	0.00	0.00	-35,963,029.09	-35,963,029.09	0.00	-35,963,029.09
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal transfer of	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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shareholders' equity								
1. Conversion of capital reserve into share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Conversion of surplus reserve into share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Surplus reserves offsetting losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Changes in benefit plans transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Transfer of other comprehensive income into retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal in the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Amount used in the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Balance as at the end of the current period	506,521,849.00	1,961,599,824.63	106,877,807.32	104,262,315.64	271,879,850.09	2,951,141,646.68	1,295,744,379.94	4,246,886,026.62

Amount for the previous year

Unit: RMB

Item	Half year period of 2024							
	Equity attributable to owners of the parent company						Minority interests	Total shareholders' equity
	Equity	Capital reserve	Other comprehensive income	Surplus reserves	Undistributed profits	Sub-total		
I. Ending balance last year	506,521,849.00	1,961,599,824.63	93,607,380.81	104,262,315.64	216,160,896.14	2,882,152,266.22	1,229,765,091.74	4,111,917,357.96
Plus: changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Correction of prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Beginning balance as at the beginning of this year	506,521,849.00	1,961,599,824.63	93,607,380.81	104,262,315.64	216,160,896.14	2,882,152,266.22	1,229,765,091.74	4,111,917,357.96
III. Increase/decrease in the current period ("-" for decrease)	0.00	0.00	-115,825.06	0.00	10,970,158.51	10,854,333.45	22,908,886.50	33,763,219.95
(I) Total comprehensive income	0.00	0.00	-115,825.06	0.00	43,894,075.23	43,778,250.17	22,908,886.50	66,687,136.67
(II) Capital contributed or reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	-32,923,916.72	-32,923,916.72	0.00	-32,923,916.72
1. Withdrawal of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Withdrawal of general risk reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Profit distributed to owners (or shareholders)	0.00	0.00	0.00	0.00	-32,923,916.72	-32,923,916.72	0.00	-32,923,916.72
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal transfer of shareholders' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Conversion of capital reserve into share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Conversion of surplus reserve into share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Surplus reserves offsetting losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Changes in benefit plans transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Transfer of other comprehensive income into	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

retained earnings								
6. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal in the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Amount used in the current period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Balance as at the end of the current period	506,521,849.00	1,961,599,824.63	93,491,555.75	104,262,315.64	227,131,054.65	2,893,006,599.67	1,252,673,978.24	4,145,680,577.91

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

The current period

Unit: RMB

Item	Half year period of 2025					
	Equity	Capital reserve	Other comprehensive income	Surplus reserves	Undistributed profits	Total owners' equity
I. Ending balance last year	506,521,849.00	1,577,392,975.96	98,116,532.32	104,262,315.64	647,893,886.69	2,934,187,559.61
Plus: changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00
Correction of prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00
II. Beginning balance as at the beginning of this year	506,521,849.00	1,577,392,975.96	98,116,532.32	104,262,315.64	647,893,886.69	2,934,187,559.61
III. Increase/decrease in the current period	0.00	0.00	0.00	0.00	-18,917,007.19	-18,917,007.19
(I) Total comprehensive income	0.00	0.00	0.00	0.00	17,046,021.90	17,046,021.90
(II) Capital contributed or reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00
1. Ordinary shares contributed by owners	0.00	0.00	0.00	0.00	0.00	0.00
2. Capital invested by the holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00

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3. Amounts of share-based payments recognized in owners' equity	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	-35,963,029.09	-35,963,029.09
1. Withdrawal of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00
2. Profits distributed to shareholders	0.00	0.00	0.00	0.00	-35,963,029.09	-35,963,029.09
3. Others	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal transfer of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00
1. Conversion of capital reserve into share capital	0.00	0.00	0.00	0.00	0.00	0.00
2. Conversion of surplus reserve into share capital	0.00	0.00	0.00	0.00	0.00	0.00
3. Surplus reserves offsetting losses	0.00	0.00	0.00	0.00	0.00	0.00
4. Changes in benefit plans transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00
5. Transfer of other comprehensive income into retained earnings	0.00	0.00	0.00	0.00	0.00	0.00
6. Others	0.00	0.00	0.00	0.00	0.00	0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00
1. Withdrawal in the current period	0.00	0.00	0.00	0.00	0.00	0.00
2. Amount used in the current period	0.00	0.00	0.00	0.00	0.00	0.00
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00
IV. Balance as at the end of the current period	506,521,849.00	1,577,392,975.96	98,116,532.32	104,262,315.64	628,976,879.50	2,915,270,552.42

Amount for the previous year

Unit: RMB

Item	Half year period of 2024					
	Equity	Capital reserve	Other comprehensive income	Surplus reserves	Undistributed profits	Total owners' equity
I. Ending balance last year	506,521,849.00	1,577,392,975.96	83,629,830.81	104,262,315.64	689,309,946.54	2,961,116,917.95

Plus: changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00
Correction of prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00
II. Beginning balance as at the beginning of this year	506,521,849.00	1,577,392,975.96	83,629,830.81	104,262,315.64	689,309,946.54	2,961,116,917.95
III. Increase/decrease in the current period	0.00	0.00	-115,825.06	0.00	-19,189,144.04	-19,304,969.10
(I) Total comprehensive income	0.00	0.00	-115,825.06	0.00	13,734,772.68	13,618,947.62
(II) Capital contributed or reduced by owners	0.00	0.00	0.00	0.00	0.00	0.00
1. Ordinary shares contributed by owners	0.00	0.00	0.00	0.00	0.00	0.00
2. Capital invested by the holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00
3. Amounts of share-based payments recognized in owners' equity	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00
(III) Profit distribution	0.00	0.00	0.00	0.00	-32,923,916.72	-32,923,916.72
1. Withdrawal of surplus reserves	0.00	0.00	0.00	0.00	0.00	0.00
2. Profits distributed to shareholders	0.00	0.00	0.00	0.00	-32,923,916.72	-32,923,916.72
3. Others	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal transfer of owners' equity	0.00	0.00	0.00	0.00	0.00	0.00
1. Conversion of capital reserve into share capital	0.00	0.00	0.00	0.00	0.00	0.00
2. Conversion of surplus reserve into share capital	0.00	0.00	0.00	0.00	0.00	0.00
3. Surplus reserves offsetting losses	0.00	0.00	0.00	0.00	0.00	0.00
4. Changes in benefit plans transferred to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00
5. Transfer of other comprehensive income into retained earnings	0.00	0.00	0.00	0.00	0.00	0.00
6. Others	0.00	0.00	0.00	0.00	0.00	0.00
(V) Special reserves	0.00	0.00	0.00	0.00	0.00	0.00

1. Withdrawal in the current period	0.00	0.00	0.00	0.00	0.00	0.00
2. Amount used in the current period	0.00	0.00	0.00	0.00	0.00	0.00
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00
IV. Balance as at the end of the current period	506,521,849.00	1,577,392,975.96	83,514,005.75	104,262,315.64	670,120,802.50	2,941,811,948.85

III. Basic information about the company

1. Company profile

Shenzhen Textile (Holdings) Co., Ltd. (hereinafter referred to as "the Company") is a joint stock limited company registered in Guangdong Province. In August 1994, the Company publicly issued RMB ordinary shares (A shares) and domestically listed foreign shares (B shares) to the domestic and overseas public respectively, and listed on the SZSE for trading.

Headquartered in Shenzhen, Guangdong Province, the Company and its subsidiaries (hereinafter referred to as "the Group") are principally engaged in the research and development, production and marketing of polarizers for liquid crystal displays, as well as property management and textile and apparel businesses, which are mainly located in the prosperous commercial area of Shenzhen.

2. The date of approval of the financial statements

The consolidated and parent company financial statements of the Company were approved by the Board of Directors of the Company on August 21, 2025.

IV. Basis for preparation of financial statements

1. Basis for preparation

The Group implements the Accounting Standards for Business Enterprises and related provisions issued by the Ministry of Finance. In addition, the Group also discloses relevant financial information in accordance with the Rules for the Compilation and Reporting of Information Disclosure by Companies Issuing Securities to the Public No. 15 - General Provisions on Financial Reports (Revised in 2023).

2. Going concern

The Group has evaluated its going-concern ability for 12 months starting from June 30, 2025, and has not found any matters and circumstances that cast significant doubt on the going-concern ability. Therefore, the financial statements have been prepared on the going concern basis.

3. Accounting basis and pricing principle

The Group's accounting is based on the accrual basis. With the exception of certain financial instruments measured at fair value, these financial statements are based on historical costs. If an asset is impaired, the corresponding impairment provision shall be made in accordance with relevant regulations.

Under historical cost measurement, assets are measured according to the amount of cash or cash equivalents paid at the time of acquisition or the fair value of the consideration paid. Liabilities are measured in terms of the amount of money or assets actually received as a result of assuming current obligations, or the amount of contracts under current obligations, or the amount of cash or cash equivalents expected to be paid in daily activities to repay liabilities.

Fair value is the price that market participants need to pay to receive or transfer a liability for the sale of an asset in an orderly transaction that occurs on the measurement date. Whether the fair value is observable or estimated using valuation techniques, the fair value measured and disclosed in these financial statements is determined on this basis.

For financial assets that use the transaction price as the fair value at the time of initial recognition and use valuation techniques involving unobservable input values in the subsequent measurement of fair value, the valuation technology is corrected during the valuation process so that the initial recognition result determined by the valuation technology is equal to the transaction price.

Fair value measurement is divided into three levels based on the observability of the input values of fair value and the importance of these inputs to the overall fair value measurement:

- The first level input is the unadjusted quotation of the same asset or liability available on the measurement date in the active market.
- The second-level input value is the input value that is directly or indirectly observable of the relevant asset or liability in addition to the first-level input value.
- The third level input value is the unobservable input value of the underlying asset or liability.

Significant accounting policies and accounting estimates

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

The financial statements prepared by the company meet the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the Company's consolidated and parent company's financial position as at June 30, 2025, the consolidated and parent company's operating results, changes in consolidated and parent company's shareholders' equity and consolidated and parent company's cash flows for the first half of 2025.

2. Accounting period

The Company adopts the Gregorian calendar year for its accounting year, that is, from January 1 to December 31 of each year.

3. Operating cycle

Operating cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents by the enterprise. The operating cycle of the Company is 12 months.

4. Recording currency

RMB is the currency in the main economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries adopt RMB as the recording currency. The Company's overseas subsidiaries determine RMB as their recording currency based on the currency in the main economic environment in which they operate. The currency used by the Company in preparing these financial statements is RMB.

5. Determination methods and selection basis for materiality threshold

☒ Applicable ☐ Not applicable

Item	Importance criteria
Significant accounts receivable with the provision for bad debts made on an individual basis	The individual book balance accounts for more than 0.5% of the total assets
Recovery or reversal amount of provision for bad debts of significant accounts receivable	The individual recovery or reversal amount accounts for more than 10% of the total amount of provision for bad debts recovery or reversal of the corresponding accounts receivable and the amount exceeds RMB 10 million
Advances to suppliers with aging over 1 year and of significant amount	Individual amount accounts for more than 0.5% of total assets
Important accounts payable, advances from customers, contractual liabilities and other payables with aging over 1 year	Individual amount accounts for more than 0.5% of total assets
Other cash received related to significant investing activities	The amount exceeds RMB 50 million
Other cash paid related to significant investing activities	The amount exceeds RMB 50 million
Major non-wholly-owned subsidiaries	The total assets, total revenue or total profit of the non-wholly-owned subsidiary account for more than 10% of the amount of the corresponding items in the consolidated financial statements of the Group
Significant joint ventures or associates	The book value of the long-term equity investments of the enterprise at the end of the year accounts for more than 5% of the net assets of the consolidated financial statements of the Group

6. Accounting treatments for business combinations under common control and those not under common control

Business combinations are categorized into those under common control and those not under common control.

6.1 Business combinations under common control

If, before and after the business combination, all parties involved are ultimately controlled by the same party or the same group of parties and such control is not temporary, the combination is considered under common control.

The assets and liabilities obtained in the business combination are measured at their book value as recorded in the consolidated financial statements of the ultimate controller on the combination date. Any difference between the book value of the net assets acquired by the combining party and the book value of the consideration paid is adjusted against the share premium in capital reserve. If the equity premium is insufficient, the difference is adjusted against retained earnings.

All direct expenses incurred for the purpose of the business combination are recognized in current profit or loss as they occur.

6.2 Business combinations not under common control and goodwill

When the entities involved in the combination are not under the ultimate control of the same party or the same group of parties before and after the combination, it is considered a business combination not under common control.

The combination cost refers to the fair value of the assets paid, the liabilities incurred or assumed, and the equity instruments issued by the acquirer to obtain the right of control of the acquiree. Any intermediary fees for business combination, including but not limited to audit, legal, and valuation consulting services, and other related G&A expenses incurred by the acquirer are charged to current profit or loss as they arise.

Any identifiable assets, liabilities, and contingent liabilities of the acquiree that meet the recognition criteria and are obtained by the acquirer in the combination are measured at fair value on the acquisition date.

If the combination cost exceeds the acquiree's fair value share of net identifiable assets obtained, this difference is recognized as goodwill and initially measured at cost. If the combination cost is less than the acquiree's fair value share of net identifiable assets obtained, the acquirer shall first reassess the fair values of all identifiable assets, liabilities, and contingent liabilities of the acquiree, as well as the measurement of the combination cost. After reassessment, if the combination cost is still less than acquiree's fair value share of net identifiable assets obtained, the difference is included in current profit or loss.

Goodwill arising from a business combination is presented separately in the consolidated financial statements and is measured at cost less any accumulated provision for impairment.

7. Criteria for determining control and preparation methods for consolidated financial statements

7.1 Criteria for determining control

Control means that an investor has power over the investee, derives variable returns by participating in the investee's relevant activities, and can use that power to affect the amount of returns. Whenever changes in relevant facts and circumstances alter any element of this definition of control, the Group will reassess the situation.

7.2 Methods of preparing consolidated financial statements

The consolidation scope in the consolidated financial statements is determined on the basis of control.

A subsidiary is consolidated from the date the Group obtains the right of control over it until the date such right is lost.

For subsidiaries that the Group disposes of, operating results and cash flows prior to the disposal date (the date when the loss of control occurs) are appropriately included in the consolidated income statement and consolidated cash flow statement.

For subsidiaries acquired in a business combination not under common control, their operating results and cash flows from the acquisition date (the date when the right of control is obtained) are appropriately included in the consolidated income statement and consolidated cash flow statement.

For subsidiaries acquired in a business combination under common control, regardless of the point in time during the reporting period at which the combination takes place, the subsidiary is deemed to have been under the Group's consolidation scope from the date it came under the ultimate controller. Its operating results and cash flows from the earliest beginning date of the reporting period are appropriately included in the consolidated income statement and consolidated cash flow statement.

The primary accounting policies and reporting periods adopted by the subsidiaries are determined in accordance with the uniform accounting policies and reporting periods set by the Company.

Any effects on the consolidated financial statements from intercompany transactions between the Company and its subsidiaries, or among the subsidiaries themselves, are eliminated upon consolidation.

The share of owners' equity of a subsidiary not attributable to the parent company is presented as minority equity and listed as "minority equity" under the owners' equity item in the consolidated balance sheet. the share of the subsidiary's net profit or loss attributable to minority interests is presented in the consolidated income statement under the net profit item as "minority interest income".

If the losses borne by minority shareholders exceed the share of owners' equity they hold at the beginning of the subsidiary's period, the excess continues to be deducted from the minority interests.

Transactions involving the purchase of a subsidiary's minority interests or the partial disposal of a subsidiary's equity investments without losing the right of control are accounted for as equity transactions. The book value of the parent company's owners' equity and the minority interests are adjusted to reflect the changes in their respective ownership in the subsidiary. Any difference between the adjustment to minority interests and the fair value of the consideration paid or received is adjusted against the capital reserve. If the capital reserve is insufficient, the difference is adjusted against retained earnings.

8. Classification of joint venture arrangements and accounting treatments for joint operations

Joint venture arrangements are classified as either joint operations or joint ventures, based on the rights and obligations of the parties—determined by factors such as the arrangement's structure, legal form, and contractual terms. A joint operation is a joint arrangement in which the parties have rights to the related assets and obligations for the related liabilities. A joint operation refers to those joint venture arrangements under which the joint venture is entitled to relevant assets and be responsible for relevant liabilities. A joint venture is a joint venture arrangement in which the parties are entitled only to the arrangement's net assets.

The Group's investments in joint ventures are accounted for under the equity method. For details, please refer to "17. Long-term equity investment".

9. Determination criteria for cash and cash equivalents

Cash refers to cash on hand and deposits readily available for payment. Cash equivalents refer to short-term (generally maturing within three months from the date of purchase) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Foreign currency transactions and translation of foreign currency statements

10.1 Foreign currency transactions

Foreign currency transactions are initially recognized at the exchange rate similar to the spot exchange rate on the transaction date, and the exchange rate similar to spot exchange rate on the date of the transaction shall be determined by a systematic and reasonable method.

At each balance sheet date, foreign currency monetary items are translated into RMB at the spot rate on that date. Any exchange differences arising from changes in the spot exchange rate (compared to the rate at initial recognition or the previous balance sheet date) are recognized in current profit or loss, except for: (1) exchange differences on foreign-currency-specific borrowings that qualify for capitalization, which are capitalized as part of the cost of the related asset during the capitalization period; (2) exchange differences on hedging instruments used to hedge foreign exchange risk, which are accounted for under hedge accounting; (3) foreign exchange differences arising from changes in the book balance of monetary items classified as measured at fair value through other comprehensive income, except for amortized costs, are recognized in current profit or loss.

When preparing consolidated financial statements involving foreign operations, if a foreign currency monetary item essentially constitutes a net investment in a foreign overseas operation, any exchange differences arising from the fluctuation in exchange rate are included under "Exchange differences on translation of foreign currency statements" in other comprehensive income; Upon disposal of the foreign operation, these differences are recognized in profit or loss for the disposal period.

Foreign currency non-monetary items measured at historical cost continue to be measured using the spot exchange rate in recording currency on the transaction date. For foreign currency non-monetary items measured at fair value, the spot exchange rate on the date the fair value is determined is used for translation. Any difference between the translated amount in recording currency and the original currency is treated as a fair value change (including fluctuation in exchange rate) and is recognized in current profit or loss or other comprehensive income, as appropriate.

10.2 Translation of foreign-currency financial statements

To prepare consolidated financial statements, foreign-currency financial statements of overseas operations are translated into RMB as follows: all assets and liabilities in the balance sheet are translated at the spot exchange rate on the balance sheet date; shareholders' equity items are translated at the spot exchange rate on the date of occurrence; all items in the income statement and items reflecting profit distribution are translated using an exchange rate approximating the spot exchange rate on the transaction date; any difference between the sum of translated assets and the sum of translated liabilities plus equity items is recognized as other comprehensive income and included in shareholders' equity.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated using an exchange rate similar to the spot exchange rate on the date of the cash flow. The impact of a fluctuation in exchange rate on cash and cash equivalents is presented separately in the statement of cash flows under "Effect of exchange rate changes on cash and cash equivalents" as an adjustment item.

The figures for the prior year-end and the actual amounts for the previous year are presented according to the amounts translated in the previous year's financial statements.

When the Group disposes of its entire owners' equity in a foreign operation or otherwise loses the right of control over a foreign operation—whether by partially disposing of equity investments or for any other reason—all differences on translation of foreign currency statements related to that foreign operation and presented under shareholders' equity (attributable to the parent company) in the balance sheet are transferred in full to profit or loss for the disposal period.

When disposing of part of an equity investments or in other circumstances that reduce the Group's ownership interest in an overseas operation without losing the right of control over that operation, any differences on translation of foreign currency statements related to the disposed portion are attributed to minority interests and are not transferred to profit or loss for the current period. When disposing of a portion of equity in an overseas operation that is classified as an associate or a joint venture, the

differences on translation of foreign currency statements related to that operation are transferred to profit or loss in the disposal period, in proportion to the percentage of equity disposed.

11. Financial instruments

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

For purchases or sales of financial assets in the ordinary course of business, the Group recognizes the assets to be received and the liabilities to be assumed on the trade date, or derecognizes the assets sold on the trade date.

Financial assets and financial liabilities are measured at fair value upon initial recognition (see Note (IV) "Basis of accounting and valuation principles" for details on determining fair value). For financial assets and liabilities measured at fair value through profit or loss, transaction costs are recognized directly in profit or loss for the current period; for other categories of financial assets and liabilities, the relevant transaction costs are included in the initial recognition amount. When the Group initially recognizes accounts receivable that do not include a significant financing components, or when the financing components of a contracts not exceeding is disregarded under Accounting Standards for Business Enterprises No. 14 - Revenue (hereinafter referred to as the "Revenue Standard"), such receivables are initially measured at the transaction price as defined in the Revenue Standard.

The effective interest method is the method used to calculate the amortized cost of a financial asset or liability and to allocate the interest income or interest expenses over the relevant accounting periods.

The effective interest rate is the rate that discounts the estimated future cash flows over the expected life of a financial asset or liability to the financial asset's book balance or the financial liability's amortized cost. In determining the effective interest rate, the Group estimates expected cash flows based on all contractual terms of the financial asset or liability (e.g., early repayment, extension, call options, or other similar options), but does not factor in expected credit losses.

The amortized cost of a financial asset or liability is the initial recognized amount minus any repaid principal, plus or minus the accumulated amortization of the difference between the initial recognized amount and the amount at maturity using the effective interest method, and then minus the accumulated provision for losses (applicable only to financial assets).

11.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group subsequently measures different categories of financial assets at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

If the contractual terms of a financial asset stipulate that, on specified dates, cash flows comprise solely payments of principal and interest on the outstanding principal, and the Group's business model for managing this financial asset is to collect the contractual cash flows, the Group classifies this financial asset as measured at amortized cost. Such financial assets mainly include monetary funds, notes receivable, accounts receivable, and other receivables.

If the contractual terms of a financial asset stipulate that, on specified dates, cash flows comprise solely payments of principal and interest on the outstanding principal, and the Group's business model for managing the financial asset is both to collect contractual cash flows and to sell the financial asset, then the Group classifies this asset as measured at fair value through other comprehensive income. Such financial assets with a maturity of more than one year from the date of acquisition are presented as "Other debt investments," while those maturing within one year (inclusive) from the balance sheet date are presented under "Non-

current assets due within one year." Accounts receivable and notes receivable classified upon acquisition as measured at fair value through other comprehensive income are presented under "Receivables financing," and any other items acquired with a maturity of one year (inclusive) or less are presented under "Other current assets."

At initial recognition, on an individual financial asset basis, the Group may irrevocably designate a non-trading equity instrument investment, other than any contingent consideration recognized in a business combination not under common control, as measured at fair value through other comprehensive income. Such financial assets are presented as "Other equity instrument investments."

If a financial asset meets any of the following conditions, it indicates that the Group holds this asset for trading purposes:

- The main purpose of acquiring the financial asset is to sell it in the near term.
- Upon initial recognition, the financial asset is part of an identifiable portfolio of financial instruments that is collectively managed, and there is objective evidence of a recent pattern of short-term profit-taking.
- The financial asset is a derivative, except for derivatives that meet the definition of a financial guarantee contract or are designated as effective hedging instruments.

Financial assets measured at fair value through profit or loss include those classified as such and those designated as such:

- Any financial asset that does not meet the classification criteria for measurement at amortized cost or at fair value through other comprehensive income is classified as measured at fair value through profit or loss.
- At initial recognition, to eliminate or significantly reduce accounting mismatches, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are presented under "Financial assets held for trading." Those due in more than one year from the balance sheet date (or with no fixed maturity) and expected to be held for more than one year are presented under "Other non-current financial assets."

11.1.1 Financial assets measured by amortized cost

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest method, and any gain or loss arising from impairment or derecognition is recognized in profit or loss.

The Group recognizes interest income on financial assets measured at amortized cost using the effective interest method. For purchased or originated financial assets that are already credit-impaired, the Group determines interest income from the date of initial recognition based on the asset's amortized cost and a credit-adjusted effective interest rate. For all other financial assets, the Group calculates interest income by multiplying the book balance of the asset by the effective interest rate.

11.1.2 Financial assets measured at fair value through other comprehensive income

For a financial asset classified as measured at fair value through other comprehensive income, any impairment loss or gain and interest income calculated using the effective interest method are recognized in profit or loss, while all other fair value changes are recognized in other comprehensive income. The amount recognized in profit or loss each period is the same as if the asset had been measured at amortized cost throughout its life. When such a financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to profit or loss.

For a non-trading equity instrument investment designated as measured at fair value through other comprehensive income, fair value changes are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and into retained earnings. During the period the Group holds this non-trading equity instrument investment, if the right to receive dividends is established, the related economic benefits are likely to flow to the Group, and the amount of dividends can be measured reliably, then the Group recognizes dividend income in profit or loss.

11.1.3 Financial assets measured at fair value through the current profit or loss

Financial assets measured at fair value through profit or loss are subsequently measured at fair value; gains or losses arising from fair value changes, as well as any dividend and interest income related to these assets, are recognized in profit or loss.

11.2 Impairment of financial instruments

The Group recognizes impairment allowances and provision for losses based on expected credit losses for financial assets measured at amortized cost, financial assets classified as fair value through other comprehensive income, and lease receivables.

For all notes receivable and accounts receivable arising from transactions governed by the Revenue Standard, as well as operating lease receivables arising from transactions governed by Accounting Standards for Business Enterprises No. 21 - Leases, the Group measures the provision for loss at an amount equal to the lifetime expected credit losses.

For other financial instruments, except for those purchased or originated with credit loss, the Group evaluates changes in credit risk since initial recognition at each balance sheet date. If the credit risk of such a financial instrument has significantly increased since initial recognition, the Group measures the provision for loss at an amount equal to the lifetime expected credit losses; if it has not significantly increased, the Group measures the provision for loss at an amount equal to the 12-month expected credit losses. Except for financial assets classified as fair value through other comprehensive income, any increase or reversal of the provision for credit losses is recognized as an impairment loss or gain in the current period's profit or loss. For financial assets classified as fair value through other comprehensive income, the Group recognizes the provision for credit losses in other comprehensive income and records the impairment loss or gain in profit or loss, without reducing the asset's book value in the balance sheet.

If, in a prior period, the Group measured the provision for loss at an amount equal to the lifetime expected credit losses (due to a significant increase in credit risk since initial recognition), but at the current balance sheet date that significant increase in credit risk no longer applies, then the Group measures the provision for loss at an amount equal to the 12-month expected credit losses. The amount of any resulting reversal is recognized as an impairment gain in profit or loss.

11.2.1 Significant increase in credit risk

The Group uses reasonable and supportable forward-looking information to compare the risk of default on a financial instrument at the balance sheet date with the risk of default at initial recognition, in order to determine whether the credit risk has significantly increased since initial recognition.

When the Group assesses whether credit risk has increased significantly, it considers the following factors:

- (1) Whether internal price indicators resulting from changes in credit risk have undergone a significant change.

(2) Whether, if an existing financial instrument is effectively originated or issued as a new financial instrument on the balance sheet date, there is a significant change in the interest rate or other terms of that instrument (e.g., more stringent contractual terms, increased collateral or guarantees, or a higher yield).

(3) Whether external market indicators of credit risk for the same financial instrument, or similar instruments with the same expected term, have changed significantly. Such indicators include credit spreads, credit default swap (CDS) prices for the borrower, the length of time and extent to which a financial asset's fair value is below its amortized cost, and other market information related to the borrower (e.g., changes in the prices of the borrower's debt or equity instruments).

(4) Whether the external credit rating of the financial instrument has actually changed or is expected to change significantly.

(5) Whether there has been a downgrade in the debtor's internal credit rating, either actual or anticipated.

(6) Whether there has been an adverse change in the debtor's business, financial, or economic conditions that is expected to significantly affect the debtor's ability to meet its debt obligations.

(7) Whether the debtor's operating performance, whether actual or expected, has changed significantly.

(8) Whether the credit risk of other financial instruments issued by the same debtor has increased significantly.

(9) Whether there has been a significantly adverse change in the regulatory, economic, or technological environment in which the debtor operates.

(10) Whether the value of collateral securing the debt, or the quality of a third-party guarantee or credit enhancement, has changed significantly. Such changes are expected to reduce the debtor's economic incentive to repay under the contractual schedule or affect the probability of default.

(11) Whether there has been a significant change in factors that would reduce the borrower's economic incentive to repay in accordance with the contractual terms.

(12) Whether the loan contract is expected to be modified, including the potential release or amendment of contractual obligations due to anticipated breaches of contract, granting interest-free periods, raising interest rates, requiring additional collateral or guarantees, or otherwise modifying the contractual framework of the financial instrument.

(13) Whether there is a significant change in the debtor's expected performance or repayment behavior.

(14) Whether the Group's credit management approach for the financial instrument has changed.

Regardless of the outcome of the above assessment, if payments under the financial instrument's contract are more than (or equal to) 30 days past due, it indicates that the financial instrument's credit risk has increased significantly.

On the balance sheet date, if the Group concludes that a financial instrument has only low credit risk, it presumes the credit risk has not increased significantly since initial recognition. A financial instrument is considered to have low credit risk if its risk of default is low, the borrower has a strong capacity to meet its contractual cash flow obligations in the short term, and even over a longer period, adverse changes in economic and operating conditions would not necessarily reduce the borrower's ability to meet those obligations.

11.2.2 Financial assets with credit loss

When one or more events occur that the Group expects to adversely affect the future cash flows of a financial asset, that asset is considered credit-impaired. Evidence for a credit-impaired financial asset includes the following observable information:

- The debtor breaches a contract, such as default or delinquency in interest or principal payments.
- The debtor breaches the contract, such as default or delay in repayment of interest or principal.
- The creditor grants concessions to the debtor in consideration of the debtor's financial difficulties that would not otherwise be offered under normal circumstances.
- The debtor is highly likely to go bankrupt or undertake other financial restructuring.
- The issuer's or debtor's financial difficulties lead to the disappearance of an active market for the financial asset.
- A financial asset is purchased or originated at a substantial discount, reflecting the fact that a credit loss has occurred.

Based on the Group's internal credit risk management, if internal recommendations or externally obtained information indicates that the debtor of a financial instrument cannot fully repay all creditors, including the Group (regardless of any guarantee obtained by the Group), the Group considers this a default event.

Regardless of the above assessment, if payments under the financial instrument's contract are more than (or equal to) 90 days past due, the Group presumes the instrument is in default.

11.2.3 Determination of expected credit losses

For financial assets and lease receivables, the expected credit loss is the present value of the difference between the contractual cash flows the Group is entitled to receive and the cash flows the Group actually expects to receive.

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

11.2.4 Write-off of financial assets

If the Group no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the Group writes off the book balance of the financial asset directly. This write-off constitutes derecognition of the relevant financial asset.

11.3 Transfer of financial assets

A financial asset is derecognized if one of the following conditions is met: (1) the contractual right to receive cash flows from the financial asset expires; (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to the transferee; or (3) the financial asset has been transferred, and although the Group has neither transferred nor retained substantially all the risks and rewards of ownership, it has not retained control over the asset.

If the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but retains control of it, the Group continues to recognize the transferred financial asset to the extent of its continuing involvement, and recognizes a corresponding liability. The Group measures that liability as follows:

- Where the transferred financial asset is measured at amortized cost, the book value of the related liability equals the book value of the asset in which the Group continues to be involved minus the amortized cost of any rights retained by the Group (if the Group retained such rights due to the transfer) and plus the amortized cost of any obligations assumed by the Group (if the Group assumed such obligations due to the transfer). Such liabilities are not designated as financial liabilities measured at fair value through profit or loss.
- Where the transferred financial asset is measured at fair value, the book value of the related liability equals the book value of the asset in which the Group continues to be involved minus the fair value of any rights retained by the Group (if the Group retained such rights due to the transfer) and plus the fair value of any obligations assumed by the Group (if the Group assumed such obligations due to the transfer). The fair values of such rights and obligations are measured on a stand-alone basis.

When the full transfer of a financial asset qualifies for derecognition, the difference between the book value of the transferred financial asset on the derecognition date and the sum of the consideration received and the corresponding portion of the cumulative fair value changes previously recognized in other comprehensive income is recognized in profit or loss. If the transferred asset by the Group is a non-trading equity instrument investment designated as measured at fair value through other comprehensive income, any cumulative gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and into retained earnings.

When a partial transfer of a financial asset qualifies for derecognition, the book value of the original asset before transfer is allocated between the portion being derecognized and the portion that continues to be recognized, based on the relative fair values of each portion on the transfer date. The difference between (a) the consideration received for the derecognized portion plus the corresponding portion of the cumulative fair value changes previously recognized in other comprehensive income and (b) the book value of the derecognized portion on the derecognition date is recognized in profit or loss. If the transferred asset by the Group is a non-trading equity instrument investment designated as measured at fair value through other comprehensive income, any cumulative gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and into retained earnings.

If a full transfer of a financial asset does not satisfy the derecognition criteria, the Group continues to recognize the entire transferred financial asset and recognizes the consideration received as a liability.

11.4 Classification of financial liabilities and equity instruments

Based on the contractual terms and the economic substance of the issued financial instrument rather than merely its legal form and in conjunction with the definitions of financial liabilities and equity instruments, the Group classifies the financial instrument (or its components) as either a financial liability or an equity instrument at initial recognition.

11.4.1 Classification, recognition and measurement of financial liabilities

Upon initial recognition, financial liabilities are classified as financial liabilities measured at fair value through profit or loss or other financial liabilities.

11.4.1.1 Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading (including derivatives classified as financial liabilities) and those designated as measured at fair value through profit or loss. Except for derivative financial

liabilities, which are presented separately, financial liabilities measured at fair value through profit or loss are presented as financial liabilities held for trading.

If a financial liability meets any of the following conditions, it indicates that the Group has assumed this liability for trading purposes:

- The primary purpose of assuming the financial liability is to repurchase it in the near term.
- Upon initial recognition, the financial liability is part of an identifiable portfolio of financial instruments that is collectively managed, and there is objective evidence of a recent pattern of short-term profit-taking.
- The financial liability is a derivative, except for derivatives that meet the definition of a financial guarantee contract or are designated as effective hedging instruments.

At initial recognition, if any of the following conditions are met, the Group may designate a financial liability as measured at fair value through profit or loss: (1) the designation can eliminate or significantly reduce accounting mismatches; (2) under the Group's formally documented risk management or investment strategy, portfolios of financial liabilities or combined portfolios of financial assets and liabilities are managed and evaluated on a fair value basis, and this is reported internally to key officers; or (3) it is part of an eligible hybrid contract containing an embedded derivative.

Financial liabilities held for trading are subsequently measured at fair value, with any gains or losses arising from fair value changes, along with dividends or interest expenses related to these liabilities, recognized in profit or loss.

For a financial liability designated as measured at fair value through profit or loss, the portion of the fair value change attributable to the Group's own credit risk is recognized in other comprehensive income, while other changes in fair value are recognized in profit or loss. When the financial liability is derecognized, the accumulated fair value change attributable to changes in the Group's own credit risk that was previously recorded in other comprehensive income is transferred to retained earnings. Any dividends or interest expenses related to such financial liabilities are recognized in profit or loss. If treating the effect of changes in the liability's own credit risk in this manner creates or enlarges an accounting mismatch in profit or loss, the Group recognizes all gains or losses on the liability (including those related to changes in its own credit risk) in profit or loss.

11.4.1.2 Other financial liabilities

Except for financial liabilities arising from the transfer of financial assets that do not meet derecognition criteria, or where the Group continues to be involved in transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost. They are subsequently measured at amortized cost, and any gains or losses from derecognition or amortization are recognized in profit or loss.

If the Group modifies or renegotiates a contract with a counterparty, and it does not result in the derecognition of a financial liability subsequently measured at amortized cost but leads to changes in the contractual cash flows, the Group recalculates the book value of the financial liability and recognizes any related gain or loss in profit or loss. For recalculated book value, the Group shall determine it by discounting the renegotiated or modified contractual cash flows at the original effective interest rate of the financial liability. For any costs or fees incurred as a result of modifying or renegotiating the contract, the Group shall adjust the book value of the modified financial liability and amortize them over the remaining term thereof.

11.4.2 Derecognition of financial liabilities

If the present obligation of a financial liability is fully or partially discharged, the liability (or the discharged portion) is derecognized. If the Group (as borrower) signs an agreement with a lender to replace the original financial liability with a new one, and the terms of the new liability differ substantially from those of the original liability, the Group derecognizes the original liability and recognizes the new one.

When a financial liability is fully or partially derecognized, the difference between the book value of the derecognized portion and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the current period.

11.4.3 Equity instruments

An equity instrument is a contract that evidences a residual interest in the Group's assets after deducting all liabilities. The Group treats the issuance (including refinancing), repurchase, sale, or cancellation of its equity instruments as changes in equity. The Group does not recognize fair value changes in equity instruments. Transaction costs directly attributable to equity transactions are deducted from equity.

The Group's distributions made to holders of equity instruments are treated as profit distribution, and any issued stock dividends do not affect the total shareholders' equity.

11.5 Derivatives

Derivatives, including forward foreign exchange contracts, are initially measured at fair value on the contract date and subsequently measured at fair value.

11.6 Offsetting financial assets and financial liabilities

When the Group has a legal right to offset recognized financial assets and liabilities, and that right is currently enforceable, and the Group intends to settle on a net basis or to realize the asset and settle the liability simultaneously, the financial assets and liabilities are presented on the balance sheet at the net amount. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offset.

12. Notes receivable

12.1 Method for determining expected credit losses on notes receivable and the related accounting treatments

For notes receivable with significantly increased credit risk, such as those past due and not accepted or where there is clear evidence that the acceptor is likely unable to fulfill its acceptance obligation, the Group evaluates credit losses on an individual basis. Other notes receivable are evaluated based on their credit risk characteristics as a group.

Any increase or reversal of the provision for expected credit losses on notes receivable is recognized as a credit loss or gain in profit or loss.

12.2 Combination categories and basis for determining provision for credit losses according to credit risk characteristic combination

Apart from those notes receivable whose credit losses are determined on an individual basis, the Group classifies the remaining notes receivable into different groups based on shared credit risk characteristics:

Combination category	Determination basis
Combination 1	Bank acceptance bills
Combination 2	Commercial acceptance bills

13. Accounts receivable

13.1 Method for determining expected credit losses on accounts receivable and the related accounting treatments

The Group uses an impairment matrix at the group level to determine expected credit losses for accounts receivable. Any increase or reversal of the provision for expected credit losses of accounts receivable is recognized as a credit loss or gain in profit or loss.

13.2 Combination categories and basis for determining provision for credit losses according to credit risk characteristic combination.

The Group classifies accounts receivable into Combination 1 and Combination 2 based on the credit risk characteristics of counterparties under different business segments. Combination 1 refers to accounts receivable arising from the polarizer business revenue, where provisions for credit losses are made based on overdue aging relative to the credit term. Combination 2 refers to accounts receivable arising from property leasing and other business revenue, where provisions for credit losses are made based on natural aging.

13.3 Method for calculating aging when determining credit risk characteristic combination

The Group uses both the natural aging of accounts receivable and the overdue aging relative to the credit term as credit risk characteristics, applying an impairment matrix to determine expected credit losses. Natural aging is calculated starting from the date of initial recognition of the accounts receivable, while overdue aging begins once the natural aging exceeds the credit term granted to the customer. If the terms and conditions of an accounts receivable are modified but do not lead to derecognition, the aging continues to accumulate.

13.4 Criteria for individual assessment of provision for credit losses

The Group individually determines credit losses for accounts receivable where there is evidence of a significant increase in credit risk.

14. Receivables financing

14.1 Method for determining expected credit losses on receivables financing and the related accounting treatments

The Group determines credit losses for receivables financing on an individual-asset basis. The Group recognizes the provision for credit losses for receivables financing in other comprehensive income and records any credit loss or gain in profit or loss, without reducing the book value presented in the balance sheet.

14.2 Criteria for individual assessment of provision for credit losses

Based on the credit status of the accepting bank for bank acceptance bills, the Group individually assesses and determines credit losses for receivables financing.

15. Other receivables

15.1 Method for determining expected credit losses on other receivables and the related accounting treatments

The Group determines credit losses for other receivables on a group basis. Any increase or reversal of the provision for expected credit losses on other receivables is recognized as a credit loss or gain in profit or loss.

15.2 Combination categories and basis for determining provision for credit losses according to credit risk characteristic combination

The Group divides other receivables into different combinations based on common credit risk characteristics. Common credit risk characteristics used by the Group include initial recognition date, remaining contract term, and length of overdue period.

15.3 Method for calculating aging when determining credit risk characteristic combination

The aging is calculated from the date of initial recognition. If the terms and conditions of other receivables are modified but do not lead to derecognition, the aging continues to accumulate.

16. Inventories

16.1 Types of inventories, methods of costing for issuance, inventory system, and methods for amortizing low-value consumables and packaging materials

16.1.1 Types of inventories

The Group's inventories mainly include raw materials, work in progress, finished products, and materials processed on consignment. Inventories are initially measured at cost, which includes purchase costs, processing costs, and other expenditures incurred to bring the inventories to their current location and condition.

16.1.2 Method of costing for issued inventories

When inventories are issued, the actual cost is determined using the weighted average method.

16.1.3 Inventory system

The Group uses a perpetual inventory system.

16.1.4 Amortization methods for low-value consumables and packaging materials

Low-value consumables and packaging materials are amortized using the straight-line method or are written off in full at once.

16.2 Criteria for recognizing and methods for making provision for inventory depreciation

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. If net realizable value is lower than cost, a provision for inventory depreciation is made.

Net realizable value is the estimated selling price of inventories in the ordinary course of business, less the estimated costs to complete, the estimated selling and distribution expenses, and related taxes. When determining the net realizable value of inventories, the Group uses conclusive evidence while considering the purpose of holding the inventories and the impact of events after the balance sheet date.

After the provisions for the inventory depreciation are made, the factors causing any write-down of inventory value have disappeared, leading to the net realizable values of inventories higher than its book value, the amount of write-down shall be resumed and be reversed from the original provision for inventory devaluation with the reversal being included in current profit or loss.

Generally, provisions for inventory depreciation are made on an item-by-item basis.

17. Long-term equity investments

17.1 Criteria for determining common control and significant influence

Control means that an investor has power over the investee, derives variable returns by participating in the investee's relevant activities, and can use that power to affect the amount of returns. Common control refers to shared control over an arrangement under relevant agreements, where decisions about the arrangement's relevant activities require the unanimous consent of the parties sharing the right of control. Significant influence refers to the power to participate in decisions on an investee's financial and operating policies, but not to control or commonly control the formation of those policies. When determining whether the investor can exercise control or significant influence over the investee, the potential voting rights arising from convertible corporate bonds or exercisable warrants currently held by the investor or other parties are taken into account.

17.2 Determination of initial investment cost

For a long-term equity investment acquired in a business combination under common control, the initial investment cost is determined on the combination date based on the share of the book value of the acquiree's owners' equity in the ultimate controller's consolidated financial statements. Any difference between the initial investment cost of the long-term equity investment and the book value of the cash paid, non-cash assets transferred, or liabilities assumed is adjusted against capital reserve. If the capital reserve is insufficient, the difference is adjusted against retained earnings. Where equity securities are issued as consideration for the combination, on the combination date, the initial investment cost of the long-term equity investment is determined based on the share of the book value of the acquiree's owners' equity in the ultimate controller's consolidated financial statements. The total par value of the issued shares is recognized as share capital, and any difference between the initial investment cost and the total par value of the shares issued is adjusted against capital reserve. If the capital reserve is insufficient, the difference is adjusted against retained earnings.

For a long-term equity investment acquired in a business combination not under common control, on the acquisition date the initial investment cost is determined based on the combination cost.

Audit, legal, valuation, consulting, and other related G&A expenses incurred by the acquirer or purchaser for the business combination are recognized in profit or loss when they occur.

Long-term equity investments obtained through methods other than a business combination are initially measured at cost. Where an investor gains significant influence or common control but not control over an investee through additional investment, the cost of

the long-term equity investment is the sum of the fair value of the previously held equity investment (as determined in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments) and the new investment cost.

17.3 Subsequent measurement and recognition method of profit or loss

17.3.1 Long-term equity investments accounted for under the cost method

In the parent company's financial statements, long-term equity investments in subsidiaries are measured using the cost method. A subsidiary is an investee over which the Group can exercise control.

Under the cost method, long-term equity investments are measured at their initial investment cost. Any additional investment or capital recovery adjusts the cost of the long-term equity investment. Current investment income is recognized based on the amount of cash dividends or profits declared and distributed by the investee.

17.3.2 Long-term equity investments measured using the equity method

The Group applies the equity method to its investments in associates and joint ventures. An associate is an investee over which the Group has significant influence, and a joint venture is a joint venture arrangement under which the Group has rights to the net assets of the arrangement.

Under the equity method, if the initial investment cost of the long-term equity investment exceeds the share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost is not adjusted. If the initial investment cost is less than the share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognized in current profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

When the equity method is adopted for accounting, the Group, based on its attributable share of the net profit or loss and other comprehensive income realized by the investee, respectively recognize the investment income and other comprehensive income, and simultaneously adjust the book value of the long-term equity investment. COOEC shall calculate the shares according to profits or cash dividends declared by the investee and correspondingly reduce the book value of long-term equity investments; As to any change in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the Group shall adjust the book value of the long-term equity investment and include such change in capital reserves. When recognizing the attributable share of net profit or loss of the investee, the Group shall, based on the fair value of identifiable net asset of the investee when it obtains the investment, recognize the net profits of the investee after adjustment. If accounting policies and accounting periods adopted by the investee are inconsistent with those of the Company, the financial statements of the investee shall be adjusted according to the accounting policies and accounting periods of the Company and investment income and other comprehensive income etc. shall be recognized on such basis. For transactions between the Group and associates and joint ventures, if the invested or sold assets do not constitute business, the unrealized profit or loss from internal transactions will be offset at the part attributable to the Group and the investment profit or loss will be recognized on that basis. However, the unrealized losses from internal transactions between the Group and any investee shall not be offset if they belong to the losses from the impairment of the transferred assets.

When recognizing the net losses occurred in the investee that shall be shared, the reduction value of book value of long-term equity investments and other long-term equities that constitute net investments in the investee will be the limit until it becomes zero. In addition, if the Group has the obligation to assume extra-amount losses for the investee, the estimated liabilities are recognized

according to the estimated obligations and included in the current investment losses. Where the investee realizes net profits in the subsequent period, the Group shall restore the income shared after making up for unrecognized losses undertaken by such income.

17.4 Disposal of long-term equity investments

When a long-term equity investment is disposed of, the difference between its book value and the actual proceeds is recognized in current profit or loss. If a long-term equity investment has been accounted for using the equity method and the remaining equity after disposal is still accounted for using the equity method, any other comprehensive income previously recognized under the equity method is treated on the same basis as if the investee had directly disposed of the related assets or liabilities, and is transferred proportionately. Any other changes in owners' equity of the investee, other than net profit or loss, other comprehensive income, and profit distribution, which were previously recognized, are transferred proportionately to the current profit or loss. If a long-term equity investment is accounted for using the cost method and the remaining equity after disposal continues to be accounted for using the cost method, any other comprehensive income recognized before the Group gained control, under either the equity method or the accounting standards for recognizing and measuring financial instruments, is treated on the same basis as if the investee had directly disposed of the related assets or liabilities, and is transferred proportionately. Other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution in net asset of the investee accounted for and recognized by using the equity method shall be carried forward to the current profit or loss.

Where the Group loses the control over the investee due to the disposal of part of the equity investments, when it prepares separate financial statements, the remaining equity after disposal that can commonly control or have significant influence on the investee will be measured under the equity method, and the remaining equity shall be deemed to have been adjusted under the equity method on acquisition. If the remaining equity after disposal can not exercise common control or significant influence on the investee, such equity will be changed to be accounted for according to recognition and measurement standards of financial instruments and the difference between fair value and book value on the date of loss of the control shall be included in the current profit or loss. For other comprehensive income recognized by using the equity method or financial instruments recognition and measurement standards before the Group obtains the control over the investee, accounting treatment shall be made on the same basis as that for direct disposal of relevant assets or liabilities by the investee when the Group loses the control over the investee. Other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution in net asset of the investee recognized by using the equity method shall be carried forward to the current profit or loss when the control over the investee is lost. Where the remaining equities after disposal are accounted for under the equity method, the other comprehensive income and other owners' equity shall be carried forward in proportion. If the remaining equity after disposal is changed to be accounted for according to the recognition and measurement standards of the financial instruments, the other comprehensive income and other owner's equity shall be fully carried forward.

In case the common control or significant influence over the investee is lost for disposing part of equity investments, the remaining equity will be changed to be accounted for according to the recognition and measurement principles of financial instruments. The difference between the fair value and the book value on the date of the loss of common control or significant influence shall be included in the current profit or loss. Any other comprehensive income previously recognized under the equity method for the original equity investment is accounted for on the same basis as if the investee had directly disposed of related assets or liabilities once the equity method ceases to apply. All other changes in owners' equity recognized due to factors other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in full to current investment income when the equity method is no longer applied.

Where the Group disposes of equity investments in subsidiaries through multiple transactions and by stages until loss of control, if the above transactions belong to a package of transactions, accounting treatment shall be made on the transactions as a transaction

to dispose equity investments of subsidiaries and lose the control. The difference between each disposal cost and the book value of long-term equity investments corresponding to disposed equities before the loss of control shall be firstly recognized as other comprehensive income and then transferred into the current profit or loss at the loss of control.

18. Investment properties

Investment property refers to property held to earn rentals or for capital appreciation, or both, and includes leased land use rights and leased buildings.

Investment property is initially measured at cost. Subsequent expenses related to the investment property, if the economic benefits related to the asset are likely to flow in and the cost can be measured reliably, shall be included in the cost of the investment property. Other subsequent expenses shall be included in the current profit or loss when incurred.

The Group uses the cost model for subsequent measurement of investment property and provides for depreciation on a straight-line basis over its service life. The depreciation method, useful life, estimated residual value, and annual depreciation rates for each category of investment property are as follows:

Type	Depreciation method	Depreciation life (years)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line method	10-40	0.00-4.00	2.40-10.00

When an investment property is being disposed of or permanently withdraws from use without any economic benefits expected from the disposal, the investment property shall be derecognized.

The difference between the disposal proceeds of an investment property (through sale, transfer, retirement, or damage) and its book value, net of related taxes and fees, is recognized in current profit or loss.

19. Fixed assets

(1) Recognition conditions

Fixed assets refer to tangible assets held for the purpose of producing goods, providing services, renting or operating management, with a service life exceeding one fiscal year. Fixed assets will only be recognized when the economic benefits associated with such assets are likely to flow into the Group and the cost can be measured reliably. A fixed asset is initially measured at cost.

For the subsequent expenses related to the fixed assets, if the economic benefits related to the fixed assets are likely to flow in and the cost can be measured reliably, they shall be included in the cost of the fixed assets, and the book value of the replaced part shall be derecognized. Other subsequent expenses shall be included into the current profit or loss when incurred.

(2) Depreciation method

Type	Depreciation method	Depreciation life	Residual value rate	Annual depreciation rate
Buildings and constructions	Straight-line method	10-40 years	0.00%-4.00%	2.40%-10.00%
Machinery equipment	Straight-line method	10-14 years	4.00%	6.86%-9.60%
Transportation equipment	Straight-line method	8 years	4.00%	12.00%
Electronic equipment and others	Straight-line method	5 years	4.00%	19.20%

From the month following the date a fixed asset is in working condition for intended use, the Group depreciates the asset on a straight-line basis over its service life. The depreciation method, depreciation life, estimated residual value rate and annual depreciation rate of various fixed assets are as above:

Estimated net residual value refers to the amount obtained by the Group from the disposal of the fixed assets at present after deducting the estimated disposal expenses, assuming that the estimated service life of the fixed asset has expired and the fixed asset is in the expected state at the end of its service life.

When the fixed assets are disposed of or it is expected that no economic benefits can be generated through use or disposal, the fixed assets shall be derecognized. The difference of the revenue from disposal of fixed assets such as sales, transfer, retirement or damage deducting their book value and related taxes shall be included into the current profit or loss.

The Group will review service life, estimated net residual value and depreciation methods of the fixed assets at the end of each year. Changes, if any, shall be handled as changes in accounting estimates.

20. Construction in progress

The construction in progress is measured at actual cost, which includes various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches working condition for intended use, and other related costs. No depreciation is made for construction in progress.

The construction in progress shall be carried forward to the fixed assets after it reaches the working condition for intended use. The criteria and timing for the conversion of various types of construction in progress into fixed assets are as follows:

Type	Criteria for conversion to fixed assets	Time point of conversion into fixed assets
Installation of machinery equipment	The machinery equipment shall be carried forward to the fixed assets when it has been accepted and the following conditions are met: (1) The machinery equipment and its supporting facilities have been installed; (2) After commissioning, the machinery equipment can maintain normal and stable operation or produce qualified products for a period of time.	Reach working condition for intended use

21. Borrowing costs

The capitalization of the borrowing costs that can be directly attributable to the acquisition, construction or production of assets that meet the capitalization conditions will start when the asset expenditure has incurred, the borrowing costs have incurred, and the acquisition, construction or production activities necessary for the asset to reach the intended usable or salable state have begun; The capitalization shall be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their working condition for intended use or sales condition. The remaining borrowing costs are recognized as expenses on occurrence.

22. Intangible assets

(1) Service life and basis for determination, estimates, amortization method or review procedure

Intangible assets include land use right, software and patent rights, etc.

The intangible assets shall be initially measured at the costs. For intangible assets with limited service life, the original value shall be evenly amortized by straight-line method within the expected service life from the time when they are available for use. The intangible assets with uncertain service life shall not be amortized. The amortization method, service life and basis of determination and residual value rate of various intangible assets are as follows:

Type	Amortization method	Service life (year) and basis of determination	Residual value rate (%)
Land use rights	Straight-line method	50 (Determine the service life based on the statutory service life)	0
Software	Straight-line method	5 (Determine the service life based on the period expected to bring economic benefits)	0
Patent right	Straight-line method	15 (Determine the service life based on the period expected to bring economic benefits)	0

At the end of the period, the service life and amortization method of intangible assets with limited service life shall be reviewed and adjusted if necessary.

(2) Scope of R&D expenditures and related accounting treatments

The expenditures in research phase will be included in current profit or loss on occurrence.

Expenditures in the development stage will be recognized as intangible assets only when the following conditions are simultaneously satisfied, and included in current profit or loss if the following conditions are not satisfied:

(1) It is technically feasible to complete the intangible assets so that it can be used or sold;

(2) It has the intention to complete the intangible assets and use or sell them;

(3) The manner in which an intangible asset generates economic benefits includes the ability to prove that there is a market for the products produced through the use of this intangible asset or a market for the intangible asset itself. In the case that the intangible asset will be used internally, its usefulness shall be proven.

(4) With the support of sufficient technology, financial resources and other resources, it is able to complete the development of the intangible assets, and it is able to use or sell the intangible assets;

(5) The expenditures attributable to the intangible assets in the development stage can be measured reliably.

Where the research expenditures and the development expenditures are indistinguishable, the COOEC shall include research expenditures and development expenditures incurred in current profit or loss. The cost of the intangible assets formed by internal development activities only includes the total expenditure incurred from the time when the capitalization conditions are met to the time when the intangible assets reach the intended use. The expenses recognized in profit or loss before meeting the capitalization conditions during the development for the same intangible asset will not be adjusted.

The collection scope of R&D expenses includes wages and salaries and welfare expenses of personnel directly engaged in R&D activities, materials, fuel and power expenses directly consumed by R&D activities, and depreciation expenses of instruments and equipment for R&D activities.

23. Impairment of long-term assets

On each balance sheet date, the Group checks whether there is any indication that long-term equity investments, investment properties measured by the cost model, fixed assets, construction in progress, right-of-use assets and intangible assets with a definite service life may have impairment. If there are indications of impairment of such assets, the recoverable amount shall be estimated.

Intangible assets with indefinite service life and intangible assets that have not yet reached a usable state are subject to impairment testing every year regardless of whether there are indications of impairment.

The recoverable amount of the estimated asset is based on a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined on the basis of the asset group to which the asset belongs. The recoverable amount is the higher of the net amount obtained by deducting the disposal expenses from the fair value of an asset or an asset group and the present value of its expected future cash flows.

If the recoverable amount of the asset is lower than its book value, the provision for asset impairment shall be made at the difference and included in the current profit or loss.

The goodwill shall be tested for impairment at least at the end of each year. The impairment test of goodwill shall be carried out in combination with the asset group or combination of asset groups related to it. That is, from the acquisition date, the book value of goodwill shall be allocated using a reasonable method to the asset group or portfolio of asset groups that benefit from the synergies of the business combination. If the recoverable amount of the asset group or group of asset groups including the allocated goodwill is lower than its book value, the corresponding impairment losses shall be recognized. Amount of impairment losses shall be firstly used to deduct the book value of goodwill allocated to the asset group or portfolio of asset groups, and then deduct book value of other assets according to the proportion of the book values of other assets (except for goodwill) in the asset group or portfolio of asset groups.

The above losses from assets impairment will not be reversed in subsequent accounting periods once recognized.

24. Long-term deferred expenses

Long-term deferred expenses refer to the expenses which have been already incurred but will be borne in the current period and in the future with an amortization period of over 1 year. Long-term deferred expenses are amortized evenly over the expected benefit period.

25. Contract liabilities

Contract liabilities refer to the obligation of the Group to transfer goods or services to customers for consideration received or receivable from customers. Contract assets and contract liabilities under the same contract are presented by their net amounts.

26. Employee compensation

(1) Accounting treatments of short-term compensation

During the accounting period when employees provide services for the Group, the Group recognizes the short-term compensation actually incurred as liabilities and includes it in the current profit or loss or related asset costs. The employee welfare expenses incurred by the Group shall be included in the current profit or loss or related asset costs according to the actual amount incurred. If the employee benefits are non-monetary benefits, they shall be measured at fair value.

For the medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums and other social insurance premiums and housing provident funds paid by the Group for employees, as well as the labor union funds and employee education expenses withdrawn by the Group in accordance with the provisions, the corresponding employee compensation amount shall be calculated and determined according to the prescribed accrual basis and accrual ratio during the accounting period when

employees provide services for the Group, and the corresponding liabilities shall be recognized and included in the current profit or loss or related asset costs.

(2) Accounting treatments of post-employment benefits

Post-employment benefits are all defined contribution plans.

During the accounting period when employees provide services for the Group, the Group recognizes the amount payable calculated according to the defined contribution plans as a liability and includes it in the current profit or loss or related asset costs.

(3) Accounting treatments of dismissal benefits

When the Group provides dismissal benefits to employees, the employee compensation liability arising from the dismissal benefits shall be recognized at the earlier of the following dates and included in the current profit or loss: when the Group cannot unilaterally withdraw the dismissal benefits provided due to the termination of labor relationship plan or the layoff proposal; When the Group recognizes the costs or expenses related to the restructuring involving the payment of dismissal benefits.

27. Estimated liabilities

When the obligation related to the contingency such as product quality guarantee is a current obligation of the Group, and the performance of such obligation is likely to result in the outflow of economic benefits, and the amount of such obligation can be measured reliably, it is recognized as estimated liabilities.

On the balance sheet date, by considering the risks, uncertainty and time value of money and other factors related to contingency, the estimated liabilities will be measured according to the best estimate of the required expenditures for performance of relevant present obligation. If the time value of money is significant, the best estimate shall be determined by the amount discounted by the estimated future cash flows.

28. Revenue

28.1 Accounting policies adopted for revenue recognition and measurement disclosed by business type

When the Group has fulfilled its performance obligations under the contract, that is, when the customer obtains right of control of the relevant goods or services, the revenue is recognized based on the transaction prices allocated to the specific performance obligation. Performance obligations refer to the contractual commitments in which the Group transfers clearly distinguishable goods or services to the customers.

The Group evaluates the contract on the contract commencement date, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed within a certain period of time or at a certain point in time. If one of the following conditions is met, it is a performance obligation performed within a certain period of time, and the Group recognizes revenue within a certain period of time according to the performance progress: (1) the customer obtains and consumes the economic benefits brought by the Group at the same time as the Group performs the contract; (2) The customer is able to control the goods under construction in the course of the Group's performance; (3) The goods produced during the performance of the Group have irreplaceable uses, and the Group has the right to receive payment for the performance accumulated to date throughout the contract period. Otherwise, the Group recognizes the revenue at the point when the customer obtains the right of control of the relevant goods or services.

For goods sold to customers, the Group recognizes revenue when the right of control of the goods is transferred, that is, when the goods are delivered to the designated place of the other party and signed by the other party. For property service, the Group recognizes revenue in the course of providing property service.

Transaction prices refer to the amount of consideration that the Group is expected to be entitled to receive as a result of the transfer of goods or services to customers, but does not include the amount received on behalf of third parties and the amount expected to be returned to customers by the Group. When determining the transaction prices, the Group considers the impact of variable consideration, significant financing components in the contract, non-cash consideration, consideration payable to customers and other factors.

If the contract contains two or more performance obligations, the Group shall, on the commencement date of the contract, allocate the transaction prices to each individual performance obligation according to the relative ratio of the individual selling price of the goods or services promised by each individual performance obligation. However, if there is conclusive evidence that the contractual discount or variable consideration is only related to one or more (but not all) performance obligations in the contract, the Group shall allocate the contractual discount or variable consideration to the relevant one or more performance obligations. Individual selling price refers to the price at which the Group sells goods or services to customers separately. If the individual selling price cannot be directly observed, the Group will comprehensively consider all the information that can be reasonably obtained and estimate the individual selling price by maximizing the use of observable input value.

For sales with sales return clauses, the Group recognizes revenue at the amount of consideration expected to be entitled to receive due to the transfer of goods to the customer (i.e., excluding the amount expected to be returned due to sales return) when the customer obtains the relevant control over goods, and recognizes liabilities at the amount expected to be returned due to sales return; At the same time, the balance of the book value of the expected goods to be returned at the time of transfer after deducting the expected cost of recovering the goods (including the impairment of the value of the returned goods) is recognized as an asset. The net amount after deducting the cost of the above asset will be transferred as cost based on the book value of the transferred goods.

For sales with quality assurance clauses, if the quality assurance provides a separate service in addition to assuring the customer that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Group shall conduct accounting treatment for the quality assurance liability in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies.

The Group determines whether it is the principal or the agent when engaging in transactions based on whether it has the right of control over the goods or services before transferring them to the customer. If the Group can control the goods or services before transferring them to the customer, the Group is the main responsible person and recognizes the revenue according to the total consideration received or receivable; Otherwise, the Group is an agent and recognizes revenue based on the expected commissions or service fee it is entitled to receive. This amount is determined by subtracting the price payable to other related parties from the total consideration received or receivable.

If the Group receives payment in advance from customers for sales of goods or services, the payment is first recognized as a liability and then transferred to revenue when the relevant performance obligations are fulfilled. When the Group's advances from customers do not need to be returned and the customer may waive all or part of its contractual rights, the Group expects to be entitled to the amount related to the contractual rights waived by the customer, and recognizes the above amount as revenue in ratio according to the mode of the customer's exercise of contractual rights; Otherwise, the Group will only transfer the relevant balance of the above-mentioned liabilities to revenue when it is highly unlikely that the customer will request the fulfillment of the remaining performance obligations.

29. Government subsidies

Government subsidies refer to the monetary assets and non-monetary assets obtained by the Group from the government for free. Government subsidies are recognized when they can meet the conditions attached to government subsidies and can be received.

The government subsidies considered as monetary assets are measured at the amount received or receivable.

29.1 Judgment basis and accounting treatments for government subsidies related to assets

The subsidies for production line and equipment in the Group's government subsidies can form long-term assets, so such government subsidies are asset-related government subsidies.

Government subsidies related to assets are recognized as deferred income and included in the current profit or loss by stages according to the straight-line method within the service life of the relevant assets.

29.2 Judgment basis and accounting treatments for government subsidies related to income

The industry development support funds and enterprise development support funds in the Group's government subsidies cannot form long-term assets, so such government subsidies are income-related government subsidies.

Income-related government subsidies used to compensate for relevant costs and losses in subsequent periods are recognized as deferred income and included in the current profit or loss in the period when the relevant costs or expenses are recognized; If it is used to compensate the relevant costs and losses incurred, it shall be directly included in the current profit or loss.

Government subsidies related to the daily activities of the Group are included in other income according to the essence of economic business. Government subsidies unrelated to the daily activities of the Group are included in the non-operating revenue.

When the recognized government subsidies need to be returned, if there is relevant deferred income balance, the book balance of relevant deferred income shall be offset, and the excess shall be included in the current profit or loss; If there is no relevant deferred income, it shall be directly included in the current profit or loss.

30. Deferred tax assets/deferred tax liabilities

Income tax expenses include current income tax and deferred income tax.

30.1 Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and prior periods are measured at the expected income tax payable (or refundable) calculated in accordance with the tax law.

30.2 Deferred tax assets and deferred tax liabilities

For the difference between the book value of certain assets and liabilities and their tax bases, and the temporary differences arising from the difference between the book value and tax base of items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with the tax law, the balance sheet liability method is adopted to recognize deferred tax assets and deferred tax liabilities.

In general, the relevant deferred income taxes are recognized for all temporary differences. However, for deductible temporary differences, the Group recognizes the relevant deferred tax assets to the extent of the taxable income that is likely to be obtained to offset the deductible temporary differences. In addition, deferred tax assets or liabilities are not recognized for temporary differences associated with the initial recognition of goodwill and with the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor affect accounting profit or taxable income (or deductible losses) and do not result in equal taxable temporary differences and deductible temporary differences.

For deductible loss and tax credits that can be carried forward to subsequent years, the corresponding deferred tax assets arising therefrom are recognized to the extent that future taxable income will be probable to be available against deductible losses and tax credits.

The Group recognizes deferred tax liabilities arising from taxable temporary differences associated with subsidiaries, associates and investments in joint ventures, unless the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. For deductible temporary differences related to subsidiaries, associates and investments in joint ventures, the Group recognizes deferred tax assets only if it is probable that the temporary differences will reverse in the foreseeable future and it is probable that taxable income will be available to offset the deductible temporary differences in the future.

On the balance sheet date, deferred tax assets and deferred tax liabilities should be measured at the applicable tax rate during the period of expected recovery of the relevant assets or liquidation of the relevant assets according to the provisions of tax laws.

Except for the current income tax and deferred income taxes related to transactions and events directly included in other comprehensive income or shareholders' equity, which are included in other comprehensive income or shareholders' equity, and the book value of deferred income taxes arising from business combination to adjust goodwill, the remaining current income tax and deferred income tax expenses or income are included in the current profit or loss.

On the balance sheet date, the book value of the deferred tax assets shall be reviewed. If it is likely that sufficient taxable income will not be available in the future to offset the benefits of the deferred tax assets, the book value of the deferred tax assets shall be written down. When it is likely to earn sufficient taxable income, the written down amount is reversed.

30.3 Offset of income tax

When the Group has a legal right to settle on a net basis and intends to settle with net amount or acquire assets and pay off liabilities simultaneously, the Group reports the net amount of current income tax assets and current tax liabilities after offsetting.

When the Group has the legal right to settle current income tax assets and current income tax liabilities on a net basis, and the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection authority on the same taxpayer or on different taxpayers, but in each important future period of reversal of deferred tax assets and liabilities, the involved taxpayer intends to settle current income tax assets and liabilities on a net basis or to obtain assets and settle liabilities at the same time, the deferred tax assets and deferred tax liabilities of the Group are presented at the net amount after offset.

31. Lease

31.1 Accounting treatments for leases in which the Company is the lessee

Leases refers to a contract in which the lessor transfers the right of use of the asset to the lessee for consideration within a certain period of time.

At the commencement date of the contract, the Group assesses whether the contract is a lease contract or contains a lease. Unless the terms and conditions of the contract change, the Group does not reassess whether the contract is a lease contract or contains a lease.

31.1.1 Spin-off of the lease

When a contract contains one or more lease and non-lease parts, the Group will split the individual lease and non-lease parts and allocate the contract consideration according to the relative ratio of the sum of the individual price of each lease part and the individual price of the non-lease part.

31.1.2 Right-of-use assets

Except for short-term leases, the Group recognizes the right-of-use assets of the lease on the lease commencement date. The lease commencement date refers to the starting date when the lessor provides the leased assets for use by the Group. Right-of-use assets are initially measured at cost. The cost includes:

- The initial measurement amount of the lease liabilities;
- The lease payments made on or before the lease commencement date, or the relevant amount after deducting the lease incentive already enjoyed if any;
- Initial direct costs incurred by the Group;
- The cost expected to be incurred by the Group for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the condition agreed in the lease terms.

The Group depreciates the right-of-use assets with reference to the relevant depreciation provisions of the Accounting Standards for Business Enterprises No. 4 - Fixed Assets. If the Group can reasonably determine that the ownership of leased assets will be obtained at the expiration of the lease term, the right-of-use assets shall be depreciated within the remaining service life of the leased assets. If it is not reasonably certain that ownership of leased assets will be obtained at the expiration of the lease term, the depreciation shall be accrued during the shorter of the lease term and remaining service life leased assets.

The Group determines whether the right-of-use assets have been impaired in accordance with the provisions of the Accounting Standards for Business Enterprises No. 8 - Assets Impairment, and performs accounting treatment on the identified impairment losses.

31.1.3 Lease liabilities

Except for short-term leases, the Group makes initial measurement of the lease liabilities on the lease commencement date according to the present value of the lease payments that have not been paid on that date. When calculating the present value of lease payments, the Group uses the interest rate implicit in lease as the discount rate, and if the interest rate implicit in lease cannot be determined, the incremental borrowing rate is used as the discount rate.

Lease payments refer to the payments made by the Group to the lessor in connection with the right to use the leased assets during the lease term, including:

- For fixed payment amount and substantial fixed payment amount, if there is a lease incentive, the relevant amount of the lease incentive shall be deducted;
- Variable lease payments depending on an index or ratio;
- The Group reasonably determines the exercise price of the purchase option to be exercised;
- If lease term reflects the amount needs to be paid, the Group will exercise the option to terminate the lease;
- The amount expected to be paid based on the residual value of the guarantee provided by the Group.

After the lease commencement date, the Group calculates the interest expenses of the lease liabilities for each period of the lease term at a fixed cyclical interest rate and includes it in the current profit or loss or related asset costs.

After the lease commencement date, if any of the following circumstances occurs, the Group shall remeasure the lease liabilities and adjust the corresponding right-of-use assets. If the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still needs to be further reduced, the Group shall include the difference in the current profit or loss:

- If the lease term or the evaluation result of the purchase option changes, the Group shall re-measure the lease liabilities based on the present value of the changed lease payments and the revised discount rate;
- If there is a change in the estimated amount payable of the residual value of the guarantee or the index or ratio used to determine the lease payments, the Group remeasures the lease liabilities based on the present value of the changed lease payment and the original discount rate.

31.1.4 As the basis for judgment and accounting treatments for the simplified treatment of short-term leases by the lessee

The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases of some plants and some leased warehouses. Short-term lease refers to a lease that lasts for no more than 12 months and includes no purchase options at the lease commencement date. The Group includes the lease payments of short-term leases in the current profit or loss or related asset costs according to the straight-line method in each period of the lease term.

31.1.5 Lease modification

If the lease is modified and the following conditions are met at the same time, the Group will account for the lease modification as a separate lease:

- • The lease modification expands the scope of the lease by adding one or more right of use of the leased assets;
- • The increased consideration is equivalent to the individual price of the expanded part adjusted according to the contract.

If the lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Group re-apportions the consideration of the modified contract, re-determines the lease term, and re-measures the lease liabilities at the present value calculated according to the modified lease payments and the revised discount rate.

If the lease modification results in a reduction in the scope of the lease or the lease term, the Group shall reduce the book value of the right-of-use assets accordingly, and include the relevant gains or losses of partial or complete termination of leases into the current

profit or loss. If the lease liabilities are remeasured due to other lease modification, the Group shall adjust the book value of the right-of-use assets accordingly.

31.2 Accounting treatments for leases in which the Company is the lessor

31.2.1 Spin-off of the lease

If the contract contains both the lease and non-lease parts, the Group shall allocate the contract consideration according to the provisions of the revenue standards on the allocation of transaction prices, and the basis of allocation shall be the separate price of the lease part and the non-lease part.

31.2.2 Classification criteria and accounting treatments as a lessor

Leases that substantially transfer substantially all of the risks and rewards associated with the ownership of leased assets are financing leases. Leases other than financing lease are operating leases.

31.2.2.1 The Group records operating leases as a lessor

During each period of the lease term, the Group recognizes the lease receipts of operating leases as rental income by using the straight-line method. The initial direct costs incurred by the Group in connection with operating leases are capitalized when incurred, amortized on the same basis as rental income recognition during the lease term, and included in the current profit or loss in installments.

The variable lease receipts related to operating leases acquired by the Group and not included in the lease receipts are included in the current profit or loss when actually incurred.

31.2.3 Lease modification

If the operating lease is changed, the Group will account for it as a new lease from the effective date of the change, and the advance or receivable lease receipts related to the lease before the change will be regarded as the receipt amount of the new lease.

32. Major changes in accounting policies and accounting estimates

(1) Major changes in accounting policies

☐ Applicable ☒ Not Applicable

(2) Major changes in accounting estimates

☐ Applicable ☒ Not Applicable

(3) Adjustments of relevant items of financial statements at the beginning of the year in the year of initial implementation of new accounting standards from 2025

☐ Applicable ☒ Not Applicable

VI. Taxation

1..Main tax types and tax rates

Tax type	Tax basis	Tax rate
Value-added tax	Balance of output tax minus deductible input tax; Tax exemption, offset and refund measures are applicable to the sales of export products	The output tax for domestic sales is calculated at 13%, 9%, 6%, and 5% of the sales amount according to relevant tax regulations, and the export product tax rebate rate is 13%
Urban maintenance and construction tax	Turnover tax payable	7%
Corporate income tax	Taxable income	25%、20%、15%、8.25%
Education surcharge	Turnover tax payable	3%
Local education surtax	Turnover tax payable	2%
Property taxes	The residual value after deducting 30% from the original value of the property at once	1.2%

If there are taxpayers with different corporate income tax rates, please disclose with an explanation

Name of taxpayer	Income tax rate
The Company	25%
Shenzhen Shenfeng Property Management Co., Ltd.	20% (Note 1)
Shenzhen Meibainian Garment Co., Ltd.	20% (Note 1)
Shenzhen Lisi Industrial Development Co., Ltd.	20% (Note 1)
Shenzhen Shenfeng Sungang Property Management Co., Ltd.	20% (Note 1)
Shenzhen Huaqiang Hotel Co., Ltd.	20% (Note 1)
SATO (Hong Kong) Limited	8.25% (Note 2)
Shenzhen SAPO Photoelectric Co., Ltd. (hereinafter referred to as "SAPO Photoelectric")	15% (Note 3)

2.Tax incentives

(1)SAPO Photoelectric, a subsidiary of the Company, was jointly recognized as a high-tech enterprise in 2022 by Shenzhen Science and Technology Innovation Commission, Shenzhen Municipal Finance Bureau and Shenzhen Municipal Taxation Bureau of the State Administration of Taxation. The certification is valid for 3 years and the certificate number is GR202244204504. Since SAPO Photoelectric was recognized as a high-tech enterprise, it is eligible for the tax incentives for high-tech enterprises for three years. After filing with the competent tax bureau, SAPO Photoelectric has paid corporate income tax at a tax rate of 15%.

(2)The Company's subsidiaries, Shenzhen Meibainian Garment Co., Ltd., Shenzhen Lisi Industrial Development Co., Ltd., Shenzhen Shenfeng Sungang Property Management Co., Ltd. and Shenzhen Shenfeng Property Management Co.,Ltd. are qualified small low-profit enterprises. According to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing Preferential Policies for Corporate Income Tax of Small and Micro Enterprises (No. 13, 2022) and the Announcement of the Ministry of Finance and the State Taxation Administration on Preferential Policies for Corporate Income Tax of Small and Micro Enterprises and Individual Industrial and Commercial Households (No. 6, 2023), the part of the annual taxable income not exceeding RMB 3 million will be included in the taxable income after deducting 25%, and corporate income tax will be paid at a tax rate of 20%.

(3) According to the relevant provisions of the Notice of the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration on the Import Tax Policies for Supporting the Development of the New Display Device Industry (CGS

[2021] No. 19), SAPO Photoelectric, a subsidiary of the Company, meets the relevant conditions and will enjoy the policy of exemption from import duties on relevant products from January 1, 2021, to December 31, 2030.

(4) According to the Announcement on the Policy of Additional Value-Added Tax Deduction for Advanced Manufacturing Enterprises (CZBSWZJGG [2023] No.43) issued by the Ministry of Finance and the State Taxation Administration in September 2023, from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to deduct the value-added tax payable by 5% of the deductible input tax for the current period. SAPO Photoelectric, a subsidiary of the Company, meets the relevant conditions and enjoyed the policy of additional deduction of value-added tax (VAT) in 2025.

3. Others

Note 1: See Note VI. 2 for details.

Note 2: according to the Inland Revenue Ordinance of Hong Kong, SATO (Hong Kong) Limited is subject to a two-tier profits tax system. The first HKD 2 million of taxable profits shall taxed at a rate of 8.25%, and the profits generated thereafter shall be taxed at a rate of 16.5%.

Note 3: See Note VI. 2 for details.

VII. Notes to items in consolidated financial statements

1. Monetary funds

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	9,250.78	4,751.69
Bank deposits	577,793,873.61	302,111,853.17
Other monetary funds	5,505,858.22	38,844,838.96
Total	583,308,982.61	340,961,443.82
Including: total amount deposited abroad	0.00	0.00

Other explanations

(1)At the end of the reporting period, the bank deposits included interest on current deposits and seven-day notice deposits of RMB579,003.23 (December 31, 2024: RMB31,765.51).

(2)At the end of the reporting period, the Group's other monetary funds included RMB3,401,500.00 (December 31, 2024: RMB 3,401,500.00) restricted in use due to account freezing, and RMB2,104,358.22 (December 31, 2024: RMB35,443,338.96) deposits for bills and letters of credit.

2. Financial assets held for trading

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through current profit or loss	714,772,329.76	731,419,904.42

Including:		
Monetary funds and bank wealth management	714,772,329.76	731,419,904.42
Total	714,772,329.76	731,419,904.42

3. Notes receivable

(1) Presentation of notes receivable by category

Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bills	20,078,297.52	47,305,221.88
Total	20,078,297.52	47,305,221.88

(2) Disclosure by provision method for bad debts

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio	Amount	Provision ratio		Amount	Ratio	Amount	Provision ratio	
Notes receivable with provision for bad debts on an individual basis										
Notes receivable with provision for bad debts on a combination basis	20,078,297.52	100.00%	0.00	0.00%	20,078,297.52	47,305,221.88	100.00%	0.00	0.00%	47,305,221.88
Including:										
Bank acceptance bills	20,078,297.52	100.00%	0.00	0.00%	20,078,297.52	47,305,221.88	100.00%	0.00	0.00%	47,305,221.88
Total	20,078,297.52	100.00%	0.00	0.00%	20,078,297.52	47,305,221.88	100.00%	0.00	0.00%	47,305,221.88

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

Provision for bad debts for the current period: None

(4) The Company's pledged notes receivable at the end of the period

None

(5) Notes receivable endorsed or discounted by the Company and not yet due on the balance sheet date at the end of the period

Unit: RMB

Item	Ending derecognized amount	Ending un-derecognized amount
Bank acceptance bills	0.00	17,257,688.89
Total	0.00	17,257,688.89

(6) Actual write-off of notes receivable for the current period

During the reporting period, the Group had no actual write-off of notes receivable.

4. Accounts receivable**(1) Disclosure by aging**

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	837,979,457.56	888,265,598.53
1-2 years	27,650.08	368,365.12
2 to 3 years	213,611.89	0.00
Over 3 years	13,553,323.75	13,565,696.79
3 - 4 years	557,569.04	627,140.10
4 to 5 years	67,250.00	0.00
Over 5 years	12,928,504.71	12,938,556.69
Total	851,774,043.28	902,199,660.44

(2) Disclosure by provision method for bad debts

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio	Amount	Provision ratio		Amount	Ratio	Amount	Provision ratio	
Accounts receivable with provision for bad debts on an individual basis	26,412,183.05	3.10%	18,006,064.49	68.17%	8,406,118.56	35,622,829.91	3.95%	17,870,018.37	50.16%	17,752,811.54
Accounts receivable with provision for bad	825,361,860.23	96.90%	19,646,625.37		805,715,234.86	866,576,830.53	96.05%	20,597,705.18		845,979,125.35

debts on a combination basis										
Including:										
Combination 1	810,153,362.27	95.11%	19,200,634.71	2.37%	790,952,727.56	854,782,067.66	94.74%	20,338,340.21	2.38%	834,443,727.45
Combination 2	15,208,497.96	1.79%	445,990.66	2.93%	14,762,507.30	11,794,762.87	1.31%	259,364.97	2.20%	11,535,397.90
Total	851,774,043.28	100.00%	37,652,689.86		814,121,353.42	902,199,660.44	100.00%	38,467,723.55		863,731,936.89

Name of category of provision for bad debts on an individual basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision ratio	Reasons for provision
Customer 1	16,930,591.30	3,386,118.26	8,715,843.97	3,050,545.39	35.00%	Expected credit losses
Customer 2	4,246,066.34	849,213.27	2,198,825.62	769,588.97	35.00%	Expected credit losses
Customer 3	2,797,016.81	2,797,016.81	2,797,016.81	2,797,016.81	100.00%	Impairment loss incurred
Customer 4	1,698,550.93	1,698,550.93	1,694,655.01	1,694,655.01	100.00%	Impairment loss incurred
Customer 5	1,298,965.36	1,298,965.36	1,298,965.36	1,298,965.36	100.00%	Impairment loss incurred
Others	8,651,639.17	7,840,153.74	9,706,876.28	8,395,292.95	86.49%	Expected credit losses
Total	35,622,829.91	17,870,018.37	26,412,183.05	18,006,064.49		

Name of category of provision for bad debts on a combination basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision ratio
Not overdue	768,521,479.17	17,660,680.82	2.30%
Overdue within 30 days	41,170,544.76	1,276,379.03	3.10%
30-90 days overdue	365,687.28	167,923.80	45.92%
Over 90 days overdue	95,651.06	95,651.06	100.00%
Total	810,153,362.27	19,200,634.71	

Explanation on the basis for determining the combination:

Based on the industry nature and credit status of customers, the degree of credit risk varies with the number of days overdue, so different credit loss rates are adopted for customers with different days overdue.

Name of category of provision for bad debts on a combination basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision ratio
Within 1 year	13,718,830.86	287,089.42	2.09%
1-2 years	921,495.01	28,474.20	3.09%

2-3 years	500,922.09	63,177.04	12.61%
Over 3 years	67,250.00	67,250.00	100.00%
Total	15,208,497.96	445,990.66	

Explanation on the basis for determining the combination:

Group customers other than SAPO Photoelectric are mainly leasing customers, and the provision for credit impairment is made according to the aging method combination.

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses:

☐ Applicable ☒ Not Applicable

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

Provision for bad debts for the current period:

Unit: RMB

Type	Beginning balance	Changes in the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts	38,467,723.55	23,869,262.30	-24,684,295.99	0.00	0.00	37,652,689.86
Total	38,467,723.55	23,869,262.30	-24,684,295.99	0.00	0.00	37,652,689.86

Significant amounts of recovered or reversed provision for bad debts for the current period:

There was no significant amount of provision for bad debts recovered or reversed during the reporting period.

(4).Actual write-off of accounts receivable for the current period

There were no accounts receivable with actual write-off during the reporting period.

(5) Top five accounts receivable by the debtor in terms of the ending balance and contract assets

Unit: RMB

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Ratio to the total amount of ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and provision for impairment of contract assets
Customer 1	118,451,196.87	0.00	118,451,196.87	13.91%	2,807,293.37
Customer 2	111,563,314.66	0.00	111,563,314.66	13.10%	2,644,050.56
Customer 3	102,390,537.06	0.00	102,390,537.06	12.02%	2,426,655.73
Customer 4	79,054,687.27	0.00	79,054,687.27	9.28%	1,873,596.09
Customer 5	78,174,044.50	0.00	78,174,044.50	9.18%	1,852,724.85
Total	489,633,780.36	0.00	489,633,780.36	57.49%	11,604,320.60

5. Receivables financing**(1) Presentation of receivables financing by category**

Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bills	8,286,636.78	6,804,603.68
Total	8,286,636.78	6,804,603.68

(2) Disclosure by provision method for bad debts

None

The provision for bad debts made according to the general model of expected credit losses

None

Basis for division of each stage and ratio of provision for bad debts

None

Explanation on significant changes in the book balance of receivables financing due to changes in provision for loss for the current period:

None

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

None

(4) The Company's pledged receivables financing at the end of the period

None

(5) Receivables financing endorsed or discounted by the Company and not yet due on the balance sheet date at the end of the period

Unit: RMB

Item	Ending derecognized amount	Ending un-derecognized amount
Bank acceptance bills	71,551,474.82	0.00
Total	71,551,474.82	0.00

(6) Actual write-off of receivables financing for the current period

During the reporting period, the Company had no receivables financing with actual write-off.

(7) Increases/decreases and fair value changes of receivables financing for the current period

None

(8) Other explanations

None

6. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Interest receivable	0.00	0.00
Dividends receivable	0.00	0.00
Other receivables	3,133,087.51	3,596,543.96
Total	3,133,087.51	3,596,543.96

(1) Interest receivable**1) Classification of interest receivable**

None

2) Significant overdue interest

None

3) Disclosure by provision method for bad debts☐ Applicable ☒ Not Applicable**4) Provision for bad debts accrued, recovered or reversed for the current period**

None

5) Actual write-off of interest receivable for the current period

None

(2) Dividends receivable**1) Classification of dividends receivable**

Unit: RMB

Project (or investees)	Ending balance	Beginning balance
Total	0.00	0.00

2) Significant dividends receivable with aging over 1 year

None

3) Disclosure by provision method for bad debts☐ Applicable ☒ Not Applicable**4) Provision for bad debts accrued, recovered or reversed for the current period**

None

5) Actual write-off of dividends receivable in the current period

None

(3) Other receivables**1) Classification of other receivables by nature of payment**

Unit: RMB

Nature of payment	Ending book balance	Beginning book balance
Guarantee and deposits	2,521,031.14	2,523,551.88
Transactions between entities (non-related parties)	14,872,685.97	15,422,685.97
Export tax rebate	709,028.48	709,028.48
Petty cash and employee borrowings	458,270.97	296,058.95
Others	2,556,279.05	2,629,420.74
Total	21,117,295.61	21,580,746.02

2) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	2,029,273.06	2,878,553.22
1-2 years	491,071.32	227,729.90
2 to 3 years	161,860.48	37,922.15
Over 3 years	18,435,090.75	18,436,540.75
3 - 4 years	93,562.29	620,212.30
4 to 5 years	545,200.01	24,725.95
Over 5 years	17,796,328.45	17,791,602.50
Total	21,117,295.61	21,580,746.02

3) Disclosure by provision method for bad debts☒ Applicable ☐ Not applicable

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio	Amount	Provision ratio		Amount	Ratio	Amount	Provision ratio	
Provision for bad debts accrued on an individual basis										
Provision for bad debts made by portfolio	21,117,295.61	100.00%	17,984,208.10	85.16%	3,133,087.51	21,580,746.02	100.00%	17,984,202.06	83.33%	3,596,543.96
Including:										
Other receivables with provision for bad debts based on credit risk characteristics combination	21,117,295.61	100.00%	17,984,208.10	85.16%	3,133,087.51	21,580,746.02	100.00%	17,984,202.06	83.33%	3,596,543.96
Total	21,117,295.61	100.00%	17,984,208.10	85.16%	3,133,087.51	21,580,746.02	100.00%	17,984,202.06	83.33%	3,596,543.96

Name of category of provision for bad debts on a combination basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision ratio
Other receivables with provision for bad debts based on credit risk characteristics combination	21,117,295.61	17,984,208.10	85.16%
Total	21,117,295.61	17,984,208.10	

Explanation on the basis for determining the combination:

Determined based on aging and customer credit risk.

The provision for bad debts made according to the general model of expected credit losses

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit loss throughout the duration (without credit)	Expected credit loss throughout the duration (with credit)	

		impairment)	impairment)	
Balance as of January 1, 2025	146,991.50	39,206.78	17,798,003.78	17,984,202.06
Balance as at January 1, 2025 forwarded to the current period				
- Transfer to phase II	-50,405.07	50,405.07	0.00	0.00
- Transfer to phase III	0.00	-9,859.07	9,859.07	0.00
- Reversal to phase II	0.00	0.00	0.00	0.00
- Reversal to phase I	0.00	0.00	0.00	0.00
Provision for the current period	50,075.55	54,529.52	9,859.07	114,464.14
Reversal in this period	-113,816.10	0.00	-642.00	-114,458.10
Charge-off in the current period	0.00	0.00	0.00	0.00
Write-off in the current period	0.00	0.00	0.00	0.00
Other changes	0.00	0.00	0.00	0.00
Balance as of June 30, 2025	32,845.88	134,282.30	17,817,079.92	17,984,208.10

Basis for division of each stage and ratio of provision for bad debts

Changes in the book balance of provision for loss with significant changes in the current period

☐ Applicable ☒ Not Applicable

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

Provision for bad debts for the current period:

Unit: RMB

Type	Beginning balance	Changes in the current period				Ending balance
		Provision	Recovery or reversal	Resale or write-off	Others	
Provision for bad debts made by portfolio	17,984,202.06	114,464.14	-114,458.10	0.00	0.00	17,984,208.10
Total	17,984,202.06	114,464.14	-114,458.10	0.00	0.00	17,984,208.10

Reversal or recovery of significant amount of provision for bad debts in the current period:

There was no provision for bad debts recovery or reversal of significant amount during the reporting period.

5) Other receivables actually write-off in the current period

There was no other receivables with actual write-off during the reporting period.

6) Other receivables of the top five ending balances collected by debtor

Unit: RMB

Entity name	Nature of amount	Ending balance	Aging	Ratio to the total ending balance of other receivables	Balance of provision for bad debts as at the end of the period
Total amount of the top five other receivables at the end of the reporting period	Current accounts of receivables, etc.	15,896,829.51	Over 5 years	75.28%	15,896,829.51
Total		15,896,829.51		75.28%	15,896,829.51

7) Reported as other receivables due to centralized fund management

None

7. Advances to suppliers**(1) Advances to suppliers are listed by aging**

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	21,376,820.24	93.57%	7,233,035.70	88.46%
1-2 years	558,935.06	2.45%	873,375.47	10.68%
2 to 3 years	839,375.47	3.67%	8,227.73	0.10%
Over 3 years	70,145.61	0.31%	62,085.80	0.76%
Total	22,845,276.38		8,176,724.70	

At the end of the reporting period, the Group had no significant prepayments with an aging of more than 1 year and an important amount.

(2) Prepayment status of the top five year-end balances collected by prepaid objects

The total amount of the top five prepayments categorized by prepayment objects at the end of the reporting period was RMB17,505,495.23, accounting for 76.63% of the balance of prepayments at the end of the reporting period.

8. Inventories

Whether the company needs to comply with the disclosure requirements of the real estate industry

No

(1) Inventories Classification

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for	Book value	Book balance	Provision for	Book value

		inventory depreciation or provision for impairment of contract performance costs			inventory depreciation or provision for impairment of contract performance costs	
Raw materials	435,300,213.26	46,813,796.99	388,486,416.27	453,134,126.81	14,875,137.34	438,258,989.47
Products in progress	331,787,770.72	39,062,831.06	292,724,939.66	335,115,507.53	66,220,022.55	268,895,484.98
Inventories of goods	140,520,034.58	27,199,167.98	113,320,866.60	121,746,047.85	40,357,658.59	81,388,389.26
Entrusted processing materials	17,025,901.98	1,543,891.30	15,482,010.68	1,710,557.68	496,720.51	1,213,837.17
Total	924,633,920.54	114,619,687.33	810,014,233.21	911,706,239.87	121,949,538.99	789,756,700.88

(2) Data resources recognized as inventories

None

(3) Provision for inventory depreciation and provision for impairment of contract performance costs

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	14,875,137.34	32,121,812.41	0.00	183,152.76	0.00	46,813,796.99
Products in progress	66,220,022.55	13,844,682.84	0.00	41,001,874.33	0.00	39,062,831.06
Inventories of goods	40,357,658.59	30,248,629.23	0.00	43,407,119.84	0.00	27,199,167.98
Entrusted processing materials	496,720.51	1,047,170.79	0.00	0.00	0.00	1,543,891.30
Total	121,949,538.99	77,262,295.27	0.00	84,592,146.93	0.00	114,619,687.33

Item	Specific basis for determining net realizable value	Reasons for reversing or writing off for inventory depreciation in the current period
Raw materials, goods in process and consigned processing materials	The net realizable value is determined by the estimated selling price of the relevant finished products minus the estimated cost to be incurred until completion, estimated selling and distribution expenses and relevant taxes.	Received or sold in the current period
Finished products	The net realizable value is determined by the estimated selling price of the inventories minus the estimated selling and distribution expenses and related taxes.	It is sold or market value is recovered in the current period

(4) Explanation on the ending balance of inventories containing the capitalization amount of borrowing costs

At the end of the reporting period, there was no amount in the balance of inventories used for guarantee and no amount of capitalization of borrowing costs.

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

None

9. Other current assets

Unit: RMB

Item	Ending balance	Beginning balance
Cost of return receivable	12,132,397.12	19,314,386.69
Value-added tax to be deducted and input tax to be certified	21,044,708.13	2,100,314.86
Prepaid income tax	47,034.59	47,034.59
Total	33,224,139.84	21,461,736.14

10. Other equity instrument investments

Unit: RMB

Project	Beginning balance	Gains accrued to other comprehensive income in the current period	Loss accrued to other comprehensive income in the current period	Gains accumulated into other comprehensive income at the end of the current period	Losses accumulated into other comprehensive income at the end of the current period	Dividend income recognized during the current period	Ending balance	Reasons designated as being measured at fair value through other comprehensive income
Hualian Development Co., Ltd.	129,884,000.00	0.00	0.00	127,284,000.00	0.00	0.00	129,884,000.00	The Group plans to hold it for a long time
Shenzhen Dailisi Underwear Co., Ltd.	19,642,900.00	0.00	0.00	17,083,043.74	0.00	550,000.00	19,642,900.00	The Group plans to hold it for a long time
Shenzhen Nanfang Textile Co., Ltd.	13,181,700.00	0.00	0.00	11,681,700.00	0.00	0.00	13,181,700.00	The Group plans to hold it for a long time
Shenzhen Xinfang Knitting Factory Co., Ltd.	2,694,300.00	0.00	0.00	2,170,300.00	0.00	198,000.00	2,694,300.00	The Group plans to hold it for a long time
Jintian Industry (Group) Co., Ltd.	0.00	0.00	0.00	0.00	14,831,681.50	0.00	0.00	The Group plans to hold it for a long time

Total	165,402,900.00	0.00	0.00	158,219,043.74	14,831,681.50	748,000.00	165,402,900.00	
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Derecognition exists in the current period

None

Disclosure of the current period non-trading equity instrument investments by item

None

11. Long-term equity investments

Unit: RMB

Unit: RMB

Investees	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in this period								Ending balance (book value)	Balance of provision for impairment as at the end of the period
			Additional investment	Reduced investment	Investment profit or loss recognized under the equity method	Adjustment of other comprehensive income	Changes in other equity	Cash dividends or profits declared to be paid	Provision for impairment	Others		
I. Joint ventures												
Shenzhen Guanhuaprinting and Dyeing Co., Ltd.	111,555,887.28	0.00	0.00	0.00	-3,779,842.71	0.00	0.00	0.00	0.00	0.00	107,776,044.57	0.00
Sub-total	111,555,887.28	0.00	0.00	0.00	-3,779,842.71	0.00	0.00	0.00	0.00	0.00	107,776,044.57	0.00
II. Associates												
Shenzhen Changlianfa Printing and Dyeing Co., Ltd.	3,272,138.76	0.00	0.00	0.00	134,243.64	0.00	0.00	-233,450.00	0.00	0.00	3,172,932.40	0.00
Sub-total	3,272,138.76	0.00	0.00	0.00	134,243.64	0.00	0.00	-233,450.00	0.00	0.00	3,172,932.40	0.00
Total	114,828,026.	0.00	0.00	0.00	-3,645,	0.00	0.00	-233,45	0.00	0.00	110,948,976.	0.00

	04			599.07		0.00		97	
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Reasons for the obvious inconsistency between the above information and the information used in previous impairment test or external information

None

Reasons for the difference between the information used in the impairment test of the Company in previous years and the actual situation of the current year

None

Other explanations

None

12. Investment properties

(1) Investment properties measured at the cost mode

☒Applicable ☐ Not applicable

Unit: RMB

Item	Houses and buildings	Total
I. Total original book value		
1. Beginning balance	350,367,442.40	350,367,442.40
2. Increase in the current period	0.00	0.00
(1) Outsourcing	0.00	0.00
(2) Transfer from inventories, fixed assets and construction in progress	0.00	0.00
(3) Increase in business combination	0.00	0.00
3. Decrease in the current period	903,094.00	903,094.00
(1) Disposal	903,094.00	903,094.00
(2) Other transfers out	0.00	0.00
4. Ending balance	349,464,348.40	349,464,348.40
II. Accumulated depreciation and accumulated amortization		
1. Beginning balance	234,374,052.21	234,374,052.21
2. Increase in the current period	4,795,122.33	4,795,122.33
(1) Provision or amortization	4,795,122.33	4,795,122.33
3. Decrease in the current period	218,548.99	218,548.99
(1) Disposal	218,548.99	218,548.99
(2) Other transfers out	0.00	0.00
4. Ending balance	238,950,625.55	238,950,625.55
III. Provision for impairment		
1. Beginning balance	0.00	0.00
2. Increase in the current period	0.00	0.00
(1) Provision	0.00	0.00

3. Decrease in the current period	0.00	0.00
(1) Disposal	0.00	0.00
(2) Other transfers out	0.00	0.00
4. Ending balance	0.00	0.00
IV. Book value		
1. Book value as at the end of the period	110,513,722.85	110,513,722.85
2. Book value as at the beginning of the period	115,993,390.19	115,993,390.19

Reasons for the obvious inconsistency between the above information and the information used in previous impairment test or external information

None

Reasons for the difference between the information used in the impairment test of the Company in previous years and the actual situation of the current year

None

(2) Investment properties measured by fair value

Not applicable

(2) Conversion to investment properties and measurement at fair value

None

(3) Investment properties without certificate of title

Unit: RMB

Item	Book value	Reasons for failure to obtain the certificate of title
Houses and buildings	10,796,426.00	Warrants not obtained for historical reasons

13. Fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	1,761,352,875.57	1,873,552,843.91
Total	1,761,352,875.57	1,873,552,843.91

(1) Fixed assets

Unit: RMB

Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment and others	Total
I. Total original book value:					

1. Beginning balance	737,314,323.44	2,742,755,668.60	17,296,480.97	44,961,075.88	3,542,327,548.89
2. Increase in the current period	0.00	2,468,978.74	1,412,244.04	533,638.84	4,414,861.62
(1) Purchase	0.00	2,468,978.74	1,105,232.76	533,638.84	4,107,850.34
(2) Transfer from construction in progress	0.00	0.00	307,011.28	0.00	307,011.28
(3) Increase in business combination	0.00	0.00	0.00	0.00	0.00
3. Decrease in the current period	1,200,082.66	50,002,603.71	885,292.47	1,226,912.15	53,314,890.99
(1) Disposal or scrapping	1,200,082.66	50,002,603.71	885,292.47	1,226,912.15	53,314,890.99
4. Ending balance	736,114,240.78	2,695,222,043.63	17,823,432.54	44,267,802.57	3,493,427,519.52
II. Accumulated depreciation					
1. Beginning balance	212,518,046.33	1,378,019,063.83	9,666,345.31	36,492,325.52	1,636,695,780.99
2. Increase in the current period	11,587,083.37	100,026,828.67	1,044,210.16	1,755,110.49	114,413,232.69
(1) Provision	11,587,083.37	100,026,828.67	1,044,210.16	1,755,110.49	114,413,232.69
3. Decrease in the current period	402,358.83	45,088,586.69	750,659.45	993,873.71	47,235,478.68
(1) Disposal or scrapping	402,358.83	45,088,586.69	750,659.45	993,873.71	47,235,478.68
4. Ending balance	223,702,770.87	1,432,957,305.81	9,959,896.02	37,253,562.30	1,703,873,535.00
III. Provision for impairment					
1. Beginning balance	9,919,769.42	21,721,908.03	7,228.57	430,017.97	32,078,923.99
2. Increase in the current period	0.00	0.00	0.00	0.00	0.00
(1) Provision	0.00	0.00	0.00	0.00	0.00
3. Decrease in the current period	99,508.16	3,643,617.60	1,102.16	133,587.12	3,877,815.04
(1) Disposal or scrapping	99,508.16	3,643,617.60	1,102.16	133,587.12	3,877,815.04
4. Ending balance	9,820,261.26	18,078,290.43	6,126.41	296,430.85	28,201,108.95
IV. Book value					
1. Book value as at the end of the period	502,591,208.65	1,244,186,447.39	7,857,410.11	6,717,809.42	1,761,352,875.57
2. Book value as at the beginning of the period	514,876,507.69	1,343,014,696.74	7,622,907.09	8,038,732.39	1,873,552,843.91

(2) Temporarily idle fixed assets

None

(3) Fixed assets leased out through operating leases

None

(4) Fixed assets without certificate of title

Unit: RMB

Item	Book value	Reason for failure to properly handle the certificate of title
Houses and buildings	10,627,142.57	Warrants not handled for historical reasons

At the end of the reporting period, the Group's fixed assets mortgaged for bank borrowings are detailed in "21. Assets with restricted ownership or right of use".

(5) Impairment test of fixed assets

☐ Applicable ☒ Not Applicable

(6) Disposal of fixed assets

None

14. Construction in progress

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	5,589,741.14	5,814,012.03
Total	5,589,741.14	5,814,012.03

(1) Construction in progress situation

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Installation of machinery equipment	5,589,741.14	0.00	5,589,741.14	5,814,012.03	0.00	5,814,012.03
Total	5,589,741.14	0.00	5,589,741.14	5,814,012.03	0.00	5,814,012.03

(2) Changes of significant construction in progress in the current period

None

(3) Provision for impairment of construction in progress in the current period

None

(4) Impairment test of construction in progress

☐ Applicable ☒ Not Applicable

(5) Project materials

None

15. Right-of-use assets

Unit: RMB

Item	Houses and buildings	Machinery equipment	Total
I. Total original book value			
1. Beginning balance	36,483,426.47	1,799,631.64	38,283,058.11
2. Increase in the current period	5,490,803.74	1,804,754.10	7,295,557.84
(1) Addition	5,490,803.74	1,804,754.10	7,295,557.84
3. Decrease in the current period	0.00	0.00	0.00
4. Ending balance	41,974,230.21	3,604,385.74	45,578,615.95
II. Accumulated depreciation			
1. Beginning balance	21,398,599.29	1,546,340.96	22,944,940.25
2. Increase in the current period	4,519,984.75	380,421.64	4,900,406.39
(1) Provision	4,519,984.75	380,421.64	4,900,406.39
3. Decrease in the current period	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00
4. Ending balance	25,918,584.04	1,926,762.60	27,845,346.64
III. Provision for impairment			
1. Beginning balance	0.00	0.00	0.00
2. Increase in the current period	0.00	0.00	0.00
(1) Provision	0.00	0.00	0.00
3. Decrease in the current period	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00
4. Ending balance	0.00	0.00	0.00
IV. Book value			
1. Book value as at the end of the period	16,055,646.17	1,677,623.14	17,733,269.31
2. Book value as at the beginning of the period	15,084,827.18	253,290.68	15,338,117.86

16. Intangible assets**(1) Intangible assets situation**

Unit: RMB

Item	Land use rights	Patent right	Software	Total
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I. Total original book value				
1. Beginning balance	48,258,239.00	11,825,200.00	22,819,127.70	82,902,566.70
2. Increase in the current period	0.00	0.00	285,155.85	285,155.85
(1) Purchase	0.00	0.00	285,155.85	285,155.85
(2) Internal R&D	0.00	0.00	0.00	0.00
(3) Increase in business combination	0.00	0.00	0.00	0.00
3. Decrease in the current period	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00
4. Ending balance	48,258,239.00	11,825,200.00	23,104,283.55	83,187,722.55
II. Accumulated accumulation				
1. Beginning balance	17,057,278.99	11,825,200.00	18,812,295.76	47,694,774.75
2. Increase in the current period	445,782.66	0.00	1,791,293.01	2,237,075.67
(1) Provision	445,782.66	0.00	1,791,293.01	2,237,075.67
3. Decrease in the current period	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00
4. Ending balance	17,503,061.65	11,825,200.00	20,603,588.77	49,931,850.42
III. Provision for impairment				
1. Beginning balance	0.00	0.00	0.00	0.00
2. Increase in the current period	0.00	0.00	0.00	0.00
(1) Provision	0.00	0.00	0.00	0.00
3. Decrease in the current period	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00
4. Ending balance	0.00	0.00	0.00	0.00
IV. Book value				
1. Book value as at the end of the period	30,755,177.35	0.00	2,500,694.78	33,255,872.13
2. Book value as at the beginning of the period	31,200,960.01	0.00	4,006,831.94	35,207,791.95

The ratio of intangible assets formed through the Company's internal research and development to the balance of intangible assets at the end of the current period is 0.00%

(2) Data resources recognized as intangible assets

None

(3) Details of land use right without certificate of title

None

Other explanations

At the end of the reporting period, for the intangible assets mortgaged by the Company for bank borrowings, please refer to "21. Assets with restricted ownership or right of use" for details.

(4) Impairment test of intangible assets

Not applicable.

17. Goodwill

(1) Original book value of goodwill

Unit: RMB

Name of the investees or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
Shenzhen SAPO Photoelectric Co., Ltd.	9,614,758.55	0.00		0.00		9,614,758.55
Shenzhen Meibainian Garment Co., Ltd.	2,167,341.21	0.00		0.00		2,167,341.21
Total	11,782,099.76	0.00		0.00		11,782,099.76

(2) Provision for impairment of goodwill

Unit: RMB

Name of the investees or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
Shenzhen SAPO Photoelectric Co., Ltd.	9,614,758.55	0.00		0.00		9,614,758.55
Shenzhen Meibainian Garment Co., Ltd.	2,167,341.21	0.00		0.00		2,167,341.21
Total	11,782,099.76	0.00		0.00		11,782,099.76

(3) Relevant information on the asset group or portfolio of asset groups of the goodwill belongs to

None

(4) Specific determination method of recoverable amount

Reasons for the obvious inconsistency between the above information and the information used in previous impairment test or external information

None

Reasons for the difference between the information used in the impairment test of the Company in previous years and the actual situation of the current year

None

18. Long-term deferred expenses

Unit: RMB

Item	Beginning balance	Increase in the current period	Amount amortized in the current period	Other decreases	Ending balance
Decoration and facility renovation costs	6,084,115.87	1,050,865.00	890,263.30	0.00	6,244,717.57
Total	6,084,115.87	1,050,865.00	890,263.30	0.00	6,244,717.57

19. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets without offset

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	139,103,929.95	20,865,589.48	146,194,722.68	21,929,208.40
Unrealized profits of internal transactions	1,207,375.00	301,843.75	2,056,848.93	308,527.34
Deductible losses	96,771,113.52	14,515,667.03	96,771,113.52	14,515,667.03
Deferred income	91,392,663.21	13,708,899.48	95,821,558.58	14,373,233.79
Provision for credit losses	54,143,754.68	9,680,933.96	55,500,808.39	9,874,641.13
Lease liabilities	18,041,907.24	2,706,286.09	16,381,050.71	2,457,157.61
Fair value changes of investments in other equity instruments	14,831,681.50	3,707,920.38	14,831,681.50	3,707,920.38
Estimated liabilities	11,525,344.33	1,728,801.65	9,451,090.40	1,417,663.56
Employee compensation payable	4,173,800.00	1,043,450.00	4,173,800.00	1,043,450.00
Changes in fair value of derivative financial liabilities	495,496.93	74,324.54	1,278,559.35	191,783.90
Total	431,687,066.36	68,333,716.36	442,461,234.06	69,819,253.14

(2) Deferred tax liabilities without offset

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Fair value changes of investments in other equity instruments	158,219,043.74	39,554,760.94	158,219,043.74	39,554,760.94
Rent receivable	7,355,237.73	1,838,809.43	8,532,598.56	2,133,149.64

Right-of-use assets	17,733,269.31	2,659,990.40	15,338,117.86	2,300,717.68
Difference between initial recognition cost and tax base of long-term equity investments	62,083,693.36	15,520,923.34	62,083,693.36	15,520,923.34
Total	245,391,244.14	59,574,484.11	244,173,453.52	59,509,551.60

(3) Deferred tax assets or liabilities listed net amount after write-offs

Unit: RMB

Item	Deduction amount of deferred tax assets and liabilities at the end of the period	Ending balance of deferred tax assets or liabilities after write-off	Deduction amount of deferred tax assets and liabilities from the beginning of the period	Beginning balance of deferred tax assets or liabilities after write-off
Deferred tax assets	-11,288,470.47	57,045,245.89	-10,898,741.94	58,920,511.20
Deferred tax liabilities	-11,288,470.47	48,286,013.64	-10,898,741.94	48,610,809.66

(4) Details of unconfirmed deferred tax assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	19,478,293.76	15,750,990.01
Deductible losses	354,600,304.43	365,594,502.67
Total	374,078,598.19	381,345,492.68

(5) Deductible losses from unrecognized deferred tax assets will be expired in the following years

Unit: RMB

Year	Ending amount	Beginning amount	Remark
2025	0.00	0.00	
2026	83,168,900.37	83,168,900.37	
2027	10,067,397.50	10,067,397.50	
2028	13,479,346.66	13,479,346.66	
2029	121,574,308.57	132,565,644.36	
2030	75,352,814.24	75,352,814.24	
Year 2031	0.00	0.00	
2032	0.00	0.00	
2033	50,957,537.09	50,960,399.54	
2034	0.00	0.00	
Total	354,600,304.43	365,594,502.67	

20. Other non-current assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advances for projects and	2,118,713.58	0.00	2,118,713.58	2,033,785.64	0.00	2,033,785.64

equipment						
Investment funds to be liquidated	25,760,086.27	0.00	25,760,086.27	25,760,086.27	0.00	25,760,086.27
Total	27,878,799.85	0.00	27,878,799.85	27,793,871.91	0.00	27,793,871.91

21. Assets with restrictions on the ownership or right of use

Unit: RMB

Item	Ending				Beginning			
	Book balance	Book value	Restricted type	Restricted condition	Book balance	Book value	Restricted type	Restricted condition
Monetary funds	5,505,858.22	5,505,858.22	Restricted right of use	Account freezing and guarantee	38,844,838.96	38,844,838.96	Restricted right of use	Account freezing and guarantee
Notes receivable	17,257,688.89	17,257,688.89	Restricted right of use	Bill endorsement has not been derecognized	30,291,952.76	30,291,952.76	Restricted right of use	Bill endorsement has not been derecognized
Fixed assets	581,895,750.64	440,190,666.37	Restricted right of use	Mortgage	581,895,750.64	448,156,480.33	Restricted right of use	Mortgage
Intangible assets	44,770,083.00	30,759,003.79	Restricted right of use	Mortgage	44,770,083.00	31,200,960.01	Restricted right of use	Mortgage
Total	649,429,380.75	493,713,217.27			695,802,625.36	548,494,232.06		

22. Derivative financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Foreign exchange forward contract	495,496.93	1,278,559.35
Total	495,496.93	1,278,559.35

23. Notes payable

Unit: RMB

Category	Ending balance	Beginning balance
Bank acceptance bills	33,929,917.81	31,095,540.29
Total	33,929,917.81	31,095,540.29

The total amount of notes payable due but unpaid at the end of the current period was RMB0.00.

24. Accounts payable**(1) Presentation of accounts payable**

Unit: RMB

Item	Ending balance	Beginning balance
Payment for goods	362,238,671.51	282,510,771.35
Service fee	30,477,900.51	15,645,017.04
Payment for outsourcing processing	6,215,285.51	3,489,364.64
Royalties	6,066,130.00	2,006,578.00
Others	632,908.24	1,160,849.52
Total	405,630,895.77	304,812,580.55

(2) Significant accounts payable aging more than one year or overdue

At the end of the reporting period, the Company had no significant accounts payable with aging over 1 year or overdue.

25. Other payables

Unit: RMB

Item	Ending balance	Beginning balance
Other payables	162,765,912.58	160,296,989.98
Total	162,765,912.58	160,296,989.98

(1) Interest payable

None

(2) Dividends payable

None

(3) Other payable**1) List other payable by nature of payment**

Unit: RMB

Item	Ending balance	Beginning balance
Engineering equipment payment	55,071,801.23	56,213,373.95
Current accounts	54,076,488.92	53,333,604.97
Guarantee and deposits	40,483,536.01	37,775,687.75
Others	13,134,086.42	12,974,323.31
Total	162,765,912.58	160,296,989.98

2) Other significant payable aging over one year or overdue

None

26. Advances from customers**(1) Presentation of advances from customers**

Unit: RMB

Item	Ending balance	Beginning balance
Rent and others	636,186.67	1,051,491.96
Total	636,186.67	1,051,491.96

(2) Important advances from customers with aging more than 1 year or overdue

During the reporting period, the Company had no significant advances from customers with aging more than 1 year or overdue.

27. Contract liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Payment for goods and others	2,417,170.20	490,562.97
Total	2,417,170.20	490,562.97

Significant contract liabilities with aging over 1 year

None

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

None

28. Employee compensation payable**(1) Presentation of employee compensation payable**

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
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I. Short-term compensation	53,625,879.32	112,558,426.56	115,626,749.79	50,557,556.09
II. Post-employment benefits-defined contribution plans	700,000.00	11,127,144.80	11,827,144.80	0.00
III. Dismissal benefits	2,359,410.60	0.00	417,310.58	1,942,100.02
Total	56,685,289.92	123,685,571.36	127,871,205.17	52,499,656.11

(2) Presentation of short-term compensation

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Salaries, bonuses, allowances and subsidies	51,400,482.93	99,312,158.66	102,588,136.15	48,124,505.44
2. Employee benefits	0.00	3,395,523.99	3,395,523.99	0.00
3. Social insurance premiums	0.00	2,548,046.96	2,548,046.96	0.00
Including: medical insurance premiums	0.00	1,899,275.89	1,899,275.89	0.00
Work-related injury insurance premiums	0.00	294,685.63	294,685.63	0.00
Maternity insurance premiums	0.00	354,085.44	354,085.44	0.00
4. Housing provident funds	0.00	4,883,870.64	4,883,870.64	0.00
5. Trade union funds and employee education expenses	2,225,396.39	2,418,826.31	2,211,172.05	2,433,050.65
6. Short-term compensated absences	0.00	0.00	0.00	0.00
7. Short-term profit sharing plan	0.00	0.00	0.00	0.00
Total	53,625,879.32	112,558,426.56	115,626,749.79	50,557,556.09

(3) Presentation of defined contribution plans

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance premiums	700,000.00	9,389,734.62	10,089,734.62	0.00
2. Unemployment insurance premiums	0.00	407,578.97	407,578.97	0.00
3. Enterprise annuity payment	0.00	1,329,831.21	1,329,831.21	0.00
Total	700,000.00	11,127,144.80	11,827,144.80	0.00

Other explanations

The Company participates in the endowment insurance and unemployment insurance plans established by government agencies in accordance with the regulations. According to the plans, the Company makes contributions to such plans according to the prescribed standards. Except for the above monthly contributions, the Company will not assume further payment obligations. The corresponding expenses are included in the current profit or loss or the cost of related assets when incurred.

During the reporting period, the Company shall pay RMB9,389,734.62 and RMB407,578.97 to the endowment insurance and unemployment insurance plans respectively (half-year period for 2024: RMB7,060,060.83 and RMB330,717.73). During the reporting

period, the Company has fully paid the amount of endowment insurance and unemployment insurance plans payable during the reporting period.

29. Taxes payable

Unit: RMB

Item	Ending balance	Beginning balance
Value-added tax	731,310.17	592,143.28
Corporate income tax	3,771,253.21	4,720,967.29
Individual income tax	553,480.53	751,443.34
Other taxes	5,070,014.95	789,176.93
Total	10,126,058.86	6,853,730.84

30. Non-current liabilities maturing within one year

Unit: RMB

Item	Ending balance	Beginning balance
Long-term borrowings maturing within one year	41,657,178.29	47,011,978.04
Lease liabilities maturing within one year	7,704,864.29	6,884,486.59
Estimated liabilities due within one year	0.00	9,451,090.40
Total	49,362,042.58	63,347,555.03

31. Other current liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Payables for returned goods	14,928,923.72	23,747,757.33
Endorsed but undue acceptance bills	17,257,688.89	30,291,952.76
Product quality assurance	11,525,344.33	0.00
Output tax to be carried forward in the value-added tax	144,802.62	32,312.18
Total	43,856,759.56	54,072,022.27

Increases or decreases in short-term bonds payable:

None

32. Long-term borrowings

(1) Classification of long-term borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Guaranteed borrowings	188,652,033.29	209,400,848.04
Less: long-term borrowings maturing within one year	-41,657,178.29	-47,011,978.04
Total	146,994,855.00	162,388,870.00

Description of the classification of long-term borrowings:

None

Other explanations, including interest rate range:

SAPO Photoelectric, a subsidiary of the Company, obtained the loan by mortgaging the real estate such as the plant it held, and the Company and Hengmei Optoelectronics Co., Ltd. provided 60% and 40% joint and several liability guarantee for the loan respectively. The interest rate range of long-term borrowings is 3.26%-3.31%.

33. Lease liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities	18,041,907.24	16,381,050.71
Less: Lease liability maturing within one year	-7,704,864.29	-6,884,486.59
Total	10,337,042.95	9,496,564.12

34. Deferred income

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Formation causes
Government subsidies	96,349,196.26	4,199,478.21	9,022,251.44	91,526,423.03	Government subsidies received
Total	96,349,196.26	4,199,478.21	9,022,251.44	91,526,423.03	

35. Share capital

Unit: RMB

	Beginning balance	Changes during the period (+, -)					Ending balance
		New shares issued	Bonus issue	Conversion of provident fund into shares	Others	Sub-total	
Total shares	506,521,849.00	0.00	0.00	0.00	0.00	0.00	506,521,849.00

36. Capital reserve

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Equity premium	1,826,482,608.54	0.00	0.00	1,826,482,608.54
Other capital reserves	135,117,216.09	0.00	0.00	135,117,216.09
Total	1,961,599,824.63	0.00	0.00	1,961,599,824.63

37. Other comprehensive income

Unit: RMB

Item	Beginning balance	Amount in the current period	Ending balance
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		Amount before income tax in the current period	Less: the amount included in other comprehensive income in prior period and transferred to current profit or loss	Less: retained income included in other comprehensive income in prior periods and transferred to current profit or loss	Less: income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified into profit or loss	106,877,807.32	0.00	0.00	0.00	0.00	0.00	0.00	106,877,807.32
Including:								
Fair value changes of investments in other equity instruments	106,877,807.32	0.00	0.00	0.00	0.00	0.00	0.00	106,877,807.32
Total of other comprehensive income	106,877,807.32	0.00	0.00	0.00	0.00	0.00	0.00	106,877,807.32

38. Surplus reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	104,262,315.64	0.00	0.00	104,262,315.64
Total	104,262,315.64	0.00	0.00	104,262,315.64

39. Undistributed profits

Unit: RMB

Item	Current period	Previous period
Retained earnings as at the end of the previous period before the adjustment	272,608,113.66	216,160,896.14
Adjustment of total undistributed profit at the beginning of the period (+ for increase and - for decrease)	0.00	0.00
Undistributed profits at the beginning of the period after adjustment	272,608,113.66	216,160,896.14

Plus: Net profit attributable to owners of the parent company in this period	35,234,765.52	89,371,134.24
Common stock dividends payable	35,963,029.09	32,923,916.72
Undistributed profits as at the end of the period	271,879,850.09	272,608,113.66

Details of adjustment to undistributed profits as at the beginning of the period:

- 1) Due to the retrospective adjustment of the Accounting Standards for Business Enterprises and its related new regulations, the undistributed profit at the beginning of the period was affected by RMB0.00.
- 2) Due to the change in accounting policies, the undistributed profit at the beginning of the period was affected by RMB0.00.
- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period was affected by RMB0.00.
- 4) Due to the change of consolidation scope caused by the same control, the undistributed profit at the beginning of the period was affected by RMB0.00.
- 5) The total impact of other adjustments on the undistributed profit at the beginning of the period was affected by RMB0.00.

40. Operating revenue and operating costs

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	1,566,433,554.09	1,333,183,441.76	1,597,753,543.24	1,370,835,912.90
Other business	34,048,072.22	29,329,292.33	25,630,608.66	18,770,140.16
Total	1,600,481,626.31	1,362,512,734.09	1,623,384,151.90	1,389,606,053.06

Breakdown of operating revenue and operating costs:

Unit: RMB

Contract classification	Division 1		Division 2		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs
Business type	1,511,063,971.82	1,320,794,606.93	89,417,654.49	41,718,127.16	1,600,481,626.31	1,362,512,734.09
Including:						
Polarizer sales business	1,511,063,971.82	1,320,794,606.93	0.00	0.00	1,511,063,971.82	1,320,794,606.93
Property leasing and other business	0.00	0.00	89,417,654.49	41,718,127.16	89,417,654.49	41,718,127.16
Classification by business area	1,511,063,971.82	1,320,794,606.93	89,417,654.49	41,718,127.16	1,600,481,626.31	1,362,512,734.09
Including:						
Domestic	1,312,309,000.43	1,167,047,781.92	89,417,654.49	41,718,127.16	1,401,726,654.92	1,208,765,909.08
Overseas	198,754,971.39	153,746,825.01	0.00	0.00	198,754,971.39	153,746,825.01
Total	1,511,063,971.82	1,320,794,606.93	89,417,654.49	41,718,127.16	1,600,481,626.31	1,362,512,734.09

Information related to performance obligations:

None

Other explanations

The Company's commodity sales are mainly the production and sales of polarizers and textile-related commodities. For goods sold to customers, the Company recognizes revenue when control of the right of control of the goods is transferred, that is, when the goods are delivered to the designated place of the other party and signed for by the other party. The Company recognizes a receivable when the goods are delivered to the customer because the delivery of the goods to the customer represents an unconditional right to receive the contractual consideration, and the maturity of the payment depends only on the passage of time. When the customer makes

a prepayment for goods, the Company recognizes the transaction amount received as a contract liability and recognizes the revenue when the goods are delivered to the customer.

The Company provides property services to customers, and such services represent performance obligations performed over a period of time. For property service, the Company recognizes revenue in the process of providing property services.

Information related to the transaction prices allocated to the remaining performance obligations:

The amount of revenue corresponding to the performance obligations of contracts that have been signed but not performed or not fully performed yet at the end of the reporting period is RMB2,417,170.20, of which RMB2,417,170.20 is expected to be recognized as revenue in 2025, RMB0.00 is expected to be recognized as revenue in 2026, and RMB0.00 is expected to be recognized as revenue in 2027.

Information about the variable consideration in the contract:

None

Major contract change or major transaction prices adjustment of parent company

None

41. Taxes and surcharges

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Urban maintenance and construction tax	186,779.06	202,090.93
Education surcharge	132,989.76	147,375.53
Property taxes	4,270,965.18	3,166,336.07
Land use taxes	185,694.72	185,756.26
Vehicle and vessel use tax	1,170.00	1,980.00
Stamp duty	879,283.21	897,237.63
Others	2,179.87	13,706.37
Total	5,659,061.80	4,614,482.79

42. G&A expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee compensation	43,886,236.10	41,752,060.58
Depreciation and amortization cost	8,075,177.45	8,054,404.08
Leasing and utilities	1,318,905.59	1,216,751.91
Intermediary fees	1,285,128.08	2,441,780.86
Travel expenses	252,585.67	236,009.25
Office expenses	376,182.51	363,280.79
Business entertainment expenses	358,372.72	603,802.23
Others	4,079,976.42	5,311,021.45
Total	59,632,564.54	59,979,111.15

43. Selling and distribution expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee compensation	7,148,494.80	7,946,065.86
Sales service fee	5,822,600.27	7,435,247.07

Others	1,973,390.12	1,991,994.74
Business entertainment expenses	542,128.76	403,569.45
Travel expenses	544,505.33	482,153.08
Total	16,031,119.28	18,259,030.20

44. R&D expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee compensation	8,472,938.45	7,295,182.68
Material consumption	42,300,970.33	38,356,905.93
Depreciation cost	1,239,700.65	1,667,334.64
Others	726,136.76	551,440.21
Total	52,739,746.19	47,870,863.46

45. Financial expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Net interest expense	3,666,950.38	11,411,878.99
Less: interest income	-2,493,076.60	-4,864,600.64
Profit or loss on exchange	20,562,319.66	-20,379,528.28
Handling charges and production costs	932,295.46	3,025,777.53
Total	22,668,488.90	-10,806,472.40

Other explanations:

During the reporting period, the interest expense of the lease liabilities was RMB355,580.82.

46. Other income

Unit: RMB

Source of other income	Amount in the current period	Amount in the previous period
Government subsidies	8,700,501.44	11,371,158.76
Tax incentives	9,331,437.35	7,355,228.89
Others	130,123.63	164,694.72
Total	18,162,062.42	18,891,082.37

47. Gains from changes in fair value

Unit: RMB

Sources of gains from changes in fair value	Amount in the current period	Amount in the previous period
Financial assets held for trading	5,127,945.21	1,283,637.11
Derivative financial liabilities	783,062.42	0.00
Total	5,911,007.63	1,283,637.11

48. Investment income

Unit: RMB

Item	Amount in the current period	Amount in the previous period
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Long-term equity investment income calculated under the equity method	-3,645,599.07	-4,247,734.12
Investment income obtained during holding the financial assets held for trading	3,345,206.16	6,496,490.74
Dividend income from investments in other equity instrument during the holding period	748,000.00	958,000.00
Investment income (loss) from derecognition of derivative financial liabilities	-317,500.00	0.00
Total	130,107.09	3,206,756.62

49. Credit loss

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Losses from bad debts of accounts receivable	815,033.69	-8,286,659.86
Bad debt loss of other receivables	-6.04	11,418.46
Total	815,027.65	-8,275,241.40

50. Assets impairment loss

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Inventory price decline loss	-55,273,530.83	-48,933,632.55
Total	-55,273,530.83	-48,933,632.55

51. Gains from disposal of assets

Unit: RMB

Source of gains from disposal of assets	Amount in the current period	Amount in the previous period
Gains from disposal of fixed assets	1,163,586.44	0.00

52. Non-operating revenue

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Gains from unclaimed payables	2,955,577.58	0.00	2,955,577.58
Liquidated damages	135,405.57	87,183.29	135,405.57
Gains from the damage and scrapping of non-current assets	0.00	62,242.48	0.00
Others	13,133.66	13,510.02	13,133.66
Total	3,104,116.81	162,935.79	3,104,116.81

53. Non-operating expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Compensation expenses	0.00	2,279,213.52	0.00
Losses on scrapping of non-current assets	21,854.23	31,924.07	21,854.23
Others	36,046.56	331.92	36,046.56
Total	57,900.79	2,311,469.51	57,900.79

54. Income tax expenses**(1) Income tax expenses schedule**

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Income tax expenses for the current period	6,113,497.06	4,709,832.18
Deferred tax expenses	1,550,469.29	6,372,358.16
Total	7,663,966.35	11,082,190.34

(2) Adjustment process of accounting profits and income tax expenses

Unit: RMB

Item	Amount in the current period
Total profits	55,192,387.93
Income tax expenses calculated at statutory/applicable tax rate	13,798,096.98
Influence of different tax rates applicable to subsidiaries	-3,024,196.98
Influence of adjustments to the income tax for the prior years	955,870.16
Influence of non-taxable income	-2,034,872.95
Influence of nondeductible costs, expenses and losses	323,031.62
Influence of deductible losses on the use of preliminarily unrecognized deferred tax assets in previous periods	-51,754.06
Effect of deductible temporary differences or deductible losses from deferred tax assets unrecognized in the current period	4,105,934.78
Additional deduction for R&D expenses	-6,408,143.20
Income tax expenses	7,663,966.35

55. Other comprehensive income

See Note VII. 37 for details.

56. Items of statement of cash flows**(1) Cash related to operating activities**

Other cash received related to operating activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Bill deposits and deposits	24,284,760.87	23,834,297.67
Current accounts and others	37,772,057.08	22,024,376.05
Government subsidies	4,199,478.21	6,113,796.59
Interest income	1,802,046.53	5,010,933.94
Total	68,058,342.69	56,983,404.25

Notes to other cash received related to operating activities: None

Other cash paid related to operating activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Current accounts and others	28,654,553.90	31,939,233.10
Bill deposits and deposits	11,692,439.32	18,818,477.98
Total	40,346,993.22	50,757,711.08

Notes to other cash paid related to operating activities: None

(2) Cash related to investing activities

Other cash received related to investing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Wealth management, investments and others	518,000,000.00	965,100,513.30
Total	518,000,000.00	965,100,513.30

Important cash received related to investing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Structural deposits	0.00	700,000,000.00
Monetary fund	18,000,000.00	165,100,513.30
Bank wealth management and others	500,000,000.00	100,000,000.00
Total	518,000,000.00	965,100,513.30

Notes to other cash received related to investing activities: None

Other cash paid related to investing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Wealth management, investments and others	500,000,000.00	1,099,000,000.00
Total	500,000,000.00	1,099,000,000.00

Important cash paid related to investing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
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Bank wealth management and others	500,000,000.00	250,000,000.00
Monetary fund	0.00	649,000,000.00
Structural deposits	0.00	200,000,000.00
Total	500,000,000.00	1,099,000,000.00

Notes to other cash paid related to investing activities: None

(3) Cash related to financing activities

Other cash received related to financing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
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Notes to other cash received related to financing activities: None

Other cash paid related to financing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Lease payments	6,983,290.34	6,463,136.37
Total	6,983,290.34	6,463,136.37

Notes to other cash paid related to financing activities: None

Changes in various liabilities arising from financing activities

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Long-term borrowings	209,400,848.04	0.00	3,308,538.18	24,057,352.93	0.00	188,652,033.29
Lease liabilities	16,381,050.71	0.00	8,644,146.87	6,983,290.34	0.00	18,041,907.24
Total	225,781,898.75	0.00	11,952,685.05	31,040,643.27	0.00	206,693,940.53

(4) Notes to cash flows expressed in net amount

None

(5) Significant activities and financial impacts that do not involve current cash receipts and payments, but affect the financial position of the enterprise or may affect the cash flows in the future

None

57. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Unit: RMB

Supplementary information	The current period	Amount in previous period
1. Net profit adjusted to cash flows from operating activities:		
Net profit	47,528,421.58	66,802,961.73

Plus: provision for assets impairment	54,458,503.18	57,208,873.95
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	119,208,355.02	118,638,422.24
Depreciation of right-of-use assets	4,900,406.39	4,784,150.78
Amortization of intangible assets	2,237,075.67	2,318,830.41
Amortization of long-term deferred expenses	890,263.30	1,279,415.92
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-1,163,586.44	0.00
Losses on write-off of fixed assets ("-" for gains)	21,854.23	0.00
Losses from changes in fair value ("-" for gains)	-2,446,624.07	-1,283,637.11
Financial expenses ("-" for gains)	-3,649,406.53	-22,218,351.39
Investments losses ("-" for gains)	3,963,099.07	-729,654.78
Decreases in deferred tax assets ("-" for increases)	1,875,265.31	6,598,642.68
Increase in deferred tax liabilities ("-" for decreases)	-324,796.02	-226,284.52
Decreases in inventories ("-" for increases)	-20,257,532.33	-159,463,630.34
Decreases in operating receivables ("-" for increases)	49,387,975.80	-133,162,455.63
Increases in operating payables ("-" for decreases)	68,705,046.83	71,287,566.00
Others		
Net cash flows from operating activities	325,334,320.99	11,834,849.94
2. Significant investing and financing activities not involving in cash receipts and payments:		
Transfer of debts into capital	0.00	0.00
Convertible corporate bonds maturing within 1 year	0.00	0.00
Fixed assets leased from financing	0.00	0.00
3. Net change in cash and cash equivalents:		
Ending balance of cash	577,224,121.16	223,945,565.47
Less: beginning balance of cash	302,084,839.35	461,420,457.33
Plus: ending balance of cash equivalents	0.00	0.00
Less: beginning balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	275,139,281.81	-237,474,891.86

(2) Net cash paid for acquisition of subsidiaries in the current period

None

(3) Net cash received for disposal of subsidiaries in the current period

None

(4) Breakdowns of cash and cash equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	577,224,121.16	302,084,839.35
Including: cash on hand	9,250.78	4,751.69

Unrestricted bank deposits	577,214,870.38	302,080,087.66
Other unrestricted monetary funds	0.00	0.00
II. Cash equivalents	0.00	0.00
III. Ending balance of cash and cash equivalents	577,224,121.16	302,084,839.35
Including: cash and cash equivalents subject to restricted use by the parent company or subsidiaries within the Group	0.00	0.00

(5) Limited use but still presented as cash and cash equivalents

During the reporting period, the Group had no cash and cash equivalents with restricted use that were still presented as such.

(6) Monetary funds not classified as cash and cash equivalents

Unit: RMB

Item	The current period	Amount in previous period	Reasons for not classified as cash and cash equivalents
Bill and L/C guarantee	2,104,358.22	1,645,000.00	Not available for payment at any time
Interest on demand deposits and 7-day notice deposits	579,003.23	319,864.92	Not available for payment at any time
Others	3,401,500.00	0.00	Account freezing
Total	6,084,861.45	1,964,864.92	

(7) Notes on other significant activities

None

58. Notes to the statements of changes in owners' equity

Specify the name of "others" items adjusted to the ending balance of the previous year, the adjusted amount and other matters:

None

59. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Ending balance of foreign currency	Exchange rate of conversion	Ending balance of translated RMB
Monetary funds			137,669,190.69
Including: USD	8,846,034.59	7.1586	63,325,223.22
EUR	0.00	0.00	0.00
HKD	115,356.27	0.9120	105,204.92
JPY	1,496,749,245.00	0.0496	74,238,762.55
Accounts receivable			113,858,062.26
Including: USD	15,869,621.28	7.1586	113,604,270.90

EUR	0.00	0.00	0.00
HKD	278,280.00	0.9120	253,791.36
Long-term borrowings			0.00
Including: USD	0.00	0.00	0.00
EUR	0.00	0.00	0.00
HKD	0.00	0.00	0.00
Other receivables			504,871.86
Including: USD	70,526.62	7.1586	504,871.86
Accounts payable			225,206,459.09
Including: USD	6,484,574.94	7.1586	46,420,478.17
JPY	3,604,556,067.00	0.0496	178,785,980.92
Other payables			4,776,528.99
Including: USD	663,186.00	7.1586	4,747,483.30
JPY	15,131.00	0.0496	750.50
HKD	31,025.43	0.9120	28,295.19

60. Lease

(1) The Company acted as lessee:

☒Applicable ☐ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☒Applicable ☐ Not applicable

The Group leases a number of assets, including houses and buildings, for lease terms of 1 to 10 years. The above right-of-use assets cannot be used for purposes such as borrowing mortgages, guarantees, etc.

The short-term lease expenses with simplified accounting treatment and recognized in the current profit or loss during the reporting period amounted to RMB476,994.45 (the same period last year: RMB676,430.33).

The total cash outflows related to leases during the reporting period amounted to RMB7,460,284.79 (The same period last year: RMB6,547,136.37).

Situations involving sale and leaseback transactions

None

(2) The Company acted as the lessor

Operating lease as lessor

Unit: RMB

Item	Lease income	Including: revenue related to variable lease payments not included in lease receipts
Buildings and constructions	49,694,309.70	0.00
Total	49,694,309.70	0.00

Undiscounted lease receipts for each of the next five years

Unit: RMB

Item	Annual undiscounted lease receipts	
	Ending amount	Beginning amount
The First year	80,854,920.00	66,825,466.35

The Second year	63,308,598.11	49,946,457.62
The Third year	18,465,493.35	31,103,495.38
The Fourth year	10,366,794.02	8,785,825.58
The Fifth year	8,449,007.51	6,625,510.75
Total undiscounted lease receipts after five years	6,777,793.60	5,106,929.55

Reconciliation of undiscounted lease receipts and net lease investment

None

VIII. R&D expenditures

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee compensation	8,472,938.45	7,295,182.68
Material consumption	42,300,970.33	38,356,905.93
Depreciation cost	1,239,700.65	1,667,334.64
Others	726,136.76	551,440.21
Total	52,739,746.19	47,870,863.46
Including: expensed R&D expenditures	52,739,746.19	47,870,863.46
Capitalized R&D expenditures	0.00	0.00

1. R&D projects eligible for capitalization

None

2. Important outsourced projects under research

None

IX. Changes in consolidation scope

The consolidation scope of the Company during the reporting period has not changed.

X. Equity in other entities

1. Equity in the subsidiaries

(1) Compositions of the Group

Unit: RMB

Name of subsidiaries	Registered capital	Main premise	Registration place	Business nature	Shareholding ratio		Method of acquisition
					Direct	Indirect	
Shenzhen Lisi Industrial Development Co., Ltd.	2,360,000.00	Shenzhen	Shenzhen	Property leasing	100.00%		Establishment

Shenzhen Shenfang Property Management Co., Ltd.	1,600,400.00	Shenzhen	Shenzhen	Property management	100.00%		Establishment
Shenzhen Meibainian Garment Co., Ltd.	13,000,000.00	Shenzhen	Shenzhen	Production and sales of textiles	100.00%		Establishment
Shenzhen Shenfang Sungang Property Management Co., Ltd.	1,000,000.00	Shenzhen	Shenzhen	Property management	100.00%		Establishment
Shenzhen SAPO Photoelectric Co., Ltd.	583,333,333.00	Shenzhen	Shenzhen	Production and sales of polarizers	60.00%		Acquisition
SATO (Hong Kong) Limited	HKD10,000.00	Hong Kong	Hong Kong	Polarizer sales		100.00%	Establishment

(2) Significant non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiaries	Shareholding ratio by minority shareholders	Profit or loss attributable to minority shareholders in this period	Dividends declared to be distributed to minority shareholders in this period	Balance of minority interests as at the end of the period
Shenzhen SAPO Photoelectric Co., Ltd.	40.00%	12,293,656.06	0.00	1,295,744,379.94

(3) Key financial information of significant non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiaries	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen SAPO Photoelectric Co., Ltd.	2,245,897,989.42	1,887,532,063.56	4,133,430,052.98	650,705,277.51	248,724,561.16	899,429,838.67	2,039,673,042.84	1,998,903,130.31	4,038,576,173.15	567,603,106.30	267,706,992.70	835,310,099.00

Unit: RMB

Name of subsidiaries	Amount in the current period				Amount in the previous period			
	Operating revenue	Net profit	Total comprehensive	Cash flows from operating	Operating revenue	Net profit	Total comprehensive	Cash flows from operating

			income	activities			income	activities
Shenzhen SAPO Photoelectric Co., Ltd.	1,548,606,518.05	30,734,140.16	30,734,140.16	313,070,563.35	1,570,484,564.74	57,272,216.24	57,272,216.24	2,305,968.09

2. Transactions leading to changes in the share of owners' equity in subsidiaries and still controlling the subsidiaries

(1) Explanation of changes in the share of owners' equity in subsidiary

None

(2) Impact of the transaction on minority interests and owners' equity attributable to the parent company

None

3. Equity in joint ventures or associates

(1) Significant joint ventures or associates

None

(2) Key financial information of significant joint ventures

None

(3) Key financial information of significant associates

None

(4) Summarized financial insignificant of unimportant joint ventures and associates

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in previous period
Joint ventures:		
Total of investment book value	107,776,044.57	111,555,887.28
Total amounts of the following items calculated at shareholding ratio		
- Net profit	-3,779,842.71	-4,224,706.30
- Other comprehensive income	0.00	0.00
- Total comprehensive income	-3,779,842.71	-4,224,706.30
Associates:		
Total of investment book value	3,172,932.40	3,272,138.76
Total amounts of the following items calculated at shareholding ratio		

- Net profit	134, 243. 64	-23,027.82
- Other comprehensive income	0.00	-115,825.06
- Total comprehensive income	134, 243. 64	-138,852.88

(5) Description of significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

None

(6) Excess losses incurred by joint ventures or associates

None

(7) Unrecognized commitments related to investments in joint ventures

None

(8) Contingent liabilities related to joint ventures or investments in associates

None

4. Important joint operation

None

5. Equity in the structured entities not included in the scope of consolidated financial statements

None

6. Others

None

XI. Government grants

1. Government grants not recognized by amounts receivable at the end of the reporting period

Not applicable.

2. Liability items involving government grants

Unit: RMB

Accounting item	Beginning balance	New subsidies in the current period	Amount included in non-operating revenue in	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Related to assets/income
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			the current period				
Deferred income	96,349,196.26	3,940,329.84	0.00	8,441,353.07	321,750.00	91,526,423.03	Related to assets
Deferred income	0.00	259,148.37	0.00	259,148.37	0.00	0.00	Related to income

3. Government grants included in the current profit or loss

Unit: RMB

Accounting item	Amount in the current period	Amount in the previous period
Other income	8,700,501.44	11,371,158.76

XII. Risks associated with financial instruments

The Group's principal financial instruments include monetary funds, transactional financial assets, notes receivable, accounts receivable, receivables financing, other receivables, investment in other equity instruments, short-term borrowings, derivative financial liabilities, notes payable, accounts payable, other payables, other current liabilities and long-term borrowings, etc., and at the end of the reporting period, the financial instruments held by the Group are as follows, as detailed in "Section 8 VII. Notes to Consolidated Financial Statements". The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The Group's management manages and monitors these risk exposures to ensure that these risks are kept within limits.

Item	Ending balance	Beginning balance
Financial assets		
<i>Measured at fair value through current profit or loss</i>		
Financial assets held for trading	714,772,329.76	731,419,904.42
<i>Measured at fair value through other comprehensive income</i>		
Receivables financing	8,286,636.78	6,804,603.68
Other equity instrument investments	165,402,900.00	165,402,900.00
<i>Measured at amortized costs</i>		
Monetary funds	583,308,982.61	340,961,443.82
Notes receivable	20,078,297.52	47,305,221.88
Accounts receivable	814,121,353.42	863,731,936.89
Other receivables	3,133,087.51	3,596,543.96
Financial liabilities		
Derivative financial liabilities	495,496.93	1,278,559.35

<i>Measured at amortized costs</i>		
Notes payable	33,929,917.81	31,095,540.29
Accounts payable	405,630,895.77	304,812,580.55
Other payables	162,765,912.58	160,296,989.98
Other current liabilities	17,257,688.89	30,291,952.76
Long-term borrowings	188,652,033.29	209,400,848.04

The Group uses sensitivity analysis techniques to analyze the possible impact of reasonable and possible changes in risk variables on the current profit or loss and shareholders' equity. As any risk variable seldom changes in isolation, and the correlation between the variables will have a significant effect on the final affected amount of the change of a risk variable, the following contents are carried out under the assumption that the change of each variable is independently:

1. Risk management objectives, policies and procedures, and changes in the current year

1.1 Market risk

1.1.1 Foreign exchange risk

Foreign exchange risk refers to the risk of losses arising from the exchange rate fluctuation. The Group's exposure to foreign exchange risk is mainly related to the USD, the JPY and the HKD. Except for some of the Group's import purchases and export sales in Chinese mainland, which were mainly settled in USD, JPY and HKD, the Group's other major business activities were settled in RMB.

As of June 30, 2025, except for the foreign currency monetary items, the Group's assets and liabilities were all RMB balances. The foreign currency balances of assets and liabilities (converted into RMB) listed in the table below may expose the Group to foreign exchange risks that could impact its operating performance.

Item	Ending balance	
	Assets	Liabilities
USD	177,434,365.98	51,167,961.47
JPY	74,238,762.55	178,786,731.42
HKD	358,996.28	28,295.19

The Group closely monitors the impact of exchange rate changes on the Group's foreign exchange risk and will take measures to avoid foreign exchange risk according to the actual situation.

Sensitivity analysis of foreign exchange risk

With other variables unchanged, the pre-tax impact of reasonable changes in exchange rates on the current profit or loss and shareholders' equity is as follows:

Item	Fluctuation in exchange rate	Amount in the current period	
		Impact on profit	Impact on shareholders' equity
All foreign currencies	Revaluation against RMB by 5%	1,102,456.84	1,102,456.84

All foreign currencies	Depreciation against RMB by 5%	-1,102,456.84	-1,102,456.84
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1.1.2. Interest rate risk - risk of changes in cash flows

The Group's risk of changes in cash flows of financial instruments due to changes in interest rates is mainly related to bank borrowings with floating rates. The Group continues to closely monitor the impact of interest rate changes on the Group's interest rate risk. The Group's policy is to maintain the floating rate of these borrowings, and there are currently no interest rate swap arrangements.

Sensitivity analysis of interest rate risk

With other variables unchanged, the pre-tax impact of reasonable changes in interest rates on the current profit or loss and shareholders' equity is as follows:

Item	Fluctuation in exchange rate	Amount in the current period	
		Impact on profit	Impact on shareholders' equity
Floating rate borrowings	Up 1%	-1,884,683.85	-1,884,683.85
Floating rate borrowings	Down 1%	1,884,683.85	1,884,683.85

1.2. Credit risk

As of June 30, 2025, the maximum credit risk exposure that may cause financial losses to the Group mainly comes from the losses of the Group's financial assets due to the failure of the other party to the contract to perform its obligations, including: monetary funds, financial assets held for trading, notes receivable, accounts receivable, receivables financing and other receivables. On the balance sheet date, the book value of the Group's financial assets represents its maximum credit risk exposure.

In order to reduce the credit risk, the Group arranges special personnel to determine the credit line, conduct credit approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue debts. In addition, the Group reviews the recovery of financial assets on each balance sheet date to ensure that adequate provision for credit losses has been made for the relevant financial assets. Therefore, the management of the Group believes that the credit risk assumed by the Group has been greatly reduced.

The Group's monetary funds are deposited in banks with high credit ratings, so the monetary funds only have low credit risk.

As of June 30, 2025, the balance of accounts receivable from the top five customers of the Group was RMB489,633,780.36, accounting for 57.49% of the balance of accounts receivable of the Group. In addition, the Group has no other significant credit risk exposure concentrated in a single financial asset or a portfolio of financial assets with similar characteristics.

1.3. Liquidity risk

When managing liquidity risk, the Group maintains cash and cash equivalents that the management believes are sufficient and monitors them to meet the Group's operational needs and reduce the impact of fluctuations in cash flows. The Group's management monitors the use of bank borrowings and ensures compliance with loan agreements.

As of June 30, 2025, the unused comprehensive bank credit line of the Group was RMB1,549.54mn.

The Group's financial liabilities held are presented as follows based on the maturity of undiscounted remaining contractual obligations:

Unit: RMB

Item	Within 1 year	1-5 years	Over 5 years	Total
Notes payable	33,929,917.81	0.00	0.00	33,929,917.81
Accounts payable	405,630,895.77	0.00	0.00	405,630,895.77
Other payables	162,765,912.58	0.00	0.00	162,765,912.58
Other current liabilities	43,856,759.56	0.00	0.00	43,856,759.56
Long-term borrowings	46,935,123.61	152,256,808.14	0.00	199,191,931.75
Lease liabilities	8,290,088.69	5,690,012.73	5,960,542.15	19,940,643.57
Derivative financial liabilities	495,496.93	0.00	0.00	495,496.93

2. Financial assets

(1) Classification of transfer methods

Unit: RMB

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Judgment basis for derecognition
Transfer by endorsement	Outstanding bank acceptance bills classified as receivables financing	71,551,474.82	Derecognized	The credit risk level of the acceptance bank of the bank acceptance bill transferred by endorsement is relatively high, and almost all the risks and rewards of the ownership of the corresponding receivables financing have been transferred
Transfer by endorsement	Outstanding bank acceptance bills classified as notes receivable	17,257,688.89	Not derecognized	The credit risk level of the acceptance bank of the bank acceptance bill transferred by endorsement is not high, and almost all the risks and rewards of the ownership of the relevant notes receivable are retained
Total		88,809,163.71		

(2) Financial assets derecognition due to transfer

Unit: RMB

Item	Transfer method of financial assets	Amount of derecognized financial assets	Gains or losses related to derecognition
Receivables financing	Transfer by endorsement	71,551,474.82	0.00
Total		71,551,474.82	0.00

(3) Continued involvement in the transfer of financial assets

Unit: RMB

Item	Asset transfer method	Amount of assets arising from continued involvement	Amount of liabilities arising from continued involvement
Notes receivable	Transfer by endorsement	17,257,688.89	17,257,688.89
Total		17,257,688.89	17,257,688.89

XIII. Disclosure of fair value**1. Ending fair value of assets and liabilities measured at fair value**

Unit: RMB

Item	Fair value as at the end of the period			
	Measured at the fair value of the 1st level	Measured at the fair value of the 2nd level	Measured at the fair value of the 3rd level	Total
I. Continuous measurement of fair value	--	--	--	--
(I)Financial assets held for trading	0.00	714,772,329.76	0.00	714,772,329.76
(II) Receivable financing	0.00	0.00	8,286,636.78	8,286,636.78
(III) Investments in other equity instruments	0.00	0.00	165,402,900.00	165,402,900.00
Total assets constantly measured at fair value	0.00	714,772,329.76	173,689,536.78	888,461,866.54
(IV) Derivative financial liabilities	0.00	495,496.93	0.00	495,496.93
Total liabilities constantly measured at fair value	0.00	495,496.93	0.00	495,496.93

2. Basis for recognition of the market price of items measured at fair value of Level 1 on a going and non-going concern

None.

3. Qualitative and quantitative valuation techniques and important parameters of sustainable and non-sustainable items measured on the basis of fair value of level 2

Item	Ending	Valuation techniques	Input value
	Fair value		
Financial assets held for trading	714,772,329.76	Discounted cash flow method	Expected rate of return

Derivative financial liabilities	495,496.93	Discounted cash flow method	The contracted delivery exchange rate under forward foreign exchange contracts and the market forward exchange rate as of the balance sheet date
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4. Continuous and non-continuous Level 3 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters

Item	Ending	Valuation techniques	Input value
	Fair value		
Receivables financing	8,286,636.78	Discounted cash flow method	Discount rate
Other equity instrument investments	165,402,900.00	Comparable Public Company Method	P/B ratio of similar listed companies
		Comparable earnings method	Market price
		Statement adjustment method	Book value

5. The information of adjustment between the beginning and the end of the book value and analysis on the sensitivity of the unobservable parameters of sustainable and non-sustainable items measured on the basis of fair value of tier three

None.

6. Continuous measurement items by fair value, reason for conversion among all levels in the current period and policies for determining the time of conversion

None.

7. Change of valuation techniques in the current period and reason for change

None.

8. Condition of fair value of financial assets and financial liabilities not measured at fair value

Financial assets and liabilities not measured at fair value mainly include: monetary funds, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, other payables, other current liabilities and long-term borrowings, etc.

The Group's management believes that the book value of financial assets and financial liabilities measured at amortized costs in the financial statements is close to the fair value of such assets and liabilities.

9. Others

None.

XIV. Related parties and related party transactions

1. Parent company

Name	Registration place	Business nature	Registered capital (RMB)	Parent company's shareholding percentage in the Company	Parent company's voting rights percentage in the Company
Shenzhen Investment Holdings Co., Ltd.	Floor 18, Investment Building, Shennan Road, Futian District, Shenzhen	Equity investment, real estate development, etc.	33,586,000,000.00	46.21%	46.21%

The parent company of the Company is a wholly state-owned company approved and authorized by the Shenzhen Municipal Government, which exercises the functions of the investor in accordance with the law for the state-owned enterprises within the authorized scope.

The ultimate controller of the Company is the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government.

During the reporting period, the registered capital of the parent company increased from RMB33.186bn to RMB33.586bn.

2. Subsidiaries of the Company

See Note 10 Rights and interests in other entities for details of the subsidiary of the Company.

3. Joint ventures and associates

See Note 11. Long-term equity investment for details of important joint ventures or associates of the Company.

Joint ventures and associates involved in the related-party transactions with the Company in the Current Period, or leading to balance due to the related party transaction they had with the Company in previous periods:

Name of joint venture or associates	Relationship with the Company
Shenzhen Guanhua Printing and Dyeing Co., Ltd.	Joint ventures
Shenzhen Changlianfa Printing and Dyeing Co., Ltd.	Associates

4. Other related parties

Other related parties	Relationship between other related parties with the COOEC
Shenzhen Xinfang Knitting Factory Co., Ltd.	The Company's participated company, whose chairman is appointed by the Group
Shenzhen Dailisi Underwear Co., Ltd.	The Company's participated company, whose chairman is appointed by the Group

Shenzhen Shentou Property Development Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Seg Longyan Energy Technology Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Guoren P&C Insurance Co., Ltd. Shenzhen Branch	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Talent Service Center (Shenzhen Talent Market)	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Property Management Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Cultural Enterprise Development Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Investment Holdings Development Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Investment Holdings Digital Technology Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Legal Training Center Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Investment Holdings Sports Event Development Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen Leaguer Education Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Shenzhen College Student Cadre Training Center Co., Ltd.	Subsidiary of the parent company of the Company, Shenzhen Investment Holdings Co., Ltd.
Hengmei Optoelectronics Co., Ltd.	Minority shareholder of the Company's subsidiary SAPO Photoelectric; one of the directors of the company is a supervisor of SAPO Photoelectric

5. Related party transactions

(1) Related party transactions on purchase and sales of goods, rendering and receipt of services

Purchase of goods/receipt of services

Unit: RMB

Related party	Content of related party transactions	Amount in the current period	Approved transaction quota	Whether the transaction quota is exceeded	Amount in the previous period
Hengmei Optoelectronics Co., Ltd.	Optical film materials and processing	0.00			2,874.60
Shenzhen Seg Longyan Energy Technology Co., Ltd.	Purchase of electricity	469,327.43			513,812.22
Shenzhen Guanhua Printing and Dyeing Co., Ltd.	Interest expenses	2,831.38			5,709.68
Guoren P&C Insurance Co., Ltd. Shenzhen Branch	Insurance premiums	100,377.15			103,331.85
Shenzhen Talent Service Center (Shenzhen Talent Market)	Outsourcing service fee	31,318.11			31,865.09
Shenzhen Property	Property	1,121.48			21,132.37

Management Co., Ltd.	management fee				
Shenzhen Legal Training Center Co., Ltd.	Training expenses	680.00			1,485.00
Shenzhen Investment Holdings Digital Technology Co., Ltd.	Office expenses/information construction expenses	26,687.76			0.00
Shenzhen Investment Holdings Development Co., Ltd.	Rental	219,288.00			0.00
Shenzhen Leaguer Education Co., Ltd.	Training expenses	6,454.70			0.00
Shenzhen Cultural Enterprise Development Co., Ltd.	Purchase of computers and photocopiers	17,196.00			0.00

Sales of goods/ rendering of services

None.

(2) Management on commission/contract and commissioned management/contracting-out

None.

(3) Related party leases

None.

(4) Related party guarantees

None.

(5) Information on inter-bank lending of capital of related parties

Unit: RMB

Related party	Amount borrowed	Start date	Maturity date	Notes
Borrowed from				
Shenzhen Guanhua Printing and Dyeing Co., Ltd.	3,806,454.17	July 30, 2019	July 31, 2025	Annual interest rate 0.15%
Lending				

(6) Asset transfer and debt restructuring of related parties

None.

(7) Remuneration of key officers

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Remuneration of key officers	1,994,146.00	2,266,711.24

(8) Other related party transactions

None.

6. Accounts receivable and payable of related parties**(1) Receivables**

Unit: RMB

Project	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Shenzhen Shentou Property Development Co., Ltd.	6,027.00	602.70	6,027.00	602.70
Other receivables	Shenzhen Dailisi Underwear Co., Ltd.	550,000.00	27,500.00	1,100,000.00	55,000.00
Other receivables	Shenzhen Investment Holdings Development Co., Ltd.	73,096.00	3,910.64	73,096.00	3,910.64

(2) Payables

Unit: RMB

Project	Related party	Ending book balance	Beginning book balance
Other payables	Shenzhen Guanhua Printing and Dyeing Co., Ltd.	3,811,678.92	3,816,981.88
Other payables	Shenzhen Changlianfa Printing and Dyeing Co., Ltd.	2,283,299.95	2,281,299.95
Other payables	Shenzhen People's Congress Cadre Training Center Co., Ltd.	413,268.00	0.00
Other payables	Shenzhen Xinfang Knitting Factory Co., Ltd.	246,789.85	244,789.85
Other payables	Shenzhen Investment Holdings Digital Technology Co., Ltd.	0.00	37,735.84
Other payables	Shenzhen Investment Holdings Development Co., Ltd.	29,238.40	29,238.40
Other payables	Shenzhen Investment Holdings Sports Event Development Co., Ltd.	0.00	80,000.00
Other payables	Shenzhen Property Management Co., Ltd.	0.00	7,934.52

7. Commitments from related parties

None.

8. Others

None.

XV. Commitments and contingencies

1. Significant commitments

As of June 30, 2025, the Group had no commitment to constructing long-term assets.

2. Contingencies

(1) Significant contingencies on the balance sheet date

As of June 30, 2025, the Group had no contingencies such as pending litigation and external guarantees to be disclosed.

(2) Notes shall be given even if there were no significant contingencies required to be disclosed by the Company

The Company has no significant contingencies required to be disclosed.

3. Others

None.

XVI. Events after the balance sheet date

1. Significant non-adjustment matters

None.

2. Profit distribution

None.

3. Sales return

None.

4. Events after the balance sheet date

None.

XVII. Other significant events**1. Correction of accounting errors in prior period**

None.

2. Debt restructuring

None.

3. Asset replacement

None.

4. Annuity plan

None.

5. Discontinued operations

None.

Segment information**Determination basis and accounting policies for reporting segments**

According to the internal organizational structure, management requirements and internal reporting system of the Group, the Group's operating business is divided into two operating segments. The management of the Group regularly evaluates the operating results of these segments to decide on the allocation of resources to them and evaluate their performance. On the basis of operating segments, the Group has identified the following two reporting segments, polarizer business, property leasing business and other business.

Information on segment reporting is disclosed according to the accounting policies and measurement standards adopted by each segment when reporting to the management, and these measurement bases are consistent with the accounting and measurement bases when preparing the financial statements.

Financial information of reporting segments

Unit: RMB

Item	Polarizer	Property leasing and others	Inter-segment offset	Total
Operating revenue:				
Revenue from external transactions	1,543,340,832.28	57,140,794.03	0.00	1,600,481,626.31
Revenue from transactions between segments	0.00	1,122,089.44	-1,122,089.44	0.00
Total operating	1,543,340,832.28	58,262,883.47	-1,122,089.44	1,600,481,626.31

revenue of segments				
Operating expenses (Note)	1,482,393,886.69	37,641,023.87	-791,195.76	1,519,243,714.80
Operating profit	25,052,526.36	31,463,039.17	-4,369,393.62	52,146,171.91
Net profit	26,919,042.30	24,985,456.49	-4,376,077.21	47,528,421.58
Total assets of segments	4,080,553,754.68	3,181,267,855.89	-1,956,071,152.26	5,305,750,458.31
Total division liabilities	899,396,928.87	195,599,415.37	-36,131,912.55	1,058,864,431.69

(3) If the Company has no reporting segments, or cannot disclose the total assets and total liabilities of each reporting segment, the reasons shall be stated.

None.

(4) Other notes

Note: this item includes operating costs, taxes and surcharges, G&A expenses, R&D expenses, selling and distribution expenses and financial expenses.

7. Other significant transactions and events that influence the decision-making of investors

Real estate not yet disposed of by Shenzhen Xieli Automobile Enterprise Co., Ltd. (hereinafter referred to as "Shenzhen Xieli")

The Company and Hong Kong Xieli Maintenance Co., Ltd. (hereinafter referred to as "Hong Kong Xieli") invested and established a Sino-foreign joint venture enterprise, Shenzhen Xieli Automobile Enterprise Co., Ltd. In March 2020, Shenzhen Xieli was deregistered from its industrial and commercial registration by the Shenzhen Administration for Market Regulation. In July 2020, the Company filed an administrative action with the Yantian District People's Court of Shenzhen City, Guangdong Province to revoke the approval of Shenzhen Administration for Market Regulation for the deregistration of Shenzhen Xieli.

In December 2022, the Yantian District People's Court of Shenzhen City, Guangdong Province retried the first-instance judgment and revoked the administrative act of approving the deregistration of Shenzhen Xieli. In January 2023, the third party of the original trial Hong Kong Xieli appealed to the Shenzhen Intermediate People's Court of Guangdong Province. Later, because Hong Kong Xieli failed to prepay the case acceptance fee on time, the Shenzhen Intermediate Peoples Court of Guangdong Province issued an administrative ruling, ruling that Hong Kong Xieli should withdraw the appeal, and the retrial judgment of first instance took effect on March 22, 2023. At present, Shenzhen Xieli has resumed its existence in the industrial and commercial registration, but its future direction still needs to be negotiated by all shareholders.

8. Others

None.

XVIII. Notes to the main items of the parent company's financial statements

1. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	12,499,547.59	10,649,986.34
1-2 years	0.00	0.00
2 to 3 years	0.00	0.00
Over 3 years	2,485,076.00	2,485,076.00
3 - 4 years	2,485,076.00	2,485,076.00
Total	14,984,623.59	13,135,062.34

(2) Disclosure by provision method for bad debts

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio	Amount	Provision ratio		Amount	Ratio	Amount	Provision ratio	
Accounts receivable with provision for bad debts on an individual basis										
Accounts receivable with provision for bad debts on a combination basis	14,984,623.59	100.00%	257,420.81	1.72%	14,727,202.78	13,135,062.34	100.00%	106,074.71	0.81%	13,028,987.63
Total	14,984,623.59	100.00%	257,420.81	1.72%	14,727,202.78	13,135,062.34	100.00%	106,074.71	0.81%	13,028,987.63

Name of category of provision for bad debts on a combination basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision ratio
Provision for bad debts based on simplified expected credit loss model	14,984,623.59	257,420.81	1.72%
Total	14,984,623.59	257,420.81	

Explanation on the basis for determining the combination:

At the end of the reporting period, the provision for bad debts is made according to the simplified expected credit loss model.

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses:

☐ Applicable ☒ Not Applicable

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

Provision for bad debts for the current period:

Unit: RMB

Type	Beginning balance	Changes in the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts	106,074.71	151,346.10	0.00	0.00	0.00	257,420.81
Total	106,074.71	151,346.10	0.00	0.00	0.00	257,420.81

There was no significant amount of provision for bad debts recovered or reversed during the reporting period.

(4).Actual write-off of accounts receivable for the current period

There were no accounts receivable with actual write-off during the reporting period.

(5) Top five accounts receivable by the debtor in terms of the ending balance and contract assets

Unit: RMB

Entity name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Ratio to the total amount of ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and provision for impairment of contract assets
Total amount of the top five accounts receivables as of June 30, 2025	14,067,960.83	0.00	14,067,960.83	93.88%	216,562.79
Total	14,067,960.83	0.00	14,067,960.83	93.88%	216,562.79

2. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Interest receivable	0.00	0.00
Dividends receivable	0.00	0.00
Other receivables	1,053,257.66	1,534,395.80
Total	1,053,257.66	1,534,395.80

(1) Other receivables**1) Classification of other receivables by nature of payment**

Unit: RMB

Nature of payment	Ending book balance	Beginning book balance
Transactions with related parties within the consolidation scope	26,189,641.10	26,189,641.10
Transactions with external units	14,872,435.97	15,422,435.97
Guarantee and deposits	10,000.00	10,000.00
Others	1,406,847.65	1,365,485.79
Total	42,478,924.72	42,987,562.86

2) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (including 1 year)	1,352,633.73	15,129,726.66
1-2 years	13,406,076.71	273,000.00
2 to 3 years	253,734.24	2,204,641.09
Over 3 years	27,466,480.04	25,380,195.11
3 - 4 years	7,086,284.93	10,100,800.01
4 to 5 years	5,100,800.01	0.00
Over 5 years	15,279,395.10	15,279,395.10
Total	42,478,924.72	42,987,562.86

3) Disclosure by provision method for bad debts

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Ratio	Amount	Provision ratio		Amount	Ratio	Amount	Provision ratio	
Provision for bad debts accrued on an individual basis										
Provision for bad debts made by portfolio	42,478,924.72	100.00%	41,425,667.06	97.52%	1,053,257.66	42,987,562.86	100.00%	41,453,167.06	96.43%	1,534,395.80
Including:										
Provision	42,478,924.72	100.00%	41,425,667.06	97.52%	1,053,257.66	42,987,562.86	100.00%	41,453,167.06	96.43%	1,534,395.80

n for bad debts based on credit risk characteristic combination	24.72		67.06		7.66	62.86		67.06		5.80
Total	42,478,924.72	100.00%	41,425,667.06	97.52%	1,053,257.66	42,987,562.86	100.00%	41,453,167.06	96.43%	1,534,395.80

Name of category of provision for bad debts on a combination basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision ratio
Other receivables with provision for bad debts based on credit risk characteristics combination	42,478,924.72	41,425,667.06	97.52%
Total	42,478,924.72	41,425,667.06	

Explanation on the basis for determining the combination:

Determined based on aging and customer credit risk.

The provision for bad debts made according to the general model of expected credit losses

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit loss throughout the duration (without credit impairment)	Expected credit loss throughout the duration (with credit impairment)	
Balance as of January 1, 2025	13,711,066.34	2,477,641.09	25,264,459.63	41,453,167.06
Balance as at January 1, 2025 forwarded to the current period				
Provision for the current period	27,500.00	0.00	0.00	27,500.00
Reversal in this period	-55,000.00	0.00	0.00	-55,000.00
Balance as of June 30, 2025	13,683,566.34	2,477,641.09	25,264,459.63	41,425,667.06

Basis for division of each stage and ratio of provision for bad debts

None

Changes in the book balance of provision for loss with significant changes in the current period

☒ Applicable ☐ Not applicable

It was mainly due to the credit impairment provision for other receivables of Shenzhen Meibainian Garment Co., Ltd., a wholly-owned subsidiary.

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

Provision for bad debts for the current period:

Unit: RMB

Type	Beginning balance	Changes in the current period				Ending balance
		Provision	Recovery or reversal	Resale or write-off	Others	
Provision for bad debts	41,453,167.06	27,500.00	-55,000.00	0.00	0.00	41,425,667.06
Total	41,453,167.06	27,500.00	-55,000.00	0.00	0.00	41,425,667.06

Reversal or recovery of significant amount of provision for bad debts in the current period:

None.

5) Other receivables actually write-off in the current period

There were no other receivables with actual write-off during the reporting period.

6) Other receivables of the top five ending balances collected by debtor

Unit: RMB

Entity name	Nature of amount	Ending balance	Aging	Ratio to the total ending balance of other receivables	Balance of provision for bad debts as at the end of the period
Total amount of the top five accounts receivables as of June 30, 2025	Receivables from external entities and internal receivables	40,989,401.07	Within 1 year, 1 - 2 years, 2 - 3 years, over 3 years	96.49%	40,989,401.07
Total		40,989,401.07		96.49%	40,989,401.07

7) Reported as other receivables due to centralized fund management

There was no other receivables due to centralized management of funds during the reporting period.

3. Long-term equity investments

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	1,962,688,268.31	36,826,287.64	1,925,861,980.67	1,962,688,268.31	36,826,287.64	1,925,861,980.67
Investments in associates and joint ventures	110,948,976.97	0.00	110,948,976.97	114,828,026.04	0.00	114,828,026.04
Total	2,073,637,245.28	36,826,287.64	2,036,810,957.64	2,077,516,294.35	36,826,287.64	2,040,690,006.71

(1) Investment in subsidiaries

Unit: RMB

Investees	Beginning balance (Book value)	Beginning balance of provision for impairment	Increase/decrease in this period				Ending balance (Book value)	Balance of provision for impairment as at the end of the period
			Additional investmen t	Reduced investmen t	Provision for impairment	Others		
Shenzhen SAPO Photoelectric Co., Ltd.	1,910,247,781.94	14,415,288.09	0.00	0.00	0.00	0.00	1,910,247,781.94	14,415,288.09
Shenzhen Lisi Industrial Development Co., Ltd.	8,073,388.25	0.00	0.00	0.00	0.00	0.00	8,073,388.25	0.00
Shenzhen Meibainian Garment Co., Ltd.	0.00	22,410,999.55	0.00	0.00	0.00	0.00	0.00	22,410,999.55
Shenzhen Shenfang Property Management Co., Ltd.	1,713,186.55	0.00	0.00	0.00	0.00	0.00	1,713,186.55	0.00
Shenzhen Shenfang Sungang Property Management Co., Ltd.	5,827,623.93	0.00	0.00	0.00	0.00	0.00	5,827,623.93	0.00
Total	1,925,861,980.67	36,826,287.64	0.00	0.00	0.00	0.00	1,925,861,980.67	36,826,287.64

Investments in associates and joint ventures

Unit: RMB

Investment unit	Beginning balance (book value)	Beginni ng balance of provisio n for impairm ent	Increase/decrease in this period								Ending balance (book value)	Balance of provision for impairment as at the end of the period
			Additi onal invest ment	Reduc ed invest ment	Investment profit or loss recognized under the equity method	Adjustme nt of other comprehe nsive income	Changes in other equity	Cash dividends or profits declared to be paid	Provision for impairme nt	Others		
I. Joint ventures												
Shenzhen Guanhua Printing and Dyeing Co., Ltd.	111,555,887.28	0.00	0.00	0.00	-3,779,842.71	0.00	0.00	0.00	0.00	0.00	107,776,044.57	0.00

Sub-total	111,555,887.28	0.00	0.00	0.00	-3,779,842.71	0.00	0.00	0.00	0.00	0.00	107,776,044.57	0.00
II. Associates												
Shenzhen Changlianfa Printing and Dyeing Co., Ltd.	3,272,138.76	0.00	0.00	0.00	134,243.64	0.00	0.00	-233,450.00	0.00	0.00	3,172,932.40	0.00
Sub-total	3,272,138.76	0.00	0.00	0.00	134,243.64	0.00	0.00	-233,450.00	0.00	0.00	3,172,932.40	0.00
Total	114,828,026.04	0.00	0.00	0.00	-3,645,599.07	0.00	0.00	-233,450.00	0.00	0.00	110,948,976.97	0.00

(3) Other notes

None

4. Operating revenue and operating costs

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	37,694,268.56	5,050,078.15	37,598,506.94	4,849,806.55
Other business	903,094.00	684,545.01	0.00	0.00
Total	38,597,362.56	5,734,623.16	37,598,506.94	4,849,806.55

Breakdown of operating revenue and operating costs:

Unit: RMB

Contract classification	Property leasing		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Business type	38,597,362.56	5,734,623.16	38,597,362.56	5,734,623.16
Including:				
Property leasing	38,597,362.56	5,734,623.16	38,597,362.56	5,734,623.16
Classification by business area	38,597,362.56	5,734,623.16	38,597,362.56	5,734,623.16
Including:				
Domestic	38,597,362.56	5,734,623.16	38,597,362.56	5,734,623.16
Total	38,597,362.56	5,734,623.16	38,597,362.56	5,734,623.16

Information related to performance obligations:

None.

Information related to the transaction prices allocated to the remaining performance obligations:

The amount of revenue corresponding to the performance obligations that have been signed but not performed or not fully performed yet at the end of the reporting period is RMB0.00, of which RMB0.00 is expected to be recognized as revenue in 2025, RMB0.00 is expected to be recognized in 2026, and RMB0.00 is expected to be recognized in 2027.

Major contract change or major transaction prices adjustment of parent company

None.

5. Investment income

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Income from long-term equity investments under cost method	4,200,000.00	1,700,000.00
Long-term equity investment income calculated under the equity method	-3,645,599.07	-4,247,734.12
Investment income obtained during holding the financial assets held for trading	3,345,206.16	5,693,129.12
Dividend income from investments in other equity	748,000.00	958,000.00

instrument during the holding period		
Total	4,647,607.09	4,103,395.00

XIX. Supplementary information

1. Breakdown of current non-recurring profit or loss

Unit: RMB

Item	Amount	Notes
Profit or loss from disposal of non-current assets	1,163,586.44	Mainly the income from disposal of fixed assets.
Government subsidies included in the current profit or loss (except for those that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a sustained impact on the Company's profit or loss)	498,899.73	Mainly government subsidies.
Profit or loss from changes in fair value of financial assets and liabilities held by non-financial enterprises and profit or loss from the disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	5,593,507.63	Mainly the gains and losses from changes in fair value arising from trading financial assets and derivative financial liabilities held by the company.
Reversal of provision for impairment of accounts receivable subject to separate impairment test	4,371,571.58	
Non-operating revenue and expenses other than the above-mentioned items	3,046,216.02	Mainly the non-operating income carried forward from long-term accounts payable.
Less: income tax effects	1,610,581.15	
Affected amount of minority interests (after tax)	3,017,438.20	
Total	10,045,762.05	--

2. Return on net assets and earnings per share

Profit in the reporting period	Weighted average rate of return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the COOEC	1.19%	0.0696	0.0696
Net profits attributable to ordinary shareholders of the COOEC after deducting non-recurring profit or loss	0.85%	0.0497	0.0497

Section IX Other Submitted Data

I. Other major social security issues

Whether the listed company and its subsidiaries have other major social security issues

☐Yes ☒No ☐Not applicable

Whether administrative penalties were imposed during the reporting period

☐Yes ☒No ☐Not applicable

II. Registration form for reception, survey, communication, interview and other activities during the reporting period

Reception time	Reception place	Reception mode	Type of reception object	Reception object	Main contents discussed and information provided	Index of basic information of the survey
April 15, 2025	Value Online (https://www.ir-online.cn/Network interaction	Online communication on the network platform	Others	General investors	Main content: When the company changed its name, how to manage the market value, the main driving factors for future earnings, etc. Data provided: none.	For details, please refer to the Investor Relations Activity Record Form (No. 2025-01) published by Shenzhen Textile (Holdings) Co., Ltd. on Cninfo (http://www.cninfo.com.cn).

III. Capital transactions between listed companies and controlling shareholders and other related parties

Unit: RMB10,000

Name of fund transaction party	Nature of transaction	Beginning balance	Amount incurred during the reporting period	Repayment during the reporting period	Ending balance	Interest income	Interest expenses
Shenzhen Shentou Property Development Co., Ltd.	Operating transactions	0.60	0.00	0.00	0.60	0.00	0.00
Shenzhen Investment Holdings Development Co., Ltd.	Operating transactions	7.31	0.00	0.00	7.31	0.00	0.00
Shenzhen Meibainian Garment Co., Ltd.	Non-operating transactions	2,618.96	0.00	0.00	2,618.96	0.00	0.00
Total	--	2,626.87	0.00	0.00	2,626.87	0.00	0.00

Shenzhen Textile (Holdings) Co., Ltd.
Board of Directors
August 23, 2025