



Guangdong Dongfang Precision Science & Technology Co., Ltd.

Semi-Annual Report 2025

【Date of Disclosure】 14 August 2025

Part I Important Notes, Table of Contents and Definitions

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Guangdong Dongfang Precision Science & Technology Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements, or material omissions, and collectively and individually accept legal responsibility for such contents.

Tang Zhuolin, the Company’s legal representative, Shao Yongfeng, the Company’s Chief Financial Officer, and Chen Lin, the Head of the Company’s Accounting Department (equivalent to Financial Manager) hereby guarantee that the financial statements carried in this Report are truthful, accurate and complete.

All directors of the Company attended in person the board meeting for the approval of this Report.

For possible risks with respect to the Company, please refer to “X Risks Faced by the Company and Countermeasures” of “Part III Management Discussion and Analysis” herein. And investors are kindly advised to read through the aforesaid contents.

The Company has no semi-annual dividend plan, either in the form of cash or stock.

Special Declaration

This Report has been prepared in Chinese and translated into English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

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Documents Available for Reference

1. The financial statements signed and sealed by the Company's legal representative, Chief Financial Officer, and the person-in-charge of the financial organ.
2. All the originals of the Company's announcements and documents that were disclosed to the public during the Reporting Period on the media designated by the CSRC for information disclosure.
3. The 2025 Semi-Annual Report carrying the signature of the legal representative.
4. The documents above are lodged in the Securities Department of the Company, 18A, China Merchants Plaza, 1166 Wanghai Road, Shekou, Shuiwan Community, Zhaoshang Street, Nanshan District, Shenzhen City, Guangdong Province, China.

Definitions

Term	Definition
Dongfang Precision, or the “Company”	Guangdong Dongfang Precision Science & Technology Co., Ltd., and its consolidated subsidiaries, except where the context otherwise requires
Dongfang Precision (China)	The corrugated box packaging machinery division of Guangdong Dongfang Precision Science & Technology Co., Ltd.
Fosber Italy	Fosber S.p.A.
Fosber Asia	Guangdong Fosber Intelligent Equipment Co., Ltd.
Fosber America	Fosber America, Inc.
Fosber Tianjin	Fosber Machinery (Tianjin) Co., Ltd.
Fosber Group	The business group including subsidiaries Fosber Italy, Fosber America, Qcorr, Tiruña Group, etc.
Tiruña Group	Tiruña Slu
Tiruña America	Tiruña America Inc.
Tiruña Asia	Tiruña (Guangdong) Intelligent Equipment Manufacturing Co., Ltd
QCorr	QuantumCorrugated S.r.l.
Dongfang Precision (Europe)/EDF	EDF Europe S.r.l.
Dongfang Precision (Netherland)	Dong Fang Precision (Netherland) Cooperatief U.A.
Dongfang Precision (HK)	Dong Fang Precision (HK) Limited
Wonder Digital	Shenzhen Wonder Digital Technology Co., Ltd.
Parsun Power	Suzhou Parsun Power Machine Co., Ltd.
Suzhou Jinquan	Suzhou High-Tech Zone Jinquan Business Management Partnership (Limited Partnership)
Shunyi Investment	Suzhou Shunyi Investment Co., Ltd.
Jaten Robot	Guangdong Jaten Robot & Automation Co., Ltd.
Yineng Investment	Hainan Yineng Investment Co., Ltd.
Yineng International	Dongfang Yineng International Holding Co., Ltd.
Dongfang Digicom	Dongfang Digicom Technology Co., Ltd.
Dongfang Digicom (Guangdong)	Dongfang Digicom Technology (Guangdong) Co., Ltd.
Corrugated cardboard	Corrugated cardboard is a multi-layer paper-bonding object composed of at least one sandwich layer of wavy medium (commonly known as "corrugated paper", "corrugated medium paper", "corrugated paper medium" and "corrugated base paper") and one layer of cardboard (also known as "liner board").
Corrugated box	Corrugated box is a rigid paper container made of corrugated boards through die cutting, indenting, nailing, or gluing. Corrugated box is one of the most widely used packaging containers in modern business and trade.
Corrugated box printing and packaging production line equipment	Corrugated box printing and packaging production line equipment include corrugated box printing and packaging line and stand-alone products that integrates pre-feeding, printing, grooving, die cutting, forming and packaging functions in whole or in part, which is highly functionally integrated, highly automated and highly technical, can save the capital and manpower investment, reduce workers' workload and improve the production efficiency of box

	manufacturers, and requires equipment manufacturers to be highly competent in design, technological innovation, assembly and finishing of parts.
Corrugated cardboard production lines	<p>Corrugated cardboard production lines are assembly lines comprising corrugating, gluing, agglutinating, bundle breaking, dimension board cutting and output processes, which are used to produce and process corrugated boards.</p> <p>A corrugated cardboard production line has two independent process sections as the wet section and the dry section. The wet section, composed of the base paper stand, auto splicer, preheat pre-regulator, single-face corrugator, feeding bridge, glue machine and double facer, is used to make corrugated based paper into three-layer, five-layer, and seven-layer corrugated boards of different corrugated combinations. The dry section, composed of the rotary shear, slitter indenter, cut-off knife and stacker, is used to slit, indent, cut off and stack corrugated boards as ordered.</p> <p>Corrugated cardboard production lines are key production equipment for corrugated board and box manufacturers.</p>
Pre-printing and post-printing intelligent automatic packaging machinery	Pre-printing and post-printing intelligent automatic packaging machinery refers to equipment that is compatible with the corrugated box printing line or stand-alone products and can provide functions related to pre-printing and post-printing processes of corrugated box printing and packaging. It includes the pre-feeder, stripper conveyor, intelligent stacker, and folder gluer.
Outboard motors	Outboard motors are a kind of detachable power units that are mounted on the stern plate of a boat to drive the boat to sail.
General utility small gasoline motors	General utility small gasoline motors are a kind of thermo-dynamic machinery of 20kW power or less with a wide range of applicability. It is characterized by small size, light weight, and easy operation, and is usually used as a power engine for a variety of terminal products. By the structure of engine and principle of work, general utility small gasoline motors can be divided into two-stroke general utility small gasoline motors and four-stroke general utility small gasoline motors.
CSRC	China Securities Regulatory Commission
SZSE, or the “Stock Exchange”	Shenzhen Stock Exchange
RMB yuan, RMB’0,000	Expressed in the Chinese currency of Renminbi, expressed in tens of thousands of Renminbi
The “Reporting Period” or “Current Period”	The period from 1 January 2025 to 30 June 2025

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	Dongfang Precision	Stock code	002611
Stock exchange	Shenzhen Stock Exchange		
Company name in Chinese	广东东方精工科技股份有限公司		
Abbr.	东方精工		
Company name in English (if any)	Guangdong Dongfang Precision Science & Technology Co., Ltd		
Abbr. (if any)	Dongfang Precision		
Legal representative	Tang Zhuolin		

II Contact Information

	Board Secretary	Securities Representative
Name	Feng Jia	Zhu Hongyu
Office address	18A, China Merchants Plaza, 1166 Wanghai Road, Shekou, Shuiwan Community, Zhaoshang Street, Nanshan District, Shenzhen City, Guangdong Province, China	18A, China Merchants Plaza, 1166 Wanghai Road, Shekou, Shuiwan Community, Zhaoshang Street, Nanshan District, Shenzhen City, Guangdong Province, China
Tel.	0755-36889712	0755-36889712
Fax	0755-36889822	0755-36889822
Email address	ir@vmtdf.com	ir@vmtdf.com

III Other Information

1. Contact information of the company

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

☐ Applicable ☒ Not applicable

The company's registered address, company office address and its postal code, the company's website and e-mail address remain unchanged during the reporting period, which can be found in the 2024 Annual report.

2. Information disclosure and location.

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

☐ Applicable ☒ Not applicable

The name and address of the stock exchange website and media where the Company discloses its half-yearly report and the place where the Company's half-yearly report has been filed has not changed during the reporting period, which can be found in the Annual Report 2024.

3. Other relevant information

Whether other relevant information has changed in the reporting period

☐ Applicable ☒ Not applicable

IV Key Financial Information

Indicate whether there is any retrospectively restated datum in the table below.

☐ Yes ☒ No

	2025H1	2024H1	change (%)
Operating revenue (RMB yuan)	2,158,956,857.88	2,161,188,907.40	-0.10%
Net profit attributable to the listed company's shareholders (RMB yuan)	397,440,989.86	163,880,472.14	142.52%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB yuan)	256,886,325.80	229,107,701.04	12.12%
Net cash generated from/used in operating activities (RMB yuan)	355,284,471.35	118,570,463.65	199.64%
Basic earnings per share (RMB yuan /share)	0.33	0.14	135.71%
Diluted earnings per share (RMB yuan /share)	0.33	0.14	135.71%
Weighted average return on equity (%)	7.58%	3.58%	4.00%
	30 June 2025	30 June 2024	Change (%)
Total assets (RMB yuan)	8,347,404,337.56	7,528,576,996.98	10.88%
Equity attributable to the listed company's shareholders (RMB yuan)	5,351,030,865.11	4,977,379,483.29	7.51%

V Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity under CAS and IFRS

☐ Applicable ☒ Not applicable

No difference for the Reporting Period.

2. Net Profit and Equity under CAS and Foreign Accounting Standards

☐ Applicable ☒ Not applicable

No difference for the Reporting Period.

VI Exceptional Gains and Losses

☒ Applicable ☐ Not applicable

Unit: RMB yuan

Item	Numbers	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-308,560.28	
Government subsidies included in current profit and loss (excluding those closely related to the company's normal business operations, in compliance with national policies, enjoyed according to specified standards, and having a continuous impact on the company's profit and loss)	10,467,732.86	
Gains and losses from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains and losses from the disposal of financial assets and financial liabilities, excluding effective hedging related to the company's normal business operations	156,597,226.73	
Non-operating income and expenses other than the above	527,205.94	
Minus: Income tax effects	24,962,924.76	
Non-controlling interests effects (net of tax)	1,766,016.43	
Total	140,554,664.06	--

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

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Part III Management Discussion and Analysis

With “intelligent equipment manufacturing” as its primary strategic focus, Dongfang Precision concentrates on the manufacturing of high-end intelligent equipment. Its principal operations include “intelligent packaging equipment” and “water powersports equipment”. The “intelligent packaging equipment business” consists of smart corrugated packaging equipment, digital printers, and industrial Internet industry solutions. Dongfang Precision accounts for approximately 15% of the global corrugated packaging equipment market, ranking first among domestic enterprises of the same type and Top 2 in the global market. The company has the capability to flexibly customize intelligent, efficient, and integrated production line equipment for customers. Leveraging its capabilities in industrial Internet industry solutions and its advancements in the field of artificial intelligence, the company is upgrading from intelligent equipment manufacturing to high-quality digital and intelligent development, achieving a comprehensive breakthrough in its “digital and intelligent” strategy.

Regarding the “the business division of water powersports equipment”, the controlled subsidiary, Parsun Power, has ranked first in the domestic industry for three consecutive years (2020-2022) in terms of outboard motors. In 2021 and 2023, Parsun Power successfully mass-produced 115-horsepower and 130-horsepower gasoline outboard motors, respectively. In 2024, Parsun Power released its first domestically produced 300-horsepower gasoline outboard motor. In the first half of 2025, Parsun Power successfully achieved mass production and delivery of the 300-horsepower gasoline outboard motor, becoming the first company in China to mass-produce this model. This achievement makes China the third country in the world, after the United States and Japan, capable of successfully mass-producing a 300-horsepower gasoline outboard motor. It marks China’s leap from being a “follower” to a “competitor” in the field of high-end high-horsepower outboard motors in the global high-end equipment manufacturing industry. It also announces that domestic outboard motors will fully enter the global high-end mainstream market to compete on the same stage with international brands worldwide. In 2025, the company launched its first electric trolling motor, establishing a new growth curve centered on the positioning of becoming “a supplier of comprehensive water powersports solutions and products”.

During the 14 years since its listing on the Shenzhen Stock Exchange in 2011, Dongfang Precision has always highly valued the “organic growth + external expansion” strategic development model. Guided by the principle of “the principal businesses as the core + extended investment as the support”, this model drives the Company forward on a circular basis. In terms of strategic development, Dongfang Precision has always closely followed the strategic blueprint for the transformation and upgrading of China’s manufacturing industry outlined by the state, focusing on the core theme of “high-quality development”. Since 2020, it has promoted “digital transformation”, creating industry-specific digital factory solutions for the large packaging sector, facilitating the digital transformation and upgrading of the industry chain. In 2024, the Company followed the national strategic direction of the new quality productive forces, accurately targeting the “artificial intelligence + robotics” strategic emerging industries. At the same time, it began laying out future industry tracks such as “key structural materials for controlled nuclear fusion + nuclear power equipment”, building an investment matrix spanning two major strategic fields at the industry chain level. The Company has deeply integrated its core resources and excellent capabilities accumulated in equipment manufacturing over the years, and has organically linked with strategically invested companies in cutting-edge fields like humanoid robots, AI big models, and key structural materials for controlled nuclear fusion. The goal is to seek cooperation in production manufacturing, application scenarios, and market expansion, to jointly explore the infinite potential of cutting-edge application scenarios, and to ultimately achieve deep co-creation, sharing, and win-win cooperation of upstream downstream value entities across the entire industry chain.

I Principal Operations of the Company in the Reporting Period

(I) Industries in which the Company principally operates

According to the Classification of Strategic Emerging Industries (2018) and the Industrial Classification for National Economic Activities (GB/T 4754-2017), the industries in which the Company principally operates are shown below:

The Company's Principal Business Divisions and Their Industries

Strategic emerging industry	Industry	Principal business division	Primary products and their applications
Intelligent manufacturing equipment	Specialised equipment manufacturing	Smart corrugated packaging equipment	<p>1. Corrugated cardboard production lines: The corrugated cardboard production lines are used for the production of corrugated cardboards of different specifications, are the core machinery for corrugated packaging production, and are widely used by medium and large enterprises (cardboard plants) that produce corrugated cardboards.</p> <p>2. Corrugated box printing and packaging production lines : The corrugated box printing and packaging production line equipment is used to produce and process corrugated cardboards into corrugated boxes of different specifications. The corrugated box printing and packaging production line equipment is widely used by various enterprises (box plants) that produce corrugated boxes in the corrugated packaging industry.</p>
		Digital printers	Digital printers generate graphic images from digital information. With the help of print head ink, digital printing enables the formation of the image directly on the printing stocks and can indirectly transmit the colour and auxiliary substances to the print stocks to form the presswork. Digital printing can meet the requirement for industrial production.
Industrial Internet and supporting services	Software and information services	Industrial Internet industry solutions	Specific Industrial Internet Platform,the intelligent production management system matched with the corrugated box printing and packaging production lines, and equipment after-sales service management system
Manufacturing of ship auxiliary equipment	Railway, shipping, aviation and other transport equipment manufacturing	Water powersports equipment	Outboard motors are a kind of detachable power units that are mounted on the stern plate of a boat to drive the boat to sail and can be applied to boats shorter than 24m. They are widely used in water recreation, fishing,

Strategic emerging industry	Industry	Principal business division	Primary products and their applications
	industries		water traffic, emergency rescue, shore landing and maritime patrol.

(II) Industry overview

1. The Industries to which the Company's Intelligent Packaging Equipment Business Segment Belongs

1.1 Demand side—customers

The intelligent packaging equipment division of the Company primarily serves B-end customers such as corrugated cardboard and corrugated box manufacturers. The Company provides various single machine and complete production line products for cardboard and box production.

End demand for corrugated packaging is growing: Corrugated packaging products are used in a vast number of fields, including food and beverage, household chemicals, electronic products, and e-commerce express delivery, and are inelastically demanded by consumers. Electronic products, food, beverage, and express delivery take up 26%, 20%, 21%, and 13% respectively of the downstream application market of paper packaging. China's express market and the relevant fields such as e-commerce and logistics show an increasing demand for corrugated box and board packaging, which will drive the expansion of the capacity of corrugated packaging enterprises and thus increase the demand for corrugated packaging machinery.

Digital and intelligent upgrading brings new development opportunities. The “strategy of robot assembling line” and “smart factory” are increasingly recognized by the industry. Additionally, leading packaging enterprises, including Xiamen Hexing Packaging Printing Co., Ltd. (HXPP), MYS Group Co. Ltd. (MYS), Shenzhen YUTO Packaging Technology Co., Ltd., and Shenzhen Jinjia Group Co., Ltd., have successively entered markets such as intelligent manufacturing one after another. The capacity upgrade in the paper packaging and printing industry continues to deepen. Against the backdrop of intelligent manufacturing, leading enterprises in the corrugated paper packaging equipment industry are also expected to embrace new opportunities for development.

Overseas demand is growing steadily: In recent years when environmental pollution becomes more and more serious, growing environmental awareness has led to “plastic bans and restrictions” across the world, providing a major boost to paper as an alternative to plastic. The global green packaging market is projected to grow from USD262.27 billion in 2023 to USD381.98 billion in 2028, with a compound annual growth rate of 7.81% during the forecast period (2023-2028).

The corrugated cardboard produced by corrugated cardboard production lines is used to make various corrugated boxes, corrugated cartons and other corrugated packaging materials, which are rigid consumer products in European and American countries. The philosophy of “sustainability” is gaining ground in the European and US consumer goods packaging markets. With the growing trend of “replacing plastics with paper”

in the packaging industry, demand for corrugated packaging materials in the European and US consumer goods markets continues to grow steadily, helping to drive demand for corrugated packaging production line equipment.

The rapid development of digital printing brings more development opportunities for the industry. According to the latest report by Smithers Pira, during the period from 2024 to 2029, the compound annual growth rate of digital inkjet printing in the packaging field will be approximately 15%. It is estimated that the global market size of digital inkjet printing in the packaging field will reach 18.08 billion US dollars by 2029. In the Chinese market, with the continuous growth of demand for "small-batch + multi-variety + personalized + customized" packaging in the packaging field, digital inkjet printing is rapidly penetrating the packaging sector. According to the forecast of Qianzhan Research Institute, the compound annual growth rate of digital inkjet printing in China's packaging field will be about 18.0% from 2024 to 2029.

1.2 Supply side—the Company's presence in the industry

In the field of intelligent packaging equipment, Dongfang Precision has a complete layout and has formed a multi-segment business system covering corrugated cardboard production lines, core components of corrugated board production lines, carton printing and packaging lines as well as digital printing equipment. Relying on its comprehensive industrial chain layout and strong technological strength, the company, with its wide range of products and advanced technologies, provides global customers with one-stop and all-round intelligent packaging equipment solutions.

Corrugated cardboard production lines: Major manufacturers of corrugated cardboard production lines around the world include Fosber Group, BHS, Marquip, and J.S. Machine. The Fosber Group, along with its major competitor BHS from Germany, ranks in the first tier. Fosber Group holds approximately 30% of the global middle- and high-end corrugated cardboard production line market and more than 50% of the North American market.

Corrugated & pressure rollers, key components of corrugated cardboard production lines: The subsidiary Tiruña Group has more than 40 years of experience in the corrugated and pressure roller segment and is renowned in Europe as a world-leading specialist in this segment.

Corrugated box printing and packaging production line equipment: Major manufacturers in this field include Dongfang Precision, Bobst, Gopfert, Ward, Ding Long (Shanghai), and Guangzhou Keshenglong. With an advantage in global resource coordination, leading design concept, excellent overall R&D strength, and a product system featuring complete categories and rich specifications, Dongfang Precision is an industry leader in China and is competitive with the global industry leader, Bobst, from Switzerland.

Digital printers: Major manufacturers include HP, EFI, Koenig & Bauer Durst, Wonder Digital, Hanhua Gongye, and Atexco, among others. Wonder Digital, a majority-owned subsidiary of Dongfang Precision, is a leader in the domestic digital printer industry, and has been committed to extending digital printing technology to such fields as paper packaging (colour printing & pre-printing), advertising, home furnishing, building materials, and label printing.

Dongfang Precision leads the world in terms of its comprehensive strength in smart corrugated packaging equipment business and can provide downstream customers such as cardboard plants and box plants with "one-stop" machinery and service support that covers each production process, including corrugated cardboard

production, corrugated box production, and pre-printing and post-printing production processes, and different technology roadmaps, including flexographic printing and digital printing.

The value of the global corrugated packaging equipment market is estimated to be about RMB30-40 billion. In terms of operating revenue, Dongfang Precision accounts for approximately 15% of the global corrugated packaging equipment market, ranking first among domestic enterprises of the same type and second in the global market.

2. The industry to which the company's industrial Internet industry solutions business belongs

Policy side: For eight consecutive years from 2018 to 2025, "Industrial Internet" has appeared in the government work report every year. The government work report in 2025 put forward the idea of "vigorously promoting new industrialization and accelerating the innovative development of the Industrial Internet". The "14th Five-Year Plan for the In-depth Integration of Informatization and Industrialization Development" proposed that by 2025, informatization and industrialization would achieve integrated development on a broader scale, at a deeper level and at a higher level. Under the guidance and support of a series of policies, the Industrial Internet and smart factories have always been important directions for the transformation and upgrading of the manufacturing industry.

Market side: China is the only country in the world whose industries cover all industrial categories in the United Nations' industrial classification. Concurrently, it is expected to grow into the world's largest industrial digitalization market. For the current manufacturing industry of China, digital transformation is no longer an "option" but a "compulsory course" that is critical to its survival and long-term development.

According to the Bluebook on the Digital Transformation of Enterprises--Empowering the Low-carbon and Green Transformation of the Real Economy with New IT released by the China Academy of Information and Communications Technology, after relevant manufacturing enterprises complete digital transformation, on average, their production efficiency will be boosted, their operating expenses will be lowered, and their energy utilisation rate will be improved. Concurrently, with the rapid development and continuous iteration of the new-generation information technology, the cost of digital transformation of enterprises is gradually decreasing.

According to the data released by Frost & Sullivan, the scale of the market of industrial Internet platforms and relevant solutions in China by 2025 is estimated to reach RMB193.12 billion.

Supply side: The key technologies and industries that the industrial Internet involves are extensive and complex and can hardly be fully covered by enterprises. Thus, developing the industrial Internet by relying on industrial manufacturing enterprises becomes a typical development path of industrial Internet enterprises, such as Root Cloud, Midea Cloud. In the packaging field, major manufacturers that provide industrial Internet-related products and solutions services include Yunyin, Dongfang Digicom, and Shanghai Wantit.



The subsidiary Dongfang Digicom, carrying Dongfang Precision's missions of expanding into the industrial Internet industry and implementing "digital and intelligent transformation strategies", was established in 2020. With the vision "to become a world-leading provider of industrial Internet industry solutions", Dongfang Digicom is engaged in building industrial Internet platforms for industries using new-generation information technologies, such as the IoT, cloud computing, big data, and artificial intelligence to facilitate digital and intelligent upgrading.


3. The Industries to which the company's water power products segment belongs

3.1 Demand side——customers

Outboard motors are the key auxiliary equipment for small- and medium-sized ships and are characterized by their compact structures, light weights, convenient installation and maintenance, easy operations, and low noise. The downstream of the outboard motor industry involves the shipbuilding industry, primarily applied in areas such as yachts, sailboats, and other vessels, encompassing applications in recreational sports, commercial operations, and military maritime activities.

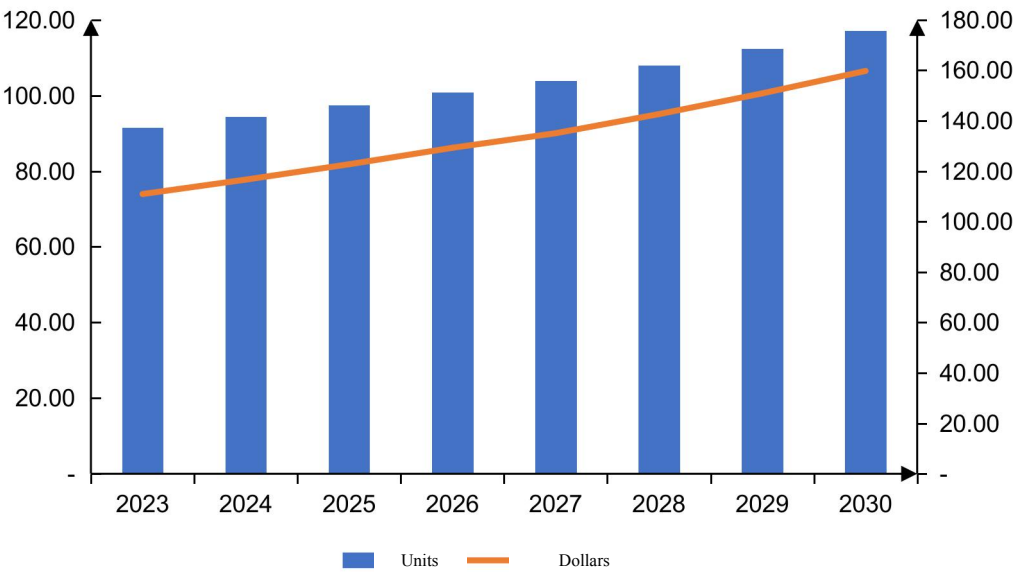
Applications of Parsun Power’s Outboard Motors

Field	Scenario	Example
Recreational	Recreational fishing, sailing and water sports	
Commercial	Fishing, water traffic and waterway maintenance	

Official and military	Emergency rescue and maritime patrol Beach landing and water reconnaissance	
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Global Market: According to a report by the international market research agency GMI, the global market sales for outboard motors are expected to reach USD15,975 million by 2030, with a compound annual growth rate (CAGR) of 5.35% from 2023 to 2030.

Figure: Global Outboard Motor Sales Volume and Market Size, 2023–2030 (in ten thousands of units, in hundreds of millions of US dollars)

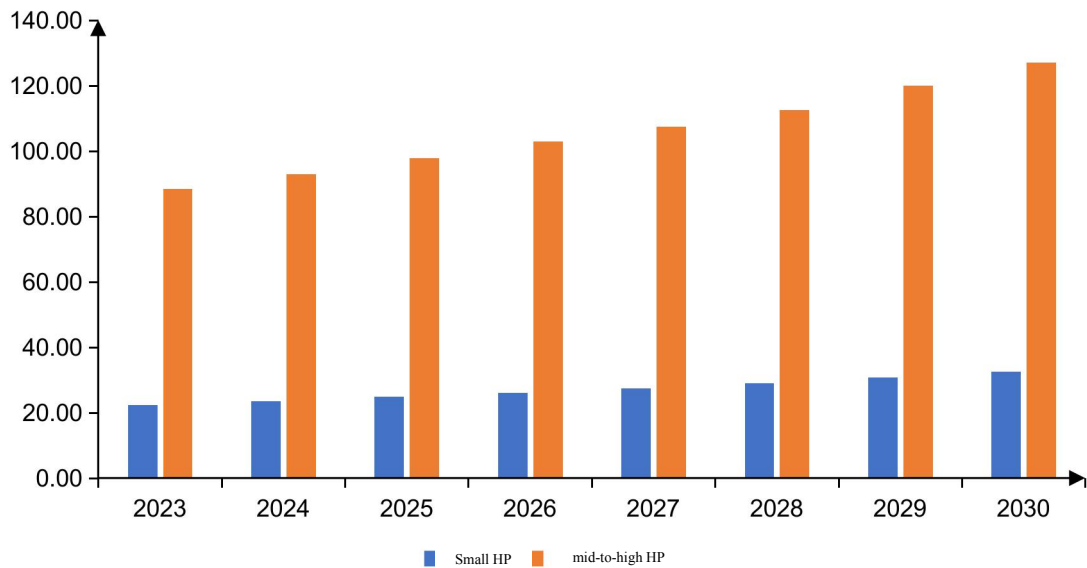


By Application Field: The recreational boating sector is the largest downstream application market for outboard motors. By 2030, it is expected that the market share of outboard motors used in water-based leisure sports will account for 73.22% globally. Yachts are one of the main downstream products equipped with outboard motors. In recent years, the global yacht industry has shown a trend of expanding scale. According to a report by the China Association of the National Shipbuilding Industry, the global leisure boat market size is expected to grow from USD16.4 billion in 2021 to USD23.6 billion in 2027, with a CAGR of approximately 6.20%. Benefiting from the rapid growth of the downstream yacht market, the global outboard motor market for water leisure sports is expected to grow steadily.

By Power Size: The market share of mid-to-high power outboard motors accounts for more than three-quarters of the total market. In 2023, the mid-to-high power outboard motor market share in the global outboard

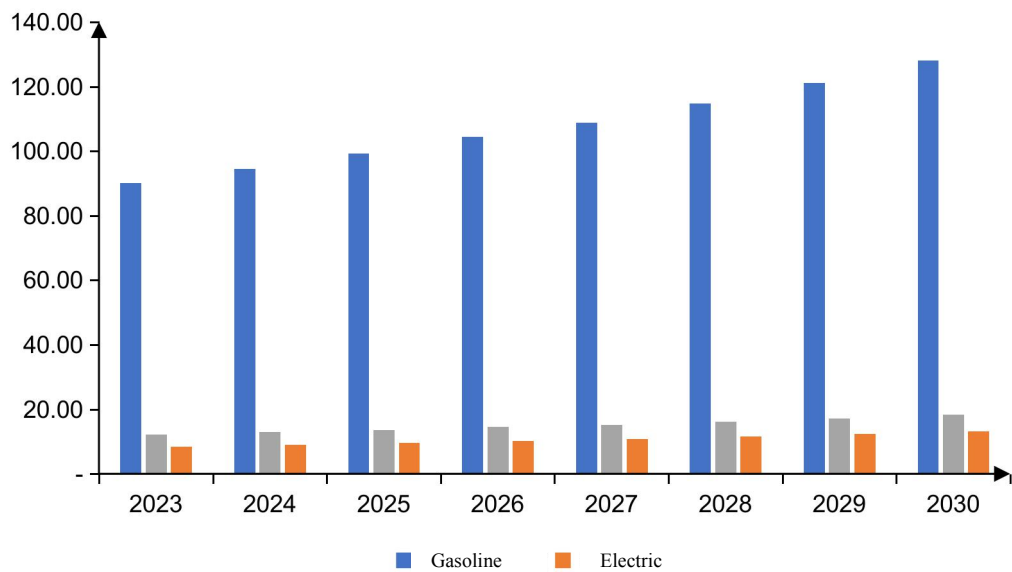
motor market was 79.72%. North America and Europe are the main markets for mid-to-high power outboard motors. From 2023 to 2030, the compound annual growth rate (CAGR) of the mid-to-high power outboard motor market in the Asia-Pacific region is expected to reach 8.97%.

Figure: Market Size and Forecast of Outboard Motors by HP, 2023–2030 (in hundreds of millions of US dollars)



By Power Type: Gasoline outboard motors are the mainstream model in the global outboard motor consumption market. By 2030, it is expected that the market share of gasoline, diesel, and electric outboard motors globally will be 80.21%, 11.49%, and 8.30%, respectively. Diesel engines have certain market space in specific fields. Electric outboard motors are primarily used for low horsepower, with a higher price but features such as greater environmental friendliness and easier maintenance. With increasingly stringent environmental regulations in various countries and continuous advancements in battery technology, the application of electric outboard motors is becoming more widespread.

Figure: Market Size and Forecast of Outboard Motors by Fuel Type, 2023–2030 (in hundreds of millions of US dollars)



Chinese Market: By 2030, the market size of outboard motors in China is expected to reach USD588 million, with a compound annual growth rate (CAGR) of 9.79% from 2022 to 2030, significantly higher than the global CAGR. Benefiting from the rapid growth of China's economy and changes in residents' recreational habits, China has become one of the fastest-growing countries in the global outboard motor market.

In recent years, considering the development of China's water tourism and recreational industry and the emphasis of the government on maritime rights, the Chinese government agencies at all levels have granted vigorous policy support to ship-related industries. For example, the National Development and Reform Commission has included high-performance ships, such as superyachts, luxury cruise ships, marine surveillance vessels, and small-waterplane-area twin hulls, among items for encouragement. The Ministry of Industry and Information Technology has proposed developing brand products, such as luxury superyachts, sightseeing boats, and official boats. The State Council has also proposed vigorously developing marine tourism, manufacturing localised tourism equipment such as cruises and cruise yachts, and vigorously developing cruise yacht tourism. China's yacht industry will usher in rapid development.

Domestic substitution has become the mainstream trend in the development of the domestic outboard motor industry. According to China's customs import and export data, the import value of outboard motors into China reached RMB1,283 million in 2023. In the public service and military fields, China's military outboard motors in the mid-to-high power range primarily use overseas brands. Against the backdrop of the national policy encouraging domestic equipment to replace imports, with the rise of domestic outboard motor companies, China is expected to enter a new stage of prosperous development for the rise of domestic outboard motor companies. Leading domestic outboard motor companies will benefit from both the industry's rapid growth and domestic substitution.

The electric trolling motor (also known as the "marine electric propeller" or "electronic anchor") is an auxiliary power device installed on fishing ships. Its primary function is to achieve ship positioning and stability. Through GPS/Beidou satellite positioning combined with power compensation technology, a ship can remain in the predetermined location without the need for traditional anchoring. Even in the face of wind, waves, and currents, the motor can automatically adjust the thrust direction to maintain the ship's orientation. The electric trolling motor is mainly used in recreational fishing and competitive fishing events, and can also serve as an auxiliary electric propulsion device for position holding or course adjustment.

According to the Fact.MR report, the global market size for electric trolling motors is expected to grow from approximately USD583 million in 2023 to around USD851 million by 2034. Among them, bow-mounted models will account for over 60% of the total electric trolling motor market. In a global context, North America and Europe are currently the main markets for electric trolling motors, with regions such as East Asia and Southeast Asia developing at a faster pace. Domestically, the use of electric trolling motors is concentrated in areas where recreational fishing culture is popular, such as coastal provinces in China and locations where fishing enthusiasts gather.

The Chinese electric trolling motor market is in its growth phase. Due to the continuous increase in the number of participants in water-based recreational sports, greater product awareness, and more affordable pricing, electric trolling motors are gradually penetrating from the professional sea fishing tackle market into the broader

mass-market water recreation sector. With ongoing trends like technological innovations (such as multi-mode satellite navigation, high-precision positioning control systems, energy system optimization brought by motor and battery technology advancements, and the introduction of AI technology) and domestic substitution, the Chinese electric trolling motor market has substantial potential for development.

3.2 Supply side—the Company’s presence in the industry

The major participants in the global outboard motor market are Japanese and American brands, including Yamaha and Suzuki from Japan, and Mercury from the United States. Compared to international competitors, Parsun Power, relying on its product performance that is close to the competitors’ and its clear price advantage, competes globally with American and Japanese manufacturers by offering high cost-performance products.

Parsun Power, a holding subsidiary, is a leading company in the domestic outboard motor industry. From 2020 to 2022, Parsun Power’s outboard motor products ranked first in market share in China for three consecutive years. The company is a national “Little Giant” enterprise specializing in innovation, a national high-tech enterprise, the Jiangsu Province Outboard Motor Engineering Technology Research Center, a recognized enterprise technology center in Jiangsu Province, a leading enterprise in the Chinese internal combustion engine industry, and a member unit of the Small Gasoline Engine Branch of the China Internal Combustion Engine Industry Association. At the same time, its outboard motor products have also received various honors, including the National Torch Program Industrialization Demonstration Project Certificate, China Machinery Industry Innovative Products, Jiangsu Province Famous Brand Products, and Suzhou City Famous Brand Products.

In the outboard motor sector: Parsun Power has maintained a leading position in the domestic industry in terms of comprehensive R&D and innovation capacities for many years. In 2021 and 2023, Parsun Power successfully mass-produced 115-horsepower and 130-horsepower gasoline outboard motors, respectively. In 2024, Parsun Power released its first domestically produced 300-horsepower gasoline outboard motor. In the first half of 2025, Parsun Power successfully achieved mass production and delivery of the 300-horsepower gasoline outboard motor, becoming the first company in China to mass-produce this model. This makes China the third country in the world, after the United States and Japan, capable of successfully mass-producing a 300-horsepower gasoline outboard motor. The core technology of the 300-horsepower gasoline outboard motor is independently controlled, with production, manufacturing and supply chain localization, marking a milestone in China’s autonomous high-end equipment manufacturing in the outboard motor sector. It successfully breaks the monopoly of U.S. and Japanese manufacturers in the high-horsepower and high-power segment of outboard motors, signaling China’s leap from a “follower” to a “competitor” in the field of high-end high-horsepower outboard motors. It also announces that domestic outboard motors will fully enter the global high-end mainstream market to compete on the same stage with international brands worldwide.

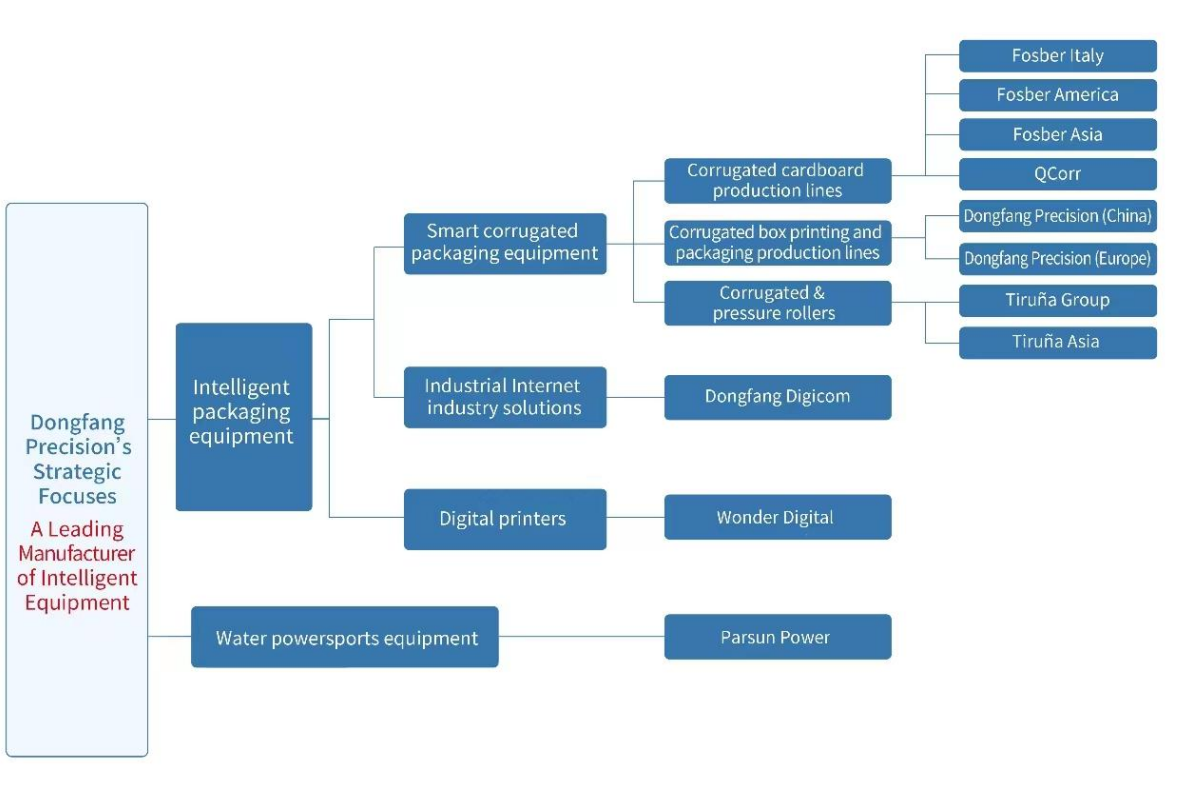
In March 2025, Parsun Power released its first electric trolling motor product at the 28th China Shanghai International Boat Show & Shanghai International Workboat Show 2025 (“CIBS2025”). The development of this product follows the “high-end positioning, positive R&D” philosophy, having undergone over 40 rounds of shape optimization, 70 structural adjustments, more than 100 software version iterations, and nearly a thousand water tests. It fully demonstrates Parsun Power’s years of accumulated technical expertise. Parsun Power will use the launch of its first electric trolling motor product as a starting point to continuously expand its comprehensive

layout in the water powersports product field and create a new performance growth curve.

(III) Principal operations of the Company in the Reporting Period

With “intelligent equipment manufacturing” as its primary strategic focus, Dongfang Precision concentrates on the manufacturing of high-end intelligent equipment. Its principal operations include “intelligent packaging equipment” and “water powersports equipment”. The “intelligent packaging equipment business” consists of smart corrugated packaging equipment, digital printers, and industrial Internet industry solutions.

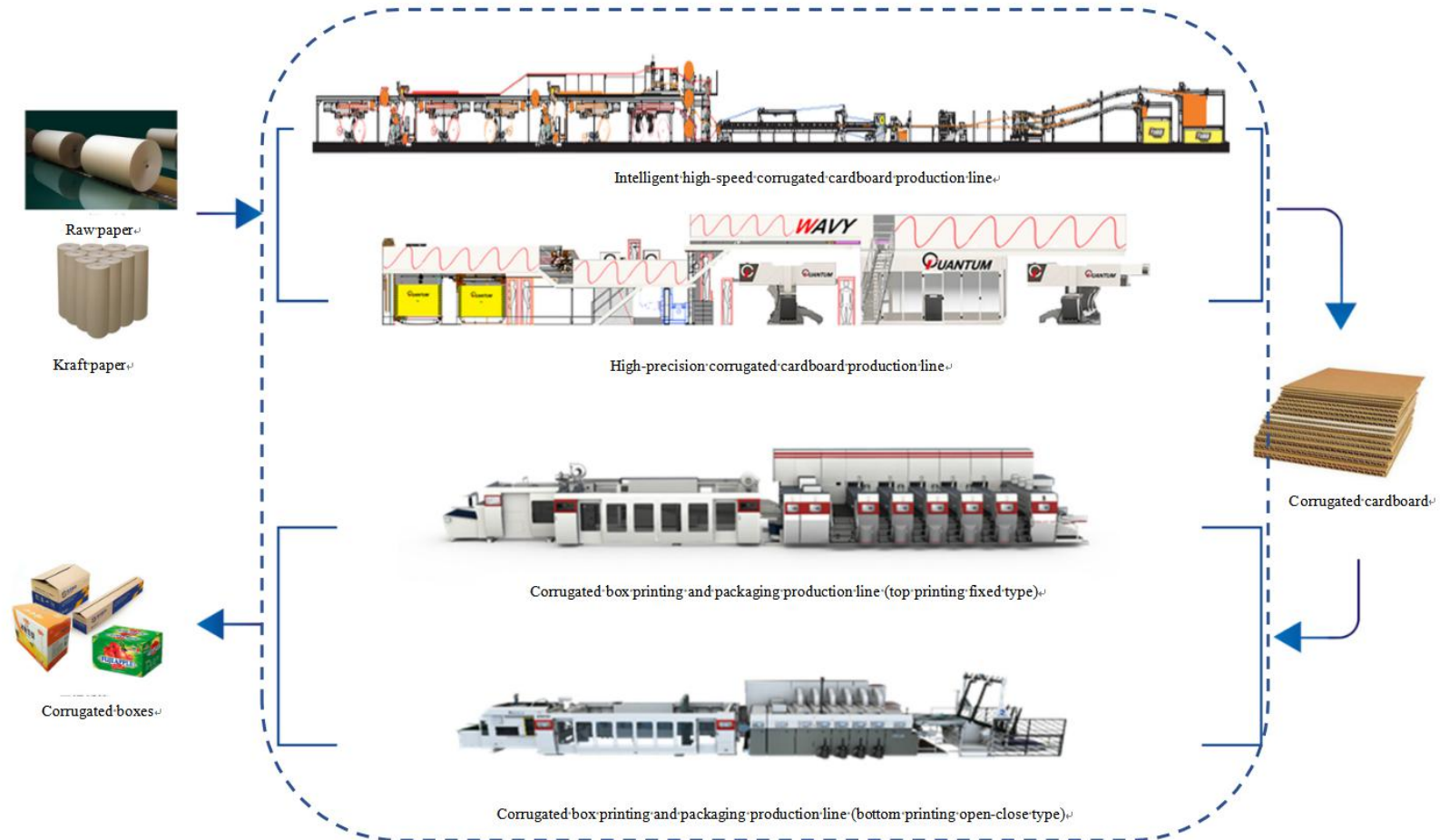
Business Divisions and Entities of Dongfang Precision



A The intelligent packaging equipment division

The intelligent packaging equipment division consists of smart corrugated packaging equipment, digital printers, and industrial Internet industry solutions, which cover the most important links in the value chain of corrugated packaging production (as shown below).

Relationship between Corrugated Packaging Manufacturing Value Chain and the Company's Smart Corrugated Packaging Equipment



a. Smart corrugated packaging equipment business

(1) Corrugated cardboard production lines (including corrugated rollers)

The corrugated cardboard production lines business of the company is engaged in corrugated cardboard production lines (under the brands of Fosber and Quantum) as well as corrugated and pressure rollers (under the Tiruña brand), which are key components of corrugated cardboard production lines. With the overseas Fosber Group (under it, Fosber Italy, Fosber America, QCorr, and Tiruña Group) as well as the domestic Fosber Asia and Tiruña Asia, Dongfang Precision is able to provide products and services for customers around the world.

Overseas, Fosber Group primarily serves large- and medium-sized manufacturers in Europe, North America, Latin America and other countries and regions. All the business units and profit centres of Fosber Group have their business, assets and staff located in Europe and North America. They adopt a local management and operation model, and design, develop and manufacture their products locally. Fosber Group has established stable partnerships with major manufacturers in the corrugated packaging industry in Europe and the US.

Domestically, supported by China's most complete supply chain across all industrial sectors globally, as well as the competitive edge of manufacturing, Fosber Asia's corrugated lines have been designed and adapted to the needs of customers in the Chinese market. Over 90% of the components of the corrugated lines are manufactured domestically. These products, which are high-tech, high-performance and cost-efficient for they are made in China, are provided for corrugated packaging manufacturers in China, Asia (East Asia, Southeast Asia, South Asia, and the Middle East), Africa, Russia, and Latin America. Tiruña Asia has achieved the mass production and delivery of the first batch of domestic corrugated rolls and pressure rolls. While catering to the needs of Fosber Asia's corrugated lines for corrugated and pressure rollers, Tiruña is also developing new markets in China and the rest of Asia for its products.

(2) Corrugated box printing and packaging production lines

Domestically, Dongfang Precision (China) is responsible for business operations associated with corrugated box printing and packaging equipment, while in the overseas market, it is Dongfang Precision (Europe).

The product matrix of Dongfang Precision (China) includes corrugated converting line and single machine products that are of dozens of specifications and different market positioning, featuring fixed type/open-close type, top printing/bottom printing, and other technologies. These products mainly include "Dongfang Star" Quickset Top Printing FFG and Top Printing Open-Close Type FFG Inline, as well as "Asia Star" Bottom Printing Die Cutter Stripper Vacuum Stacker Converting Line, Bottom Printing Open-Close Type FFG Inline and Bottom Printing Open-Closed Type/FFG & Stitcher. Dongfang Precision (China) is a professional manufacturer with an early start and a strong foundation among domestic fellow companies, enjoying high brand awareness and customer recognition in the industry. The products are highly popular not only in the domestic market but also exported to over 60 countries and regions worldwide.

Dongfang Precision (Europe) specializes in high-end corrugated converting line products. Its primary products include "FD" Quickset Top Printing FFG, "HGL" Quickset Bottom Printing FFG, and Quickset Bottom Printing/Die Cutter Stripper Vacuum Line. These products are designed with noncrush feeder design, full servo control, and fully automatic control features, making them more suitable for high-definition printing.

b. Digital Printer business





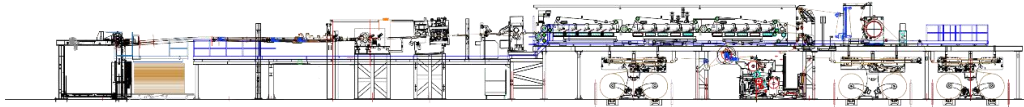


The business is primarily led by the subsidiary Shenzhen Wonder Digital Technology Co., Ltd., which provides solutions for customers in the digital printing industry, including digital printers, ink, accessories, and professional services. Wonder Digital has introduced a variety of digital printers to meet the diverse needs of different market segments and customer levels, including Multi Pass digital printer series applicable for small-batch paper packaging printing, Single Pass digital printer series applicable for large/medium/small batch paper packaging printing, Single Pass digital series applicable for pre-printing on raw paper and Hybrid printer series that combines Multi Pass high-precision printing and Single Pass high speed printing into one.



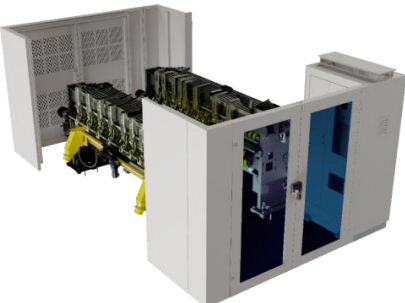
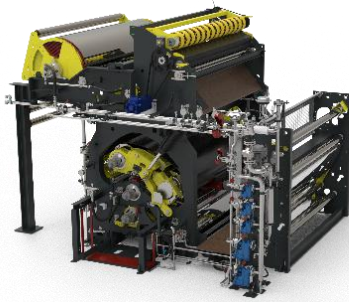


Wonder Digital offers a diverse range of products that cover various types and specifications, from postprinting to pre-printing, from water-based dye/pigment, water-based ink to spot colour UV ink, from boxes, offset cartons to sheet metal. The products also support a range of application modes and scenarios, from single-sheet printing to exchange orders seamlessly with variable data printing, and from single machine printing to integration with ERP systems.

Apart from digital printers, Wonder Digital also sells supporting units after printing section including slotting and varnish coating units, as well as special ink products that are compatible with its own-brand equipment. These special ink products, including water-based dye ink, water-based pigment ink, and UV ink. Wonder Digital's high cost-performance digital printing solution provides customers with cost-effective configuration plans for digital inkjet printing equipment and ink formulation plans.





With its comprehensive product matrix, Wonder Digital provides paper packaging digital printers that meet the diverse needs of industry customers with different market positions and levels. Wonder Digital's digital printers have been exported to countries and regions such as Europe, America, Middle East, Latin America, and Southeast Asia..






Primary Product Portfolio of Dongfang Precision's intelligent packaging Equipment Business - Corrugated Cardboard Production Lines

Product type	Brand	Product image	Main characteristics
Corrugated Cardboard Production Lines			Fosber Brand S/Line Width: 2.5m~2.8m Production speed: 370~470 meters/minute Designed for large corrugated board manufacturers Beltless Technology Caddy oil-free technology Gapless changeover with no speed reduction of the cadre Industry leading changeover times Optimum board quality and low operating costs Industry leading Syncro system control Process Control Supervision (PCS) Data Tracking Supervision (DTS)
			
			Quantum Line: Widths from 1.8m to 2.5m A new concept in corrugated board production Better suited for lightweight corrugated board production Innovative design, compact and flexible Optimum appearance and print surface quality Lower energy consumption and less labor
			Domestic Line: Width: 2.2m~3.35m Design speed: 270-370 meters/minute Single tile, double tile, triple tile wet section Wet section without belt technology

			<p>Cadre without lubrication technology</p> <p>High board quality</p> <p>Industry-leading Syncro system control</p> <p>Process Control Supervision (PCS)</p> <p>Data Tracking Supervision (DTS)</p>
			<p>Instant Set:</p> <p>Dual Module Slitting Machine</p> <p>Gapless order change speed of 250 meters/minute</p> <p>Positioning accuracy of +/-0.5mm,</p> <p>Within 3 seconds to change the order and line up the knives</p>
			<p>Belt Single-Facer:</p> <p>Maximum design speed: 460 meters per minute</p> <p>Patented Teflon composite belt</p> <p>Classic large-small roller design</p> <p>Vacuum negative pressure technology</p> <p>Suitable for low-grammage and pre-printing</p>
<i>Corrugated & pressure rollers</i>			<p>The world's leading supplier of corrugating rolls and pressure rolls with industry-leading machining and tungsten carbide treatment</p>




Primary Product Portfolio of Dongfang Precision's Smart Corrugated Packaging Equipment Business - Corrugated Box Printing and Packaging Production Line Equipment

Product type	Brand	Product image	Main characteristics
Integrated corrugated box printing and packaging lines		DONGFANG STAR I QUICKSET TOP PRINTING FFG 	Fixed type Full servo control No downtime for plate change 2 minutes quick order change Vacuum adsorption large belt, high precision cardboard transfer, long service life Energy saving up to 30 Only 2 people are needed to operate the whole line
		DONGFANG STAR II TOP PRINTING OPEN-CLOSE TYPE FFG 	Vacuum adsorption roller transfer; Computerized adjustment, easy to operate; High speed and stable operation; Patented folding structure; Improve carton molding effect Only 2-3 persons are needed to operate the whole line
		Asia-Pacific STAR I BOTTOM PRINTING DIE CUTTER STRIPPER VACUUM STACKER CONVERTING LINE 	Suitable for shaped box, machine box and pre-printed box, etc., with one point and multiple die-cutting. Mature down-printing die-cutting technology; Clean chip removal and accurate counting Efficient production; Uninterrupted feeding; No-speed down output of bundles, flexible palletizing methods Configurable for double-sided printing; 2-3

Product type	Brand	Product image	Main characteristics
Integrated corrugated box printing and packaging lines		<p>Asia-Pacific STAR II BOTTOM PRINTING OPEN-CLOSE TYPE FFG INLINE</p> 	<p>person operation</p> <p>Vacuum adsorption roller transfer</p> <p>Computerized adjustment of the whole machine, easy to operate</p> <p>Good effect of clearing waste, can realize one opening and two die-cutting line gluing carton.</p> <p>Patented folding structure improves carton molding effect.</p> <p>The whole line is operated by 2-3 persons</p>
		<p>Asia-Pacific STAR III BOTTOM PRINTING OPEN-CLOSED TYPE/FFG & STITCHER</p> 	<p>Design concept of down-printing type gluing and nailing as a whole</p> <p>Multi-purpose machine, to meet the production needs of different orders</p> <p>Saving space, reducing process, greatly reducing labor cost.</p> <p>Multiple pre-pressure to enhance folding and molding effect, precise control of molding accuracy.</p>
			<p>High-end down-printing fixed in-line</p> <p>Spindle servo drive</p> <p>Quick order change</p> <p>Complete pre-press and post-press supporting units</p>

Primary Product Portfolio of Dongfang Precision's intelligent packaging Equipment Business – Digital Printers

Product type	Brand	Product image	Main characteristics
Digital Printers	WONDER 万德数科	<p>WONDER INNO PRO SINGLE PASS Industrial High-Definition Color Digital Printer</p>  <p>WD250++ Series Scanning Wide Format High Quality Carton Digital Printer</p> 	<p>Printing reference accuracy: 1800 NPI</p> <p>Improved stability and print clarity</p> <p>Better colour printing effect</p> <p>Printing speed: up to 150 metres per minute, to meet the needs of high-speed printing</p> <p>Printing thickness: 0.2mm-15mm</p> <p>Printing material: thin paper/cardboard, yellow and white kraft card, honeycomb board, coated paper, etc.</p> <p>Printing width up to 2500mm</p> <p>Water-based dye ink/water-based pigment waterproof ink is optional.</p> <p>A cost-effective tool for bulk orders</p> <p>Adopts Epson's latest HD industrial printheads.</p> <p>Printing width up to 2500mm</p> <p>Speed up to 700 m/h</p> <p>Printing thickness 1.5mm-35mm</p> <p>Full suction platform printing and feeding</p> <p>Coated paper and honeycomb board can also be easily printed.</p> <p>Base accuracy 1200dpi</p> <p>Water-based dye ink/water-based pigment waterproof ink is optional.</p>

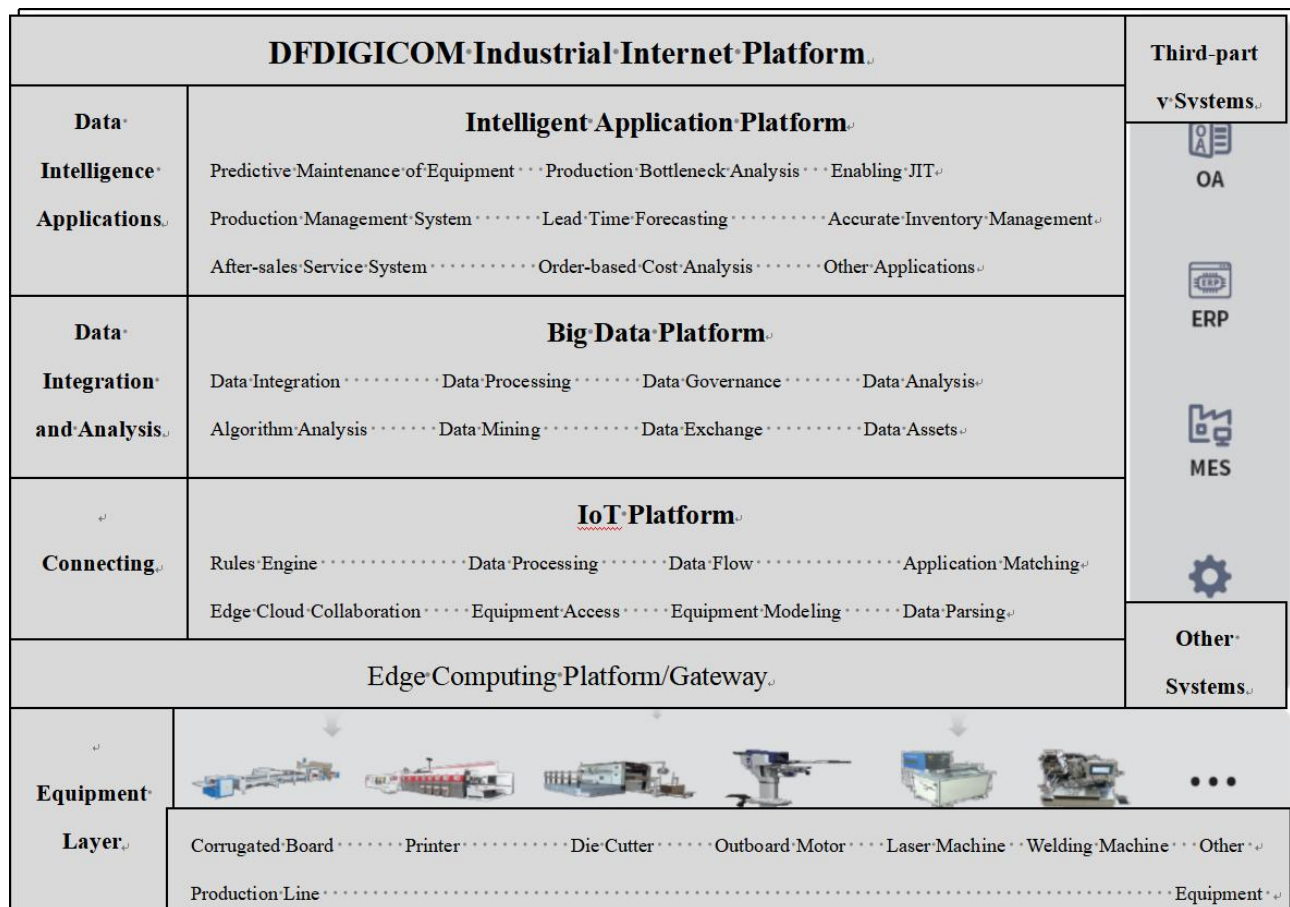
Product type	Brand	Product image	Main characteristics
Digital Printers	WONDER 万德数科	 <p>WD250 PRINT MASTER MULTI PASS Digital inkjet color printing equipment</p>	<p>Fully automatic feeder system</p> <p>CMYK+W ink colour scheme is optional.</p> <p>Printing quality is delicate and vivid</p> <p>Colour effect comparable to offset printing</p> <p>Printing thickness: 0.2mm-20mm</p> <p>Printing material: cardboard/copperplate paper, coated paper, yellow and white kraft card, etc.</p>
		 <p>Industrial SINGLE PASS roll-to-roll high-speed digital pre-printing machine</p>	<p>The printing reference accuracy can reach 1200 dpi and can be upgraded to 1800 dpi. The maximum printing line speed is 150 meters per minute.</p> <p>It is applicable to digital pre - printing of corrugated base paper, car stickers, light - box cloth, PVC colored film decorative paper, thin aluminum plates, etc. The printing quality exceeds flexography and is comparable to offset printing.</p>
		 <p>MULTI PASS-SINGLE PASS All-in-One Digital Printing Machine</p>	<p>Combines two different digital printing methods: Multi Pass high-precision scanning and Single Pass high-speed printing.Reduce the capital investment in equipment, save space, labor, maintenance and other costs, improve production efficiency</p>

c. Industrial Internet solutions business

Dongfang Digicom, a subsidiary of Dongfang Precision, serves as the primary business entity for “industrial Internet industry solutions”.

Based on the extensive industry experience of Dongfang Precision spanning over three decades in the field of corrugated packaging equipment, as well as guided by the Group’s strategies, the subsidiary Dongfang Digicom, leveraging cutting-edge technologies such as the Internet of Things (IoT), cloud computing, big data, 5G, and artificial intelligence (AI), has developed iDataPioneer, an industrial Internet platform for the packaging industry in a broad sense.

One-Stop Digital Factory Overall Solution Architecture Diagram



Dongfang Digicom has launched customized products for packaging industry clients, including “InterLink,” “Micro Mes,” and “Equipment After-Sales Service Management System.” These products can be embedded into the sale of new machines under the Dongfang Precision brand, enhancing product value. They can also be sold independently, supporting the upgrade of existing equipment and compatible with multiple brands, thus meeting the diverse needs of industry clients with flexible business models.

“InterLink” is an intelligent production management system designed for Dongfang Precision’s corrugated box printing and packaging equipment. It fully utilizes the ecological resource advantages of Dongfang Precision’s corrugated packaging equipment, improving machine operation efficiency, order processing capacity, reducing order management costs, and enhancing the market competitiveness of machine products. “Micro Mes” is an

integrated application solution based on the intelligent production management system and enterprise ERP, achieving closed-loop management from order creation, scheduling, production issuance to reporting. It enhances the digitalization level of production process control. The “Equipment After-Sales Service Management System” focuses on the after-sales service of packaging printing equipment. It enables the reuse of underlying technologies and realizes the digitalization of equipment “points, rounds, inspections,” and maintenance through systematic after-sales services, online spare parts management, full lifecycle management of equipment records, and remote maintenance.

Dongfang Digicom also provides digital diagnostic consulting services for large packaging industry clients. Through digital transformation consulting, it drives product sales, creating a “service solution-driven product sales” closed loop.

d. The operational model of the intelligent packaging equipment business

R&D model: The Company has industry-leading independent design and R&D capabilities, continually establishing high-level R&D innovation management mechanisms. The R&D team, spearheaded by industry experts, employs a blend of long and short-term product R&D planning, supported by a market-oriented R&D mechanism. Additionally, a robust R&D talent incentive mechanism enhances the Company’s overall technical proficiency, cementing its leadership position in the industry.

Procurement and production model: The Company procures raw materials, such as steel plates, metal components, and electrical parts (such as motors and PLCs), from external suppliers, while producing some core components and corrugated rollers in-house.

The majority of the Company’s equipment products adhere to a “made-to-order production” model. Upon receiving orders and partial deposits from customers, the Company purchases raw materials from suppliers based on specific customer requirements and inventory levels, and develops production plans and schedules. The Company advocates a “lean production” model for production and operational management, ensuring precise control over BOM costs and manufacturing expenses, while continuously enhancing operational efficiency.

During the reporting period, the delivery period for orders of corrugated board production lines under the Fosber Group was around 6 months. The delivery period for orders of corrugated box printing and packaging complete machine equipment under the Dongfang Precision brand was 3 to 6 months, and the delivery period for orders of digital printing equipment under the Wonder Digital brand was 1 to 3 months.

Marketing Model: The Company employs a “direct selling + distribution” marketing model. It utilizes a direct sales approach for the domestic market and a combination of direct sales and agent distribution for overseas markets, tailoring the strategy to suit the unique needs of different countries and regions. This approach not only widens the scope of sales channels and increases sales volume but also reduces market expansion and sales costs.

The Company’s complete production line and single machine products are typically one-time sales, with more significant transaction amounts. However, accessories, software, and services can be sold multiple times throughout the life-cycle of complete production line or single machine products. The growing number of existing equipment sold in the downstream industry market presents a steady stream of sales opportunities for accessories, software, and services. Additionally, providing high-quality technical support and services helps to promote the

sales of complete production line products. In terms of the settlement of orders, the Company collects down payment in advance and payment by stages for the sales of corrugated cardboard production lines and corrugated box printing and packaging equipment.

B The water powersports equipment division

The main products of Parsun Power, a subsidiary, are outboard motors of various specifications and series. The product power range is broad, covering from 2 horsepower to 300 horsepower. The products are of stable quality and reliable performance, with some products offering comprehensive performance comparable to internationally renowned brands, and emissions meeting European and American standards. Most models have passed the China Classification Society (CCS) certification, European CE certification, and U.S. EPA certification. These products are widely used in water leisure sports, fisheries, water transportation, emergency rescue, coastal landing, maritime patrol, and other fields, and are exported globally.

(1) Outboard motors

Parsun Power has achieved a complete product line layout of “gasoline — diesel — electric” outboard motors. Leveraging its years of experience and leading market share in the gasoline outboard motor sector, the company is now advancing towards high-power diesel and electric outboard motors. In the future, Parsun Power's outboard motor products will gradually focus on mid-to-high power, while expanding the electric outboard motor product line to continue solidifying its position as a leading domestic outboard motor brand.

Gasoline outboard motors are the most diverse product range in Parsun Power's portfolio, covering from 2 horsepower to 300 horsepower, including two-stroke and four-stroke models. Parsun Power has accumulated extensive experience in this field over many years, developing proprietary technologies that are applied to its products. In 2021, Parsun Power achieved mass production and sales of a 115-horsepower gasoline outboard motor, successfully breaking the long-standing monopoly of internationally renowned brands in this power segment. In 2023, it achieved mass production and sales of a 130-horsepower gasoline outboard motor. In 2024, it released a 300-horsepower gasoline outboard motor, and mass production and delivery of 300-horsepower gasoline outboard motors were achieved in the first half of 2025.

The 300-horsepower outboard motor belongs to the high-power segment, with application scenarios covering recreational, commercial, and other professional fields, including sea fishing, surfing, marine cruising, fisheries, water transportation, as well as maritime law enforcement patrols, maritime search and rescue, etc. It employs a range of advanced technologies, such as four-stroke engines, electronic fuel injection (EFI), lightweight materials, and integrated electronic control systems. It is the representative of high-end positioning and high-value-added products in the global outboard motor market.

As a Chinese manufacturer, Parsun Power's breakthrough in the large-horsepower model allows it to directly target high-value markets, competing globally with the core advantages of Chinese manufacturing. Parsun Power is poised to become one of the core competitors in the global high-end outboard motor market, laying the foundation for its entry into the global high-end leisure yacht market and becoming a key driver of future revenue growth. In recent years, Parsun Power has continuously broken through the ceiling of domestic gasoline outboard motors. On the premise of maintaining independent control over core technologies and localizing production, manufacturing, and supply chains, it has been committed to building milestones for China's high-end

manufacturing in the outboard motor sector. This marks the official entry of Chinese enterprises into the global high-end mainstream market for outboard motors.

Electric outboard motors use rechargeable batteries as an energy source and convert electrical energy into kinetic energy via an electric motor. Compared with fuel-powered outboard motors, they feature zero emissions, lower noise, and are easier to operate. Parsun Power's electric outboard motors primarily focus on small to medium horsepower, mainly used in environmentally sensitive areas such as tourist resorts.

Diesel outboard motors retain the advantages of gasoline outboard motors, such as ease of installation, maintenance, and operation, while also offering greater fuel efficiency, lower emissions, higher torque, enhanced safety, and easier maintenance, mainly used in commercial transport, offshore oil extraction, and public law enforcement fields.. The development of Parsun Power's own-brand diesel outboard motors is advancing rapidly.

(2) Electric trolling motors

In March 2025, Parsun Power officially launched its first intelligent electric trolling motor product at the CIBS2025. This product is Parsun Power's first electric trolling motor and also China's first electric trolling motor product with a folding structure. During the development process of this product, Parsun Power has adhered to the "high-end positioning, positive R&D" philosophy and performed over 40 rounds of shape optimization, more than 70 structural adjustments, over 100 software version iterations, and nearly a thousand water tests, achieving core technology and production manufacturing independence and control. The product has now entered the mass production and delivery phase.

(3) General machines

General machines refer to versatile power solutions and associated end-user items, featuring primarily general utility small gasoline motors, general utility small diesel motors and generator sets using them as supporting power (like emergency power kits, and field operation power supplies), agricultural equipment (e.g., water pumps, cultivators), gardening machinery (e.g., lawnmowers, chainsaws), compact construction tools (e.g., cutters, tampers, concrete mixers, and levelers), among other miscellaneous applications. These products find extensive usage across various sectors.

Parsun Power's general machine products mainly include gasoline motors, gasoline generator sets and gasoline water pump sets. Gasoline motors, primarily single-cylinder four-stroke units, utilize gasoline as fuel and are adaptable for use in agricultural machinery, gardening equipment, and other small machinery applications. Gasoline generator sets combine these motors with generators, functioning as standby power sources. The gasoline water pump sets feature centrifugal pumps driven by gasoline motors and are extensively utilized in agricultural irrigation, livestock watering, and similar domains.

Parsun Power's general machine products are mainly sold to Africa and Western Asia. With a leading market layout and relying on excellent product quality and stable performance, Parsun Power has established a significant brand advantage and a good market reputation in these regions.





(4) Operational model





The operational model of the water powersports product business: In terms of sales, Parsun Power follows a global industry-standard sales model that primarily relies on distribution, supplemented by direct selling. The

demand for outboard motors, which are the company's main product, is mainly distributed overseas, with end customers scattered throughout the world. Adopting a distribution-centric sales model enables Parsun Power to reach end customers to the fullest extent possible. In terms of production, Parsun Power produces outboard motor products independently, utilizing sales demand forecasts, customer orders, product inventory status, material delivery progress, and product production cycles to formulate production plans. The company then organizes the production of components in accordance with specialized processes and procedures. In procurement, following the principle of "sales determine production, production determines procurement", Parsun Power determines the procurement requirements for its outboard motor business, while also taking into account reasonable safety stock.

The operational model of the general machine business: Based on its strategic positioning of "becoming a world-class provider of comprehensive water powersports equipment", Parsun Power has adjusted its general machine business from the early independent production model to an OEM outsourcing model, to focus its resources on water powersports products. According to the principle of "sales determine procurement", while also taking into account reasonable safety stock, Parsun Power provides design drawings, technical specifications, and quality requirements to the OEM manufacturers. These manufacturers directly purchase raw materials, carry out customized production, and deliver finished products for Parsun Power's confirmation before shipment.

Primary Product Portfolio of Parsun Power

Brand	Product type	Product image	Main characteristics
	mid-to-high power outboard motors	<div>300-hp(four-stroke) gasoline outboard motor</div> 	<p>High-Efficiency Power System</p> <p>4.2L, V6, DOHC engine delivers powerful power output, Electronic Fuel Injection (EFI) technology precisely controls the fuel-air mixture, enabling more complete combustion and reducing fuel consumption,and Variable Valve Timing (VVT) technology enhances mid-to-low speed torque and improves acceleration performance.</p> <p>Underwater Transmission System</p> <p>Efficient and stable transmission: Hydrodynamically optimized design reduces water flow resistance, improves propulsion efficiency, and lowers fuel consumption; a high-flow water pump impeller design enhances cooling water pressure to ensure the machine operates efficiently.</p> <p>Multi-layer protection: High-grade marine materials improve the corrosion resistance and durability of components, reducing maintenance and replacement costs; multi-layer anti-corrosion coatings and anode protection enhance the anti-corrosion grade.</p>
		<div>130/115-hp(four-stroke) gasoline outboard motor</div> 	
	Intelligent control system	<div>Electronic control system Marine-grade touch screen</div> 	<p>Electronic Control System: One-button start/stop, cruise control, berthing, and automatic tilt, enabling seamless switching between multiple working conditions and human-machine interaction; Electronic throttle/shift with extreme response control, low maintenance costs, and improved handling feel and safety ;</p> <p>Marine-grade Touch Screen:Real-time display of engine speed, tilt angle, steering angle, water temperature, oil pressure, fault alarms, etc., to ensure navigation safety.</p>

Brand	Product type	Product image	Main characteristics
	Electric outboard motors		<p>High-Efficiency Power System:Sensor-less&brush-less motor technology, featuring anti-interference, high efficiency, low noise, and long service life. It provides instantaneous torque output with fast response.</p> <p>Intelligent Energy Management: High-density lithium battery pack ensures long endurance aand supports multiple charging modes.</p> <p>The BMS (Battery Management System) monitors temperature, voltage, and current in real time and is equipped with multiple protection mechanisms.</p> <p>Precise Control Experience:Electronic throttle and direct-drive transmission structure enable millisecond-level power response.</p>
	Electric trolling motors		<p>High-Efficiency Power System: High-performance motor with a low-voltage DC system, certified by FCC/CE safety standards.</p> <p>Precise Vector Control: Sub-meter-level GPS positioning for stationary berthing.</p> <p>Intelligent Navigation System: One-button heading positioning and path memory; automatic resistance to water flow/wind flow with offset compensation.</p>
	General Machines		<p>High rotation speed, simple structure, and stable operation. Portable, cost-effective, lightweight, and easy to use and maintain.</p> <p>Widely applied in scenarios such as agriculture, gardening, and animal husbandry.</p>

II Core Competitiveness Analysis

The analysis of the Company's core competitiveness in the Reporting Period is as follows:

(I) Industry-leading technology and strong capabilities of R&D and innovation

The Company's overall R&D capabilities rank among the top in domestic enterprises of the same type. By the end of 2024, the Company had been granted 491 patents, an increase of 71 compared to the previous year; it had also been granted 84 software copyrights, an increase of 9 compared to the previous year.

1. The smart corrugated packaging equipment business:

The high-end corrugated cardboard production lines under the Fosber Group, a subsidiary, is industry-leading in terms of speed, width, accuracy, reliability, and level of intelligence. It has earned global recognition from customers for its high quality, reliability, and intelligent software systems. Based on Industry 4.0 technology, Fosber Group has launched a corrugated cardboard production line control system, which includes modules such as Pro/Syncro, Pro/Care, and Pro/Quality. Using sensors, AR, AI analytics, big data, and cloud computing technologies, it enables high precision and intelligent management of production lines. Among them, Pro/Syncro achieves high-speed, high-quality, and low-energy consumption production; Pro/Care provides intelligent diagnostics to reduce equipment downtime; and Pro/Quality performs real-time defect detection and quality traceability. Fosber also offers remote services such as Pro/Visionair and Remote Control, significantly reducing after-sales costs and improving customer efficiency. Fosber Asia, a subsidiary, has introduced and applied the "Instant Set" dual-module slitter in corrugated cardboard production lines. By independently controlling the cutting blades and creasers with servo motors, it reduces the order changeover time from the industry average of 8-15 seconds to under 3 seconds, making it particularly suitable for China's "small batch, diverse product" order characteristics.

How Fosber Group's PRO Series Intelligent Production Management Information Technology System Works



Wonder Digital, a holding subsidiary, is a national high-tech enterprise and a “Little Giant” Enterprise with specialties, refined management, unique technologies and innovation. It connects the physical and digital worlds through a complete digital printing matrix, offering comprehensive solutions. Wonder Digital’s brand UV digital color printers and high-speed digital printers achieve a printing accuracy of 1800 NPI, with color printing quality comparable to traditional offset printing. The new product WONDER INNO PRO SINGLE PASS launched in 2024 represents a technological breakthrough in digital printing, extending from color to high-definition colors. Its large-width, roll-to-roll high-speed digital printing machine is leading in China, offering advantages in size, energy consumption, and cost-effectiveness.

2. The water powersports equipment business:

Parsun Power is a national-level “Little Giant” with specialties, refined management, unique technologies and innovation and a high-tech enterprise. It has long focused on the research and development of domestic outboard motors, accumulating rich innovative achievements. By the end of 2024, the company had accumulated 114 intellectual property rights and participated in the formulation of several industry standards. It has also won the second prize of the China Machinery Industry Science and Technology Award twice. In 2021 and 2023, Parsun Power successfully achieved mass production of 115-horsepower and 130-horsepower gasoline outboard motors. In March 2024, Parsun Power released its first domestically produced 300-horsepower gasoline outboard motor, and in 2025H1, Parsun Power released its first domestically produced electric trolling motors. The core technologies of the aforementioned new products are independently controllable, and their manufacturing supply chains have been localized. This has become an important milestone for China's high-end manufacturing in the field of water powersports equipment.

In the first half of 2025, Parsun Power’s High-power Outboard Motor Emission Testing Center Laboratory received the CNAS Laboratory Accreditation Certificate from the China National Accreditation Service for Conformity Assessment (CNAS). This made Parsun Power the first company in the Chinese outboard motor industry to obtain CNAS certification for a professional laboratory, filling the gap in China’s specialized testing platform for high-horsepower gasoline outboard motors. This certification has further solidified Parsun Power’s position as an industry benchmark in the domestic gasoline outboard motor field. It also signifies that Parsun Power’s professional testing in this specialized field is now on par with international top-level standards, and the testing reports will be globally recognized.

The CNAS laboratory accreditation received by Parsun Power in the domestic gasoline outboard motor field helps shorten R&D cycles and reduce R&D costs for Parsun Power in the development and testing of high-horsepower outboard motors, thus creating a more competitive core advantage. It also provides strong localized support for other domestic companies in the same field for the R&D, production, and certification of high-performance, large-power outboard motors. This contributes to the green transformation of China’s shipbuilding industry and the achievement of the “dual carbon” goals.

In the first half of 2025, Parsun Power was awarded the “National Postdoctoral Research Workstation” certificate by the Ministry of Human Resources and Social Security and the National Postdoctoral Affairs Management Committee, which means Parsun Power’s research capabilities in the frontier field of water powersports products and its ability to nurture top talent and foster industry-academia-research collaboration has

gained national recognition, and marks a new milestone in the company's scientific research strength and talent development, as well as further enhancement of the company's technological image and brand influence.

(II) Complete layout in the corrugated packaging machinery industry chain and the most complete and richest product portfolio in the industry

Among domestic companies in the corrugated packaging equipment sector, Dongfang Precision is the enterprise with the most complete and comprehensive industrial chain layout. Its products cover the fields of corrugated cardboard production, carton printing and packaging, and digital printers. The company's business encompasses all key links in the corrugated packaging production and processing value chain, and it possesses the most comprehensive and diverse product portfolio of corrugated packaging production line equipment in the industry. This enables the company to meet the needs of different market segments and various types of customers, offering dozens of different specifications and models of full-line and standalone products, making it the leader in the domestic market.

1. Corrugated cardboard production lines

In the field of "High-End Intelligent Corrugated cardboard production lines ": Fosber Group, a subsidiary, offers three major series of products of corrugated cardboard production lines: S/Line, Pro/Line, and Quantum Line, along with key components for corrugated cardboard production lines, such as corrugating rolls and pressure rolls. These products are designed for medium to large-sized enterprises in the global corrugated cardboard production and processing industry, providing mid-to-high-end corrugated cardboard production lines in various specifications, types, and different positioning levels.

The S/Line and Pro/Line are primarily suitable for the production of corrugated cardboard with a thickness of 2mm to 13mm. This type of corrugated cardboard is known for its strong load-bearing capacity, excellent shock resistance, high plasticity, and environmental friendliness. It is widely used in logistics and express delivery, furniture and home appliances, and electronics packaging. The Quantum Line is mainly suitable for the production of solid fiberboard under 2mm thick and micro-corrugated cardboard. This type of cardboard is lightweight, high in strength, moisture-resistant, and environmentally friendly. It is widely used in packaging for color boxes, high-end products, electronics, and cultural and artistic items. The Tiruña brand's corrugating rolls and pressure rolls are compatible with various brands and different specifications of corrugated cardboard production lines. They can be customized based on the type of corrugated line, coating requirements, and applicable paper types.

2. Corrugated box printing and packaging production lines

Dongfang Precision (China) and Dongfang Precision (Europe) offer high-quality corrugated box printing and packaging production lines and standalone equipment for both the Chinese and overseas markets. They offer dozens of different specifications and market positioning products, covering fixed/open-close type, top-print/bottom-print, full-line (line)/standalone models, making them the most comprehensive and diverse suppliers of products in this field globally.

3. Digital printers

Wonder Digital offers four major series of digital printing machines, covering a wide range of types and specifications, from post-printing to pre-printing, from water-based inks to dyes and pigments, from water-based

spot colors to UV spot colors, and from cartons and color boxes to coiled materials. The machines support various application modes and scenarios, including single-sheet printing to variable data seamless job changeover, standalone printing to ERP integration, among others. Wonder Digital positions itself as a “digital printer supermarket,” meeting the needs of different markets and industry customers at various levels for digital printing production.

(III) Profound Know-How experience and experienced team in the industry

Dongfang Precision has a team with deep industry Know-how and extensive experience. With over 20 years of experience in both domestic and international markets, the team has a profound understanding of the industry layout, development planning, R&D roadmap, production operations, marketing, and team management in the field; The core management team has a broad vision and is able to deeply grasp the overall development trends of the smart corrugated packaging equipment manufacturing industry. Through forward-looking strategic planning and layout, the steady and sustainable development of the Company is achieved. Furthermore, the Company practices a professional manager management model, continuously improving organizational structure, management authority, incentive systems, and cultural development. These measures help the Company attract talent and enhance the team’s combat effectiveness.

(IV) High brand popularity and customer recognition worldwide

Intelligent Packaging Equipment Sector: The Fosber brand corrugated lines, Quantum corrugated lines, Tiruña brand corrugating rolls and pressure rolls, as well as Dongfang Precision brand corrugated box printing and packaging lines, and Wonder Digital brand digital printers, are well-known and influential both domestically and internationally. Fosber Group, a subsidiary, was founded in 1978 and is one of the two companies with the strongest comprehensive strength in the high-end corrugated line sector worldwide. The Fosber brand enjoys a high level of recognition and reputation in the corrugated packaging industry markets in Europe, North America, and Latin America. Tiruña Group, another subsidiary, has nearly 40 years of experience in the field of corrugating rolls and pressure rolls, with its products being sold in over 60 countries and regions. Qcorr, a subsidiary formerly known as the Italian corrugated line supplier Agnati, has over 80 years of industry experience. Dongfang Precision brand’s corrugated box printing and packaging lines are sold in more than 60 countries and regions. The holding subsidiary Wonder Digital is in the top tier of the domestic digital printer field, with its products sold in over 80 countries and regions and a market stock of over 1,600 units.

Water Powersports Equipment Sector: Parsun Power, a subsidiary, is a leading company in the domestic outboard motor industry. From 2020 to 2022, Parsun Power’s outboard motor products maintained the highest national market share for three consecutive years. The Parsun Power brand has received numerous honors, including “Jiangsu Province Famous Brand Product” and “Suzhou Famous Brand Product”. Overseas, Parsun Power’s sales network covers more than 100 countries and regions, establishing business partnerships with numerous customers worldwide.

(V) Global layout of business assets

The Company mainly serves customers in the corrugated packaging industry worldwide, and has realized the global layout of its business assets:

Global Distribution Diagram of the Company's Business Assets and Marketing Network



Since going public, Dongfang Precision has continuously expanded upstream and downstream in its core industries. Over many years of practice, the Company has developed strong strategic control and deep integration capabilities across its business segments, accumulating rich experience and practical knowledge. Strategic management capabilities have become the Company's core strength in successfully managing its various business entities.

- Corrugated cardboard production lines: Fosber Group recorded a compound annual growth rate (CAGR) of net profit of 25% over the past five years

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strategies, standardizing the management system, management incentives, and strengthening financial control. These measures successfully energized Fosber Group, achieving a compound annual revenue growth rate of about 12% and a compound annual net profit growth rate of 25% from 2020 to 2024.

- Water powersports products: Parsun Power's CAGRs of operating revenue and net profit achieved 22% over the past five years

Since acquiring the controlling stake in Parsun Power in 2015, Dongfang Precision has helped Parsun Power enhance its R&D, marketing, supply chain, and manufacturing through strategic adjustments and the introduction of outstanding talent. Between 2020 and 2024, Parsun Power achieved a compound annual growth rate of 22% in both revenue and net profit.

- Revitalizing established enterprises: Tiruña Group and QCorr

From 2019 to 2020, Dongfang Precision completed the acquisition of Tiruña Group and Qcorr (formerly Italy's Agnati) through its subsidiary Fosber Group. During the post-investment integration phase, continuous optimization and adjustments in strategy, R&D, market positioning, production, and talent management effectively revived these two long-established European companies..

Relying on strong strategic management and integration capabilities, and based on mutual respect and mutual trust with an open mindset, the Company has successfully integrated its business entities. The synergies along the industrial chain continue to be released, contributing to the active practice of China's private enterprises going global, accumulating valuable experience, and providing strong support for the Company's sustainable and steady development.

(VII) Going global and bringing in, integrating domestic and international industrial Chain advantages, and strengthening the competitive moat

Over the years, Dongfang Precision has actively implemented the "Go Global, Bring In" strategy in the corrugated packaging equipment sector, through early overseas expansion and domestic manufacturing upgrades. While maintaining technological leadership in the industry, the Company effectively reduces costs by leveraging the advantages of Chinese manufacturing, improving product cost-effectiveness and market adaptability, thereby enhancing the competitive advantage of its products and continuously building a moat in the domestic high-end corrugated packaging equipment sector.

Subsidiaries Fosber Asia and Tiruña Asia have introduced Fosber's corrugated cardboard production lines and Tiruña's corrugating rolls and pressure rolls, adapting and upgrading them to meet the actual needs of the Chinese market. This has achieved technology localization and manufacturing domestication, fully leveraging China's advantage as the world's most complete industrial and manufacturing support network, significantly lowering production costs and improving product competitiveness. Fosber's domestic manufacturing rate for mid-to-high-end corrugated lines has reached 90%, and Tiruña Asia delivered its first batch of mass-produced corrugating rolls and pressure rolls in 2024. The development of both companies fully embodies the integration of domestic and foreign industries, creating differentiated competitive advantages for domestic high-end smart equipment, and expanding into new markets in China and regions like Southeast Asia and South Asia.

III Analysis of Principal Operations

(I) Overview

In the first half of 2025, China's national economy made steady progress and achieved new results in high-quality development. The intelligent transformation and upgrading of the manufacturing industry continued to deepen, and new productive forces were actively developed. Under the strong leadership of the Board of Directors and the management team, all employees worked hard and made progress in the first half of 2025, achieving stable growth in the Company's operation performance.

From January to June 2025, the Company achieved total operating revenue of approximately RMB2,159 million, a year-on-year decrease of 0.1%. The net profit attributable to shareholders of the listed company was approximately RMB397 million, a year-on-year increase of 142.52%. The net profit attributable to shareholders of the listed company, excluding non-recurring gains and losses, was approximately RMB256 million, a year-on-year increase of 12.12%.

(II) Performance of principal operations during the Reporting Period

1. The business division of water powersports equipment

In the first half of 2025, the controlled subsidiary Parsun Power achieved operating revenue of RMB485 million, a year-on-year increase of about 28%, and a net profit of RMB58 million, a year-on-year increase of 13%. Both revenue and profit set new historical highs for the first half of the year. Since 2021, Parsun Power has entered a fast growth phase. In the first half of 2025, its operating revenue and net profit both more than doubled compared to the first half of 2021.

Breaking into the high-end outboard motor market, and completing mass production and delivery of 300-horsepower gasoline outboard motors: Following the launch of China's first 300-horsepower gasoline outboard motor in 2024, Parsun Power made extensive efforts toward mass production, and successfully achieved the mass production and delivery of the 300-horsepower gasoline outboard motor in March 2025, making it the first company in China to mass-produce this model. This achievement filled the gap in China's high-horsepower gasoline outboard motor manufacturing sector, making China the third country in the world, after the United States and Japan, to successfully mass-produce a 300-horsepower gasoline outboard motor. China's outboard motor industry was driven from the "follower" stage into the "competitor" stage in the field of high-horsepower gasoline outboard motor manufacturing and sales.

Launching the first electric trolling motor, and creating a new growth curve for water powersports products: While consolidating its competitive advantage in outboard motors, Parsun Power has expanded its scope to become a "a supplier of comprehensive water powersports solutions" based on years of precipitation and accumulation in outboard motors. By opening up new product lines, it is creating a new growth curve. In March 2025, Parsun Power officially launched its first intelligent electric trolling motor at the CIBS2025. This product is Parsun Power's first electric trolling motor and also China's first electric trolling motor with a folding structure. Parsun Power adhered to the "high-end positioning, positive R&D" philosophy in the development of this

product. After over 40 rounds of shape optimization, more than 70 structural adjustments, over 100 software version iterations, and nearly a thousand water tests, it achieved independence and control over core technology and production manufacturing. The product has now entered the mass production and delivery phase.

Driving efficiency improvement through digital and intelligent operations to support rapid performance growth: In the first half of 2025, Parsun Power launched the U9 ERP system, which significantly improved the automation level of the entire process of “sales, planning, production, and delivery”, and effectively enhanced management performance in supply chain management, production manufacturing, and financial management. Inventory turnover days significantly decreased compared to the same period in 2024, and net operating cash flow increased noticeably during the same period. The improvement in operational efficiency played a significant role in the growth of outboard motor parts sales revenue in the first half of the year. Through internal management process improvements, the delivery time for parts sales was greatly shortened, with over 90% of parts orders being delivered within one month. The sales of parts increased by more than 50% year-on-year.

Approved as China’s first CNAS laboratory, further strengthening technological advantages: In June 2025, Parsun Power’s High-power Outboard Motor Emission Testing Center Laboratory received the CNAS Laboratory Accreditation Certificate from the CNAS, becoming the first CNAS-certified professional laboratory in China’s outboard motor industry. This filled the gap in China’s specialized testing platform for high-horsepower gasoline outboard motors and further solidified Parsun Power’s position as an industry benchmark in the domestic gasoline outboard motor sector. Additionally, Parsun Power was approved to establish a National Postdoctoral Research Workstation during the Reporting Period, which means Parsun Power’s scientific research strength, high-end talent cultivation, and industry-academia-research collaboration gained national recognition, and has further enhanced the company’s technological image and brand influence.

Making parallel growth in domestic and international markets through innovative and diversified marketing approaches: In 2025, Parsun Power ventured into live-stream e-commerce, collaborating with commercial partners to host several live-streaming events on the Douyin platform. This direct approach helped bridge the gap between the company and end consumers and strengthen mutual recognition. Parsun Power is gradually building a marketing loop of “online traffic generation, offline experience, and full-scope conversion”, and creating a new omni-channel marketing model with “online and offline synergy”. The company also promoted its electric trolling motor products by sponsoring Lure fishing competitions to gradually build brand recognition and reputation in the recreational fishing field. Furthermore, in the first half of the year, Parsun Power participated in major domestic exhibitions such as the 2025 Shanghai International Yacht Show, the 2025 Canton Fair, and the CIBS2025, the Canton Fair 2025, and the Shanghai International Emergency Disaster Reduction & Rescue Exhibition. The company also strengthened its market expansion in Europe and Southeast Asia, with a focus on Latin American and African markets. In terms of general machine business, Parsun Power’s revenue from this segment grew by over 80% in the first half of 2025 compared to the same period in 2024, becoming a strong support for the core business development of Parsun Power’s water powersports products.

New headquarters put into use, opening the 2.0 era: Parsun Power’s new headquarters in Suzhou, Jiangsu, officially began operations in May 2025. The launch of the new headquarters, featuring intelligent production

workshops, a 300-horsepower outboard motor assembly line, and robotic spraying technology, will lay the foundation for further improving Parsun Power's business performance. Between 2020 and 2024, Parsun Power achieved a rapid growth rate, with average annual compound growth rates of more than 20% in both revenue and net profit. The company successively launched 115-horsepower, 130-horsepower, and 300-horsepower gasoline outboard motors, filling many gaps in the Chinese gasoline outboard motor sector and achieving remarkable accomplishments. Based on the rapid development of the past five years, the completion and use of the new headquarters marks the beginning of Parsun Power's "2.0 Era". It will continue to focus on the trends of "high-horsepower, electrification, and intelligence" in the marine power field, providing comprehensive water powersports solutions and products for customers across various fields and scenarios. Building on its solid position as an industry leader in China, Parsun Power aims to benchmark against top international enterprises, regard innovation as its driving force and full-industry chain collaboration as its support, and strive to become a world-class provider of comprehensive water powersports equipment.

2. The business division of intelligent packaging equipment

A. The segment of corrugated cardboard production lines

■ Overseas business unit: Stable markets in Europe and North America, steady expansion in emerging markets, and continuous improvement in internal collaboration

In the mid- to high-end corrugated cardboard production line industry in the core markets of Europe and North America, the continued merger and integration of large group companies among the top in market share in the European and American paper packaging industry, which began in 2024, have led to a slowdown in capital investment in the sector. However, Fosber Group has maintained stable, long-term cooperative relationships with the industry leaders and large enterprises in the above European and American corrugated packaging industry for many years. During the Reporting Period, Fosber Group continued to closely follow the investment plans of its industry customers and collaborate deeply with them. In the first half of 2025, Fosber Group's overall new orders remained stable. Looking ahead, upon completion of the merger and integration of major players in the downstream paper packaging industry, the inclination to invest in large-scale, high-capacity, and intelligent factories will benefit Fosber Group's steady growth, as it has deep competitive barriers and a leading market share in the mid- to high-end intelligent corrugated cardboard production line market in Europe and North America.

Amid the slowing growth in core markets, Fosber Group has actively explored emerging markets like Latin America and Africa. In 2024, Fosber established a new subsidiary, Fosber Mexico, which has shown positive momentum in business development in the first half of 2025. This subsidiary is expected to become the core region for after-sales spare parts business, covering the entire Latin American market, thus providing strong support for Fosber Group's market expansion and sales growth in the Latin American region.

Enhancing industrial synergy and continuously reducing costs and increase efficiency: During the Reporting Period, Fosber Group continued to deepen collaboration between its three main product lines: Fosber-branded corrugated line, Quantum-branded corrugated line, and Fosber Asia's domestic corrugated line. In the first half of the year, Fosber Group made positive progress in collaboration and integration with its subsidiary Qcorr in operations and after-sales service. Additionally, collaboration between Fosber Group and Fosber Asia in R&D, as

well as project implementation, also made positive strides, contributing to improved cost management and operational efficiency in the overall corrugated cardboard production line business segment.

■ Domestic business unit: Record-high performance, significant increase in domestic market orders, and successful launch of a new factory

Fosber Asia, a subsidiary of Fosber, is positioned as a domestic mid- and high-end corrugated cardboard production line supplier based in China and spanning to the Asian market. In the first half of 2025, Fosber Asia achieved impressive results in the domestic industry market, with new orders reaching a record high. Fosber Asia's operating revenue and net profit during the Reporting Period both achieved the best half-year performance in nearly five years since 2021, with significant year-on-year growth in both complete lines and spare parts service sales.

In terms of research and product development, S-line, a domestic mid- and high-end corrugated line of Fosber Asia, launched a new line product of 3.15-meter-wide corrugated cardboard in the first half of the year, which was successfully sold in the domestic market. In production and operations, Fosber Asia achieved a historical high in the number of corrugated line projects completed in the first half of the year. Through improvements in internal operation management, product quality and qualification rate were improved, and the product cost structure was further optimized. Fosber Asia has continued to strengthen its market competitiveness by balancing “high-end technological breakthroughs” and “domestic manufacturing cost reduction”.

In June 2025, Fosber Asia's new factory was successfully completed and put into operation. The new factory has a design capacity of 40 lines per year, providing strong support for the growth of Fosber Asia's business performance.

B. The segment of corrugated box printing and packaging line equipment

Overseas market: In the context of many domestic peers expanding overseas, Dongfang Precision's corrugated box printing and packaging equipment products, under the Dongfang Precision brand, have continued to achieve success in expanding into overseas markets. With years of accumulated goodwill, leading technology levels, high-quality products, and a robust sales and service system, the Company has steadily advanced its international business. During the Reporting Period, Dongfang Precision (China) adopted an “agency sales + direct sales” model for its overseas business. The company's overseas business personnel have continuously increased efforts to expand the overseas direct sales market, focusing on the “Belt and Road” countries, and made progress in markets such as the Middle East and Southeast Asia, with the number and value of orders received for joint-line projects in the international market in the first half of the year exceeding the same period last year.

Operation management: Dongfang Precision (China) has continuously promoted energy conservation, consumption and cost reduction, and efficiency improvement. The company has implemented a “digital workshop” approach by introducing intelligent equipment, data collection, data analysis, production process optimization, and artificial intelligence assistance. This initiative has consistently optimized aspects such as order progress, production performance, capacity analysis, quality management, product traceability, and inventory management. During the Reporting Period, Dongfang Precision (China) deeply promoted supply chain management and production process improvements, and continued to optimize cost control.

Digital printer business: The controlled subsidiary, Wonder Digital, launched an upgraded version of its “MULTI PASS-SINGLE PASS Digital Hybrid Printer”. With its innovative “dual-mode integration technology”, the product can meet the diversified printing needs for various sizes and help customers reduce costs and increase efficiency. This product has gained popularity in the domestic market brought the company a considerable number of orders in the first half of the year. During the Reporting Period, sales of ink consumables and accessories for Wonder Digital’s digital printers continued the strong growth trend seen in 2024, with the supporting effect continuing to show.

3. The segment of external investments

While focusing on the two core business segments, the Company places high importance on external expansion through equity investments. Adhering to the principle of “the principal businesses as the core + extended investment as the support”, the Company leads and coordinates “organic growth + external expansion” with the “1+N” development model.

“1” refers to focusing on the core businesses of high-end intelligent equipment manufacturing (corrugated packaging equipment + water powersports equipment), firmly establishing its foundational position, continuously strengthening and expanding, and enhancing core competitiveness to maintain and increase market share amidst the trends of digitalization and intelligence. “N” refers to external expansion, which can include the following three aspects:

(1) Deepening Chain Extension: Mergers and Acquisitions Synergy, Strengthening Core Moat

Building on the advantages of Dongfang Precision's main business, the Company focuses on acquiring high-quality companies within the same industry chain globally. By vertically integrating the supply chain, it implements precise mergers and acquisitions of high-quality targets in related fields. After the acquisition, the Company performs deep integration, outputs key capabilities, and stimulates internal industry chain synergies to further strengthen its core businesses.

(2) Breaking Boundaries for Ecological Co-Creation: Strategic Investment and Co-Creation of Strategic Emerging Industry “New Productive Power Clusters”

The Company focuses on “new productive power”, which is a core theme of developing strategic emerging industries and future industries designated by the country. It closely follows the national direction of developing new productive power and targets the two major directions: strategic emerging industries and future industries. The Company has defined two key fields for its external expansion strategy: “artificial intelligence + robotics” and “key structural materials for controlled nuclear fusion + nuclear power equipment”, with an industrial chain investment layout for key areas. In the first half of 2025, the Company’s external investment business efforts were mainly centered on “strategic investment” as follows:

■ “Artificial intelligence + robotics”

In the 2025 government work report, China included “embodied intelligence” and “intelligent robots” as part of the national future industry development direction, marking a new opportunity for the intelligent upgrading of Chinese manufacturing. Dongfang Precision is implementing a “cluster-based strategic investment” approach to deepen its industrial layout in robotics and embodied intelligence.

In the first half of 2025, the Company made an equity investment in Leju Robot, acquiring a 2.83% stake. Leju Robot is a national specialized, refined, featured and innovative “Little Giant” enterprise that focuses on core robotic technology research, intelligent robot product development, and production. The company possesses fully independent intellectual property rights for hardware and control systems and has advanced technologies in areas such as overall structural design of robots, core component manufacturing, and AI algorithm development. It has launched several intelligent robot products and derivatives, with a continued focus on robot applications in diverse scenarios such as industrial intelligent manufacturing, commercial services, research and education, and home services.

Following this equity investment, Dongfang Precision now has three equity investment projects in the “artificial intelligence + robotics” field, forming a “cluster-based strategic investment” landscape:

Target name	Field	Dongfang Precision’s shareholding percentage as of the end of the Reporting Period ^{Note}
Guangdong Jaten Robot & Automation Co., Ltd.	Industrial robotics	19.84%
Shenzhen Ruoyu Technology Co., Ltd.	AI Multi-modal large models	12.39%
Leju (Shenzhen) Robotics Co., Ltd.	Humanoid robots & embodied intelligence robots	2.83%

Note: The shareholding percentages in the above table are based on the business registration information of the relevant invested companies as of June 30, 2025. Any differences in decimal places are due to rounding to two decimal places.

Dongfang Precision’s strategic investment in the “artificial intelligence + robotics” field aims to create a model of “strategic investment + industrial collaboration”. By combining Dongfang Precision’s resources and capabilities in the equipment manufacturing industry with the industry-leading technologies, products, and application experiences of the invested companies in robotics and AI large models, the Company seeks efficient integration. This collaboration aims to explore cooperation in production manufacturing, application scenarios, and market expansion, fostering the co-creation and shared value of the industry chain.

In July 2025, the Company signed a “Strategic Cooperation Agreement” with Leju Robot, which fully reflects Dongfang Precision’s strategy of building a “strategic investment + industrial collaboration” model in the “artificial intelligence + robotics” field. The two parties will initiate and deepen cooperation based on project collaboration and complementary advantages, leveraging Leju Robot’ technological R&D and application strengths, as well as Dongfang Precision’s advantages in intelligent manufacturing and resources. The areas of cooperation include, but are not limited to:

a. Production, manufacturing and services: Dongfang Precision will produce and manufacture humanoid robot products for Leju Robot according to the company’s technology standards and capacity requirements in a timely and quality-assured manner, as well as subsequent debugging, deployment, and after-sales services.

b. Application expansion: Leju Robot will provide service solutions, while Dongfang Precision will leverage its strengths in intelligent manufacturing to jointly explore humanoid robot skills training and applications.

c. Market expansion and promotion: Dongfang Precision will assist Leju Robot in promoting robot products in the fields of industrial intelligent manufacturing, commercial services, research and education, and home services by utilizing its social and industry resource advantages. Both parties will jointly expand the market.

With the subsequent implementation of cooperation measures in the three areas mentioned above, Dongfang Precision will fully leverage the advantages it has accumulated over nearly three decades in the high-end intelligent equipment manufacturing field, including experience in large-scale production and efficient operation management. The Company will collaborate with Leju Robot to jointly promote the large-scale manufacturing process of humanoid robot products. Relying on Dongfang Precision's resource advantages in its core high-end intelligent equipment business and external investments, the Company will help open broader application scenarios for Leju Robot' products. This will drive the enhancement and deepening of humanoid robots' application levels in industrial manufacturing and enable both companies to jointly explore and expand the application and market for robotic products across multiple fields. Within the boundaries of Dongfang Precision's capabilities, the Company will accelerate the application and popularization of robot-related products.

■ “Key structural materials for controlled nuclear fusion + nuclear power equipment”

Dongfang Precision made its first equity investment in Guizhou Aerospace Xinli Technology Co., Ltd. (hereinafter referred to as “Aerospace Xinli”) in 2021, acquiring a 3.86% stake in it. In the first half of 2025, the Company further increased its stake in Aerospace Xinli, and by the end of the Reporting Period, Dongfang Precision held a 19.89% stake (Note: The shareholding percentage is based on the business registration information of the relevant invested company as of June 30, 2025, and any differences in decimal places are due to rounding to two decimal places).

Aerospace Xinli focuses on the research and development of high-end metal materials, manufacturing of castings and forgings, and the production of supporting products in fields such as nuclear energy, aerospace, and aviation. Its core competitiveness lies in the nuclear power component manufacturing field. As one of the earliest companies in China to obtain a nuclear power manufacturing license, Aerospace Xinli's products are used in all domestic nuclear power projects that have been completed or are under construction. Since 2014, Aerospace Xinli has undertaken important manufacturing tasks for one of the largest international scientific research collaboration projects globally, the “International Thermonuclear Experimental Reactor (ITER)”, including the magnet support and shielding components. In 2022, Aerospace Xinli was the first to complete the manufacturing of the “First Wall with Enhanced Thermal Load” for the ITER project. In 2024, the company exclusively won all product orders for the magnet support system of the Fusion New Energy BEST project.

Aerospace Xinli has undertaken the development and production of nuclear level-I mechanical equipment components for most of China's nuclear power station and has been deeply involved in the localization process of China's nuclear power construction. The company has successfully completed the research and localization of dozens of types of nuclear energy equipment alloy materials and key components.

Dongfang Precision made its first equity investment in Aerospace Xinli in 2021 and has long highly recognized the company's strong technological innovation capabilities, independent control of key core technologies, product reserves, and its leading industry position both domestically and internationally in nuclear power components and special new materials. The Company remains confident about the application prospects and the immense development potential of Aerospace Xinli's products in fields such as controlled nuclear fusion,

nuclear power equipment, and aerospace and aviation. Dongfang Precision plans to increase its stake in Aerospace Xinli in 2025 and will seek future cooperation in special new materials and nuclear energy components, contributing to the upgrading of China's high-end equipment manufacturing industry.

(3) Positioning on Key Core Tracks: Forward-looking Investment to Build Future Competitiveness

Dongfang Precision and its subsidiary Yineng Investment focus on industries that align with the Company's external investment business. These areas are closely tied to the core theme of "high-quality development" in China's manufacturing industry during the 14th Five-Year Plan period. The Company centers its efforts around innovation-driven growth, focusing on hard-tech fields such as aerospace, new materials, and other industries with significant technological barriers, broad future development potential, and national strategic value. Dongfang Precision aims to identify excellent companies in niche sectors and obtain small equity stakes in these companies through investment (with post-investment shareholding not exceeding 5%). Yineng Investment has made investments in aerospace and aviation, such as in Sichuan Tengden UAV and EXPACE, as well as in new materials, investing in Yunnan Yuze Semiconductor. These investments aim to yield good returns while exploring new directions and opportunities for the Company's development.

4. Analysis of key financial indicators of principal operations

Unit: RMB yuan

	2025H1	2024H1	Change (%)	Reason for any significant change
Operating revenue	2,158,956,857.88	2,161,188,907.40	-0.10%	No significant change.
Operating cost	1,511,618,213.45	1,502,217,618.28	0.63%	No significant change.
Selling expenses	81,372,896.12	88,952,530.48	-8.52%	No significant change.
Administrative expenses	188,675,988.67	161,949,583.52	16.50%	Mainly due to the increase in equity incentive amortization during the reporting period.
Finance costs	-19,645,153.25	-12,794,161.84	-53.55%	Mainly due to the decrease in interest expenses and the increase in interest income during the reporting period.
Income tax expenses	67,252,009.19	90,957,489.73	-26.06%	Mainly due to the decrease in payable income taxes during the reporting period.
R&D expenses	53,511,623.86	50,366,067.58	6.25%	No significant change
Net cash generated from/used in operating activities	355,284,471.35	118,570,463.65	199.64%	Mainly due to the increase in cash inflows from operating activities during the reporting period.
Net cash generated from/used in investing activities	514,988,451.97	-160,975,009.11	419.92%	Mainly due to the company's disposal of financial assets during

	2025H1	2024H1	Change (%)	Reason for any significant change
				the reporting period.
Net cash generated from/used in financing activities	-149,180,394.39	-94,150,183.88	-58.45%	Mainly due to the payment of cash dividends during the reporting period.
Net increase in cash and cash equivalents	752,254,111.58	-162,323,576.70	563.43%	Mainly due to the impact of net cash flows from operating activities and investment activities during the reporting period.

There have been no significant changes in the composition or sources of the company's profits during the reporting period.

Composition of operating revenue

Unit: RMB

	2025H1		2024H1		Change (%)
	Operating revenue	As a % of total operating revenue (%)	Operating revenue	As a % of total operating revenue (%)	
Total	2,158,956,857.88	100%	2,161,188,907.40	100%	-0.10%
By operating division					
Intelligent manufacturing	2,158,956,857.88	100.00%	2,161,188,907.40	100.00%	-0.10%
By product category					
Corrugated cardboard production lines	1,396,140,752.50	64.67%	1,469,605,534.73	68.00%	-5.00%
Corrugated box printing and packaging production line equipment(Including Digital Printers)	278,299,181.69	12.89%	313,453,089.77	14.50%	-11.22%
Water powersports products and general machines	484,516,923.69	22.44%	378,130,282.90	17.50%	28.13%
By operating segment					
Mainland China	508,124,085.88	23.54%	308,411,411.62	14.27%	64.76%
Other countries and regions	1,650,832,772.00	76.46%	1,852,777,495.78	85.73%	-10.90%

Operating Division, Product Category or Operating Segment Contributing over 10% of Operating Revenue or Operating Profit

√ Applicable □ Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	Change in gross profit margin (%)
By operating division						
Intelligent manufacturing	2,158,956,857.88	1,511,618,213.45	29.98%	-0.10%	0.63%	-0.51%
By product category						
Corrugated cardboard production lines	1,396,140,752.50	935,823,113.75	32.97%	-5.00%	-6.68%	1.21%
Corrugated box printing and packaging production line equipment(Including Digital Printers)	278,299,181.69	194,890,083.67	29.97%	-11.22%	-7.18%	-3.05%
Water powersports products and general machines	484,516,923.69	380,905,016.03	21.38%	28.13%	31.61%	-2.08%
By operating segment						
Mainland China	508,124,085.88	415,918,124.10	18.15%	64.76%	73.42%	-4.09%
Other countries and regions	1,650,832,772.00	1,095,700,089.35	33.63%	-10.90%	-13.20%	1.77%

Under the circumstances that the statistical caliber of the Company's main business data is adjusted in the Reporting Period, the Company's main business data that adjusted according to the caliber at the end of the Reporting Period

☐ Applicable ☒ Not applicable

IV Analysis of Non-Core Businesses

☒ Applicable ☐ Not applicable

Unit: RMB yuan

	Amount	As a % of gross profit	Primary source/reason	Recurrent or not
Return on investment	145,682,957.38	30.15%	Mainly due to the change in investment income recognized from the implementation of investments in securities during the period.	Yes
Gain/loss on changes in fair value	9,152,211.19	1.89%	Mainly due to changes in fair value recognized in investments in securities implemented during the period	Yes
Asset impairment loss	-9,018,836.80	-1.87%	Mainly due to provision for decline in value of inventories and impairment of contract	Not

	Amount	As a % of gross profit	Primary source/reason	Recurrent or not
			assets during the period.	
Non-operating income	1,552,164.28	0.32%	No significant change	Not
Non-operating expenses	1,300,695.51	0.27%	No significant change	Not

V Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB yuan

	30 June 2025		31 December 2024		Change in percentage (%)	Reason for any significant change
	Amount	As a % of total assets	Amount	As a % of total assets		
Cash and bank balances	2,501,935,816.53	29.97%	1,729,050,383.34	22.97%	7.00%	Mainly due to the recovery of investment funds from the disposal of trading financial assets during the reporting period.
Accounts receivable	817,534,803.08	9.79%	745,862,825.71	9.91%	-0.12%	No significant change.
Contract assets	46,565,536.09	0.56%	52,151,171.92	0.69%	-0.13%	No significant change.
Inventories	1,316,777,926.90	15.77%	1,031,899,593.02	13.71%	2.06%	No significant change.
Long-term equity investments		0.00%		0.00%	0.00%	N/A
Fixed assets	111,903,408.19	1.34%	113,469,148.58	1.51%	-0.17%	No significant change.
Construction in progress	953,178,133.55	11.42%	681,980,621.79	9.06%	2.36%	No significant change.
Right-of-use assets	216,072,179.85	2.59%	404,826,595.02	5.38%	-2.79%	No significant change.
Short-term borrowings	60,180,882.89	0.72%	64,147,198.31	0.85%	-0.13%	No significant change.
Contract liability	139,457,969.59	1.67%	85,390,128.99	1.13%	0.54%	No significant change.
Long-term borrowings	595,986,497.10	7.14%	373,931,068.16	4.97%	2.17%	No significant change.
Lease liabilities	136,998,422.99	1.64%	125,482,485.31	1.67%	-0.03%	No significant change.
Cash and bank balances	44,109,251.33	0.53%	47,666,801.96	0.63%	-0.10%	No significant change.
Financial assets	140,769,386.23	1.69%	788,649,332.18	10.48%	-8.79%	Mainly due to

	30 June 2025		31 December 2024		Change in percentage (%)	Reason for any significant change
	Amount	As a % of total assets	Amount	As a % of total assets		
held for trading						the recovery of investment funds from the disposal of trading financial assets during the reporting period.

2、Overseas assets that take up a large percentage of the Company's net asset value:

√ Applicable □ Not applicable

Asset	Source	Asset value (RMB)	Location	Management model	Control measures to protect asset safety	Return	As a % of the Company's net asset value	Any material impairment risk or not
100% interest of Fosber S.p.A.	M&A	1,415,394,939.87	Italy	Producing and marketing by itself	Integration of strategic control, authorisation control, operational control and financial management	Good	25.44%	Not
100% interest of EDF S.R. L	M&A	20,194,159.36	Italy	Producing and marketing by itself	Integration of strategic control, authorisation control, operational control and financial management	Good	0.36%	Not

3. Assets and Liabilities at Fair Value

√ Applicable □ Not applicable

Unit: RMB yuan

Item	Opening amount	Gain/loss on fair-value changes in the period	Cumulative fair-value changes recognized in equity	Impairment allowance for the period	Purchased in the period	Sold in the period	Other changes	Closing amount
Financial assets								
1. Financial assets held for trading (exclusive of derivative financial assets)	788,649,332.18	9,913,460.41			1,179,018,063.04	1,836,811,469.40		140,769,386.23
2. Derivative financial assets	2,755,081.17	304,706.80			0.00	25,877.23		3,033,910.74
3. Other non-current financial assets	539,449,588.63	-3,995,229.41			173,911,701.08	5,736,881.14	9,028,315.94	712,657,495.10
Subtotal of financial assets	1,330,854,001.98	6,222,937.80	0.00	0.00	1,352,929,764.12	1,842,574,227.77	9,028,315.94	856,460,792.07
Other non-current financial assets	10,579,534.25	163,643.83						10,743,178.08
Total of the above	1,341,433,536.23	6,386,581.63	0.00	0.00	1,352,929,764.12	1,842,574,227.77	9,028,315.94	867,203,970.15
Financial liabilities	213,178,435.77	-2,846,999.41	0.00		0.00	0.00	7,172,630.76	217,504,067.12

Indicate whether any significant change occurred to the measurement attributes of the major assets in the Reporting Period.

□ Yes √ No

4. Assets to which the Company’s Rights Were Restricted as at the Period-End

Unit: RMB yuan

Item	Closing carrying amount	Reason for restriction
Cash and bank balances	97,391,156.40	Deposits used for obtaining bank acceptance bills and guarantees, etc.
Fixed assets	59,086,450.51	For bank loans obtained by subsidiaries
Total	156,477,606.91	

VI Investments Made

1. Total Investment Amount

☒ Applicable ☐ Not applicable

Total investment amount in 2025H1 (RMB)	Total investment amount in 2024H1 (RMB)	Change (%)
790,495,367.75	970,338,776.80	-18.53%

2. Significant Equity Investments Acquired in the Reporting Period

☐ Applicable ☒ Not applicable

3. Significant Non-Equity Investments of which the Acquisition Was Uncompleted in the Reporting Period

☐ Applicable ☒ Not applicable

4. Financial Investments

(1) Securities Investments

√ Applicable □ Not applicable

Unit: RMB yuan

Security type	Security code	Security name	Initial investment cost	Measurement method	Opening carrying amount	Gain/loss on fair-value changes in the period	Cumulative fair-value changes recognized in equity	Purchased in the period	Sold in the period	Gain/loss in the period	Closing carrying amount	Accounting title	Funding source
Domestically/overseas listed stocks		Others	187,638,899.00	Fair value	187,638,899.00	-2,223,067.28		137,693,463.04	472,858,348.24	147,525,986.20		Financial assets held for trading	Self-funded
Trust products			20,153,767.72	Fair value	20,153,767.72	15,840.63		30,082,000.00	50,296,171.37	60,403.65		Financial assets held for trading	Self-funded
Funds			347,067,239.36	Fair value	347,067,239.36	10,601,898.12		151,272,850.67	421,414,275.94	5,865,037.08	82,790,851.17	Financial assets held for trading	Self-funded
Others			233,789,426.10	Fair value	233,789,426.10	1,518,788.94		859,969,749.33	1,039,527,407.21	3,746,766.84	57,978,535.06	Financial assets held for trading	Self-funded
Total			788,649,332.18	--	788,649,332.18	9,913,460.41	0.00	1,179,018,063.04	1,984,096,202.76	157,198,193.77	140,769,386.23	--	--

(2) Investments in Derivative Financial Instruments

√ Applicable □ Not applicable

1) Derivative Investments for Hedging Purposes in the Reporting Period

√ Applicable □ Not applicable

Unit: RMB'0,000

Type of derivative	Initial investment amount	Opening amount	Gain/loss on fair-value changes in the period	Cumulative fair-value changes recognized in equity	Purchased in the Reporting Period	Sold in the Reporting Period	Closing amount	Closing amount as % of the Company's closing equity
Forward Foreign Exchange	33,347.08	20,588.55	189.16	0.00	12,758.53	8,244.13	25,107.01	4.69%
合计	33,347.08	20,588.55	189.16	0.00	12,758.53	8,244.13	25,107.01	4.69%
Description of significant changes in accounting policies and specific financial accounting principles in respect of the Company's hedges for the Reporting Period as compared to the prior reporting period	No significant change							
Actual gains/losses in the Reporting Period	During the Reporting Period, the actual loss on derivative contracts for hedging purposes stood at 1.8916 million yuan.							
Results of hedges	Currently not available							
Funding source	Self-funded							
Risk analysis of positions held in derivatives during the Reporting Period and description of control measures (Including	The above-mentioned hedging transactions are mainly intended to avert and prevent risks arising from fluctuations in exchange rates. In the Rules on the Management of Financial Derivative Transaction Business formulated by the Company, the operating rules, review and approval authority, routine management, and risk control mechanisms on the financial derivative transaction business have been prescribed to standardize business operation as well as prevent and control related risks. The Company will strengthen the understanding and mastering of national policies and requirements of relevant governing bodies to avoid related credit and legal risks.							

but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	
Changes in market prices or fair value of derivative products during the Reporting Period, specific methods used, and relevant assumption and parameter settings shall be disclosed for analysis of fair value of derivatives	Undue forward forex settlement and sale contracts are measured at fair value, i.e., the difference between the signing price of an undue forward forex settlement and sale contract held at the period-end and the bank's forward forex rates at the period-end.
Legal matter (if applicable)	N/A
Disclosure date of the announcement about the board's consent for the derivative investment (if any)	18 March 2025
Disclosure date of the announcement about the general meeting's consent for the derivative investment (if any)	8 April 2025

2) Derivative Investments for Speculative Purposes in the Reporting Period

√ Applicable □ Not applicable

Unit: RMB'0,000

Counterparty	Relationship with the Company	Related transaction	Type of derivative	Initial investment amount	Start date	End date	Opening investment amount	Purchased in the Reporting Period	Sold in the Reporting Period	Impairment allowance (if any)	Closing investment amount	Closing investment amount as % of the Company's closing equity	Actual gain/loss in the Reporting Period
Agricultural Bank of China	N/A	No	Swap Foreign Exchange	7,230.19	1 Jan 2025	30 June 2025	715.86	9,377.77	2,898.75	0	7,268.04	1.36%	73.29
Total				7,230.19	--	--	715.86	9,377.77	2,898.75	0	7,268.04	1.36%	73.29
Funding source				Self-funded									
Legal matter (if applicable)				N/A									
Disclosure date of the announcement about the board's consent for the derivative investment (if any)				18 March 2025									
Disclosure date of the announcement about the general meeting's consent for the derivative investment (if any)				8 April 2025									
Risk analysis of positions held in derivatives during the Reporting Period and description of control measures (Including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)				<p>Risk analysis:</p> <p>1. Decision-making risk: The Company's involvement in derivatives trading is influenced by a variety of factors, including international and domestic economic policies, economic conditions, developments of the sectors, fluctuations in exchange rates and interest rates. Furthermore, this type of trading is inherently complex and requires a high level of specialisation, thus carrying a certain degree of risk in trading decision-making processes.</p> <p>2. Market risk: Financial markets are susceptible to macroeconomic conditions, industry cycles, and numerous other influences. Exchange rate movements are bi-directional; in the context of forward exchange rates, there's a possibility that locked-in forward exchange transactions may lead to settlement exchange rates below the company's book rate on the delivery date, potentially generating foreign exchange losses.</p> <p>3. Liquidity risk: A sudden and extreme shift in the relevant price index, or managing excessively large positions, could potentially result in untimely margin calls and force the liquidation of positions, thereby exposing the Company to liquidity risks.</p> <p>4. Policy and legal risks: The Company may suffer losses due to alterations in the legal framework, non-compliance with relevant laws, regulations, or contractual breaches by counter-parties, leading to improper execution of contracts.</p> <p>5. Other risks: During transaction execution, failing to adhere to standard procedures for derivatives trading or inadequate comprehension of derivative product information can introduce operational risks, potentially leading to losses stemming from non-compliant actions or unforeseen legal contingencies.</p> <p>Description of control measures:</p> <p>1. In the Rules on the Management of Financial Derivative Transaction Business formulated by the Company, the operating rules, review and</p>									

	<p>approval authority, routine management, and risk control mechanisms on the financial derivative transaction business have been prescribed to standardise business operation as well as prevent and control related risks.</p> <p>2. The Company will diligently select qualified financial institutions for partnership and may engage experienced external professionals when needed to offer advisory services. This ensures thorough and methodical research and analysis prior to investments, thereby minimizing operational risks and performance uncertainties.</p> <p>3. Throughout its business operations, the Company and its associates rigorously comply with applicable national laws and regulations to avert legal hazards. They conduct regular supervision and inspections to ensure the derivatives business's standardization, internal control efficacy, and information disclosure accuracy. They closely monitor shifts in domestic and international regulatory policies and changes to relevant rules, proactively adjusting trading strategies accordingly to mitigate potential policy risks well ahead of time.</p> <p>4. The Company will steadfastly uphold cautious investment principles, consistently enhancing its analysis and research on economic policies, market conditions, and environmental shifts, promptly adjusting its investment strategies and scales as needed. Moreover, it will continuously fortify the professional education of its team members, elevating the proficiency of its practitioners.</p> <p>5. The the Audit Committee of the Board of Directors are in charge of supervising and verifying the implementation of derivatives trading business, proposing timely rectification opinions on existing problems.</p>
Changes in market prices or fair value of derivative products during the Reporting Period, specific methods used, and relevant assumption and parameter settings shall be disclosed for analysis of fair value of derivatives	Based on market value changes
Description of significant changes in accounting policies and specific financial accounting principles in respect of the Company's derivatives for the Reporting Period as compared to the prior reporting period	No significant change

5. Use of Raised Funds

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VII Sale of Major Assets and Equity Investments

1. Sale of Major Assets

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Investments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VIII Principal Subsidiaries and Joint Stock Companies

☒ Applicable ☐ Not applicable

Principal subsidiaries and joint stock companies with an over 10% effect on the consolidated net profit:

Unit: RMB yuan

Name	Relationship with the Company	Principal activities	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Fosber Group	Subsidiary	R&D, processing, manufacturing, and marketing of corrugated cardboard production lines and parts, as well as provision of after-sales services	EUR1.56 million	3,009,814,741.08	1,415,394,939.87	1,213,982,956.49	204,709,535.89	183,958,671.70
Shunyi Investment	Subsidiary	Shunyi Investment is principally	RMB10 million	829,259,966.08	403,244,216.85	484,516,923.69	68,643,684.23	58,329,213.28

		engaged in business entity and project investments, etc. It is the direct controlling shareholder of Parsun Power.						
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IX Structured Bodies Controlled by the Company

√ Applicable □ Not applicable

1. In March 2021, the Company established Tianjin Hangchuang Zhijin Investment Partnership (Limited Partnership) (the "Tianjin Hangchuang Fund") with AVIC Innovation Capital Management Co., Ltd. The Company, as the sole LP of the Fund, subscribed for the Partnership's contribution share of RMB20,000,000. The Fund is a special fund which is to invest in the equity of Sichuan Dajin Stainless Steel Co., Ltd. (now renamed as Chengdu Dajin Aero-Tech Co., Ltd.).

This investment is in line with the Company's development strategy considering the Fund's investment direction, decision-making, management, income distribution, loss allocation, etc. From the perspective of business nature, the Company provides much of the capital of the Tianjin Hangchuang Fund, so it is reasonable to include the Fund in the Company's consolidated financial statements of the Reporting Period.

2. In March 2022, the wholly owned subsidiary Yineng Investment indirectly invested in Beijing Sinoscience Fullcryo Technology Co., Ltd. (referred to as "Fullcryo" in this Report) and Sinoscience Fullcryo (Zhongshan) Equipment Manufacturing Co., Ltd. by making a capital contribution to a limited partnership and obtained non-controlling interests of the two companies.

As one of the limited partners of the partnership, Yineng Investment accounts for 94.86% of the total capital contributions. Considering the partnership's agreements on investment orientation, investment decisions, operation and management, income apportionment, and loss bearing, and the fact that Yineng Investment accounts for the majority of the capital contributions to the partnership, the partnership is included in the consolidated statements of Dongfang Precision as a "structured body controlled by the Company" from the perspective of commercial substance and after complying with the Accounting Standard for Business Enterprises and referring to the professional opinions of the independent auditor.

X. Possible risks and countermeasures

1. Risks arising from fluctuations in exchange rates

The main settlement currency and recording currency of Fosber Group, the principal overseas business entity of the Company, are euros, while the revenue of Fosber America and domestic entities from export is mainly settled with the US dollar. Fluctuations in the US dollar and euro exchange rates do not significantly impact the routine operation of overseas business entities but exert certain impacts on the presentation of their assets and operating results in the consolidated financial statements.

Factors such as domestic macroeconomic conditions and policies, changes in the Federal Reserve's interest rate cut expectations, global geopolitical and trade situation changes, central bank monetary policy changes, international balance of payments, inflation rates, and interest levels can all affect the RMB exchange rate. Under the comprehensive influence of multiple complex factors, the

volatility of the RMB foreign exchange market has significantly increased.

Countermeasures:

The Company can closely track the global financial market and national exchange rate policies, make timely decisions to select proper exchange rate management tools to manage exchange rate risks actively. It can also reduce risk exposure and increase exchange gains by increasing debts of foreign currency and rely on Group management to strengthen the level of capital coordination in different countries and regions, balance, and offset fluctuation risks at the Group level.

2. Potential risks of financial investment business

In recent years, the Company has arranged some of its idle owned funds to carry out financial investment business such as securities investment and entrusted wealth management in an appropriate manner, based on the actual and development needs. There are certain risks of carrying out the above business due to fluctuations in the financial market and uncertainty of income; and the risk that the Company may suffer certain investment losses in case of risk events in the process of wealth management activities in terms of investment strategies and use of funds.

Countermeasures:

On the premise that the funds required for the daily operation of the main business will not be affected, the Company reasonably controls the capital scale for financial investment; it establishes and improves the internal control system and mechanism standards for securities investment and entrusted financial management, and strengthens the risk control management of securities investment business, safeguard the safety of investment funds, and strictly control the risk exposure. In accordance with the economic situation and changes in the financial market, it continuously tracks and analyses the progress of securities investment and the investment of funds, the progress of project investment and the performance of the capital market, and timely takes corresponding preservation measures to control investment risks.

XI. Implementation of Market Value Management System and Valuation Enhancement Plan

whether the Company has formulated a market value management system.

☐ Yes ☒ No

whether the Company has disclosed a valuation enhancement plan.

☐ Yes ☒ No

XII. Implementation of the “Quality and Earnings Dual Improvement” Action Plan

whether the Company has disclosed the “Quality and Earnings Dual Improvement” Action Plan.

☐ Yes ☒ No

Part IV Corporate Governance, Environmental and Social Responsibilities

I Changes of Directors, Supervisors and Senior Management

☐ Applicable ☒ Not applicable

The Company's directors, supervisors and senior management remained unchanged during the Reporting Period. For details, see the 2024 Annual Report.

II Dividend Plan for the Reporting Period

☐ Applicable ☒ Not applicable

The Company has no semi-annual dividend plan, either in the form of cash or stock.

III Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

☒ Applicable ☐ Not applicable

1. Equity Incentives

1. The company held the 1st (Interim) shareholders' meeting of 2024 on May 27, 2024, which reviewed and approved the "Proposal on the Failure to Meet the Unlocking Conditions for the Second Unlocking Period of the First Grant under the 2022 Restricted Stock Incentive Plan and the Repurchase and Cancellation of Some Restricted Stocks". On December 30, 2024, the company held the 5th (Interim) shareholders' meeting of 2024, which reviewed and approved the "Proposal on the Repurchase and Cancellation of Some Restricted Stocks". In accordance with the relevant provisions of the Measures for the Administration of Equity Incentives of Listed Companies, the company's 2022 Restricted Stock Incentive Plan and the Measures for the Assessment and Administration of the Implementation of the 2022 Restricted Stock Incentive Plan, the company decided to repurchase and cancel 1,280,000 restricted shares, accounting for approximately 0.10% of the company's total share capital before the repurchase and cancellation, at a repurchase price of RMB 1 per share.

On January 15, 2025, the company disclosed the Announcement on the Completion of Repurchase and Cancellation of Some Restricted Stocks. China Securities Depository and Clearing Corporation Limited Shenzhen Branch confirmed that the procedures for the repurchase and cancellation of 1,280,000 restricted shares have been completed.

2. On April 25, 2025, the company held the 14th (Interim) Meeting of the Fifth Board of Directors and the 12th (Interim) Meeting of the Fifth Supervisory Board, which reviewed and approved the "Proposal on the Failure to Meet the Unlocking Conditions for the Third Unlocking Period of the First Grant under the 2022 Restricted Stock Incentive Plan and the Repurchase and Cancellation of Some Restricted Stocks". In view of the failure to achieve the company-level performance assessment target for the third unlocking period, resulting in the failure to meet the unlocking conditions for the third unlocking period, in accordance with the

incentive plan, the company shall repurchase and cancel 480,000 restricted shares held by 5 incentive recipients corresponding to the third unlocking period of the first grant under the 2022 Restricted Stock Incentive Plan at the grant price. On May 12, 2025, the company held the 1st (Interim) shareholders' meeting of 2025, which reviewed and approved the aforesaid proposal.

On May 28, 2025, the company disclosed the Announcement on the Completion of Repurchase and Cancellation of Some Restricted Stocks. China Securities Depository and Clearing Corporation Limited Shenzhen Branch confirmed that the procedures for the repurchase and cancellation of 480,000 restricted shares have been completed.

2. Implementation of Employee Stock Ownership Plans

☒ Applicable ☐ Not applicable

The situation of all effective employee stock ownership plans during the reporting period

Scope of employees	Number of employees	Total number of shares held (shares)	Change situation	Proportion of the total share capital of the listed company	Source of funds
Company directors (excluding independent directors), senior managers who play important roles and have significant impacts on the overall performance and medium to long-term development of the company, as well as core managers and core business (technical) personnel who are employed by the company or its controlled subsidiaries	51	21,330,000	NA	1.75%	The long-term incentive award fund withdrawn by the company in accordance with the systems regarding salary management and performance management.

The shareholding of directors, supervisors and senior management personnel in the employee stock ownership plan during the reporting period

Name	Office title	Opening shareholding (share)	Closing shareholding (share)	The proportion of the total share capital of the listed company.
Qiu Yezhi	Director and General Manager	4,090,000	4,090,000	0.34%
Xie Weiwei	Director and Deputy General Manager	900,000	900,000	0.07%
Feng Jia	Director, Board Secretary and Vice President	700,000	700,000	0.06%
Shao Yongfeng	Chief Financial Officer and Vice President	700,000	700,000	0.06%

Changes in asset management institutions during the reporting period

☐ Applicable ☒ Not applicable

Changes in equity caused by holders' disposal of shares, etc. during the reporting period

☐ Applicable ☒ Not applicable

The situation of the exercise of shareholders' rights during the reporting period.

During the reporting period, the company implemented the equity distribution for the first quarter of 2025. In accordance with the company's "2024 Employee Stock Ownership Plan Scheme", holders are entitled to the rights and interests of this employee stock ownership plan in proportion to the share of the employee stock ownership plan they hold.

Other relevant matters regarding the employee stock ownership plan during the reporting period

☐ Applicable ☒ Not applicable

Changes in the members of the management committee of the employee stock ownership plan

☐ Applicable ☒ Not applicable

The financial impact of the employee stock ownership plan on the listed company during the reporting period and relevant accounting treatments

☒ Applicable ☐ Not applicable

According to "Accounting Standards for Business Enterprises No. 11 - Share-based Payments", for equity-settled share-based payments in exchange for employees' services that can only be exercised when the services during the waiting period are completed or the stipulated performance conditions are met, on each balance sheet date during the waiting period, the services obtained in the current period should be included in relevant costs or expenses and capital reserve based on the best estimate of the number of exercisable equity instruments and in accordance with the fair value of the equity instruments on the grant date. The amortization expense of the company's employee stock ownership plan in 2025H1 was 16.1299 million yuan, which was included in relevant expense accounts and capital reserve.

The situation of the termination of the employee stock ownership plan during the reporting period.

☐ Applicable ☒ Not applicable

3. Other Incentive Measures for Employees

☐ Applicable ☒ Not applicable

IV Disclosure of Environment Information

☒ Applicable ☐ Not applicable

Whether the listed company and its major subsidiaries are included in the list of enterprises required to disclose environmental information in accordance with the law

☒ Yes ☐ No

Number of companies included in the list of enterprises required to disclose environmental information in accordance with the law (unit: enterprise)		1
No.	Name	Query index for reports on environmental information disclosure in accordance with the
1	Parsun Power	Jiangsu Provincial Department of Ecology and Environment - "Environmental Protection Facemask" for Jiangsu Enterprises (One Enterprise, One File) https://sthjt.jiangsu.gov.cn/col/col83817/index.html

V Social Responsibilities

The Company attached importance to fulfilling social responsibility in daily operations, intending to promote harmony and co-prosperity between it and parties related to its interests. The Company also took active measures in the protection of the rights and

interests of shareholders, creditors, employees, suppliers, customers, and consumers, environmental protection, sustainable development, public relations, and social public welfare undertakings, and strived to maximize comprehensive social benefits including the sustainable development of itself.

(1) Corporate governance: During the Reporting Period, the Company strictly abided by the Company Law, the Securities Law and Code of Corporate Governance for Listed Companies, continued to refine the corporate governance structure, improve the internal control system, formed the decision-making system comprising the Shareholders' General Meeting, the Board of Directors, the Supervisory Committee and the Management, and timely fulfilled its obligation of information disclosure according to laws and regulations and effectively safeguarded the rights and interests of all shareholders.

(2) Rights and interests of employees: The Company provided employees with welfare and care by providing holiday gifts and holding employee birthday parties, annual meetings, and team-building activities, improved employees' professional competence by offering regular or irregular training to employees in the headquarters and domestic and foreign branches and subsidiaries, and continued to improve the competitive comprehensive remuneration system to retain and attract talents needed for the Company's sustainable development.

(3) Relationship with customers and suppliers: Long adhering to the principle of "honest business" and "mutual benefit and win-win", the Company took the initiative to construct and develop a strategic partnership with suppliers and customers and jointly built a platform of trust and cooperation, and earnestly fulfilled its social responsibilities to suppliers, customers and consumers. The Company has been well-performing contracts with suppliers and customers and ensuring that the rights and interests of all parties are highly valued and duly protected.

(4) Production safety: The Company strictly abided by the Labour Law and the Labour Contract Law, adhered to the "people-oriented" principle, attached importance to the needs of employees, strived to improve the working and living environments of employees, and has set up a labour union to effectively protect the interests of employees. It also provided labour protection supplies according to the risk factors of different posts, organized occupational health examinations for employees (before taking the post, on the post and before leaving the post), and bought safety liability insurance for employees on highly risky posts. In 2020, Dongfang Precision extended its Grade II Production Safety Standardization Certificate for Machinery Enterprises, and Parsun Power and Fosber Asia were granted the Grade III Production Safety Standardization Certificate for Machinery Enterprises.

(5) Environmental protection: Dongfang Precision was granted the National Pollutant Discharge Permit and regularly completes the filling of data for post-license monitoring of the National Discharge License. It commissioned the qualified third-party environmental protection agencies to compile the Contingency Plans for Environmental Emergencies and update it on a regular basis. The Company established the "Environmental Self-Monitoring Programme", entrusted a third party to install and operate 24-hour sewage on-line flow monitoring equipment, and entrusted a third-party monitoring organisation to carry out quarterly testing of wastewater, exhaust gas and noise and issue third-party test reports. Moreover, the Company's environmental protection facilities passed the qualification re-examination on OHSAS18001:2007 Occupational Health and Safety Management Systems and ISO14001:2005 Environmental Management System. Subsidiary Parsun Power has obtained the National Pollutant Discharge Permit and passed the ISO 14001:2015 environmental management system certification. It has purchased environmental protection equipment including a 50,000 m³ /h organic waste gas treatment device and a waste gas recovery system, which can meet the daily requirements for pollutant treatment.

(6) Anti-fraud: The Group complied a thorough internal authorization manual that detailed provisions on internal authorization process of major matters to ensure appropriate internal control and reduce the risk of fraud. In order to create a fair, just, honest and non-corrupt internal business environment and strengthen internal monitoring, the Company also established and launched the anti-fraud reporting platform to encourage employees to report fraud findings.

Part V Significant Events

I Undertakings of the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Entities Fulfilled in the Reporting Period or Unfulfilled and Overdue at the Period-End

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

II Occupation of the Company's Capital by the Controlling Shareholder or Other Related Parties for Non-Operating Purposes

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

III Irregularities in Provision of Guarantees

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IV Engagement and Disengagement of Independent Auditor

Whether the semi-annual financial report was audited.

☐ Yes ☒ No

The semi-annual financial report was not audited.

V Explanations Given by the Board of Directors and the Supervisory Committee Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

☐ Applicable ☒ Not applicable

VI Explanations Given by the Board of Directors Regarding "Modified Opinion" on the Financial Statements of Last Year

☐ Applicable ☒ Not applicable

VII Insolvency and Reorganization

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VIII Legal Matters

Significant Legal Matters

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Other Legal Matter

☐ Applicable ☒ Not applicable

IX Punishments and Rectifications

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

X Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller

☐ Applicable ☒ Not applicable

XI Significant Related-Party Transactions

1. Continuing Related-Party Transactions

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

2. Related-Party Transactions Regarding Purchase or Sales of Assets or Equity Investments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

3. Related-Party Transactions Regarding Joint Investments in Third Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

4. Amounts Due to and from Related Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

5. Transactions with Related Financial Companies

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

6. Transactions between the finance company controlled by the company and related parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

7. Other Significant Related-Party Transactions

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XII Significant Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

(2) Contracting

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

(3) Leases

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

2. Significant Guarantees

☒ Applicable ☐ Not applicable

Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Security (if any)	Counter-guarantees (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Guarantees provided by the Company as the parent for its subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Security (if any)	Counter-guarantees (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Tiruña Asia	2024-03-28	No more than RMB 100 million	2024-04-28	RMB 61.9427 million	Joint liability	None	None	From the effective date of the security agreement until three years after the maturity of the loan	No	No
Total approved line for such guarantees in the Reporting Period (B1)		0		Total actual amount of such guarantees in the Reporting Period (B2)		RMB 61.9427 million				
Total approved line for such guarantees at the end of the Reporting Period (B3)		No more than RMB 100 million		Total actual balance of such guarantees at the end of the Reporting Period (B4)		RMB 61.9427 million				
Guarantees provided between subsidiaries										
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Security (if any)	Counter-guarantees (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Parsun Power Technology, Baisheng International	2025-04-26	No more than RMB 300 million	15 May 2025	RMB 70.00 million	Joint liability	None	None	Two years from the date of expiration of the debt performance period stipulated in the relevant credit agreement	No	No
Total approved line for such guarantees in the Reporting Period (C1)		No more than RMB 300 million		Total actual amount of such guarantees in the Reporting Period (C2)		RMB 70.00 million				

Total approved line for such guarantees at the end of the Reporting Period (C3)	No more than RMB 300 million	Total actual balance of such guarantees at the end of the Reporting Period (C4)	RMB 70.00 million
Total guarantee amount (total of the three kinds of guarantees above)			
Total guarantee line approved in the Reporting Period (A1+B1+C1)	No more than RMB 300 million	Total actual guarantee amount in the Reporting Period (A2+B2+C2)	RMB 131.9427 million
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	No more than RMB 400 million	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	RMB 131.9427 million
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets			2.47%
Of which:			
Balance of guarantees provided for shareholders, the actual controller and their related parties (D)			0
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)			RMB 61.9427 million
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)			0
Total of the three amounts above (D+E+F)			RMB 61.9427 million
Joint liability possibly borne or already borne in the Reporting Period for outstanding guarantees (if any)			N/A
Guarantees provided in breach of prescribed procedures (if any)			N/A

3. Cash Entrusted for Wealth Management

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

High-risk wealth management transactions with a significant single amount or with low security, low liquidity, and no principal

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount	Impairment provision for unrecovered overdue amount
Bank's wealth management product	Self-funded	44,305.00	16,470.00	0.00	0.00
Securities firm's wealth management product	Self-funded	34,022.00	8,013.98	0.00	0.00
Trust product	Self-funded	2,700.00	200.00	358.62	358.62
Total		81,027.00	24,683.98	358.62	358.62

protection:

☐ Applicable ☒ Not applicable

Wealth management transactions where the principal is expectedly irrecoverable or an impairment may be incurred:

☒ Applicable ☐ Not applicable

As of the end of the Reporting Period, the unrecovered amount of trust products was RMB3.5862 million, for which an impairment

allowance of RMB3.5862million was established.

4. Other Significant Contracts

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

XIII Other Significant Events

☐ Applicable ☒ Not applicable

XIV Significant Events of Subsidiaries

☐ Applicable ☒ Not applicable

Part VI Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	223,974,533	18.37%				- 8,885,900	- 8,885,900	215,088,633	17.67%
1.1 Shares held by the government	0	0.00%				0	0	0	0.00%
1.2 Shares held by state-owned corporations	0	0.00%				0	0	0	0.00%
1.3 Shares held by other domestic investors	223,974,533	18.37%				- 8,885,900	- 8,885,900	215,088,633	17.67%
Including: Shares held by domestic corporations	0	0.00%				0	0	0	0.00%
Shares held by domestic individuals	223,974,533	18.37%				- 8,885,900	- 8,885,900	215,088,633	17.67%
1.4 Shares held by overseas investors	0	0.00%				0	0	0	0.00%
Including: Shares held by overseas corporations	0	0.00%				0	0	0	0.00%
Shares held by overseas individuals	0	0.00%				0	0	0	0.00%
2. Unrestricted shares	995,071,807	81.63%				7,125,900	7,125,900	1,002,197,707	82.33%
2.1 RMB-denominated ordinary shares	995,071,807	81.63%				7,125,900	7,125,900	1,002,197,707	82.33%

2.2 Domestically listed foreign shares	0	0.00%				0	0	0	0.00%
2.3 Overseas listed foreign shares	0	0.00%				0	0	0	0.00%
2.4 Others	0	0.00%				0	0	0	0.00%
3. Total shares	1,219,046,340	100.00%				- 1,760,000	- 1,760,000	1,217,286,340	100.00%

Reasons for share changes:

☒ Applicable ☐ Not applicable

1. Repurchase and Cancellation of Restricted Shares under Equity Incentive

(1). The company held the 1st (Interim) shareholders' meeting of 2024 on May 27, 2024, which reviewed and approved the "Proposal on the Failure to Meet the Unlocking Conditions for the Second Unlocking Period of the First Grant under the 2022 Restricted Stock Incentive Plan and the Repurchase and Cancellation of Some Restricted Stocks". On December 30, 2024, the company held the 5th (Interim) shareholders' meeting of 2024, which reviewed and approved the "Proposal on the Repurchase and Cancellation of Some Restricted Stocks". In accordance with the relevant provisions of the Measures for the Administration of Equity Incentives of Listed Companies, the company's 2022 Restricted Stock Incentive Plan and the Measures for the Assessment and Administration of the Implementation of the 2022 Restricted Stock Incentive Plan, the company decided to repurchase and cancel 1,280,000 restricted shares, accounting for approximately 0.10% of the company's total share capital before the repurchase and cancellation, at a repurchase price of RMB 1 per share.

On January 15, 2025, the company disclosed the Announcement on the Completion of Repurchase and Cancellation of Some Restricted Stocks. China Securities Depository and Clearing Corporation Limited Shenzhen Branch confirmed that the procedures for the repurchase and cancellation of 1,280,000 restricted shares have been completed.

(2). On April 25, 2025, the company held the 14th (Interim) Meeting of the Fifth Board of Directors and the 12th (Interim) Meeting of the Fifth Supervisory Board, which reviewed and approved the "Proposal on the Failure to Meet the Unlocking Conditions for the Third Unlocking Period of the First Grant under the 2022 Restricted Stock Incentive Plan and the Repurchase and Cancellation of Some Restricted Stocks". In view of the failure to achieve the company-level performance assessment target for the third unlocking period, resulting in the failure to meet the unlocking conditions for the third unlocking period, in accordance with the incentive plan, the company shall repurchase and cancel 480,000 restricted shares held by 5 incentive recipients corresponding to the third unlocking period of the first grant under the 2022 Restricted Stock Incentive Plan at the grant price. On May 12, 2025, the company held the 1st (Interim) shareholders' meeting of 2025, which reviewed and approved the aforesaid proposal.

On May 28, 2025, the company disclosed the Announcement on the Completion of Repurchase and Cancellation of Some Restricted Stocks. China Securities Depository and Clearing Corporation Limited Shenzhen Branch confirmed that the procedures for the repurchase and cancellation of 480,000 restricted shares have been completed..

2. Changes in Restricted shares of senior management

Mr. Tang Zhuolin and Mr. Xie Weiwei, who serve as directors and senior managements, had changes in their shareholdings in 2024. In early 2025, based on their latest shareholding amounts, China Securities Depository and Clearing Corporation Limited calculated their statutory quota of transferable shares for the current year at 25% of their holdings. A total of 7,125,900 shares were unlocked during the reporting period.

Approval of share changes:

☒ Applicable ☐ Not applicable

In the Reporting Period, with respect to share changes, the Company followed the applicable laws and regulations and its Articles of Association, executed the approval procedures with the general meeting and the Board of Directors, and obtained approval from the Shenzhen Stock Exchange.

Transfer of share ownership:

☒ Applicable ☐ Not applicable

In the Reporting Period, with respect to the transfers of share ownership, the Company completed the transfers with the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. after they were approved by the Shenzhen Stock Exchange.

Progress of implementation of share buyback

☐ Applicable ☒ Not applicable

Progress on reducing the repurchased shares by way of centralized bidding:

☐ Applicable ☒ Not applicable

Effects of share changes on the basic earnings per share, diluted earnings per share, equity per share attributable to the Company's ordinary shareholders, and other financial indicators of the prior year and the prior accounting period, respectively:

☐ Applicable ☒ Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

☐ Applicable ☒ Not applicable

2. Changes in Restricted Shares

☒ Applicable ☐ Not applicable

Unit: share

Shareholder	Opening restricted shares	Unlocked in the period	Increase in restricted shares in the period	Closing restricted shares	Reason for restriction	Date of unlocking
Tang Zhuolin	203,053,176	6,984,900	0	196,068,276	Restricted shares of senior management	2025-1-2
Xie Weiwei,	564,000	141,000	0	423,000	Restricted shares of senior management	2025-1-2
Total	203,617,176	7,125,900	0	196,491,276	--	--

II Issuance and Listing of Securities

☐ Applicable ☒ Not applicable

III Shareholders and Their Shareholdings

Unit: share

Number of ordinary shareholders at the period-end		150,970		Number of preference shareholders with resumed voting rights at the period-end (if any) (see note 8)			0	
5% or greater ordinary shareholders or top 10 ordinary shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total ordinary shares held at the period-end	Increase/decrease in the Reporting Period	Restricted ordinary shares held	Unrestricted ordinary shares held	Shares in pledge, marked or frozen	
							Status	Shares
Tang Zhuolin	Domestic individual	21.26%	258,837,568	-2,586,800	196,068,276	62,769,292	In pledge	90,000,000
Tang Zhuomian	Domestic individual	7.96%	96,885,134	0	0	96,885,134	--	0
Beijing Puren Pulead Technology R & D Center (Limited Partnership)	State-owned corporation	2.19%	26,628,340	0	0	26,628,340	--	0
Qiu Yezhi	Domestic individual	1.92%	23,382,388	0	17,536,791	5,845,597	--	0
Guangdong Dongfang Precision Science & Technology Co., Ltd. - 2024 Employee Stock Ownership Plan	Others	1.75%	21,330,000	0	0	21,330,000	--	0
Luzhou Industrial Development Investment Group Co., Ltd.	State-owned corporation	1.41%	17,104,310	0	0	17,104,310	--	0

Hong Kong Securities Clearing Company Limited	Overseas corporation	1.20%	14,597,147	-10,198,120	0	14,597,147	--	0
China Merchants Bank Co., Ltd. - Southern CSI 1000 Exchange-Traded Open-End Index Securities Investment Fund	Others	0.65%	7,866,820	7,866,820	0	7,866,820	--	0
Great Wall Life Insurance Co., Ltd. - Proprietary Funds	Others	0.42%	5,053,100	5,053,100	0	5,053,100	--	0
China Merchants Bank Co., Ltd. - ChinaAMC CSI 1000 Exchange-Traded Open-End Index Securities Investment Fund	Others	0.38%	4,642,500	4,642,500	0	4,642,500	--	0
Strategic investor or general corporation becoming a top-10 ordinary shareholder in a rights issue (if any) (see note 3)		None						
Related or acting-in-concert parties among the shareholders above		Mr. Tang Zhuolin and Mr. Tang Zhuomian are brothers. On 18 August 2010, they signed the Agreement on Acting in Concert.						
Above shareholders entrusting or entrusted with voting rights, or waiving voting rights		The holders of the Guangdong Dongfang Precision Science & Technology Co., Ltd. - 2024 Employee Stock Ownership Plan as a whole waive the shareholder voting rights enjoyed by virtue of holding the underlying stocks through participation in this employee stock ownership plan, while retaining other shareholder rights (including rights to asset returns such as dividend rights, rights to subscribe for new shares, and rights to convert capital reserve into share capital).						
Top 10 shareholders including the special account of repurchased shares (if any) (see note 11)		None						
Top 10 unrestricted ordinary shareholders								

Name of shareholder	Unrestricted ordinary shares held at the period-end	Shares by type	
		Type	Shares
Tang Zhuomian	96,885,134	RMB-denominated ordinary stock	96,885,134
Tang Zhuolin	62,769,292	RMB-denominated ordinary stock	62,769,292
Beijing Puren Pulead Technology R & D Center (Limited Partnership)	26,628,340	RMB-denominated ordinary stock	26,628,340
Guangdong Dongfang Precision Science & Technology Co., Ltd. - 2024 Employee Stock Ownership Plan	21,330,000	RMB-denominated ordinary stock	21,330,000
Luzhou Industrial Development Investment Group Co., Ltd.	17,104,310	RMB-denominated ordinary stock	17,104,310
Hong Kong Securities Clearing Company Limited	14,597,147	RMB-denominated ordinary stock	14,597,147
China Merchants Bank Co., Ltd. - Southern CSI 1000 Exchange-Traded Open-End Index Securities Investment Fund	7,866,820	RMB-denominated ordinary stock	7,866,820
Qiu Yezhi	5,845,597	RMB-denominated ordinary stock	5,845,597
Great Wall Life Insurance Co., Ltd. - Proprietary Funds	5,053,100	RMB-denominated ordinary stock	5,053,100
China Merchants Bank Co., Ltd. - ChinaAMC CSI 1000 Exchange-Traded Open-End Index Securities Investment Fund	4,642,500	RMB-denominated ordinary stock	4,642,500
Related or acting-in-concert parties among top 10 unrestricted ordinary shareholders, as well as between top 10 unrestricted ordinary shareholders and top 10 ordinary shareholders	Mr. Tang Zhuolin and Mr. Tang Zhuomian are brothers. On 18 August 2010, they signed the Agreement on Acting in Concert.		
Description of the participation of the top 10 common shareholders in the financing and securities financing business (if any)	Luzhou Industrial Development Investment Group Co., Ltd., holds 17,104,310 shares through the client margin trading and securities lending guarantee account of Guotai Haitong Securities Co., Ltd. Beijing Puren Pulead Technology R & D Center (Limited Partnership), holds 26,628,340 shares through the client margin trading and securities lending guarantee account of China Securities Co., Ltd.		

Top 10 shareholders involved in refinancing shares lending:

☐ Applicable ☒ Not applicable

Changes in top 10 shareholders compared with the prior period:

☐ Applicable ☒ Not applicable

Indicate whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yes ☒ No

No such cases in the Reporting Period

IV Changes in the Shareholdings of Directors, Supervisors and Senior Management

☒ Applicable ☐ Not applicable

Name	Position	Employment Status	Initial Shareholding (Shares)	Number of Shares Increased in the Current Period (Shares)	Number of Shares Reduced in the Current Period (Shares)	Number of Shares Repurchased and Cancelled in the Current Period (Shares)	Ending Shareholding (Shares)	Initial Number of Restricted Shares Granted (Shares)	Number of Restricted Shares Granted in the Current Period (Shares)	Ending Number of Restricted Shares Granted (Shares)
Tang Zhuolin	Chairman of the Board	Currently Employed	261,424,368	0	2,586,800	0	258,837,568	0	0	0
Feng Jia	Director, Secretary of the Board	Currently Employed	700,000	0		560,000	140,000	0	0	0
Total	--	--	262,124,368	0	2,586,800	560,000	258,977,568	0	0	0

V Changes of the Company's Controlling Shareholder and Actual Controller

Controlling Shareholder changed during the Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Actual Controller changed during the Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VI Preference Shares

☐ Applicable ☒ Not applicable

No preference shares in the Reporting Period.

Part VII Corporate Bonds

☐ Applicable ☒ Not applicable

Part VIII Corporate Financial Statements

I Auditor’s Report

Whether the semi-annual financial statements were audited.

☐ Yes ☒ No

The semi-annual financial statements were not audited.

II Financial Statements

Currency unit for the tables in the notes to the financial statements: RMB yuan

1. Consolidated Balance Sheet

Prepared by: Guangdong Dongfang Precision Science & Technology Co., Ltd.

30 June 2025

Unit: RMB yuan

Item	30 June 2025	31 December 2024
Current assets:		
Cash and bank balances	2,501,935,816.53	1,729,050,383.34
Settlement provisions		
Dismantling funds		
Financial assets held for trading	140,769,386.23	788,649,332.18
Derivative financial assets	3,033,910.74	2,755,081.17
Notes receivable	91,141,351.69	98,048,145.31
Accounts receivable	817,534,803.08	745,862,825.71
Receivable financing	23,201,080.81	16,303,982.64
Prepayments	46,929,961.37	28,226,195.35
Premium receivable		
Receivable reinsurance account		

Provision for reinsurance contract receivable		
Other receivables	52,410,147.67	40,647,410.48
Including: Interest receivable		
Dividend receivable		
Buy back resale financial assets		
Inventories	1,316,777,926.90	1,031,899,593.02
Of which, Data Resources		
Contract assets	46,565,536.09	52,151,171.92
Assets held for sale		
Current portion of non-current assets	12,332,376.63	8,035,336.42
Other current assets	104,743,716.98	60,543,096.49
Total current assets	5,157,376,014.72	4,602,172,554.03
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	4,609,128.36	4,047,852.80
Long-term equity investment	111,903,408.19	113,469,148.58
Investment in other equity instruments		
Other non-current financial assets	712,657,495.10	539,449,588.63
Real estate investment		
Fixed assets	953,178,133.55	681,980,621.79
Construction in progress	216,072,179.85	404,826,595.02
Productive biological assets		
Oil and gas asset		
Right-of-use assets	60,180,882.89	64,147,198.31

Intangible assets	370,059,537.41	356,564,206.44
Of which, Data Resources		
Development expenditure		
Of which, Data Resources		
Goodwill	444,514,570.02	424,989,302.93
Long-term prepaid expenses	20,877,348.69	21,718,570.19
Deferred tax assets	187,085,782.32	222,186,749.21
Other non-current assets	108,889,856.46	93,024,609.05
Total non-current assets	3,190,028,322.84	2,926,404,442.95
Total assets	8,347,404,337.56	7,528,576,996.98
Current liabilities:		
Short-term borrowings	139,457,969.59	85,390,128.99
Borrowing from the Central Bank		
Borrowed funds		
Financial liabilities held for trading		
Derivative financial liabilities	211,750,476.02	206,216,239.00
Notes payable	200,991,603.73	144,137,609.00
Accounts payable	844,115,803.29	687,235,330.65
Advance receivables		
Contract liabilities	595,986,497.10	373,931,068.16
Selling back financial assets		
Deposits and Interbank deposit		
Agent trading securities		
Agent underwriting securities		
Employee benefits payable	159,226,719.46	139,543,012.38
Tax payable	47,176,740.59	69,194,598.03
Other payables	116,833,457.60	117,617,259.50
Including: Interest payable		
Dividend payable		

Fees and commissions		
Reinsurance accounts payable		
Liabilities held for sale		
Current portion of non-current liabilities	67,867,180.86	81,630,784.65
Other current liabilities	45,953,761.68	41,832,335.71
Total current liabilities	2,429,360,209.92	1,946,728,366.07
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	136,998,422.99	125,482,485.31
Bonds payable		
Including: Preference Shares		
Perpetual bonds		
Lease liabilities	44,109,251.33	47,666,801.96
Long-term payables		
Long-term employee benefits payable	13,898,580.66	13,128,052.34
Provisions	138,029,311.85	146,820,629.26
Deferred income	13,932,001.66	14,790,331.66
Deferred tax liabilities	1,246,422.77	2,042,929.48
Other non-current liabilities	5,753,591.10	7,573,539.20
Total non-current liabilities	353,967,582.36	357,504,769.21
Total Liabilities	2,783,327,792.28	2,304,233,135.28
Equity:		
Share capital	1,217,286,340.00	1,219,046,340.00
Other equity instruments		
Including: Preference Shares		
Perpetual bonds		
Capital surplus	2,835,111,956.47	2,818,982,096.52

Less: Treasury stock	115,233,041.40	117,233,041.40
Other comprehensive income	146,994,730.40	29,809,317.74
Special reserve	19,008,674.14	18,106,386.75
Surplus reserves	51,830,974.45	51,830,974.45
General risk preparation		
Retained earnings	1,196,031,231.05	956,837,409.23
Total equity attributable to owners of the parent	5,351,030,865.11	4,977,379,483.29
Non-controlling interests	213,045,680.17	246,964,378.41
Total equity	5,564,076,545.28	5,224,343,861.70
Total liabilities and equity	8,347,404,337.56	7,528,576,996.98

Legal representative: Tang Zhuolin Chief in charge of accounting work: Shao Yongfeng

Head of accounting institution: Chen Lin

2. Parent Company Balance Sheet

Unit: RMB yuan

Item	30 June 2025	31 December 2024
Current assets:		
Cash and bank balances	1,384,515,099.75	698,349,330.28
Financial assets held for trading	91,433,549.01	534,553,587.74
Derivative financial assets	363,783.42	
Notes receivable	15,904,967.22	9,765,309.28
Accounts receivable	186,254,439.11	236,125,159.25
Receivable financing	4,902,338.60	5,036,303.55
Prepayments	3,302,989.89	5,379,122.23
Other receivables	495,826,703.64	504,269,264.02
Including: Interest receivable		
Dividend receivable	189,441,700.97	184,841,125.30
Inventories	145,193,587.55	129,915,017.16
Of which, Data Resources		

Contract assets	23,870,922.28	28,814,278.05
Assets held for sale		
Current portion of non-current assets	7,331,976.63	8,035,336.42
Other current assets	1,518,711.16	2,107,492.86
Total current assets	2,360,419,068.26	2,162,350,200.84
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables	913,621.16	4,047,852.80
Long-term equity investment	879,293,456.64	877,527,583.14
Investment in other equity instruments		
Other non-current financial assets	400,121,406.18	226,209,705.10
Real estate investment		
Fixed assets	277,055,509.46	280,406,246.36
Construction in progress	5,440,950.00	5,440,950.00
Productive biological assets		
Oil and gas asset		
Right-of-use assets	3,405,949.12	4,610,994.41
Intangible assets	58,903,867.59	60,569,947.92
Of which, Data Resources		
Development expenditure		
Of which, Data Resources		
Goodwill		
Long-term prepaid expenses	2,785,177.88	3,507,201.55
Deferred tax assets	130,906,023.30	161,058,263.43
Other non-current assets	70,580,512.50	70,238,512.50
Total non-current assets	1,829,406,473.83	1,693,617,257.21

Total assets	4,189,825,542.09	3,855,967,458.05
Current liabilities:		
Short-term loan	71,000,000.00	1,000,000.00
Financial liabilities held for trading		0.00
Derivative financial liabilities	110,559.93	116,513.31
Notes payable	45,962,026.84	48,838,900.00
Accounts payable	64,625,041.50	76,177,615.41
Advance receivables		
Contract liabilities	35,877,984.58	29,456,102.15
Employee benefits payable	15,304,357.05	16,248,751.40
Tax payable	1,515,081.93	118,064.93
Other payables	35,127,139.96	41,517,747.95
Including: Interest payable		
Dividend payable		
Liabilities held for sale		
Current portion of non-current liabilities	16,766,501.75	17,452,778.58
Other current liabilities	8,387,383.03	5,736,334.26
Total current liabilities	294,676,076.57	236,662,807.99
Non-current liabilities:		
Long-term borrowings	13,392,000.00	16,740,000.00
Bonds payable		
Including: Preference Shares		
Perpetual bonds		
Lease liabilities	2,539,705.86	3,434,210.61
Long-term payables		
Long-term employee benefits payable		
Provisions	659,187.93	1,111,329.09

Deferred income	13,932,001.66	14,790,331.66
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	30,522,895.45	36,075,871.36
Total Liabilities	325,198,972.02	272,738,679.35
Equity:		
Share capital	1,217,286,340.00	1,219,046,340.00
Other equity instruments		
Including: Preference Shares		
Perpetual bonds		
Capital surplus	2,689,342,833.95	2,673,989,321.44
Less: Treasury stock	115,233,041.40	117,233,041.40
Other comprehensive income		
Special reserve	7,326,466.01	6,850,427.57
Surplus reserves	51,830,974.45	51,830,974.45
Retained earnings	14,072,997.06	-251,255,243.36
Total equity	3,864,626,570.07	3,583,228,778.70
Total liabilities and equity	4,189,825,542.09	3,855,967,458.05

3. Consolidated Income Statement

Unit: RMB yuan

Item	H1 2025	H1 2024
1 Total operating revenue	2,158,956,857.88	2,161,188,907.40
Including: Operating revenue	2,158,956,857.88	2,161,188,907.40
Interest income		
Premiums earned		
Fee and commission income		
2 Total operating cost	1,828,531,494.60	1,800,173,050.63
Including: Cost of sales	1,511,618,213.45	1,502,217,618.28
Interest expense		
Payment of fees and commission		

Surrender fund		
Net indemnity expenditure		
Draw the net reserve of insurance liability contract		
Policy dividend expense		
Reinsurance cost		
Taxes and surcharges	12,997,925.75	9,481,412.61
Selling expenses	81,372,896.12	88,952,530.48
Administrative expenses	188,675,988.67	161,949,583.52
R&D expenses	53,511,623.86	50,366,067.58
Finance costs	-19,645,153.25	-12,794,161.84
Including: Interest expenses	5,246,608.14	10,539,931.90
Interest income	25,618,916.20	22,603,240.17
Add: Other income	10,467,732.86	10,323,357.51
Investment income (loss with "-" sign)	145,682,957.38	-8,194,916.20
Including: Share of profit or loss of joint ventures and associates	-1,762,058.16	-2,914,122.66
Income from derecognition of financial assets measured at amortised cost (loss with "-" sign)		
Exchange gain (loss with "-" sign)		
Net exposure hedging gain (loss with "-" sign)		
Gain/loss on changes in fair value (loss with "-" sign)	9,152,211.19	-85,374,294.70
Credit impairment loss (loss is listed with "-" sign)	-3,779,031.08	662,562.69
Asset impairment loss (loss with "-" sign)	-9,018,836.80	-5,743,282.79
Gain/loss on disposal of assets (loss with "-" sign)	-32,823.11	5,094,479.46
3 Operating profit (losses are listed with "-" sign)	482,897,573.72	277,783,762.74
Add: Non-operating income	1,552,164.28	939,908.99
Less: Non-operating expenses	1,300,695.51	389,972.29
5 Gross profit (the gross loss shall be filled in with the sign "-")	483,149,042.49	278,333,699.44
Less: Income tax expenses	67,252,009.19	90,957,489.73
Net profit (net loss is listed with "-" sign)	415,897,033.30	187,376,209.71
(1) Net profit from continuing operations		
i. Net profit from continuing operations (net loss with "-" sign)	415,897,033.30	187,376,209.71
ii. Net profit from termination of operation (net loss with "-" sign)		

(2) Net profit classified by attribution of ownership		
i. Net profit attributable to owners of the parent	397,440,989.86	163,880,472.14
ii. Net profit attributable to non-controlling interests	18,456,043.44	23,495,737.57
6 Other comprehensive income/(loss), net of tax	117,113,291.88	-28,881,848.39
Other comprehensive income/(loss) attributable to owners of the parent, net of tax	117,185,412.66	-29,083,521.22
(1) Other comprehensive loss that will not be reclassified to profit or loss	39,378.48	61,371.94
i. Changes caused by remeasurements on defined benefit schemes	39,378.48	61,371.94
ii. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
iii. Changes in fair value of investments in other equity instruments		
iv. Fair value change of enterprise's own credit risk		
v. Other		
(2) Other comprehensive income/(loss) that will be reclassified to profit or loss	117,146,034.18	-29,144,893.16
i. Other comprehensive income that can be transferred to profit or loss under the equity method		
ii. Changes in fair value of other debt investments		
iii. The amount of financial assets reclassified to other comprehensive income		
iv. Provision for credit impairment of other debt investments		
v. Cash flow hedging reserve		
vi. Differences arising from the translation of foreign currency-denominated financial statements	117,146,034.18	-29,144,893.16
vii. Other		
Other comprehensive income attributable to non-controlling interests, net of tax	-72,120.78	201,672.83
Total comprehensive income	533,010,325.18	158,494,361.32
Total comprehensive income attributable to owners of the parent	514,626,402.52	134,796,950.92
Total comprehensive income attributable to non-controlling interests	18,383,922.66	23,697,410.40

Earnings per share:		
(1) Basic earnings per share	0.33	0.14
(2) Diluted earnings per share	0.33	0.14

Legal representative: Tang Zhuolin Chief in charge of accounting work: Shao Yongfeng Head of accounting institution: Chen Lin

4. Parent Company Income Statement

Unit: RMB yuan

Item	H1 2025	H1 2024
1 Operating Revenue	153,322,909.97	183,076,847.69
Less: Cost of sales	94,709,822.33	100,138,393.86
Taxes and surcharges	7,194,182.20	5,080,596.56
Selling expenses	15,584,615.11	13,419,186.13
Administrative expenses	41,929,357.03	32,618,565.06
R&D expenses	11,727,590.93	9,413,776.76
Finance costs	-27,752,374.54	-3,498,579.49
Including: Interest expense	1,075,740.71	2,157,788.10
Interest income	13,829,606.84	7,669,201.91
Add: other income	1,643,099.82	1,345,739.76
Investment income (loss with "-" sign)	436,078,398.61	-5,482,815.06
Including: Share of profit or loss of joint ventures and associates	-1,226,419.87	-2,158,740.92
Termination of recognition of gains on financial assets measured at amortised cost (loss with "-" sign)		
Net exposure hedging gain (loss with "-" sign)		
Gain/loss on changes in fair value (loss with "-" sign)	7,373,753.98	-85,765,352.26
Credit impairment loss (loss is listed with "-" sign)	-1,205,400.76	419,338.54
Asset impairment loss (loss with "-" sign)	395,147.09	-423,541.64
Gain/loss on disposal of assets (loss with "-" sign)	9,302.82	
2 Operating profit (loss shall be listed with "-" sign)	454,224,018.47	-64,001,721.85
Add: Non-operating income	-7,496.79	50,204.16
Less: Non-operating expenses	488,873.09	3.01
3 Gross profit (gross loss shall be filled in with the sign "-")	453,727,648.59	-63,951,520.70
Less: Income tax expenses	30,152,240.13	7,826,397.77
4 Net profit (net loss is listed with "-" sign)	423,575,408.46	-71,777,918.47
(1) Net profit from continuing operation (net loss with "-" sign)	423,575,408.46	-71,777,918.47
(2) Net profit from termination of operation (net loss with "-" sign)		

5 Other comprehensive income/(loss), net of tax		
(1) Other comprehensive loss that will not be reclassified to profit or loss		
i. Re-measure the change in the benefit plan		
ii. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
iii. Changes in fair value of investments in other equity instruments		
iv. Fair value change of enterprise's own credit risk		
v. Other		
(2) Other comprehensive income/(loss) that will be reclassified to profit or loss		
i. Other comprehensive income that can be transferred to profit or loss under the equity method		
ii. Changes in fair value of other debt investments		
iii. The amount of financial assets reclassified to other comprehensive income.		
iv. Provision for credit impairment of other debt investments.		
v. Cash flow hedging reserve.		
vi. Differences arising from the translation of foreign currency-denominated financial statements		
vii. Other.		
6 Total comprehensive income	423,575,408.46	-71,777,918.47
7 Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated Statement of Cash Flows

Unit: RMB yuan

Item	H1 2025	H1 2024
1 Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	2,312,363,630.87	2,133,184,710.51
Net increase in customer deposits and interbank deposits		

Net increase in borrowing from the central bank		
Net increase in funds transferred to other financial institutions		
Cash received from the premium of the original insurance contract		
Net cash received from reinsurance business		
Net increase in depositors' deposits and investment funds		
Cash that collects interest, commission, and commission		
Net increase in borrowed funds		
Net increase in funds for repurchase business		
Net cash received by agents buying and selling securities		
Receipts of taxes and surcharges refunds	32,151,919.02	29,629,118.26
Cash generated from other operating activities	29,608,879.63	48,750,670.03
Subtotal of cash generated from operating activities	2,374,124,429.52	2,211,564,498.80
Payments for goods and services	1,290,435,429.19	1,384,098,428.71
Net increase in customer loans and advances		
Net increase in central bank and interbank deposits		
Cash to pay the indemnity of the original insurance contract		
Net increase in loan funds		
Cash for the payment of interest, fees, and commissions		
Cash for the payment of policy dividends		
Cash payments to and on behalf of employees	450,685,536.00	442,114,678.46
Payments of all types of taxes and	131,376,866.21	94,893,671.53

surcharges		
Cash used in other operating activities	146,342,126.77	171,887,256.45
Subtotal of cash used in operating activities	2,018,839,958.17	2,092,994,035.15
Net cash generated from/used in operating activities	355,284,471.35	118,570,463.65
2 Cash flows from investing activities:		
Proceeds from disinvestment	1,839,186,979.20	830,003,799.66
Investment income	172,587,961.00	1,966,111.00
Net proceeds from the disposal of fixed assets, intangible assets, and other long-lived assets	771,432.77	9,543,239.57
Disposal of net cash received by subsidiaries and other business units		
Cash generated from other investing activities	79,323,058.18	
Subtotal of cash generated from investing activities	2,091,869,431.15	841,513,150.23
Payments for the acquisition of fixed assets, intangible assets, and other long-lived assets	109,440,325.73	86,360,919.88
Payments for investments	1,352,929,764.12	916,127,239.46
Net increase in pledged loans		
Obtain net cash paid by subsidiaries and other business units		
Cash used in other investing activities	114,510,889.33	
Subtotal of cash used in investing activities	1,576,880,979.18	1,002,488,159.34
Net cash generated from/used in investing activities	514,988,451.97	-160,975,009.11
3 Cash flows from financing activities:		
Absorb the cash received by the investment		
Including: the subsidiary absorbs the cash received from the investment of minority shareholders		

Borrowings raised	125,021,800.96	148,093,714.84
Cash generated from other financing activities	36,583,685.28	155,429,105.81
Subtotal of cash generated from financing activities	161,605,486.24	303,522,820.65
Repayment of borrowings	58,202,558.96	332,379,346.30
Interest and dividends paid	219,577,925.19	9,300,470.13
Including: Interest and dividends paid to minority shareholders		
Cash used in other financing activities	33,005,396.48	55,993,188.10
Subtotal of cash used in financing activities	310,785,880.63	397,673,004.53
Net cash generated from/used in financing activities	-149,180,394.39	-94,150,183.88
4 Effect of foreign exchange rates changes on cash and cash equivalents	31,161,582.65	-25,768,847.36
5 Net (decrease)/increase in cash and cash equivalents	752,254,111.58	-162,323,576.70
Add: Cash and cash equivalents, beginning of the period	1,652,290,548.55	1,672,514,611.84
6 Cash and cash equivalents, end of the period	2,404,544,660.13	1,510,191,035.14

6. Parent Company Statement of Cash Flow

Unit: RMB yuan

Item	H1 2025	H1 2024
1 Cash flow generated by business activities:		
Cash received from the sale of goods and the provision of services	196,330,066.53	150,619,380.19
Receipts of taxes and surcharges refunds	5,273,869.47	7,593,327.09
Cash generated from other operating activities	18,078,984.91	33,938,546.55
Subtotal of cash generated from operating activities	219,682,920.91	192,151,253.83

Payments for goods and services	100,488,885.59	119,991,428.65
Cash payments to and on behalf of employees	54,354,915.44	53,507,816.89
Payments of all types of taxes and surcharges	14,385,131.05	9,174,721.73
Cash used in other operating activities	27,398,404.10	18,963,431.44
Subtotal of cash used in operating activities	196,627,336.18	201,637,398.71
Net cash generated from/used in operating activities	23,055,584.73	-9,486,144.88
2 Cash flows from investing activities:		
Proceeds from disinvestment	1,129,098,608.42	463,677,581.78
Investment income	463,632,757.83	39,246,958.11
Net proceeds from the disposal of fixed assets, intangible assets, and other long-lived assets	265,532.09	
Disposal of net cash received by subsidiaries and other business units		
Cash generated from other investing activities	66,236,220.51	60,000,000.00
Subtotal of cash generated from investing activities	1,659,233,118.85	562,924,539.89
Payments for the acquisition of fixed assets, intangible assets, and other long-lived assets	5,324,699.56	2,086,657.84
Payments for investments	851,496,204.10	540,547,812.01
Obtain net cash paid by subsidiaries and other business units		
Cash used in other investing activities	80,404,104.12	
Subtotal of cash used in investing activities	937,225,007.78	542,634,469.85
Net cash generated from/used in investing activities	722,008,111.07	20,290,070.04
3 Cash flows from financing activities:		
Absorb the cash received by the investment		

Cash received for obtaining loans	70,000,000.00	
Cash generated from other financing activities		115,953,756.22
Subtotal of cash generated from financing activities	70,000,000.00	115,953,756.22
Repayment of borrowings	3,848,000.00	3,848,000.00
Interest and dividends paid	159,197,786.94	903,599.82
Cash used in other financing activities	1,224,680.78	20,151,681.90
Subtotal of cash used in financing activities	164,270,467.72	24,903,281.72
Net cash generated from/used in financing activities	-94,270,467.72	91,050,474.50
4 Effect of foreign exchange rates changes on cash and cash equivalents		
5 Net (decrease)/increase in cash and cash equivalents	650,793,228.08	101,854,399.66
Add: Cash and cash equivalents, beginning of the period	681,128,021.05	405,841,967.20
6 Cash and cash equivalents, end of the period	1,331,921,249.13	507,696,366.86

7. Consolidated Statements of Changes in Equity

Amount of current period

Unit: RMB yuan

Item	H1 2025														
	Equity attributable to owners of the parent													Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
I. On 31 December 2024	1,219,046,340.00				2,818,982,096.52	117,233,041.40	29,809,317.74	18,106,386.75	51,830,974.45		956,837,409.23		4,977,379,483.29	246,964,378.41	5,224,343,861.70
Add: Adjustments for changes in accounting policies															
Adjustments for correction of previous errors															
Other adjustments															
II. On 1 January 2025	1,219,046,340.00				2,818,982,096.52	117,233,041.40	29,809,317.74	18,106,386.75	51,830,974.45		956,837,409.23		4,977,379,483.29	246,964,378.41	5,224,343,861.70
III. Changes for the period (“-” for decrease)	-1,760,000.00				16,129,859.95	-2,000,000.00	117,185,412.66	902,287.39			239,193,821.82		373,651,381.82	-33,918,698.24	339,732,683.58
(I) Total comprehensive income							117,185,412.66				397,440,989.86		514,626,402.52	18,383,922.66	533,010,325.18
(II) Owner’s contributions and reduction in capital	-1,760,000.00				16,129,859.95	-2,000,000.00							16,369,859.95	-52,302,620.90	-35,932,760.95
1. Ordinary shares increased by owners															
2. Capital increased by holders of other equity instruments															

Item	H1 2025														
	Equity attributable to owners of the parent													Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
3. Share-based payments included in equity					16,129,859.95								16,129,859.95		16,129,859.95
4. Others	-1,760,000.00					-2,000,000.00							240,000.00	-52,302,620.90	-52,062,620.90
(III) Profit distribution											-158,247,168.04		-158,247,168.04		-158,247,168.04
1. Appropriation to surplus reserves															
2. Appropriation to general reserve															
3. Appropriation to owners (or shareholders)											-158,247,168.04		-158,247,168.04		-158,247,168.04
4. Others															
(IV) Transfers within equity															
1. Increase in capital (or share capital) from capital surplus															
2. Increase in capital (or share capital) from surplus reserves															
3. Surplus reserves used to offset loss															
4. Changes in defined benefit schemes transferred to retained															

Item	H1 2025														
	Equity attributable to owners of the parent													Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(V) Special reserve								902,287.39					902,287.39		902,287.39
1. Provision in the period								1,948,471.48					1,948,471.48		1,948,471.48
2. Utilisation in the period								-1,046,184.09					-1,046,184.09		-1,046,184.09
(VI) Others															
IV. On 30 June 2025	1,217,286,340.00				2,835,111,956.47	115,233,041.40	146,994,730.40	19,008,674.14	51,830,974.45		1,196,031,231.05		5,351,030,865.11	213,045,680.17	5,564,076,545.28

Amount of previous period

Unit: RMB yuan

Item	H1 2024														
	Equity attributable to owners of the parent													Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
I. On 31 December 2023	1,240,618,400.00				2,889,928,997.21	218,298,532.79	75,122,078.52	16,229,817.03	51,830,974.45		456,258,959.55		4,511,690,693.97	222,517,275.37	4,734,207,969.34
Add: Adjustments for															

Item	H1 2024														
	Equity attributable to owners of the parent													Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
changes in accounting policies															
Adjustments for correction of previous errors															
Other adjustments															
II. On 1 January 2024	1,240,618,400.00				2,889,928,997.21	218,298,532.79	75,122,078.52	16,229,817.03	51,830,974.45		456,258,959.55		4,511,690,693.97	222,517,275.37	4,734,207,969.34
III. Changes for the period (“-” for decrease)	-21,572,060.00				-78,137,677.44	-100,775,491.39	-29,083,521.22	609,795.24			163,880,472.14		136,472,500.11	23,116,196.15	159,588,696.26
(I) Total comprehensive income							-29,083,521.22				163,880,472.14		134,796,950.92	23,697,410.40	158,494,361.32
(II) Owner’s contributions and reduction in capital	-21,572,060.00				-78,137,677.44	-100,775,491.39							1,065,753.95	-581,214.25	484,539.70
1. Ordinary shares increased by owners															
2. Capital increased by holders of other equity instruments															
3. Share-based payments included in equity					1,065,753.95								1,065,753.95		1,065,753.95
4. Others	-21,572,060.00				-79,203,431.39	-100,775,491.39								-581,214.25	-581,214.25
(III) Profit distribution															
1. Appropriation to surplus reserves															

Item	H1 2024														
	Equity attributable to owners of the parent													Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
2. Appropriation to general reserve															
3. Appropriation to owners (or shareholders)															
4. Others															
(IV) Transfers within equity															
1. Increase in capital (or share capital) from capital surplus															
2. Increase in capital (or share capital) from surplus reserves															
3. Surplus reserves used to offset loss															
4. Changes in defined benefit schemes transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Others															
(V) Special reserve								609,795.24					609,795.24		609,795.24
1. Provision in the period								1,198,032.00					1,198,032.00		1,198,032.00

Item	H1 2024														
	Equity attributable to owners of the parent													Non-controlling interests	Total equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General reserve	Retained earnings	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
2. Utilisation in the period								-588,236.76					-588,236.76		-588,236.76
(VI) Others															
IV. On 30 June 2024	1,219,046,340.00				2,811,791,319.77	117,523,041.40	46,038,557.30	16,839,612.27	51,830,974.45		620,139,431.69		4,648,163,194.08	245,633,471.52	4,893,796,665.60

8. Company Statement of Changes in Equity

Amount of current period

Unit: RMB yuan

Item	H1 2025											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Others	Total equity
		Preference shares	Perpetual bonds	Others								
I. On 31 December 2024	1,219,046,340.00				2,673,989,321.44	117,233,041.40		6,850,427.57	51,830,974.45	-251,255,243.36		3,583,228,778.70
Add: Adjustments for changes in accounting policies												
Adjustments for correction of previous errors												
Other												

Item	H1 2025											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Others	Total equity
		Preference shares	Perpetual bonds	Others								
adjustments												
II. On 1 January 2025	1,219,046,340.00				2,673,989,321.44	117,233,041.40		6,850,427.57	51,830,974.45	-251,255,243.36		3,583,228,778.70
III. Changes for the period ("-" for decrease)	-1,760,000.00				15,353,512.51	-2,000,000.00		476,038.44		265,328,240.42		281,397,791.37
(I) Total comprehensive income										423,575,408.46		423,575,408.46
(II) Owner's contributions and reduction in capital	-1,760,000.00				15,353,512.51	-2,000,000.00						15,593,512.51
1. Ordinary shares increased by owners												
2. Capital increased by holders of other equity instruments												
3. Share-based payments included in equity					15,353,512.51							15,353,512.51
4. Others	-1,760,000.00					-2,000,000.00						240,000.00
(III) Profit distribution										-158,247,168.04		-158,247,168.04
1. Appropriation to surplus reserves												
2. Appropriation to										-158,247,168.04		-158,247,168.04

Item	H1 2025											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Others	Total equity
		Preference shares	Perpetual bonds	Others								
owners (or shareholders)												
3. Others												
(IV) Transfers within equity												
1. Increase in capital (or share capital) from capital surplus												
2. Increase in capital (or share capital) from surplus reserves												
3. Surplus reserves used to offset loss												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserve								476,038.44				476,038.44
1. Provision in the period								569,717.94				569,717.94

Item	H1 2025											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Others	Total equity
		Preference shares	Perpetual bonds	Others								
2. Utilisation in the period								-93,679.50				-93,679.50
(VI) Others												
IV. On 30 June 2025	1,217,286,340.00				2,689,342,833.95	115,233,041.40		7,326,466.01	51,830,974.45	14,072,997.06		3,864,626,570.07

Amount of previous period

Unit: RMB yuan

Item	H1 2024											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Others	Total equity
		Preference shares	Perpetual bonds	Others								
I. On 31 December 2023	1,240,618,400.00				2,745,450,997.27	218,298,532.79		6,645,318.98	51,830,974.45	-332,943,330.01		3,493,303,827.90
Add: Adjustments for changes in accounting policies												
Adjustments for correction of previous errors												
Other adjustments												
II. On 1 January 2024	1,240,618,400.00				2,745,450,997.27	218,298,532.79		6,645,318.98	51,830,974.45	-332,943,330.01		3,493,303,827.90

Item	H1 2024											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Others	Total equity
		Preference shares	Perpetual bonds	Others								
III. Changes for the period (“-” for decrease)	-21,572,060.00				-78,792,391.92	-100,775,491.39		-311,380.45		-71,777,918.47		-71,678,259.45
(I) Total comprehensive income										-71,777,918.47		-71,777,918.47
(II) Owner’s contributions and reduction in capital	-21,572,060.00				-78,792,391.92	-100,775,491.39						411,039.47
1. Ordinary shares increased by owners												
2. Capital increased by holders of other equity instruments												
3. Share-based payments included in equity					411,039.47							411,039.47
4. Others	-21,572,060.00				-79,203,431.39	-100,775,491.39						
(III) Profit distribution												
1. Appropriation to surplus reserves												
2. Appropriation to owners (or shareholders)												
3. Others												

Item	H1 2024											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Others	Total equity
		Preference shares	Perpetual bonds	Others								
(IV) Transfers within equity												
1. Increase in capital (or share capital) from capital surplus												
2. Increase in capital (or share capital) from surplus reserves												
3. Surplus reserves used to offset loss												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserve								-311,380.45				-311,380.45
1. Provision in the period												
2. Utilisation in the period								-311,380.45				-311,380.45

Item	H1 2024											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Others	Total equity
		Preference shares	Perpetual bonds	Others								
(VI) Others												
IV. On 30 June 2024	1,219,046,340.00				2,666,658,605.35	117,523,041.40		6,333,938.53	51,830,974.45	-404,721,248.48		3,421,625,568.45

III Corporate Background

Guangdong Dongfang Precision Science & Technology Co., Ltd. (the "Company"), a joint stock company with limited liability registered in Guangdong Province of the People's Republic of China and established on 9 December 1996, obtained a Business License for Enterprise Legal Person with a registration number of 440682000040868.

In August 2011, upon the approval by the China Securities Regulatory Commission (CSRC) in the Reply on Approving the Initial Public Offering of Shares by Guangdong Dongfang Precision Science & Technology Co., Ltd. (ZH.J.X.K. [2011] No. 1237), the Company issued Renminbi-denominated ordinary shares to the public, and was listed on the Shenzhen Stock Exchange in the same month. The Company started to use the unified social credit code (914406002318313119) in 2016. The Company is headquartered in 2 Qiangshi Road, Shishan Town, Nanhai District, Foshan City, Guangdong Province, China.

The Group's main businesses include four major business segments: smart corrugated packaging equipment, industrial Internet industry solutions, digital printers, and water powersports equipment.

The actual controllers of the Company are Tang Zhuolin and Tang Zhuomian.

These financial statements were authorized for issue by the Board of Directors of the Company on 13 Aug 2025.

IV. Basis of Preparation of the Financial Statements

These financial statements have been prepared in accordance with China's "Accounting Standards for Business Enterprises — Basic Standards" promulgated by the Ministry of Finance and the specific accounting standards, application guidance, interpretations and other relevant regulations issued or amended thereafter (hereafter collectively referred to as "Accounting Standards for Business Enterprises" or "CAS"). In addition, the financial statements also disclose relevant financial information in accordance with the Rules No. 15 for the Preparation of Information Disclosure by Companies Offering Securities to the Public - General Provisions on Financial Reports.

The financial statements are prepared on a going concern basis.

V.Principal Accounting Policies and Accounting Estimates

The Group has formulated specific accounting policies and accounting estimates according to the characteristics of its actual production and operation, which is mainly embodied in the provision for the bad debt of accounts receivable, provision for write-down of inventories, depreciation of fixed assets, provision for product warranties, capitalization conditions for expenditure on the development phase of research and development expenses and recognition and measurement of revenue.

1. Statement of compliance

The financial statements present truly and completely the financial positions of the Group and the Company as at 30 June 2025, and the financial performance and the cash flows for the 1st half of 2025 then ended in accordance with Accounting Standards for Business Enterprises.

2. Accounting year

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

3. Functional currency

The Group’s functional currency and the currency used in preparing the financial statements were Renminbi. The amounts in the financial statements were denominated in Renminbi yuan, unless otherwise stated.

4. Determination method and selection basis of materiality criteria

		Materiality criteria
Significant construction in progress	Budgeted amount for investment exceeds RMB50,000,000	
Significant cash flows from investing activities		Amount exceeds RMB50,000,000
Significant non-wholly owned subsidiaries	Net assets of non-wholly owned subsidiaries account for more than 10% of consolidated net assets	
Significant associates	The carrying amount of long-term equity investments in associates accounts for more than 5% of the consolidated net assets	

5. Business combination

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

Business combinations involving entities under common control

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

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

5. Business combination (cont'd)

Business combinations involving entities under common control (cont'd)

Assets and liabilities obtained by combining party in the business combination involving entities under common control (including goodwill arising from the acquisition of the merged party by the ultimate controller) are recognized on the basis of their carrying amounts at the combination date recorded on the financial statements of the ultimate controlling party. The difference between the carrying amount of the consideration paid for the combination (or aggregate face values of the shares issued) and the carrying amount of the net assets obtained is adjusted to capital surplus. If the capital surplus are not sufficient to absorb the difference, any excess is adjusted to retained earnings.

Business combinations not involving entities under common control

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

The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair values at the acquisition date. The excess of the sum of the consideration paid (or equities issued) for business combination and equity interests in the acquiree held prior to the date of acquisition over the share of the attributable net identifiable assets of the acquiree, measured at fair value, was recognized as goodwill, which is subsequently measured at cost less cumulative impairment loss. In case the fair value of the sum of the consideration paid (or equities issued) and equity interests in the acquiree held prior to the date of acquisition is less than the fair value of the share of the attributable net identifiable assets of the acquiree, a review of the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities, the consideration paid for the combination (or equity issued) and the equity interests in the acquiree held prior to the date of acquisition is conducted. If the review indicates that the fair value of the sum of the consideration paid (or equities issued) and equity interests in the acquiree held prior to the date of acquisition is indeed less than the fair value of the share of the attributable net identifiable assets of the acquiree, the difference is recognized in profit or loss.

6. Consolidated financial statements

The consolidation scope for consolidated financial statements is determined based on the concept of control, including the Company and all subsidiaries' financial statements. Subsidiaries are those enterprises or entities which the Company has control over (including enterprises, separable components of investee units and structured entities controlled by the Company). An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Any inconsistent accounting policies have been adjusted to become consistent with the Company's accounting policies. All assets, liabilities, equities, revenues, costs and cash flows arising from intercompany transactions are eliminated on consolidation.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

6. Consolidated financial statements (cont'd)

The excess of current loss attributable to non-controlling shareholders of a subsidiary over their entitlements to the opening balance of equity shall be charged to non-controlling interests.

For subsidiaries obtained through a business combination not involving entities under common control, the operating results and cash flows of the acquirees will be recognized in consolidated financial statements from the date the Group effectively obtains the control until the date that control is terminated. When consolidated financial statement is prepared, the subsidiaries' financial statements will be adjusted based on the fair values of the identifiable assets, liabilities and contingent liabilities at the acquisition date.

For subsidiaries acquired through combination of entities under common control, the business results and cash flows of the combined entities are included in the consolidated financial statements from the beginning of the period in which the combination occurred. When preparing and comparing the consolidated financial statements, the Group makes adjustments to relevant items of the financial statements of the previous period, deeming the reporting entity formed through combination as existing since initial implementation of control by the ultimate controlling party.

In the event of the change in one or more elements of control as a result of changes in relevant facts and conditions, the Group reassesses whether it has control over the investee.

If the control right is not lost, the change of minority shareholders' equity shall be regarded as equity transaction.

7. Cash and cash equivalents

Cash comprises cash on hand and deposits readily available for payments. Cash equivalents represent short-term highly liquid investments which are readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

8. Foreign currency translation

For foreign currency transactions, the Group translates the foreign currency into its functional currency.

Upon initial recognition, foreign currency transactions are translated into the functional currency using the spot exchange rate of the dates on which transactions occur. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate at the balance sheet date. The translation differences arising from the settlement and foreign currency monetary items are recognized in profit or loss. Also at the balance sheet date, foreign currency non-monetary items measured at historical cost continue to be translated using the spot exchange rate at the dates of the transactions and it does not change its carrying amount in functional currency. Foreign currency non-monetary items measured at fair value are translated using the spot exchange rate. The differences arising from the above translations are recognized in current profit or loss or other comprehensive income according to the nature of foreign currency non-monetary items.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

8. Foreign currency translation (cont'd)

The Group translates the functional currencies of foreign operations into Renminbi when preparing the financial statements. Asset and liability items in the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date. Equity items, except for retained earnings, are translated at the spot exchange rates at the date when such items arose. Revenue and expense items in the income statement are translated using the average exchange rate for the periods when transactions occur. Translation differences arising from the aforesaid translation of financial statements denominated in foreign currency shall be recognized as other comprehensive income. When foreign operations are disposed, other comprehensive income relating to the foreign operation is transferred to current profit or loss. Partial disposal shall be recognized on a pro-rata basis.

Cash flows denominated in foreign currencies and foreign subsidiaries' cash flows are translated using the average exchange rate for the period when cash flows occur. The impact on cash by the fluctuation of exchange rates is presented as a separate line item of reconciliation in the statement of cash flows.

9. Financial instruments

Financial instruments refer to the contracts which give rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Recognition and derecognition of financial instruments

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

A financial asset (or part of it, or a part of a group of similar financial asset) is derecognized when one of the following criteria is met, that is, when a financial asset is written off from its account and balance sheet:

- (1) The right of receiving the cash flow generated from the financial asset has expired;
- (2) The right of receiving cash flow generated by the financial assets is transferred, or an obligation of paying the full amount of cash flow received to third parties in a timely manner has been undertaken under "pass-through" agreements, where (a) substantially all risks and rewards of the ownership of such type of financial assets have been transferred, or (b) control over such type of financial assets has not been retained even though substantially all risks and rewards of the ownership of such type of financial assets have been neither transferred nor retained.

If the obligation of financial liability has been fulfilled, cancelled or expired, the financial liability is derecognized. If the present financial liability is substituted by the same debtee with another liability differing in substance, or the terms of the present liability have been substantially modified, this substitution or modification is treated as derecognition of a present liability and recognition of a new liability with any arising differences recognized in profit or loss.

Conventional dealings in financial assets are recognized or derecognized under the trade day accounting method. Conventional dealings refer to the receipt or delivery of financial assets within periods stipulated by the law and according to usual practices. The trade day is the date on which the Group undertakes to buy or sell a financial asset.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

9. Financial instruments (cont'd)

Classification and measurement of financial assets

At initial recognition, the Group classifies its financial assets into: financial assets at fair value through profit or loss, financial assets at amortized cost, or financial assets at fair value through other comprehensive income, according to the Group's business model for managing financial assets and the contract cash flow characteristics of the financial assets. When and only when the Group changes its business model of managing financial assets, all relevant financial assets affected will be re-classified.

Financial assets are measured at fair value on initial recognition, but if the accounts receivable or notes receivable generated from the sales of goods or provision of services do not contain significant financing components or do not consider financing components of no longer than one year, the initial measurement will be based on the transaction price.

For financial assets at fair value through profit or loss, the relevant transaction costs are directly recognized in profit or loss; for other financial assets, the relevant transaction costs are recognized in their initial recognition amount.

The subsequent measurement of financial assets is dependent on its classification:

Debt instruments measured at amortized cost

Financial assets fulfilling all of the following conditions are classified as financial assets at amortized cost: the objective of the Group's business management model in respect of such type of financial assets is to generate contract cash flow; the contract terms of such type of financial assets provide that cash flow generated on specific dates represents interest payment in relation to principal amounts based on outstanding principal amounts only. Interest income from such type of financial assets are recognized using the effective interest rate method, and any profit or loss arising from derecognition, amendments or impairment shall be charged to current profit or loss.

Debt instruments at fair value through other comprehensive income

Financial assets fulfilling all of the following conditions are classified as financial assets at fair value through other comprehensive income: the objective of the Group's business management model in respect of such type of financial assets is both to generate contract cash flow and to sell such type of financial assets; the contract terms of such type of financial assets provide that cash flow generated on specific dates represents interest payment in relation to principal amounts based on outstanding principal amounts only. Interest income from this type of financial assets is recognized using the effective interest rate method. Other than interest income, impairment loss and exchange differences which shall be recognized as current profit or loss, other fair value changes shall be included in other comprehensive income. Upon derecognition of the financial assets, the cumulative gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to current profit or loss.

Financial assets at fair value through profit or loss

Other than financial assets measured at amortized cost and financial assets at fair value through other comprehensive income as aforementioned, all financial assets are classified as financial assets at fair value through profit or loss, which are subsequently measured at fair value, any changes of which are recognized in current profit or loss.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

9. Financial instruments (cont'd)

Classification and measurement of financial liabilities

The Group classifies its financial liabilities at initial recognition: financial liabilities at fair value through profit or loss, and other financial liabilities. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognized in profit or loss; for other financial liabilities, the relevant transaction costs are recognized in their initial recognition amount.

The subsequent measurement of financial liabilities is dependent on its classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include mainly financial liabilities held for trading (comprising derivatives classified as financial liabilities). Financial liabilities held for trading (comprising derivatives classified as financial liabilities) are subsequently measured at fair value and all changes are recognized in current profit or loss.

Other financial liabilities

Subsequent to initial recognition, these financial liabilities are carried at amortized cost using the effective interest method.

Impairment of financial instruments

Methods for determining expected credit losses and accounting treatment methods

The Group performs impairment treatment on financial assets at amortized cost, debt instruments at fair value through other comprehensive income and contract assets based on expected credit losses (ECL) and recognizes allowances for losses.

For receivables and contract assets that do not contain significant financing components, the Group adopts a simplified measurement method to measure allowances for losses based on an amount equivalent to the lifetime expected credit losses.

Financial assets other than those measured with simplified valuation methods, the Group evaluates at each balance sheet date whether its credit risk has significantly increased since initial recognition. The period during which credit risk has not significantly increased since initial recognition is considered the first stage, at which the Group shall measure loss allowance based on the amount of expected credit loss for the next 12 months and shall compute interest income according to the book balance and effective interest rate; the period during which credit risk has significantly increased since initial recognition although no credit impairment has occurred is considered the second stage, at which the Group shall measure loss allowance based on the amount of expected credit loss for the entire valid period and shall compute interest income according to the book balance and effective interest rate; The period during which credit impairment has occurred after initial recognition is considered the third stage, at which the Group shall measure loss allowance based on the amount of the lifetime expected credit loss and shall compute interest income according to the amortized cost and effective interest rate. For financial instruments with low credit risk at the balance sheet date, the Group assumes that their credit risk has not increased significantly since initial recognition.

The Group estimates the expected credit loss of financial instruments individually and on a group basis. The Group considers the credit risk features of different customers and estimates the expected credit losses of financial instruments based on aging portfolio.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

9. Financial instruments (cont'd)

Impairment of financial instruments (cont'd)

For the Group's criteria for judging whether credit risks have significantly increased, the definition of assets subjected to credit impairment, and assumptions underlying the measurement of expected credit losses, please refer to Note IX.2.

The Group's approach to measuring ECLs on financial instruments reflects factors such as the unbiased probability-weighted average amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions and projections of future economic conditions available at the balance sheet date without undue additional cost or effort.

When the Group no longer reasonably expects to be able to fully or partially recover the contract cash flow of financial assets, the Group directly writes down the book balance of such financial assets.

Derivative financial instruments

The Group uses derivative financial instruments. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses arising from changes in the fair value of derivative instruments shall be directly recognized in current profit or loss.

Transfer of financial assets

If the Group has transferred substantially all the risks and rewards associated with the ownership of a financial asset to the transferee, the asset should be derecognized. If the Group retains substantially all the risks and rewards of ownership of a financial asset, the asset should not be derecognized.

When the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, it may either derecognize the financial asset and recognize any associated assets and liabilities if control of the financial asset has not been retained; or recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability if control has been retained.

Assets formed by the continuing involvement by way of the provision of financial guarantee in respect of the transferred financial assets shall be recognized as the lower of the carrying value of the financial asset and the amount of financial guarantee. The amount of financial guarantee means the maximum amount among considerations received to be required for repayment.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

10. Inventories

Inventories include raw materials, work-in-progress, finished goods, product deliveries, semi-finished goods, materials consigned for processing, etc.

Inventories are initially recorded at costs. Inventories' costs include purchasing costs, processing costs and other costs. Actual costs of product deliveries are recognized using the weighted average method. Turnover materials include low-value consumables, packaging materials, etc., which are expensed in full.

The Group adopts the perpetual inventory system.

Inventories on the balance sheet date are stated at the lower of cost or net realisable value. Inventory valuation allowance is made and recognized in profit or loss when the net realisable value is lower than cost. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated costs necessary to make the sale and related taxes. Valuation allowances for raw materials are established by category, and those for finished goods by individual item. For inventories that relate to products produced and sold in the same region, have the same or similar ultimate purpose, and are difficult to separate in measurement, valuation allowances are established on a combined basis.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

11. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

Long-term equity investments were recorded at initial investment cost on acquisition. For long-term equity investments acquired through the business combination of entities under common control, the initial investment cost shall be the share of carrying value of the equity of the merged party at the date of combination as stated in the consolidated financial statements of the ultimate controlling party. Any difference between the initial investment cost and the carrying value of the consideration for the combination shall be dealt with by adjusting the capital surplus (if the capital surplus are insufficient for setting off the difference, such difference shall be further set off against retained earnings). Upon disposal of the investment, other comprehensive income prior to the date of combination shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Equity recognized as a result of changes in equity other than the set-off of profit and loss, other comprehensive income and profit allocation of the investee shall be transferred to current profit and loss upon disposal of the investment. Items which remain long-term equity investments after the disposal shall be accounted for on a pro-rata basis, while items reclassified as financial instruments following the disposal shall be accounted for in full. For long-term equity investments acquired through the business combination of entities not under common control, the initial investment cost shall be the cost of combination (for business combinations of entities not under common control achieved in stages through multiple transactions, the initial investment cost shall be the sum of the carrying value of the equity investment in the acquired party held at the date of acquisition and new investment cost incurred as at the date of acquisition). The cost of combination shall be the sum of assets contributed by the acquiring party, liabilities incurred or assumed by the acquiring party and the fair value of equity securities issued. Upon disposal of the investment, other comprehensive income recognized under the equity method held prior to the date of acquisition shall be dealt with on the same basis as if the relevant assets or liabilities were disposed of directly by the investee. Equity recognized as a result of changes in equity other than the set-off of profit and loss, other comprehensive income and profit allocation of the investee shall be transferred to current profit and loss upon disposal of the investment. Items which remain long-term equity investments after the disposal shall be accounted for on a pro-rata basis, while items reclassified as financial instruments following the disposal shall be accounted for in full. The initial investment cost of long-term equity investments other than those acquired through business combination shall be recognized in accordance with the following: for those acquired by way of cash payments, the initial investment cost shall be the consideration actually paid plus expenses, tax amounts and other necessary outgoings directly related to the acquisition of the long-term equity investments.

In the financial statements of the Company, the cost method is used for long term equity investments in investees over which the Company exercises control. Control is defined as the power exercisable over the investee, the entitlement to variable return through involvement in the activities of the investee and the ability to influence the amount of return using the power over the investee.

When the cost method is used, long-term equity investments are measured at initial cost on acquisition. When additional investments are made or investments are recouped, the cost of longterm equity investments shall be adjusted. Cash dividend or profit distribution declared by the investee shall be recognized as investment income for the period.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

11. Long-term equity investments (cont'd)

The equity method is used to account for long-term equity investments when the Group can jointly control or has significant influence over the invested entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence means having the authority to take part in the decision over the financial and operational policies but not the authority to control or jointly control with other parties the formulation of such policies.

Under the equity method, any excess of the initial investment cost over the Company's share of the net fair value of the investment's identifiable assets and liabilities is included in the initial investment cost of the long-term equity investment. When the carrying amount of the investment is less than the Company's share of the fair value of the investment's identifiable net assets, the difference is recognized in profit or loss of the current period and debited to long-term equity investments.

Under the equity method, after the long-term equity investments are acquired, investment gains or losses and other comprehensive income are recognized according to the entitled share of net profit or loss and other comprehensive income of the investee and the carrying amount of the long-term equity investment is adjusted accordingly. When recognising the Group's share of the net profit or loss of the invested entity, the Group makes adjustments based on fair values of the investees' identifiable assets and liabilities at the acquisition date in accordance with the Group's accounting policy and accounting period to investee's net profits, eliminating pro-rata profit or loss from internal transactions with associates and joint ventures attributed to investor (except that loss from inter-group transactions deemed as asset impairment loss shall be fully recognized), provided that invested or sold assets constituting businesses shall be excluded. When the invested enterprise declares profit distribution or cash dividends, the carrying amount of investment is adjusted down by the Group's share of the profit distribution and dividends. The Group shall derecognize its share of the losses of the investee after the long-term equity investment together with any long-term interests that in substance forms part of the Group's net investment in the investee are reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group also adjusts the carrying amount of long-term equity investments for other changes in owner's equity of the investees (other than the net-off of net profits or losses, other comprehensive income and profit distribution of the investee), and includes the corresponding adjustment in equity.

12. Fixed assets

A fixed asset is recognized when, and only when, it is probable that future economic benefits that are associated with the fixed asset will flow to the Group and the cost can be measured reliably. Subsequent expenditures related to a fixed asset are recognized in the carrying amount of the fixed asset if the above recognition criteria are met, and the carrying value of the replaced part is derecognized; otherwise, those expenditures are recognized in profit or loss as incurred.

Fixed assets are initially recognized at cost. Cost of purchased fixed assets includes purchasing price, relevant taxes, and any directly attributable expenditure for bringing the asset to working conditions for its intended use.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

12. Fixed assets (cont'd)

Except for those incurred by using the accrued expenses for safety production, fixed assets are depreciated on a straight-line basis, and the respective estimated useful lives, estimated residual value ratios and annual depreciation rates are as follows:

	Useful life	Estimated residual value ratio	Annual depreciation rate
Buildings and constructions	20-40 years	5.00%	2.38%-4.75%
Machinery	5-18 years	5.00%	5.28%-19.00%
Transportation equipment	5-10 years	5.00%	9.5%-19.00%
Electronic equipment	3-10 years	5.00%	9.5%-31.67%
Office equipment	3-10 years	5.00%	9.5%-31.67%
Other equipment	5-10 years	5.00%	9.5%-19.00%

The Group reviews, at least at each year end, useful lives, estimated residual values, and depreciation methods of fixed assets and makes adjustments if necessary.

13. Construction in progress

Construction in progress is measured at the actual construction expenditures, including necessary project work expenses incurred during the period while construction is in progress, and other related fees.

The criteria for construction in progress to be transferred to fixed assets when it is ready for its intended use are as follows:

	Criteria
Buildings and constructions	Actual start of use
Machinery	The earlier of actual start of use/completion of installation and acceptance

14. Borrowing costs

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

When assets that meet the capitalisation criteria are constructed or produced and reach their intended usable or saleable state, borrowing costs cease to be capitalised. Borrowing costs incurred thereafter are recognised in profit or loss for the period.

During the capitalisation period, the amount of interest capitalised for each accounting period is determined as follows: for specific borrowings, the amount is determined by deducting temporary deposit interest income or investment income from the actual interest expenses incurred during the period; for general borrowings within the Group, there were no borrowings that met the capitalisation criteria during the current year.

If the construction or production of an asset that meets the capitalisation criteria is subject to an abnormal

interruption, other than those necessary to achieve the intended usable or saleable state, and the interruption lasts continuously for more than three months, capitalisation of borrowing costs is suspended. Borrowing costs incurred during the interruption period are recognised as expenses and charged to the current period's profit or loss until the construction or production activities of the asset resume.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

15. Intangible assets

Overseas land use rights and trademark rights are intangible assets with indefinite useful lives. Impairment tests shall be conducted annually regardless of whether there are indications of impairment. Such intangible assets shall not be amortized and their useful life shall be reviewed during each accounting period. If there is evidence suggesting that their useful life is limited, accounting treatment will be performed according to the above policy on intangible assets with definite useful life.

Other intangible assets are amortised on a straight-line basis over their useful lives as follows:

	Useful life	Determination basis
Land use rights	40-50 years	Term of land use right
Trademark	5-10 years	The shorter of the term of trademark rights/expected term of use
Patent	5-10 years	Expected benefit period

The land ownership of Fosber S.p.A. ("Fosber Group"), a subsidiary of the Company, in Italy has a permanent term, and the Company believes that the land ownership will be used and will bring expected inflows of economic benefits to the Company in the foreseeable future, so its useful life is regarded as indefinite. The trademarks registered by subsidiaries Fosber Group and Fosber America, Inc. ("Fosber America") have a useful life in accordance with the law, but at the expiration of the protection period, Fosber Group and Fosber America can apply for an extension at low service charges, so the Company will benefit from the above trademarks in the long term. Thus, the Company recognized the trademark use right as intangible assets with indefinite useful life. The useful life of intangible assets with indefinite useful life will be reviewed at the end of each year. After review, the useful life of the above intangible assets is still uncertain.

The Group classifies the expenses for internal research and development as research costs and development costs. All research costs are charged to the current profit or loss as incurred. Expenditure incurred on projects to develop new products is capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits (including demonstration that the product derived from the intangible asset or the intangible asset itself will be marketable or, in the case of internal use, the usefulness of the intangible asset as such), the availability of technical and financial resources to complete the project and procure the use or sale of the intangible asset, and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria is recognized in profit or loss when incurred.

After meeting the above conditions, passing the technical feasibility and economic feasibility study, the corresponding projects of the Group enter the development stage and begin to be capitalized after being reviewed and approved.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

16. Impairment

The Group assesses impairment of assets other than inventories, contract assets and assets related to contract costs, deferred tax assets and financial assets, using the methods described below:

Impairment of assets (other than the impairment of inventories, contract assets and contract cost assets, investment properties measured using the fair value model, deferred tax assets, and financial assets) is determined in the following way: the Group assesses at the balance sheet date whether there is any indication that an asset may be impaired; if any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing; goodwill arising from a business combination, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount is the higher of the asset's fair value less costs to sell and its present value of estimated future cash flows. The Group estimates recoverable value for individual assets. When it is difficult to estimate individually, the recoverable value of the cash generating units which the asset belongs to will be estimated. The definition of cash generating units is determined on the basis of whether the cash generating units generate cash flows which are largely independent of those from other cash generating units.

Where the carrying amount of an asset or a cash generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount. The difference between the carrying amount and recoverable amount is recognized in profit or loss and allowance for impairment is made accordingly.

In connection with impairment tests for goodwill, the carrying value of goodwill arising from business combination is allocated to relevant cash generating units ("CGU") from the date of acquisition on a reasonable basis. If it is difficult to allocate such goodwill to a relevant CGU, it should be allocated to a relevant CGU group. A relevant CGU or CGU group is defined as one which can benefit from the synergies of the business combination and is not larger than the reporting segments determined by the Group.

In connection with impairment tests for CGUs or CGU groups that comprise goodwill, where indications of impairment exists in a CGU or CGU group related to goodwill, impairment tests should be performed first on CGUs or CGU groups that do not comprise goodwill and recognize impairment loss after estimating the recoverable amount. Then impairment tests on CGUs or CGU groups that comprise goodwill should be performed and the carrying value and recoverable amount should be compared. Where the recoverable amount is lower than the carrying value, the impairment loss should first be offset against the carrying value of the goodwill allocated to CGUs or CGU groups and then against assets in the CGUs or CGU groups other than goodwill in proportion to the weighting of these assets.

Previously recognized impairment losses are not reversed in subsequent periods.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

17. Long-term prepaid expenses

Long-term prepaid expenses are amortized using the straight-line method, with the amortization periods as follows:

	Amortization period
Decoration expenditures	3-5 years
Amortization of moulds	3 years
Other expenditures	3-5 years

18. Employee benefits

Employee benefits include all kinds of rewards or compensation incurred by the Group in exchange for service rendered by employees or in the termination of employment, other than share-based payment. Employee benefits include short-term benefits, retirement benefits, dismissal benefits and other long-term employees' benefits. Benefits provided by the Group to the spouses, children and dependents of employees and families of deceased employees are also a part of employee benefits.

Short-term benefits

For accounting periods during which services are rendered by employees, short-term benefits that will incur is recognized as liability and included in profit and loss or related capital costs.

Retirement benefits (defined contribution schemes)

Employees of the Group participated in pension insurance and unemployment insurance schemes managed by the local government. The contribution costs are charged as asset cost or to profit or loss when incurred.

Retirement benefits (defined benefit schemes)

The Group operates a defined benefit pension scheme, which requires payments to an independently operated fund. No funds have been injected into the scheme. The cost of benefits provided under the defined benefit scheme is calculated using the expected benefit accrual unit approach.

Remeasurement arising from defined benefit pension schemes, including actuarial gains or losses, changes in the asset cap effect (deducting amounts included in net interest on net liabilities of the defined benefit schemes) and return on scheme assets (deducting amounts included in net interest on net liabilities of the defined benefit schemes) are instantly recognized in the balance sheet and charged to equity through other comprehensive income for the period during which it is incurred. It will not be reversed to profit and loss in subsequent periods.

Previous service costs are recognized as current expenses when: the defined benefit scheme is revised, or relevant restructuring costs or dismissal benefits are recognized by the Group, whichever earlier.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

18. Employee benefits (cont'd)

Retirement benefits (defined benefit schemes) (cont'd)

Net interest is arrived at by multiplying net liabilities or net assets of defined benefits with a discount rate. Changes in net obligations of defined benefits are recognized as cost of sales, administrative expenses, R&D expenses, selling expenses and finance costs in the income statement. Service costs included current services costs, past service costs and settlement of profit or loss. Net interest included interest income from scheme assets, interest expenses for scheme obligations and interest of the asset cap effect.

19. Provisions

Other than contingent consideration and assumed contingent liabilities in a business combination not involving entities under common control, the Group recognizes as provision an obligation that is related to contingent matters when all of the following criteria are fulfilled:

- (1) the obligation is a present obligation of the Group;
- (2) the obligation would probably result in an outflow of economic benefits from the Group;
- (3) the obligation could be reliably measured.

Provisions are initially measured according to the best estimate of expenses on fulfilling the current liabilities, in connection with the risk, uncertainty and timing value of the currency. The carrying value of the provisions would be reassessed on every balance sheet date. The carrying value will be adjusted to the best estimated value if there is certain evidence that the current carrying value is not the best estimate.

The contingent liabilities obtained from a business combination not involving entities under common control shall be measured at fair value at the time of initial recognition. After the initial recognition, according to the amount confirmed by provisions and the balance of the initial recognition amount after deducting the accumulated amortization determined by the revenue recognition principle, the higher of the two shall prevail for subsequent measurements.

20. Share-based payments

Share-based payments can be distinguished into equity-settled share-based payments and cash-settled share-based payments. Equity-settled share-based payments are transactions of the Group settled through the payment of shares or other equity instruments in consideration for receiving services.

Equity-settled share-based payments made in exchange for services rendered by employees are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital surplus are credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognising services rendered during the period in relevant costs or expenses and crediting the capital surplus accordingly at the fair value on the date of grant according to the best estimates of the number of exercisable equity instruments conducted by the Group at each balance sheet date during the pending period. The fair value of equity instruments is determined using the closing price of the Company's stock on the date of grant.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

21. Revenue generating from contracts with customers

The Group recognizes its revenue upon the fulfilment of contractual performance obligations under a contract, namely, when the customer obtains control over the relevant products or services. The acquisition control over relevant products or services shall mean the ability to direct the use of the products or the provision of the services and receive substantially all economic benefits derived therefrom.

Contract for the sales of products

The product sales contract between the Group and its customers typically includes different contractual performance obligations for the transfer of products and the rendering of services. With respect to the sales of products, the Group typically recognizes its revenue at the time when the customer takes control over the products, taking into account the following factors: the acquisition of the current right to receive payments for the products, the transfer of major risks and rewards of ownership, the transfer of the legal title of the products, the transfer of the physical assets of the products, and customers' acceptance of the products.

Contract for the rendering of installation services

The service contract between the Group and its customers includes contractual performance obligations for installation services. As the customer is able to forthwith obtain and consume the economic benefits brought by the Group's contractual performance when the Group performs a contract, the Group considers such contractual performance obligations to be obligations performed over a period of time, and revenue shall be recognized on each balance sheet date according to the progress of installation.

Significant financing component

Where a contract contains a significant financing component, the Group determines transaction prices based on amounts payable assumed to be settled in cash by customers immediately upon the acquisition of control over the products or services. The difference between such transaction price and contract consideration is amortized over the contract period using the effective interest method based on a ratio that discounts the nominal contractual consideration to the current selling price of the products or services. The Group shall not give consideration to any significant financing component in a contract if the gap between the customer's acquisition of control over the products or services and payment of consideration is expected to be less than 1 year.

Warranty clauses

The Group provides quality assurance for products sold in accordance with contract terms and laws and regulations. The accounting treatment of quality assurance in the form of warranty assuring customers products sold are in compliance with required standards is set out in Note III.20. Where the Group provides a service warranty for a standalone service in addition to the assurance of compliance of products with required standards, such warranty is treated as a standalone contractual performance obligation, and a portion of the transaction price shall be allocated to the service warranty based on a percentage of the standalone price for the provision of product and service warranty. When assessing whether a warranty is rendering a standalone service in addition to providing guarantee to customers that all sold goods are in compliance with required standards, the Group will consider whether or not such warranty is a statutory requirement, the term of the warranty and the nature of the Group's undertaking to perform its obligations.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

22. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities on the balance sheet according to the relationship between contractual performance obligations and customer payments.

Contract assets

Contract assets are the right to receive consideration following the transfer of products or services to customers which is dependent on factors other than the passage of time.

For details of the Group's determination and accounting treatment of expected credit losses from contract assets, please refer to Note III.8.

Contract liabilities

Contract liabilities are the obligation to pass products or services to customers in connection with customer consideration received or receivable, for example, amounts received prior to the transfer of the promised products or services.

23. Assets relating to contract cost

The Group's assets relating to contract costs include the contract acquisition costs and contract performance costs. The costs are presented in inventory, other current assets or other non-current assets based on liquidity of the assets.

Where the Group expects the incremental costs for acquiring a contract to be recoverable, such contract acquisition costs are recognized as an asset (unless the amortisation period of the asset is not more than 1 year).

Costs incurred by the Group for the performance of a contract are recognized as an asset as contract performance costs if they do not fall under the scope of the relevant standards for inventories, fixed assets or intangible assets but meet all the following conditions:

- (1) they are directly related to a current or anticipated contract, including direct labour, direct materials, manufacturing expenses (or similar expenses), to be borne by customers as specifically stipulated, and otherwise incurred solely in connection with the contract;
- (2) they will increase the resources to be utilized in the Company's future performance of its contractual obligations;
- (3) they are expected to be recoverable.

24. Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The grant is measured as the amount received or receivable where it takes the form of a cash asset, or at fair value where it is not a cash asset. Where the fair value cannot be reliably obtained, it should be measured at the nominal value.

In accordance with the stipulations of the government instruments, government grants applied towards acquisition or the formation of long-term assets in other manners are asset-related government grants; the instruments unspecifically refer to the exercise of judgement based on the basic conditions for receiving the asset-related grant applied towards or the formation of long-term assets in other manners. All other grants are recognized as income-related government grants.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

24. Government grants (cont'd)

Government grants relating to income and applied to make up for related costs or losses in future periods shall be recognized as deferred income, and shall be recognized in profit or loss of the period for which related costs or loss are recognized. Government grants specifically applied for the reimbursement of incurred related costs and expenses shall be directly recognized in profit or loss.

Government grants relating to assets shall offset the carrying amount of related assets, or be recognized as deferred income and credited to profit or loss over the useful life of the asset concerned by reasonable and systematic instalments (provided that government grants measured at nominal value shall be directly recognized in profit or loss). Where the asset concerned is disposed of, transferred, retired or damaged prior to the end of its useful life, the balance of the deferred income yet to be allocated shall be transferred to "asset disposal" under current profit or loss.

25. Deferred tax assets

The Group recognizes deferred tax assets and liabilities based on temporary differences using the balance sheet liability method. Temporary differences are differences between the carrying amount of assets or liabilities in the balance sheet and their tax base on the balance sheet date. Temporary differences also include the differences between the carrying values and tax bases of items not recognized as assets or liabilities where the tax base can be calculated according to the relevant tax regulations.

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

- (1) where the taxable temporary difference arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- (1) where the deductible temporary difference arises from transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (2) deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures are recognized when all following conditions are met: it is probable that the temporary differences will reverse in the foreseeable future, it is probable that taxable profit against the deductible temporary differences will be available.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

25. Deferred tax assets (cont'd)

As at balance sheet date, deferred tax assets and liabilities are measured in accordance with relevant tax laws at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, and reflects the tax consequences that would follow the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset and presented as a net amount if all of the following conditions are met: the Group has the legal right to set off the current income tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, provided that the taxable entity concerned intends either to settle current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

26. Leases

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

As lessee

The Group recognizes leases as the right-of-use asset and lease liabilities, except for short-term leases and leases of low-value assets.

Right-of-use assets

At the commencement date of the lease, the Group recognizes a right-of-use asset. The cost of the right-of-use asset comprises: (1) the amount of the initial measurement of the lease liability; (2) any lease payments made at or before the commencement date less any lease incentives received; (3) any initial direct cost incurred; (4) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If ownership of the leased asset transfers to the Group at the end of the lease term, depreciation is calculated using the estimated useful life of the asset. Otherwise, the right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

V. Principal Accounting Policies and Accounting Estimates (Cont'd)

26. Leases (cont'd)

Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and low-value asset leases. Lease payments include constant payments and the substantial constant payments net of lease incentives, variable lease payments that depend on an index or ratio, the estimated payables of guaranteed residual value, and also include the exercise price of the purchase option or the amount to be paid upon vest of the termination option, provided that the Group is reasonably certain that the option will be vested or that the lease term reflects that the Group will exercise the termination option.

In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognizes such interest expenses in profit or loss, except those that in the related asset costs as required. Variable lease payments that are not included in the measurement of the lease assets are recognized in profit or loss as incurred, except those that shall be included in the related asset costs as required.

After the commencement date, the Group increases the book value of the lease liability when interest is recognized and decreases the book value of the lease liability when lease payments are made. In the event of any change to the substantial constant payments, the estimated payables of guaranteed residual value, the index or ratio used to determine lease payments, the assessment results or actual vesting of the purchase option, the renewal option or the termination option, the Group remeasures the lease liability at the present value of the modified lease payments.

Short-term leases and leases of low-value assets

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, and does not contains any purchase option. The Group does not recognize the right-of-use assets and lease liabilities for buildings short-term leases. The Group recognizes lease payments on short-term leases and leases of low-value assets in the related asset costs or profit or loss on a straight-line basis over the lease term.

As a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

As a lessor of operating leases

Rental income of operating leases is recognized in current profit or loss over the respective periods during the lease term on a straight-line basis, while variable lease payment not included in lease receipts is charged to profit or loss as and when incurred.

Initial direct costs are capitalised and recognised over the lease term on the same basis as rental income, through profit or loss.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

27. Share repurchase

The consideration and transaction costs paid to repurchase equity instruments are charged against owner's equity. Except for share-based payments, the issue (including refinancing), repurchase, disposal or retirement of the Company's own equity instruments are accounted for as changes in equity.

28. Expenses for safety production

The expenses for safety production set side as stipulated shall be included in the cost of relevant products or current profits and losses, and included in the special reserve at the same time. When such expenses are used, accounting treatment will be performed according to whether fixed assets are formed. If identified as expense expenditures, the special reserve will be written down directly; if fixed assets are formed, the expenses incurred will be collected, fixed assets will be recognized when they reach a predetermined usable state, and the equivalent amount of special reserve will be written down and the equivalent accumulated depreciation will be recognized.

29. Put option related to non-controlling interests

In the process of acquiring majority equity of subsidiaries, the Group grants to minority shareholders the option to sell the shares of subsidiaries held by them to the Group (put option). The Group recognizes the shares of subsidiaries held by minority shareholders as non-controlling interests in its consolidated financial statements; for the put option, the Group undertakes the obligation to redeem the shares of the subsidiaries held by minority shareholders in cash. The Group removes the present value of the amount payable to redeem the put option from its equity (excluding non-controlling interests) and classifies it as financial liability, which is remeasured in subsequent periods at the present value of the the amount payable to redeem the put option and recognized in profit or loss.

30. Fair value measurement

At each balance sheet date, the Group measures the fair value of derivative financial instruments and equity instrument investments. Fair value means the price receivable from the disposal of an asset or required to be paid for the transfer of a liability in an orderly transaction incurred by market participants on the measurement date.

The fair value hierarchy to which an asset or liability measured or disclosed in the financial statements at fair value will be determined on the basis of the lowest level of input which is significant for the fair value measurement as a whole. Input at the first level represents unadjusted quoted prices in an active market for the acquisition of the same asset or liability on the measurement date. Input at the second level represents directly or indirectly observable assets or liabilities apart from input at the first level. Input at the third level represents unobservable input for the asset or liability.

At each balance sheet date, the Group reassesses assets and liabilities measured at fair value on an ongoing basis recognized in the financial statements to determine whether the level of fair value measurement should be changed.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

31. Significant accounting judgements and estimates

The preparation of financial statements requires judgement and estimation of the management. Such judgement and estimation will affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities as at the balance sheet date. However, the consequence arising from the uncertain nature of such estimation may result in significant adjustment to the carrying value of the asset or liability affected in the future.

Judgement

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

Determination of standalone contractual performance obligations

The intelligent packaging equipment (printers and corrugators) business of the Group includes four kinds of product or service commitments, i.e. the sale, installation, transportation and insurance services of machinery. As the customer can benefit from the individual use of the four kinds of products or services or their use together with other readily available resources and such product or service commitments are distinctly separable from other products or service commitments, the aforesaid product or service commitments constitute standalone contractual performance obligations respectively.

Business model

The classification of financial assets at initial recognition is dependent on the Group's business model for managing the assets. Factors considered by the Group in judging the business model include enterprise valuation, the method of reporting the results of financial assets to key management members, risks affecting the results of financial assets and the method for managing such risks, as well as the form of remuneration received by the management personnel of the businesses concerned. In assessing whether the business model is aimed at receiving contract cash flow, the Group is required to analyse and exercise judgment in respect of the reasons, timing, frequency and values of any disposals prior to maturity.

Characteristics of contract cash flow

The classification of financial assets at initial recognition is dependent on the characteristics of the contract cash flow of such type of financial assets. Judgement is required to determine whether the contract cash flow represents interest payment in relation to principal amounts based on outstanding principal amounts only, including judgement of whether it is significantly different from the benchmark cash flow when assessing modifications to the time value of currencies, and judgement of whether the fair value of early repayment features is minimal where the financial assets include such early repayment features.

Estimation uncertainty

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

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

31. Significant accounting judgements and estimates (cont'd)

Estimation uncertainty (cont'd)

Impairment of financial instruments and contract assets

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgement and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgement and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks. Different estimates may affect impairment allowances, and established impairment allowances may not equal the actual impairment loss amount in the future.

Impairment of non-current assets other than financial assets (exclusive of goodwill)

The Group assesses at each balance sheet date whether there is an indication that a non-current asset other than financial assets may be impaired. For an intangible asset with an indefinite useful life, in addition to the annual impairment test, it is also tested when there is an indication that it may be impaired. Non-current assets other than financial assets are tested for impairment when there is an indication that the carrying amount is irrecoverable. Where the carrying amount of an asset or an asset group exceeds its recoverable amount—the higher of the asset or asset group's fair value less costs to sell and its present value of estimated future cash flows, it is considered impaired. The net amount of the fair value less costs to sell is determined based on the price of a similar asset's sales contract in a fair transaction or the observable market price less the incremental cost directly attributable to the disposal of the asset. When estimating the present value of future cash flows, the management must choose a proper discount rate.

Impairment of goodwill

Goodwill must be tested for impairment at least annually. It requires estimating the present value of future cash flows of an asset group or asset group portfolio allocated with goodwill. When estimating the present value of future cash flows, the Group needs to estimate future cash flows generating from the asset group or asset group portfolio, and at the same time choose a proper discount rate to determine the present value of future cash flows. For details, see Note V.20.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Group to make estimates about expected future cash flows, credit risk, volatility and discount rates, and hence they are subject to uncertainty.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses, to the extent that it is likely that taxable profit will be available to utilize these unused tax losses. Significant judgments are needed from management to estimate the timing and amount of taxable profit in the future, with tax planning strategies, to determine the amount of the deferred tax assets that should be recognized.

V.Principal Accounting Policies and Accounting Estimates (Cont'd)

31. Significant accounting judgements and estimates (cont'd)

Estimation uncertainty (cont'd)

Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The Group discounted the lease payments using the lessee's incremental borrowing rate. The Group determines the incremental borrowing rate based on the economic environment by reference to the observable interest rate. Then the Group adjusts the reference interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

Provisions

The Group estimates and makes corresponding provision for product quality guaranty according to contract terms, existing knowledge and past experience. When such contingencies have formed a present obligation and it is probable that an outflow of economic benefits from the Group will be required to settle the obligation, the Group recognizes the contingencies as provisions based on the best estimate of the expenditure required to settle the related present obligation. The recognition and measurement of provisions largely depend on the judgment of management. In the process of making judgment, the Group is required to assess the risks, uncertainties, time value of money and other factors related to such contingencies.

The Group will undertake the provisions for post-sale quality maintenance provided to customers for the sale, maintenance and renovation of the sold goods. The provisions have been made taking into account the Group's recent data of maintenance experience, and taking into account the risks, uncertainties and other factors related to maintenance matters. Any increase or decrease in this provision may affect the profit and loss in future years.

VI. Taxation

1. Principal tax items and tax rates

	Tax basis	Tax rate
Value-added tax (VAT)	The output tax: taxable income; VAT: difference after deducting the input tax which is allowed to be deducted in the current period	22%,13% and 6%
City maintenance and construction tax	Turnover tax actually paid	7%
Education surcharge	Turnover tax actually paid	3%
Local education Surcharge	Turnover tax actually paid	2%
Property tax	Ad valorem tax: remaining value after deducting 30% from the original value of the property; Tax levied from rent: rental income.	1.2% and 12%
Corporate income tax	Taxable income	15%-30%

The taxpaying entities subject to different corporate income tax rates are as follows:

	Income tax rate
Guangdong Dongfang Precision Science & Technology Co., Ltd.	15.0%
Suzhou Parsun Power Machine Co., Ltd. ("Parsun Power")	15.0%
Guangdong Fosber Intelligent Equipment Co., Ltd. ("Fosber Asia")	15.0%
Shenzhen Wonder Printing System Co.,Ltd. ("Wonder Printing")	15.0%
Dong Fang Precision (HK) Limited ("Dongfang Precision (HK)")	16.5%
Dong Fang Precision (Netherland) Cooperatief U.A.("Dongfang Precision (Netherland)")	20.0%
Fosber S.p.A.	24.0%
Fosber America, Inc.("Fosber America")	21.0%
EDF Europe s.r.l.("EDF")	24.0%
Tiruña America inc. ("Tiruña America")	21.0%
Quantum Corrugated S.r.l.("QCorr")	24.0%
Tiruña S.L.U.	28.0%
Tiruña France SARL	15.0%
SCI Candan	15.0%
Fosber Mexico Corrugados, S.de R.L ("Fosber Mexico")	30.0%

VI. Taxation (Cont'd)

2. Tax concessions

On 28 December 2023, the Company passed the high-tech enterprise review by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Tax Service of State Taxation Administration and Guangdong Provincial Local Taxation Bureau and obtained a High-tech Enterprise Certificate (certificate no.: GR202344004676) jointly issued by the above authorities, with a validity of three years, during which the Company paid the corporate income tax at a reduced rate of 15%, so the preferential tax rate of 15% was applicable to the Company's corporate income tax as at 30 June 2024.

Suzhou Parsun Power Machine Co., Ltd., a subsidiary of the Company, passed the high-tech enterprise review by the Department of Science and Technology of Jiangsu Province, Department of Finance of Jiangsu Province and Jiangsu Provincial Tax Service of State Taxation Administration on 18 November 2022 and obtained a High-tech Enterprise Certificate (certificate no.: GR202232005866) jointly issued by the above authorities, with a validity of three years, during which the subsidiary paid the corporate income tax at a reduced rate of 15%, so the preferential tax rate of 15% was applicable to the corporate income tax of Parsun Power as at 30 June 2025.

Guangdong Fosber Intelligent Equipment Co., Ltd., a subsidiary of the Company, passed the high-tech enterprise review by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province and Guangdong Provincial Tax Service of State Taxation Administration on 20 December 2021 and obtained a High-tech Enterprise Certificate (certificate no.: GR202144003984) jointly issued by the above authorities, with a validity of three years, during which the subsidiary paid the corporate income tax at a reduced rate of 15%, and passed the re-certification as a high-tech enterprise on 28 November 2024 (Certificate Number: GR202444004278), with a validity period of three years. During this period, the company is eligible to pay corporate income tax at a reduced rate of 15%, so the preferential tax rate of 15% was applicable to the corporate income tax of Fosber Asia as at 30 June 2025.

Shenzhen Wonder Printing System Co.,Ltd., a subsidiary of the Company, passed the high-tech enterprise review by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province and Guangdong Provincial Tax Service of State Taxation Administration on 19 December 2022 and obtained a High-tech Enterprise Certificate (certificate no.: GR202244206125) jointly issued by the above authorities, with a validity of three years, during which the subsidiary paid the corporate income tax at a reduced rate of 15%, so the preferential tax rate of 15% was applicable to the corporate income tax of Wonder Printing as at 30 June 2025.

VII Notes to the Consolidated Financial Statements

1. Cash and bank balances

Unit: RMB yuan

Item	Closing balance	Opening balance
Cash on hand	747,976.31	497,855.11
Cash at banks	1,613,789,087.19	1,505,877,879.48
Other cash balances	887,398,753.03	222,674,648.75
Total	2,501,935,816.53	1,729,050,383.34
Of which: Total amount overseas	744,960,180.14	661,563,660.12

Other information:

The fund deposited abroad with restrictions on repatriation was equivalent to RMB14,276,910.32 (On 31 December 2024, the number was RMB10,859,642.60). Current bank deposits earn interest income based on interest rates for current deposits.

2. Financial assets held for trading

Unit: RMB yuan

	2025	2024
Financial assets at fair value through profit or loss	140,769,386.23	788,649,332.18
Asset management plans		
including		
Asset management plans	82,790,851.17	297,908,542.28
Investments in bank's wealth management products	57,978,535.06	233,789,426.10
Stocks and Funds		236,797,596.08
Investments in trust products		20,153,767.72
Total	140,769,386.23	788,649,332.18

3. Derivative financial assets

项目	2025	2024
Foreign exchange derivatives	3,033,910.74	2,755,081.17
Total	3,033,910.74	2,755,081.17

4. Notes receivable

(1) Notes receivable by type

Unit: RMB yuan

Item	Closing balance	Opening balance
Bank acceptance notes	91,141,351.69	96,695,760.53
Commercial acceptance notes		1,352,384.78
Total	91,141,351.69	98,048,145.31

(2) At the end of the period, the company had endorsed or discounted notes receivable that had not yet matured as of the balance sheet date.

Unit: RMB yuan

Item	Amount recognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptance notes		41,059,985.71
Total		41,059,985.71

5. Accounts receivable

(1) Disclosure by the aging of accounts receivable

Unit: RMB yuan

	2025	2024
Within 1 year (inclusive)	737,890,231.96	671,758,354.04
1-2 years	72,510,506.20	64,675,802.44
2-3 years	30,357,954.48	26,567,589.98
Over 3 years	17,545,115.29	18,570,611.30
3-4 years	3,294,986.01	7,329,163.57
4-5 years	7,021,000.09	2,565,796.54
Over 5 years	7,229,129.19	8,675,651.19
Total	858,303,807.93	781,572,357.76

(2) Disclosure classified by the allowance provision method of accounts receivable

Unit: RMB yuan

Type	Closing balance					Opening balance				
	Gross amount		Allowance		Carrying amount	Gross amount		Allowance		Carrying amount
	Amount	Percentage	Amount	Allowance percentage		Amount	Percentage	Amount	Allowance percentage	
Accounts receivable for which the allowances are established individually	1,250,400.00	0.15%	1,250,400.00	100.00%		1,250,400.00	0.16%	1,250,400.00	100.00%	
Of which:										
Accounts receivable for	1,250,400.00	0.15%	1,250,400.00	100.00%		1,250,400.00	0.16%	1,250,400.00	100.00%	

which the allowances are established individually										
Accounts receivable for which the allowances are established by group	857,053,407.93	99.85%	39,518,604.85	4.61%	817,534,803.08	780,321,957.76	99.84%	34,459,132.05	4.42%	745,862,825.71
Of which:										
Accounts receivable for which the allowances are established by group with similar credit risk characteristics	857,053,407.93	99.85%	39,518,604.85	4.61%	817,534,803.08	780,321,957.76	99.84%	34,459,132.05	4.42%	745,862,825.71
Total	858,303,807.93	100.00%	40,769,004.85	4.75%	817,534,803.08	781,572,357.76	100.00%	35,709,532.05	4.57%	745,862,825.71

Accounts receivable for which the allowances are established individually:

Unit: RMB yuan

Entity	Opening balance		Closing balance			
	Gross amount	Allowance	Gross amount	Allowance	ECL	Reason for allowance
Customer 1	641,600.00	641,600.00	641,600.00	641,600.00	100.00%	Customer's inability to settle the amount due
Customer 2	608,800.00	608,800.00	608,800.00	608,800.00	100.00%	Customer's inability to settle the amount due
Total	1,250,400.00	1,250,400.00	1,250,400.00	1,250,400.00		

Accounts receivable for which the allowances are established by group with similar credit risk characteristics are as follows:

Unit: RMB yuan

Item	Closing balance		
	Gross amount	Allowance	ECL
Within 1 year	737,890,231.96	13,637,555.05	1.85%
1-2 years	72,510,506.20	3,712,449.22	5.12%
2-3 years	30,357,954.48	8,882,677.28	29.26%
3-4 years	3,294,986.01	1,910,954.26	58.00%
4-5 years	7,021,000.09	5,396,239.85	76.86%
Over 5 years	5,978,729.19	5,978,729.19	100.00%
Total	857,053,407.93	39,518,604.85	

(3) Allowances established or reversed in the current period

Allowances in the current period:

Unit: RMB yuan

Type	Opening balance	Change in the current period				Closing balance
		Provision	Reversed	Written off	Others	
Allowances for doubtful accounts receivable	35,709,532.05	2,556,666.34	-741,344.53	774,229.02	2,535,690.95	40,769,004.85
Total	35,709,532.05	2,556,666.34	-741,344.53	774,229.02	2,535,690.95	40,769,004.85

(4) Top five entities with respect to accounts receivable

Unit: RMB yuan

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and contract assets	As a % of the closing balance of total accounts receivable and contract asset	Total closing balance of provision for allowances of accounts receivable and provision for impairment of contract asset
Customer 3	177,912,344.45		177,912,344.45	19.53%	1,664,637.38
Customer 4	54,415,497.49		54,415,497.49	5.97%	2,044,373.82
Customer 5	32,864,646.18		32,864,646.18	3.61%	559,336.98
Customer 6	30,611,829.36		30,611,829.36	3.36%	1,092,538.14
Customer 7	29,924,689.00		29,924,689.00	3.29%	1,068,014.06
Total	325,729,006.48		325,729,006.48	35.76%	6,428,900.38

6、Contract assets

(1) Contract assets

Unit: RMB yuan

Type	Closing balance			Opening balance		
	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount
Contract assets	52,436,261.57	5,870,725.48	46,565,536.09	57,810,489.98	5,659,318.06	52,151,171.92
Total	52,436,261.57	5,870,725.48	46,565,536.09	57,810,489.98	5,659,318.06	52,151,171.92

(2) Disclosure classified by the allowance provision method

Unit: RMB yuan

Type	Closing balance					Opening balance				
	Gross amount		Allowance		Carryin g amount	Gross amount		Allowance		Carryin g amount
	Amount	Percenta ge	Amount	Percenta ge		Amount	Percenta ge	Amount	Percenta ge	
Of which:										
Provisio n for allowanc es by group	52,436,2 61.57	100.00%	5,870,72 5.48	11.20%	46,565,5 36.09	57,810,4 89.98	100.00%	5,659,31 8.06	9.79%	52,151,1 71.92
Of which:										
Contract assets for which allowanc es are establish ed by group with similar credit risk characte ristics	52,436,2 61.57	100.00%	5,870,72 5.48	11.20%	46,565,5 36.09	57,810,4 89.98	100.00%	5,659,31 8.06	9.79%	52,151,1 71.92
Total	52,436,2 61.57	100.00%	5,870,72 5.48	11.20%	46,565,5 36.09	57,810,4 89.98	100.00%	5,659,31 8.06	9.79%	52,151,1 71.92

Accounts receivable for which the allowances are established by group:

Unit: RMB yuan

Type	Closing balance		
	Gross amount	Allowance	Percentage
Within 1 year	37,114,629.97	503,994.75	1.36%
1-2 years	8,738,087.12	633,233.69	7.25%
2-3 years	3,306,608.48	1,456,561.04	44.05%
3-4 years			
4-5 years	3,276,936.00	3,276,936.00	100.00%
More than 5 years			
Total	52,436,261.57	5,870,725.48	

(3) Allowances established or reversed in the current period

Unit: RMB yuan

Type	Established	Reversed	Written off	Reason
Provision for impairment of contract asset	614,032.71	402,583.54		
Total	614,032.71	402,583.54		

7. Receivables financing

Unit: RMB yuan

Item	Closing balance	Opening balance
Notes receivable	23,201,080.81	16,303,982.64
Total	23,201,080.81	16,303,982.64

8. Other receivables

Unit: RMB yuan

Item	Closing balance	Opening balance
Other receivables	52,410,147.67	40,647,410.48
Total	52,410,147.67	40,647,410.48

(1) Other receivables**1) Disclosure by nature**

Unit: RMB yuan

Nature	Closing gross amount	Opening gross amount
Prepaid service charges	20,309,563.00	9,002,675.21
Security deposits	8,279,978.45	8,642,471.46
Government subsidy	7,581,099.87	6,000,000.00
Export tax refunds	460,716.03	1,267,848.43
Employee loans and petty cash	5,354,666.24	5,500,800.82
Others	12,244,006.44	11,676,701.15
Total	54,230,030.03	42,090,497.07

2) Disclosure by the aging

Unit: RMB yuan

Aging	Closing gross amount	Opening gross amount
Within 1 year	46,944,261.35	33,526,337.20
1-2 years	2,127,652.52	2,775,908.24
2-3 years	1,271,765.18	2,741,627.11
Over 3 years	3,886,350.98	3,046,624.52
3-4 years	2,670,509.40	676,581.88
4-5 years	230,437.33	1,327,408.54
Over 5 years	985,404.25	1,042,634.10

Total	54,230,030.03	42,090,497.07
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3) Disclosure classified by the allowances provision methods

Unit: RMB yuan

Type	Closing balance					Opening balance				
	Gross amount		Allowance		Carryin g amount	Gross amount		Allowance		Carryin g amount
	Amount	Percenta ge	Amount	Percenta ge		Amount	Percenta ge	Amount	Percenta ge	
Of which:										
Provisio n for allowanc es by group	54,230,0 30.03	100.00%	1,819,88 2.36	3.36%	52,410,1 47.67	42,090,4 97.07	100.00%	1,443,08 6.59	3.43%	40,647,4 10.48
Of which:										
Portfolio of credit risk characte ristics	54,230,0 30.03	100.00%	1,819,88 2.36	3.36%	52,410,1 47.67	42,090,4 97.07	100.00%	1,443,08 6.59	3.43%	40,647,4 10.48
Total	54,230,0 30.03	100.00%	1,819,88 2.36	3.36%	52,410,1 47.67	42,090,4 97.07	100.00%	1,443,08 6.59	3.43%	40,647,4 10.48

Allowances:

Unit: RMB yuan

Allowances	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance as at 1 January 2025	943,086.59	500,000.00		1,443,086.59
Balance as at 1 January 2025 in the current period				
Provision in the current period	376,795.77			376,795.77
Balance as at 30 June 2025	1,319,882.36	500,000.00		1,819,882.36

Balances with significant changes in loss allowances in the current period:

☐ Applicable ☒ Not applicable

4) Allowances established or reversed in the current period

Allowances in the current period:

Unit: RMB yuan

Type	Opening balance	Change in the current period				Closing balance
		Established	Reversed	Written off	Others	
Allowances for doubtful other	1,443,086.59	376,795.77				1,819,882.36

receivables						
Total	1,443,086.59	376,795.77				1,819,882.36

5) Top five entities with respect to other receivables

Unit: RMB yuan

Entity	Nature of other receivable	Closing balance	Aging	As a % of the closing balance of total other receivables	Closing balance of allowances for doubtful other receivables
Entity 1	Government grants	6,000,000.00	Within 1 year	11.06%	
Entity 2	Transactions with third parties	2,876,684.96	Within 1 year	5.30%	
Entity 3	Transactions with third parties	2,682,909.09	Within 1 year	4.95%	
Entity 4	Transactions with third parties	2,556,425.34	Within 1 year	4.71%	
Entity 5	Transactions with third parties	1,889,818.91	Within 1 year	3.48%	
Total		16,005,838.30		29.50%	

9. Prepayments

(1) Prepayments by aging

Aging	Closing balance		Opening balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	44,671,509.41	95.19%	20,658,142.10	73.19%
1-2 years	65,620.00	0.14%	5,496,200.81	19.47%
2-3 years	272,848.00	0.58%	1,800,946.41	6.38%
Over 3 years	1,919,983.96	4.09%	270,906.03	0.96%
Total	46,929,961.37		28,226,195.35	

(2) Top five entities with respect to prepayments

The closing balance of total prepayments to the top five entities amounted to RMB17,834,729.26, accounting for 38.00% of the closing balance of the total prepayments.

10. Inventories

Is the Company subject to the disclosure requirements for the real estate industry?
No.

(1) Inventories by type

Unit: RMB yuan

Item	Closing balance			Opening balance		
	Gross amount	Inventory valuation allowances or	Carrying amount	Gross amount	Inventory valuation allowances or	Carrying amount

		impairment allowances for contract performance costs			impairment allowances for contract performance costs	
Raw materials	693,991,884.54	27,329,501.19	666,662,383.35	589,876,070.44	22,563,941.37	567,312,129.07
Work-in-progress	570,736,625.08	21,341,681.78	549,394,943.30	374,757,086.69	20,796,033.51	353,961,053.18
Finished goods	70,486,111.71	4,720,931.32	65,765,180.39	70,354,471.23	4,963,028.38	65,391,442.85
Product deliveries	13,102,418.74	38,692.74	13,063,726.00	12,920,671.77		12,920,671.77
Semi-finished goods	18,732,085.24	594,060.16	18,138,025.08	30,449,965.16	594,060.16	29,855,905.00
Materials consigned for processing	3,753,668.78		3,753,668.78	2,458,391.15		2,458,391.15
Total	1,370,802,794.09	54,024,867.19	1,316,777,926.90	1,080,816,656.44	48,917,063.42	1,031,899,593.02

(2) Inventory valuation allowances and impairment allowances for contract performance costs

Unit: RMB yuan

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Established	Others	Reversed or written off	Others	
Raw materials	22,563,941.37	8,127,968.89	1,291,211.01	4,653,620.08		27,329,501.19
Work-in-progress	20,796,033.51		614,361.95	68,713.68		21,341,681.78
Finished goods	4,963,028.38	709,439.68		951,536.74		4,720,931.32
Product deliveries		38,692.74				38,692.74
Semi-finished goods	594,060.16					594,060.16
Total	48,917,063.42	8,876,101.31	1,905,572.96	5,673,870.50		54,024,867.19

11. Current portion of non-current assets

Unit: RMB yuan

Item	Closing balance	Opening balance
Current portion of long-term receivables	12,332,376.63	8,035,336.42
Total	12,332,376.63	8,035,336.42

Substantial debt investments/other debt investments:

12. Other current assets

Unit: RMB yuan

Item	Closing balance	Opening balance
Input value-added tax (VAT) to be deducted	3,009,159.10	20,900,456.01
Overpaid VAT	43,212,395.56	24,869,036.74

Tax repayments	43,680,546.21	5,707,002.32
Others	14,841,616.11	9,066,601.42
Total	104,743,716.98	60,543,096.49

13. Long-term receivables

(1) Particulars about long-term receivables

Unit: RMB yuan

Item	Closing balance			Opening balance			Range of discount rates
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount	
Amounts receivable by installment for selling goods	4,777,500.00	168,371.64	4,609,128.36	4,112,000.00	64,147.20	4,047,852.80	
Total	4,777,500.00	168,371.64	4,609,128.36	4,112,000.00	64,147.20	4,047,852.80	

(2) Classification by bad debt provision method

Unit: RMB yuan

Item	Closing balance					Opening balance				
	Gross amount		Impairment allowance		Carrying amount	Gross amount		Impairment allowance		Carrying amount
	Amount	Percentage	Amount	Percentage		Amount	Percentage	Amount	Percentage	
Of which:										
Provision for bad debts calculated on a portfolio basis	4,777,500.00	100.00%	168,371.64	3.52%	4,609,128.36	4,112,000.00	100.00%	64,147.20	1.56%	4,047,852.80
Of which:										
Credit risk characteristics	4,777,500.00	100.00%	168,371.64	3.52%	4,609,128.36	4,112,000.00	100.00%	64,147.20	1.56%	4,047,852.80
Total	4,777,500.00	100.00%	168,371.64	3.52%	4,609,128.36	4,112,000.00	100.00%	64,147.20	1.56%	4,047,852.80

(3) Movements in allowances for doubtful long-term receivables are as follows:

Unit: RMB yuan

Type	Opening balance	Change in the current period				Closing balance
		Provision	Reversed	Written off	Others	
long-term receivables	64,147.20	104,224.44	0.00			168,371.64

Total	64,147.20	104,224.44	0.00	0.00	0.00	168,371.64
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13、Long-term equity investments

Unit: RMB yuan

Investee	Opening balance (carrying amount)	Change in the current period								Closing balance (carrying amount)	Closing balance of impairment allowance
		Additi onal invest ment	Reduc ed invest ment	Return on investm ent under the equity method	Adjustme nt to other comprehe nsive income	Othe r equity chan ges	Decla red cash divide nds or profit	Impair ment allowa nce	Others		
1. Joint ventures											
2. Associates											
Jaten Robot	88,414,913.65			191,562.98						88,606,476.63	
Talless Tapree	1,685,238.05								196,317.77	1,881,555.82	
Nanjing Profeta	23,368,996.88			-1,953,621.14						21,415,375.74	
Subtotal	113,469,148.58			-1,762,058.16					196,317.77	111,903,408.19	
Total	113,469,148.58			-1,762,058.16					196,317.77	111,903,408.19	

The recoverable amount is determined by the net amount after deducting the disposal expenses from the fair value.

☐ Applicable ☒ Not applicable

The recoverable amount is determined by the present value of the expected future cash flows.

☐ Applicable ☒ Not applicable

15. Other non-current financial assets

Unit: RMB yuan

Item	Closing balance	Opening balance
Financial assets	712,657,495.10	539,449,588.63
Total	712,657,495.10	539,449,588.63

16. Fixed assets

Unit: RMB yuan

Item	Closing balance	Opening balance
Fixed assets	953,178,133.55	681,980,621.79

Total	953,178,133.55	681,980,621.79
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(1) Particulars about fixed assets

Unit: RMB yuan

Item	Buildings and constructions	Machinery	Transportation equipment	Other equipment	Total
I. Gross amount					
1. Opening balance	684,941,295.72	576,518,555.14	34,793,257.90	73,877,754.43	1,370,130,863.19
2. Increase in the current period	253,160,160.00	80,764,594.95	1,190,693.62	10,859,044.23	345,974,492.80
(1) Purchases	826,620.53	9,719,737.64	1,073,157.24	2,496,058.58	14,115,573.99
(2) Transfers from construction in progress	225,867,742.97	31,129,949.33		7,980,304.49	264,977,996.79
(3) Increase in business combination					
(4) Effect of exchange rate movements	26,465,796.50	39,914,907.98	117,536.38	382,681.16	66,880,922.02
3. Decrease in the current period	467,603.43	675,341.49	1,205,508.97	1,135,527.39	3,483,981.28
(1) Disposal or retirement	467,603.43	675,341.49	1,205,508.97	1,135,527.39	3,483,981.28
4. Closing balance	937,633,852.29	656,607,808.60	34,778,442.55	83,601,271.27	1,712,621,374.71
II. Accumulated depreciation					
1. Opening balance	234,501,979.99	378,031,510.56	21,155,407.95	54,461,342.90	688,150,241.40
2. Increase in the current period	21,270,130.06	46,296,780.63	1,990,256.47	4,076,411.59	73,633,578.75
(1) Provision	10,132,828.14	14,824,506.01	1,868,327.39	3,765,472.59	30,591,134.13
(2) Effect of exchange rate movements	11,137,301.92	31,472,274.62	121,929.08	310,939.00	43,042,444.62
3. Decrease in the current period	134,282.37	527,808.72	1,084,754.87	593,733.03	2,340,578.99
(1) Disposal or retirement	134,282.37	527,808.72	1,084,754.87	593,733.03	2,340,578.99
4. Closing balance	255,637,827.68	423,800,482.47	22,060,909.55	57,944,021.46	759,443,241.16
III. Impairment allowances					
1. Opening balance					

2. Increase in the current period					
(1) Established					
3. Decrease in the current period					
(1) Disposal or retirement					
4. Closing balance					
IV. Carrying amount					
1. Closing carrying amount	681,996,024.61	232,807,326.13	12,717,533.00	25,657,249.81	953,178,133.55
2. Opening carrying amount	450,439,315.73	198,487,044.58	13,637,849.95	19,416,411.53	681,980,621.79

17. Construction in progress

Unit: RMB yuan

Item	Closing balance	Opening balance
Construction in progress	216,072,179.85	404,826,595.02
Total	216,072,179.85	404,826,595.02

(1) Particulars about construction in progress

Unit: RMB yuan

Item	Closing balance			Opening balance		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Plants and buildings	202,541,357.07		202,541,357.07	379,310,179.88		379,310,179.88
Equipment installation	13,530,822.78		13,530,822.78	25,516,415.14		25,516,415.14
Total	216,072,179.85		216,072,179.85	404,826,595.02		404,826,595.02

(2) Changes in substantial construction in progress in the current period

Unit: RMB yuan

Project	Budget	Opening balance	Increase in the current period	Transferred to fixed assets in the current period	Other decreases in the current period	Closing balance	Cumulative project investment as a % of the budget	Project progress	Cumulative capitalized interest	Of which: Capitalized interest in the current period	Interest capitalization rate for the current period	Funding source
Dongfang	32,753,000.0	5,436,233.02				5,436,233.02	16.60 %	16.60 %				Others

Precision - Plant Construction Project	0											
Fosber Asian – Fosber Songgang Plant	134,833,981.53	88,607,893.45	46,226,088.08	134,833,981.53			100.00%	100.00%	579,707.31	432,631.63	100.00%	Others
Parsun Power - Plant Construction Project	348,503,300.00	124,079,449.51	233,180.34			124,312,629.85	35.67%	35.67%				Others
Fosber Group – Plant Construction Project	334,893,650.00	160,331,144.63	8,879,029.47	109,334,604.04	-12,061,464.87	71,937,034.93	51.88%	51.88%				Others
Tiruña S.L.U. - Corrugated roller production equipment	71,697,343.90	2,486,882.62		48,875.84	-286,488.22	2,724,495.00	35.05%	35.05%				Others
Others		23,884,991.79	10,184,678.76	20,760,535.38	1,647,348.12	11,661,787.05						
Total	922,681,275.43	404,826,595.02	65,522,976.65	264,977,996.79	-10,700,604.97	216,072,179.85			579,707.31	432,631.63	100.00%	

18. Right-of-use assets

Unit: RMB yuan

Item	Buildings and constructions	Transportation equipment	Total
I. Gross amount			
1. Opening balance	111,772,062.42	34,640,747.28	146,412,809.70
2. Increase in the current period	10,067,571.20	4,035,444.30	14,103,015.50
(1) Increase in the current period	1,104,736.85		1,104,736.85
(2) Effect of exchange rate movements	8,962,834.35	4,035,444.30	12,998,278.65
3. Decrease in the current	461,222.61		461,222.61

period			
(1) Disposal	461,222.61		461,222.61
4. Closing balance	121,378,411.01	38,676,191.58	160,054,602.59
II. Accumulated depreciation			
1. Opening balance	60,216,325.38	22,049,286.01	82,265,611.39
2. Increase in the current period	13,245,616.68	4,362,491.63	17,608,108.31
(1) Established	8,724,426.58	1,683,031.75	10,407,458.33
(2) Effect of exchange rate movements	4,521,190.10	2,679,459.88	7,200,649.98
3. Decrease in the current period			
(1) Disposal			
4. Closing balance	73,461,942.06	26,411,777.64	99,873,719.70
III. Impairment allowances			
1. Opening balance			
2. Increase in the current period			
(1) Established			
3. Decrease in the current period			
(1) Disposal			
4. Closing balance			
IV. Carrying amount			
1. Closing carrying amount	47,916,468.95	12,264,413.94	60,180,882.89
2. Opening carrying amount	51,555,737.04	12,591,461.27	64,147,198.31

19. Intangible assets

(1) Particulars about intangible assets

Unit: RMB yuan

Item	Land use rights	Patent rights	Non-patented technologies	Land ownership	Trademarks and software	Total
I. Gross amount						
1. Opening balance	177,783,228.49	124,910,055.82		16,101,261.87	211,483,366.81	530,277,912.99
2. Increase in the current period		15,571,893.80		1,875,702.76	23,482,384.93	40,929,981.49
(1) Purchases		3,304,694.75			3,244,403.30	6,549,098.05
(2) Internal R&D						
(3) Increase in business combination						

(4) Effect of exchange rate movements		12,267,199.05		1,875,702.76	20,237,981.63	34,380,883.44
3. Decrease in the current period					295,165.08	295,165.08
(1) Disposal					295,165.08	295,165.08
4. Closing balance	177,783,228.49	140,481,949.62		17,976,964.63	234,670,586.66	570,912,729.40
II. Accumulated amortization						
1. Opening balance	32,729,685.75	86,977,196.91			54,006,823.89	173,713,706.55
2. Increase in the current period	1,850,048.25	12,895,029.83			12,398,223.07	27,143,301.15
(1) Provision	1,850,048.25	3,653,739.07			7,510,685.55	13,014,472.87
		9,241,290.76			4,887,537.52	14,128,828.28
3. Decrease in the current period					3,815.71	3,815.71
(1) Disposal					3,815.71	3,815.71
(2) Effect of exchange rate movements						
4. Closing balance	34,579,734.00	99,872,226.74			66,401,231.25	200,853,191.99
III. Impairment allowances						
1. Opening balance						
2. Increase in the current period						
(1) Established						
(2) Effect of exchange rate movements						
3. Decrease in the current period						
(1) Disposal						
4. Closing balance						
IV. Carrying amount						
1. Closing carrying amount	143,203,494.49	40,609,722.88		17,976,964.63	168,269,355.41	370,059,537.41
2. Opening	145,053,542.74	37,932,858.91		16,101,261.87	157,476,542.92	356,564,206.44

carrying amount						
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As at the period-end, intangible assets arising from internal R&D accounted for 3.59% of the carrying amount of total intangible assets.

20. Goodwill

(1) Gross amounts of goodwill

Unit: RMB yuan

Investee or item generating goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Generated due to business combination	Effect of exchange rate movements	Disposal	Effect of exchange rate movements	
Parsun Power	208,031,946.10					208,031,946.10
EDF	66,069,650.95		7,696,727.61			73,766,378.56
Fosber Group	154,506,980.86		17,999,158.90			172,506,139.76
QCorr	13,100,299.37		1,526,108.19			14,626,407.56
Wonder Digital	119,422,168.56					119,422,168.56
Total	561,131,045.84		27,221,994.70			588,353,040.54

(2) Impairment allowances for goodwill

Unit: RMB yuan

Investee or item generating goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Effect of exchange rate movements	Disposal	Effect of exchange rate movements	
Parsun Power	61,855,054.35					61,855,054.35
EDF	66,069,650.95		7,696,727.61			73,766,378.56
Wonder Digital	8,217,037.61					8,217,037.61
Total	136,141,742.91		7,696,727.61			143,838,470.52

21. Long-term prepaid expenses

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Amortization in the current period	Other decreases	Closing balance
Plant decoration expenditures	1,172,704.70	32,456.28	711,199.77		493,961.21
Expenditures on plant supporting engineering	1,031,479.78		399,975.34		631,504.44
Office decoration expenditures	2,639,293.16		512,819.53		2,126,473.63
Amortization of moulds	14,477,251.54	3,452,538.82	2,260,152.77		15,669,637.59
Others	2,397,841.01		442,069.19		1,955,771.82
Total	21,718,570.19	3,484,995.10	4,326,216.60		20,877,348.69

Other information:

22. Deferred tax assets/liabilities**(1) Deferred tax assets before offsetting**

Unit: RMB yuan

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Asset impairment allowances	53,060,905.74	9,291,732.91	47,734,216.35	8,660,456.54
Internal unrealized profit	32,919,062.79	7,900,575.06	48,001,485.88	11,520,356.61
Deductible loss	868,290,749.75	131,237,873.37	1,048,858,286.21	158,814,236.91
Provisions—after-sales maintenance service charges	129,005,858.36	32,897,989.47	138,790,149.48	36,017,710.44
Deferred income	13,932,001.66	2,089,800.25	14,790,331.66	2,218,549.75
Accrued expenses	57,693,039.05	11,912,589.81	66,952,010.17	11,858,922.37
Equity incentives	14,006,700.04	1,992,962.82	8,039,014.18	1,205,852.11
Credit impairment allowances	41,988,522.36	8,997,910.40	36,461,019.37	7,620,555.43
Lease liabilities	58,863,300.21	15,254,309.87	66,292,896.00	15,265,968.52
Others	72,206,145.67	17,175,191.75	120,546,724.92	24,174,916.88
Total	1,341,966,285.63	238,750,935.71	1,596,466,134.22	277,357,525.56

(2) Deferred tax liabilities before offsetting

Unit: RMB yuan

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Increase in value in asset valuation in business combination not involving entities under common control	50,573,257.37	8,362,897.36	36,211,780.48	6,266,802.33
Financial assets at fair value through profit or loss	26,613,015.01	4,734,381.96	7,897,264.33	566,246.42
Depreciation difference of fixed assets	36,727,644.96	6,918,308.79	54,682,485.61	9,197,111.97
Right-of-use assets	54,584,764.30	14,266,284.64	64,040,183.00	14,687,786.79
Others	71,885,608.42	18,629,703.41	112,555,579.09	26,495,758.32
Total	240,384,290.06	52,911,576.16	275,387,292.51	57,213,705.83

(3) Net balances of deferred tax assets/liabilities after offsetting

Unit: RMB yuan

Item	Offset amount between deferred tax assets and liabilities as at the period-end	Closing balance of deferred tax assets or liabilities after offsetting	Offset amount between deferred tax assets and liabilities as at the period-begin	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	51,665,153.39	187,085,782.32	55,170,776.35	222,186,749.21

Deferred tax liabilities	51,665,153.39	1,246,422.77	55,170,776.35	2,042,929.48
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(4) Breakdown of deferred tax assets unrecognized

Unit: RMB yuan

Item	Closing balance	Opening balance
Deductible temporary differences	8,437,044.05	2,322,421.40
Deductible losses	155,057,319.23	170,662,463.45
Total	163,494,363.28	172,984,884.85

(5) Deductible losses not recognized as deferred tax assets will expire as follows

Unit: RMB yuan

Year	Closing amount	Opening amount	Remark
2025	8,437,079.05	16,306,590.04	
2026	11,793,420.54	12,841,957.31	
2027	68,573,674.29	73,324,757.62	
2028	42,920,108.26	46,744,666.65	
2029	21,241,531.89	23,766,913.23	
2030	10,528,549.25		
Total	163,494,363.28	172,984,884.85	

23. Other non-current assets

Unit: RMB yuan

Item	Closing balance	Opening balance
Prepayment for acquisition of long-term assets	98,078,669.42	82,384,181.65
Certificates of deposit	10,743,178.08	10,579,534.25
Others	68,008.96	60,893.15
Total	108,889,856.46	93,024,609.05

24. Assets with restricted ownership or right of use

Unit: RMB yuan

Item	Closing balance		Opening balance	
Cash and bank balances	97,391,156.40	Deposit, pledge and freezing	76,759,834.79	Deposit, pledge and freezing
Fixed assets	59,086,450.51	Mortgage	61,309,010.26	Mortgage
Total	156,477,606.91		138,068,845.05	

25. Short-term borrowings**(1) Short-term borrowings by type**

Unit: RMB yuan

Item	Closing balance	Opening balance
Credit loan	133,985,440.63	59,829,377.75
Bills discounted	5,472,528.96	25,560,751.24
Total	139,457,969.59	85,390,128.99

26. Derivative financial liabilities held for trading

Unit: RMB yuan

Item	Closing balance	Opening balance
Option repurchase obligation	211,658,957.00	205,222,952.29
Foreign exchange derivatives	91,519.02	993,286.71
Total	211,750,476.02	206,216,239.00

27. Notes payable

Unit: RMB yuan

Type	Closing balance	Opening balance
Bank acceptance notes	200,991,603.73	144,137,609.00
Total	200,991,603.73	144,137,609.00

28. Accounts payable**(1) Breakdown of accounts payable**

Unit: RMB yuan

Item	Closing balance	Opening balance
Purchases of inventories	844,115,803.29	687,235,330.65
Total	844,115,803.29	687,235,330.65

29. Other payables

Unit: RMB yuan

Item	Closing balance	Opening balance
Other payables	116,833,457.60	117,617,259.50
Total	116,833,457.60	117,617,259.50

(1) Other payables

Unit: RMB yuan

Item	Closing balance	Opening balance
Accrued expenses	40,764,297.78	46,653,027.39
Equipment Engineering Payment	51,814,864.20	45,315,052.50
Deposit	2,735,000.00	1,780,393.50

Equity acquisition	8,000,000.00	8,000,000.00
Others	13,519,295.62	15,868,786.11
Total	116,833,457.60	117,617,259.50

30. Contract liabilities

Unit: RMB yuan

Item	Closing balance	Opening balance
Contract liabilities	595,986,497.10	373,931,068.16
Total	595,986,497.10	373,931,068.16

31. Employee benefits payable

(1) Breakdown of employee benefits payable

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term benefits	125,399,088.91	409,534,917.91	380,482,857.46	154,451,149.36
II. Retirement benefits-defined contribution schemes	14,143,923.47	53,996,973.44	63,365,326.81	4,775,570.10
Severance pay		124,275.36	124,275.36	
Total	139,543,012.38	463,656,166.71	443,972,459.63	159,226,719.46

(2) Breakdown of short-term benefits

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Salaries, bonuses, allowances, and subsidies	118,250,534.10	365,836,476.26	337,562,856.99	146,524,153.37
2. Employee welfare	6,000,842.31	18,136,651.84	17,452,921.42	6,684,572.73
3. Social security contributions	350,467.84	21,255,640.83	21,169,479.09	436,629.58
Including: medical insurance	217,042.06	12,910,458.16	12,987,589.21	139,911.01
Work injury insurance	117,423.28	7,979,412.15	7,817,034.63	279,800.80
Maternity insurance	16,002.50	365,770.52	364,855.25	16,917.77
4. Housing funds	624,565.00	3,560,094.42	3,562,401.42	622,258.00
5. Labour union funds and employee education funds	172,679.66	746,054.56	735,198.54	183,535.68
Total	125,399,088.91	409,534,917.91	380,482,857.46	154,451,149.36

(3) Breakdown of defined contribution schemes

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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1. Basic endowment insurance	14,126,328.89	53,418,439.02	62,787,413.29	4,757,354.62
2. Unemployment insurance	17,594.58	578,534.42	577,913.52	18,215.48
Total	14,143,923.47	53,996,973.44	63,365,326.81	4,775,570.10

32. Tax payable

Unit: RMB yuan

Item	Closing balance	Opening balance
Value-added tax	3,979,827.39	2,649,513.81
Corporate income tax	18,112,367.19	51,562,827.65
Individual income tax	22,457,591.90	13,973,593.51
City maintenance and construction tax	444,147.69	294,045.12
Education surcharge	317,248.35	210,001.65
Stamp duties	115,673.03	118,826.19
Property tax	1,519,073.37	265,497.57
Land use tax	229,625.20	120,185.89
environmental protection tax	617.46	
Others	569.01	106.64
Total	47,176,740.59	69,194,598.03

33. Current portion of non-current liabilities

Unit: RMB yuan

Item	Closing balance	Opening balance
Current portion of long-term borrowings	47,423,425.73	61,229,428.22
Current portion of lease liabilities	20,443,755.13	20,401,356.43
Total	67,867,180.86	81,630,784.65

34. Other current liabilities

Unit: RMB yuan

Item	Closing balance	Opening balance
Output tax to be written off	10,366,304.93	10,287,364.93
Endorsed notes receivable	35,587,456.75	31,544,970.78
Total	45,953,761.68	41,832,335.71

35. Long-term borrowings**(1) Long-term borrowings by type**

Unit: RMB yuan

Item	Closing balance	Opening balance
Collateralized loan	61,923,155.14	61,866,952.89
Guaranteed loan	27,728,891.32	33,218,557.13
Credit loan	94,769,802.26	91,626,403.51

Less: Current portion of long-term borrowings	-47,423,425.73	-61,229,428.22
Total	136,998,422.99	125,482,485.31

36. Lease liabilities

Unit: RMB yuan

Item	Closing balance	Opening balance
Lease liabilities	64,553,006.46	68,068,158.39
Less: Current portion of non-current liabilities	-20,443,755.13	-20,401,356.43
Total	44,109,251.33	47,666,801.96

37. Long-term employee benefits payable

(1) Long-term employee benefits payable

Unit: RMB yuan

Item	Closing balance	Opening balance
Retirement benefits- net liabilities of defined benefit schemes	13,898,580.66	13,128,052.34
Total	13,898,580.66	13,128,052.34

(2) Movements in the present value of defined benefit obligations are as follows:

Unit: RMB yuan

Item	Closing balance	Opening balance
Opening balance	13,128,052.34	13,964,394.20
Included in profit or loss	-315,021.11	1,264,267.21
Current service cost		847,235.35
Net interest	-315,021.11	417,031.86
Included in other comprehensive income	-39,378.48	-126,738.95
Actuarial gains or losses	-39,378.48	-126,738.95
Other changes	1,124,927.91	-1,973,870.10
Benefits paid	-357,524.88	-1,387,765.63
Effect of exchange rate movements	1,482,452.79	-586,104.49
Closing balance	13,898,580.66	13,128,052.34

38. Provisions

Unit: RMB yuan

Item	Closing balance	Opening balance	Reason for provision
Product quality warranty	129,005,858.37	138,790,149.48	
Others	9,023,453.48	8,030,479.78	
Total	138,029,311.85	146,820,629.26	

39. Deferred income

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason for deferred income
Government grants	14,790,331.66		858,330.00	13,932,001.66	
Total	14,790,331.66		858,330.00	13,932,001.66	

40. Other non-current liabilities

Unit: RMB yuan

Item	Closing balance	Opening balance
Other	5,753,591.10	7,573,539.20
Total	5,753,591.10	7,573,539.20

41. Share capital

Unit: RMB yuan

	Opening balance	Increase/decrease in the current period					Closing balance
		New issues	Shares as dividend converted from profit	Shares as dividend converted from capital surplus	Others	Subtotal	
Total share capital	1,219,046,340.00				- 1,760,000.00	- 1,760,000.00	1,217,286,340.00

Other information:

In the current period, the Company retired a total of 1,760,000 shares, reducing its total share capital from 1,219,046,340 shares to 1,217,286,340 shares.

42. Capital surplus

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	2,673,029,158.52			2,673,029,158.52
Other capital surplus	145,952,938.00	16,129,859.95		162,082,797.95
Total	2,818,982,096.52	16,129,859.95		2,835,111,956.47

43. Treasury shares

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Share repurchase	117,233,041.40		2,000,000.00	115,233,041.40
Total	117,233,041.40		2,000,000.00	115,233,041.40

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

The decrease in treasury shares was mainly due to the share retirement (as stated in Item 41 under Note VII).

44. Other comprehensive income

Unit: RMB yuan

Item	Opening balance	Amount generated in the current period						Closing balance
		Amount before income tax generated in the current period	Less: amount previously recognized in other comprehensive income and currently transferred to profit or loss	Less: amount previously recognized in other comprehensive income and currently transferred to retained earnings	Less: Income tax expense	After-tax amount attributable to the parent	After-tax amount attributable to non-controlling interests	
I. Other comprehensive income that will not be reclassified to profit or loss	1,291,719.46	39,378.48				39,378.48		1,331,097.94
Of which: Changes due to remeasurement of defined benefit schemes	1,291,719.46	39,378.48				39,378.48		1,331,097.94
II. Other comprehensive income that will be reclassified to profit or loss	28,517,598.28	117,073,913.40				117,146,034.18	-72,120.78	145,663,632.46
Differences arising from the translation of foreign currency-denominated financial statements	28,561,570.35	117,073,913.40				117,146,034.18	-72,120.78	145,707,604.53
Others	-43,972.07							-43,972.07
Total other comprehensive income	29,809,317.74	117,113,291.88				117,185,412.66	-72,120.78	146,994,730.40

45. Special reserve

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Expenses for safety production	18,106,386.75	1,948,471.48	1,046,184.09	19,008,674.14
Total	18,106,386.75	1,948,471.48	1,046,184.09	19,008,674.14

46. Surplus reserves

Unit: RMB yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	51,830,974.45			51,830,974.45
Total	51,830,974.45			51,830,974.45

47. Retained earnings

Unit: RMB yuan

Item	Current period	Last year
Opening retained earnings before adjustment	956,837,409.23	456,258,959.55
Opening retained earnings after adjustment	956,837,409.23	456,258,959.55
Add: Net profit attributable to owners of the parent in the current period	392,080,418.90	500,578,449.68
Common stock dividends payable	158,247,168.04	
Closing retained earnings	1,196,031,231.05	956,837,409.23

48. Operating revenue and costs

Unit: RMB yuan

Item	H1 2025		H1 2024	
	Revenue	Costs	Revenue	Costs
Principal operations	2,133,028,573.92	1,490,792,871.18	2,158,219,373.35	1,500,649,176.62
Other operations	25,928,283.96	20,825,342.27	2,969,534.05	1,568,441.66
Total	2,158,956,857.88	1,511,618,213.45	2,161,188,907.40	1,502,217,618.28

Information related to contract performance obligations:

	Timing of satisfaction of performance obligations	Significant payment terms	Nature of goods promised to transfer	Whether the principal	Expected refunds to customers	Types of warranties and related obligations
Sales of goods	Upon delivery	20%-90% payment before delivery	Sales of machinery and parts	Yes	Nil	Statutory warranties

Provision of services	During service	After service	Installation and maintenance service	Yes	Nil	Nil
Provision of services	During service	Payment based on service progress	Warranties for services	Yes	Nil	Nil

Information related to the transaction price allocated to residual performance obligations:

At the end of the Reporting Period, the amount of revenue corresponding to performance obligations that had been contracted but not yet performed or fulfilled was RMB595,986,497.10, of which RMB595,986,497.10 is expected to be recognized by 2025.

49. Taxes and surcharges

Unit: RMB yuan

Item	H1 2025	H1 2024
City maintenance and construction tax	5,608,669.25	3,685,148.38
Education surcharge	4,015,060.58	2,687,834.54
Property tax	2,406,619.56	2,376,568.91
Land use tax	284,438.01	206,660.90
Vehicle and vessel use tax	10,440.32	6,882.77
Stamp duties	586,862.29	458,217.47
Others	85,835.74	60,099.64
Total	12,997,925.75	9,481,412.61

50. Administrative expenses

Unit: RMB yuan

Item	H1 2025	H1 2024
Employee benefits	93,614,791.67	86,471,690.69
Depreciation and amortization expenses	15,880,784.42	14,210,998.52
Intermediary expenses	19,664,878.44	13,921,094.92
Equity incentives	12,721,740.00	714,743.91
Office expenses	9,810,563.38	10,201,972.20
Travel and reception expenses	6,711,853.55	6,636,531.47
Conference expenses	7,169,997.99	7,623,766.99
Rental expenses	3,243,315.52	4,170,373.66
Technology development expenses	7,241,450.76	7,544,884.23
Other expenses	12,616,612.94	10,453,526.93
Total	188,675,988.67	161,949,583.52

51. Selling expenses

Unit: RMB yuan

Item	H1 2025	H1 2024
Commissions and agency fees	19,522,157.45	29,735,720.82
Employee benefits and equity incentive	38,471,760.90	34,882,281.94
Advertising and exhibition expenses	9,934,583.53	10,370,281.35

Travel expenses	6,145,358.97	6,863,531.64
Depreciation and amortization expenses	1,069,806.83	1,121,092.53
Other expenses	6,229,228.44	5,979,622.20
Total	81,372,896.12	88,952,530.48

52. R&D expenses

Unit: RMB yuan

Item	H1 2025	H1 2024
Employee benefits and equity incentive	38,549,100.64	35,059,894.63
Depreciation and amortization expenses	5,494,745.00	8,149,649.45
Material expenses	4,561,308.84	2,892,339.95
Other expenses	4,906,469.38	4,264,183.55
Total	53,511,623.86	50,366,067.58

53. Finance costs

Unit: RMB yuan

Item	H1 2025	H1 2024
Interest expenses	5,246,608.14	10,539,931.90
Less: Interest income	25,618,916.20	22,603,240.17
Exchange gains and losses	-1,418,011.27	-2,315,440.36
Others	2,145,166.08	1,584,586.79
Total	-19,645,153.25	-12,794,161.84

54. Other income

Unit: RMB yuan

Source of other income	H1 2025	H1 2024
Government grants	10,208,069.85	9,890,423.74
Handling charges for individual income tax withheld	259,663.01	432,933.77
Total	10,467,732.86	10,323,357.51

55. Gains and losses on changes in fair value

Unit: RMB yuan

Source of gains and losses on changes in fair value	H1 2025	H1 2024
Financial assets held for trading	9,856,867.83	-66,877,509.32
Derivative financial assets	369,736.80	-18,496,785.38
Fair value changes in minority shareholders' call/put options	-1,074,393.44	
Total	9,152,211.19	-85,374,294.70

56. Investment income

Unit: RMB yuan

	H1 2025	H1 2024
Income from long-term equity	-1,762,058.16	-2,914,122.66

investments measured at equity method		
Income from financial assets held for trading	147,502,487.00	-5,280,793.54
Discount rate on bills	-57,471.46	
Total	145,682,957.38	-8,194,916.20

57. Credit impairment loss

Unit: RMB yuan

Item	H1 2025	H1 2024
Loss on doubtful accounts receivable	-3,298,010.87	746,267.19
Loss on doubtful other receivables	-376,795.77	-108,095.70
Loss on doubtful long-term receivables	-104,224.44	24,391.20
Total	-3,779,031.08	662,562.69

58. Asset impairment loss

Unit: RMB yuan

Item	H1 2025	H1 2024
Inventory valuation loss and loss on impairments of contract performance costs	-8,807,387.63	-2,084,889.45
Loss on impairments of contract assets	-211,449.17	-3,658,393.34
Total	-9,018,836.80	-5,743,282.79

59. Gains on disposal of assets

Unit: RMB yuan

Source of gains on disposal of assets	H1 2025	H1 2024
Loss on disposal of fixed assets	-32,823.11	5,017,509.44
Profit or loss from disposal of right-of-use assets		76,970.02
Total	-32,823.11	5,094,479.46

60. Non-operating income

Unit: RMB yuan

Item	H1 2025	H1 2024	Amount recognized in exceptional gains and losses
Others	1,552,164.28	939,908.99	1,552,164.28
Total	1,552,164.28	939,908.99	1,543,461.23

61. Non-operating expenses

Unit: RMB yuan

Item	H1 2025	H1 2024	Amount recognized in exceptional gains and losses
Donations	160,901.71	163,461.77	160,901.71
Loss on disposal of non-	275,738.17	2,205.15	275,738.17

current assets			
Others	864,055.63	224,305.37	864,055.63
Total	1,300,695.51	389,972.29	1,300,695.51

62. Income tax expenses

(1) Income tax expenses

Unit: RMB yuan

Item	H1 2025	H1 2024
Current income tax expenses	32,685,368.80	83,725,950.64
Deferred income tax expenses	34,566,640.39	7,231,539.09
Total	67,252,009.19	90,957,489.73

(2) Reconciliation between accounting profit and income tax expenses

Unit: RMB yuan

Item	H1 2025
Gross profit	483,149,042.49
Income tax calculated at statutory/applicable tax rates	72,472,356.37
Different tax rates for specific provinces or enacted by local authority	26,543,751.19
Adjustment to income tax in previous periods	-31,411,526.41
Costs, expenses, and losses not deductible for tax	1,995,256.89
Utilization of deductible losses on previously unrecognized deferred tax assets	-2,265,475.63
Effect of deductible temporary differences or deductible losses on current unrecognized deferred tax assets	1,210,098.19
Over-deduction of the taxable profit amount for R&D	-1,292,451.41
Income tax expenses	67,252,009.19

63. Other comprehensive income

See Item 44 under Note VII.

64. Line items of the cash flow statement

(1) Cash related to operating activities

Cash generated from other operating activities

Unit: RMB yuan

	H1 2025	H1 2024
Current accounts and others	4,496,284.68	13,443,346.57
Interest income	18,327,998.79	22,755,414.30
Government grants	4,954,251.97	9,765,027.51
Guarantee deposit received		1,332,228.88
Deposits	1,830,344.19	1,454,652.77
Total	29,608,879.63	48,750,670.03

Cash used in other operating activities

Unit: RMB yuan

	H1 2025	H1 2024
Selling expenses in cash	56,080,945.90	87,390,198.62
Administrative expenses in cash	66,613,404.21	61,327,958.13
R&D expenses in cash	4,906,469.27	4,262,737.50
Letter of guarantee paid		5,855,098.69
Current accounts and others	18,741,307.39	12,744,856.93
Security deposits		306,406.58
Total	146,342,126.77	171,887,256.45

(2) Cash related to investing activities**Cash generated from other investing activities**

Unit: RMB yuan

	H1 2025	H1 2024
Investment deposit	79,323,058.18	
Total	79,323,058.18	

Cash received relating to significant investing activities

Unit: RMB yuan

	H1 2025	H1 2024
Disposal/redemption of financial assets held for trading	1,834,186,979.20	820,003,799.66
Recovery of equity investments	5,000,000.00	10,000,000.00
Total	1,839,186,979.20	830,003,799.66

Cash used in other investing activities

Unit: RMB yuan

	H1 2025	H1 2024
Investment deposit	114,510,889.33	
Total	114,510,889.33	

Cash payments relating to significant investing activities

Unit: RMB yuan

	H1 2025	H1 2024
Purchase of financial assets held for trading	1,179,018,063.04	838,349,461.46
Purchase of equity investments	173,911,701.08	77,777,778.00
Total	1,352,929,764.12	916,127,239.46

(3) Cash related to financing activities**Cash generated from other financing activities**

Unit: RMB yuan

	H1 2025	H1 2024
Security deposits recovered for internal guarantees for external loans		107,345,506.70
Security deposits for bank acceptance notes	36,583,685.28	48,083,599.11

Total	36,583,685.28	155,429,105.81
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Cash used in other financing activities

Unit: RMB yuan

Item	H1 2025	H1 2024
Share repurchase	950,213.00	67,200.00
Security deposits for bank acceptance notes	21,287,776.25	44,775,224.72
Rental and interest paid	10,767,407.23	11,150,763.38
Total	33,005,396.48	55,993,188.10

Changes in liabilities arising from financing activities:

☒Applicable ☐Not Applicable

Unit: RMB yuan

	Opening balance	increase in the current period		decrease in the current period		Closing balance
		Changes in cash	Non-cash changes	Changes in cash	Non-cash changes	
Short-term borrowing	85,390,128.99	111,804,800.96		39,734,236.85	18,002,723.51	139,457,969.59
Long-term borrowings (Including current portion of long-term borrowings)	186,711,913.53	13,217,000.00	11,989,393.55	27,496,458.36		184,421,848.72
Lease liabilities (Including current portion of non-current liabilities)	68,068,158.39		7,252,255.30	10,767,407.23		64,553,006.46
Total	340,170,200.91	125,021,800.96	19,241,648.85	77,998,102.44	18,002,723.51	388,432,824.77

65. Supplemental information on statement of cash flows**(1) Supplemental information on statement of cash flows**

Unit: RMB yuan

Supplementary information	H1 2025	H1 2024
1. Reconciliation of net profit to net cash generated from/used in investing activities:		
Net profit	415,897,033.30	187,376,209.71
Add: Asset impairment allowances	9,018,836.80	5,743,282.79
Credit impairment loss	3,779,031.08	-662,562.69
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive living assets	30,591,134.13	24,399,898.32
Depreciation of right-of-use assets	10,407,458.33	9,865,972.32
Amortization of intangible assets	12,495,719.16	11,558,754.93

Amortization of long-term prepaid expenses	4,326,216.60	6,434,210.87
Loss on the disposal of fixed assets, intangible assets, and other long-lived assets ("-" for gain)	32,822.11	-5,094,479.46
Loss on the retirement of fixed assets ("-" for gain)	275,738.17	2,205.15
Loss on changes in fair value ("-" for gain)	-9,152,211.19	85,374,294.70
Finance costs ("-" for income)	-22,760,867.82	15,619,969.13
Loss on investment ("-" for income)	-145,682,957.38	8,194,916.20
Decrease in deferred tax assets ("-" for increase)	21,901,731.31	3,369,718.95
Increase in deferred tax liabilities ("-" for decrease)	9,808,594.53	-2,638,399.89
Decrease in inventories ("-" for increase)	-326,376,599.70	-139,102,847.17
Decrease in operating receivables ("-" for increase)	-95,300,243.26	57,187,082.83
Increase in operating payables ("-" for decrease)	421,387,684.27	-144,819,176.01
Others	14,635,350.91	-4,238,587.03
Net cash generated from/used in operating activities	355,284,471.35	118,570,463.65
2. Significant investing and financing activities that involve no cash proceeds or payments:		
Conversion of debt to capital		
Current portion of convertible corporate bonds		
Fixed assets leased in in finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	2,404,544,660.13	1,510,191,035.14
Less: Opening balance of cash	1,652,290,548.55	1,672,514,611.84
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	752,254,111.58	-162,323,576.70

(2) Breakdown of cash and cash equivalents

Unit: RMB yuan

Item	Closing balance	Opening balance
I. Cash	2,404,544,660.13	1,652,290,548.55
Including: cash on hand	747,976.31	497,855.11

Bank deposits readily available	1,613,789,087.19	1,505,877,879.48
Other cash and bank balances readily available	790,007,596.63	145,914,813.96
III. Closing balance of cash and cash equivalents	2,404,544,660.13	1,652,290,548.55

66. Monetary items in foreign currencies

(1) Monetary items in foreign currencies

Unit: RMB yuan

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			
Including: USD	143,918,530.70	7.1586	1,030,255,193.87
EUR	50,414,327.33	8.4024	423,601,343.96
HKD	3,908,331.44	0.9120	3,564,398.27
GBP	71,432.22	9.8300	702,178.72
Mexican peso	1,844,953.00	0.3809	702,742.60
Singapore dollar	18,945.52	5.6179	106,434.04
Accounts receivable			
Including: USD	1,188,457.02	7.1586	8,507,688.42
EUR	77,644,756.85	8.4024	652,402,304.96
HKD			
Long-term borrowings			
Including: USD			
EUR	3,396,103.85	8.4024	28,535,422.99
HKD			
Accounts payable			
Including: USD	9,322.05	7.1586	66,732.83
EUR	57,728,280.11	8.4024	485,056,100.80
Other receivables			
Including: USD	37,684.04	7.1586	269,764.97
EUR	3,580,401.25	8.4024	30,083,963.46
Short-term borrowings			
Including: EUR	4,375,826.03	8.4024	36,767,440.63
Current portion of non-current liabilities			
Including: EUR	5,122,794.47	8.4024	43,043,768.25
Other payables			

Including: USD	413,895.02	7.1586	2,962,908.89
EUR	1,727,969.78	8.4024	14,519,093.28
Lease liabilities			
Including: EUR	4,703,793.61	8.4024	39,523,155.43
Contract Assets			
Including: USD	555,597.56	7.1586	3,977,300.69
EUR	924,384.42	8.4024	7,767,047.65

(2) Overseas business entities (for substantial overseas business entities, the following information shall be disclosed: principal place of business, functional currency, and basis for the choice, change of functional currency and reasons)

☒ Applicable ☐ Not applicable

Substantial overseas business entity	Principal place of business	Functional currency	Basis for the choice
Fosber Group	Italy	EUR	Settlement currency for local business operations
Fosber America	America	USD	Settlement currency for local business operations
EDF	Italy	EUR	Settlement currency for local business operations
Tiruña Group	Spain	EUR	Settlement currency for local business operations

VIII R&D expenditure

Unit: RMB yuan

Classified by nature	H1 2025	H1 2024
Employee benefit and Equity incentive expense	38,549,100.64	35,059,894.63
Depreciation and amortization expenses	5,494,745.00	8,149,649.45
Material expenses	4,561,308.84	2,892,339.95
Other expenses	4,906,469.38	4,264,183.55
Total	53,511,623.86	50,366,067.58
Of which: Expensed R&D expenditure	53,511,623.86	50,366,067.58

IX Interests in Other Entities

1. Interests in subsidiaries

Particulars of the subsidiaries of the Company are as follows:

	Principal place of business	Place of registration	Business nature	Registered capita	The Company's interest(%)	
					Direct	Indirect
Subsidiaries acquired by way of incorporation or investment						
Dongfang Precision (HK)	HK	HK	Trading	USD300,000	100.00	-
Dongfang Precision (Netherland)	Netherland	Netherland	Trading	EUR40,000	90.00	10.00
Fosber Asia	Foshan, Guangdong, China	Foshan, Guangdong, China	Manufacturing	RMB29,581,891	100.00	-
Italy QCorr	Italy	Italy	Manufacturing	EUR375,000	-	60.00
Suzhou High-Tech Zone Jinquan Business Management Partnership (Limited Partnership)*("High-Tech Zone Jinquan")	Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Investment	RMB10,553,000	-	30.17
Suzhou Parsun Power Technology Co., Ltd. ("Parsun Power Technology")	Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Trading	RMB10million	-	71.14
Suzhou Baisheng International Trade Co., Ltd. ("Baisheng International")	Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Trading	RMB3 million	-	71.14
Tide International	Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Trading	RMB500,000		71.14
Dongfang Digicom Data Technology Co., Ltd. ("Dongfang Digicom")	Haikou, China	Hainan, Haikou, Hainan, China	Industrial Internet	RMB100 million	100.00	-
Dongfang Digicom Data Technology (Guangdong) Co., Ltd. ("Dongfang Digicom (Guangdong)")	Foshan, Guangdong, China	Foshan, Guangdong, China	Industrial Internet	RMB8 million	100.00	-
Hainan Yineng Investment Co., Ltd. ("Yineng Investment")	Haikou, China	Hainan, Haikou, Hainan, China	Investment	RMB100 million	100.00	-
Dongfang Yineng International Holdings Co., Ltd. ("Yineng International")	Foshan, Guangdong, China	Foshan, Guangdong, China	Investment	RMB50 million	100.00	

Tianjin Hangchuang Zhijin Investment Partnership (Limited Partnership) ("Tianjin Hangchuang")	Tianjin, China	Tianjin, China	Investment	RMB21 million	95.24	-
Changzhou Xincheng Investment Partnership (Limited Partnership) ("Changzhou Xincheng")	Changzhou, Jiangsu, China	Changzhou, Jiangsu, China	Investment	RMB50.6 million	-	94.86
Oriental Precision Machinery Limited (Hong Kong)	HK	HK	Investment	HKD10,000		100.00
Fobser Mexico	Mexico	Mexico	Manufacturing	Mex.\$100,000		100.00
Yuanhang Holdings (Singapore) Limited	Singapore	Singapore	Investment	USD3000	100.00	
Star Shine Precision Technology (Singapore) Limited	Singapore	Singapore	Manufacturing	USD3000		100.00
Fosber Group	Italy	Italy	Manufacturing	EUR1.56 million	-	100.00
Fosber America	America	America	Manufacturing	USD1.10 million	-	100.00
Forsberg (Machinery) Tianjin Co., Ltd. ("Fosber Tianjin")	Tianjin, China	Tianjin, China	Manufacturing	USD500,000	-	100.00
Parsun Power	Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Manufacturing	RMB85.3 million	7.83	63.31
Suzhou Shunyi Investment Co., Ltd. ("Shunyi Investment")	Suzhou, Jiangsu, China	Suzhou, Jiangsu, China	Investment	RMB10 million	100.00	-
EDF	Italy	Italy	Manufacturing	EUR100,000	-	100.00
Tiruña S.L.U.	Spain	Spain	Manufacturing	EUR1.44 million	-	100.00
Tiruña FranceSARL	France	France	Manufacturing	EUR100,000	-	100.00
SCI Candan	France	France	Manufacturing	EUR10,000	-	100.00
Tiruña America	America	America	Manufacturing	USD3 million	-	100.00
Tiruña Asia	Foshan, Guangdong, China	Foshan, Guangdong, China	Manufacturing	RMB26,120,386.96	100.00	-
Wonder Printing	Shenzhen, Guangdong, China	Shenzhen, Guangdong, China	Manufacturing	RMB31,171,949	51.00	-
Dongguan Wonder Digital Machinery Co., Ltd. ("Wonder Digital")	Dongguan, Guangdong, China	Dongguan, Guangdong, China	Manufacturing	RMB5million	-	51.00

*According to the partnership agreement, the general partner of the partnership shall execute partnership affairs, and other partners shall not execute partnership affairs. As the sole general partner, the Company forms control over the partnership, which is included in the scope of consolidation of the Group.

IX Interests in Other Entities

2. Interests in associates

		Principal place of business	Place of registration	Business nature	Registered capital	The Company's interest (%)		Accounting method
						Direct	Indirect	
Associates								
Guangdong Robot Automation Ltd.	Jaten & Co.,	Foshan, Guangdong, China	Foshan, Guangdong, China	Manufacturing	RMB31.759 million	19.84	-	Equity method
Talleres Tapre,S.L.		Spain	Spain	Manufacturing	EUR37,563	-	20.00	Equity method
Nanjing Profeta		Nanjing, Jiangsu, China	Nanjing, Jiangsu, China	Manufacturing	RMB4.5427 million	15.00	5.67	Equity method

Financial information of insignificant joint ventures and associates combined

Unit: RMB yuan

	Closing balance/H1 2024	Opening balance/H1 2023
Joint ventures:		
Totals based on the Company's interests		
Associates:		
Total carrying amount of investments	111,903,408.19	113,469,148.58
Totals based on the Company's interests		
--Net profit	-1,762,058.16	-2,914,122.66
--Total comprehensive income	-1,762,058.16	-2,914,122.66

Other information:

As there is no obligation to bear additional losses, the net losses incurred by the investee are recognized to the extent that the book value of the long-term equity investment and other long-term interests that substantially constitute the net investment in the investee are reduced to zero.

X. Government grants

1. Government subsidies recognised at the end of the reporting period based on the amount receivable

The ending balance of accounts receivable: 7,581,099.87 yuan.

2. Liabilities related to government subsidies

Accounting items	Opening balance	New subsidy amount	Amount included in non-	Amount transferred to other income	Other changes	Closing balance	Asset/income-related
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			operating income				
Deferred income	14,790,331.66			858,330.00		13,932,001.66	Asset -related

3. The government grants recognised in profit or loss are as follows:

Unit: RMB yuan

	2025	2024
Government grants related to assets Recognised as other income	858,330.00	558,330.00
Government grants related to income Recognised as other income	9,349,739.85	9,332,093.74
Total	10,208,069.85	9,890,423.74

XI Risks Associated with Financial Instruments

1. Risks of financial instruments

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk. The Group's policies are summarised below.

Credit risk

The Group transacts only with recognized and reputable third parties. According to the Group's policies, credit checks are needed for all customers that require transactions should be conducted by means of credit. Additionally, the Group performs continuous monitoring of the balance of accounts receivable to ensure that the Group will not face major bad debt risk. For transactions not settled in the accounting standard currency of the relevant business unit, unless specifically approved by the credit control department of the Group, the Group will not provide credit transaction conditions.

Since the counterparties of cash and bank balances and notes receivable are banks with a good reputation and high credit rating, the credit risk of such financial instruments is low.

Other financial assets of the Group mainly include accounts receivable, other receivables and contract assets, the credit risk of which arises from counterparty default, and the maximum risk exposure is equal to the carrying value of these instruments.

The Group transacts only with recognized and reputable third parties, so no collateral is required. Credit risk concentration is managed by customer/counterparty, geographic region and industry. Because the customer base of accounts receivable of the Group is widely dispersed in different departments and industries, there is no major credit risk concentration within the Group. The Group does not hold any collateral or other credit enhancement on the balance of accounts receivable.

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. The Group's main criteria for determining significant increase in credit risk are that the number of days past due exceed 30 days, or one or more of the following indicators have changed significantly: significant adverse changes in the operating environment of the debtor, internal and external credit ratings, and actual or expected operating results.

Definition of credit-impaired financial assets

The Group's main criterion for determining that credit impairment has occurred is that the number of days past due exceeds 90 days. However, in some cases, if internal or external information indicates that the contract amount may not be recovered in full before considering any credit enhancements held, the Group will also consider that credit impairment has occurred.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

Liquidity risk

The Group aims to maintain sufficient cash and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations and other borrowings.

Market RiskInterest rate risk

The Group's exposure to risk of changes in market interest rates relates primarily to the Group's long-term liabilities with floating interest rates.

Exchange rate risk

The Group is exposed to trading exchange rate risks. Such exposures arise from sales or purchases by business units in currencies other than the units' functional currencies.

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and in the risk profiles of relevant assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during 2024 and 2023.

XII Disclosure of Fair Values**1. The closing fair value of assets and liabilities measured at fair value**

Unit: RMB yuan

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous	--	--	--	--

measurement of fair value				
(I) Financial assets held for trading	140,769,386.23			140,769,386.23
Derivative financial assets	3,033,910.74			3,033,910.74
Receivables financing		23,201,080.81		23,201,080.81
Other non-current financial assets	31,258,001.95		681,399,493.15	712,657,495.10
Other non-current assets		10,743,178.08		10,743,178.08
Total assets continuously measured at fair value	175,061,298.92	33,944,258.89	681,399,493.15	890,405,050.96
Derivative financial liabilities			211,750,476.02	211,750,476.02
Other non-current liabilities			5,753,591.10	5,753,591.10
Total liabilities continuously measured at fair value			217,504,067.12	217,504,067.12
II. Non-continuous measurement of fair value	--	--	--	--

XIII Related Parties and Related-party Transactions

1. Parent

Name	Relationship with the Company	Interest in the Company (%)
Tang Zhuolin (individual)	The Company's controlling shareholder and one of the actual controllers	21.26%
Tang Zhuomian (individual)	The Company's controlling shareholder and one of the actual controllers	7.96%

The ultimate controllers of the Company are Tang Zhuolin and Tang Zhuomian.

2. Subsidiaries of the Company

See Item 1 under IX Interests in Other Entities

3. Joint ventures and associates of the Company

For substantial joint ventures and associates of the Company, see Item 2 under IX Interests in Other Entities

4. Other related parties

Other related parties	Relationship with the Company
Tang Zhuolin	chairman of the board
Qiu Yezhi	Director and General Manager
Xie Weiwei	Director and Deputy General Manager
Chen Huiyi	Chairman of the Supervisory Committee
Zhao Xiuhe	Employee Supervisor
He Baohua	Supervisor
Li Ketian	Independent Director
Feng Zhidong	Independent Director
Tu Haichuan	Independent Director
Feng Jia	Director and Board Secretary
Shao Yongfeng	Chief Financial Officer and Vice President

5. Related-party transactions

(1) Remuneration of key management

Unit: RMB yuan

Item	H1 2025	H1 2024
Remuneration of key management	7,152,918.40	8,429,047.79

XIV Share-based Payments

Unit: RMB yuan

	Granted in the period		Exercised in the period		Unlocked in the period		Expired in the period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
managem ent					200,000.00	200,000.00	1,600,000.00	1,600,000.00
R&D					40,000.00	40,000.00	160,000.00	160,000.00
Total					240,000.00	240,000.00	1,760,000.00	1,760,000.00

On 9 October 2024, the shareholders' meeting of Dongfang Precision approved the '2024 Employee Shareholding Plan Scheme of Guangdong Dongfang Precision Technology Co., Ltd.' Fifty-one eligible employees who meet the criteria specified in the employee shareholding plan scheme and are employed by the company or its subsidiaries participated in this employee shareholding plan. The employee stock ownership plan will acquire 21,330,000 shares repurchased by the company at a price of 2.64 yuan per share through a non-transferable assignment from the company's repurchase special account. The funds for this acquisition will be sourced from the long-term incentive reward fund established by the company in accordance with its compensation management and

performance management regulations. According to the employee stock ownership plan, the term of this employee stock ownership plan is 48 months; the performance evaluation period covers the three fiscal years from 2024 to 2026, with evaluation indicators including company-level performance evaluation indicators and individual-level performance evaluation indicators. Based on the achievement of company-level performance evaluation and individual-level performance evaluation, the corresponding stock equity will be unlocked to the participants in three phases. On 20 October 2024, the company disclosed the ‘Announcement on the Completion of Non-Trading Stock Transfer for the 2024 Employee Stock Ownership Plan,’ announcing the completion of the non-trading stock transfer related to this employee stock ownership plan.

2、Equity-settled share-based payments are as follows:

Unit: RMB yuan

Determination method of fair value of equity instruments at grant date	Based on the share price on the grant date minus the grant price
Important parameters of fair value of equity instruments at grant date	Share price at grant date and Grant Price
Basis for determining the number of vested equity instruments	Make the best estimate of the number of vested employees based on the latest information such as turnover rate and substandard rate
Reasons for significant difference between current year's estimate and prior year's estimate	None
Accumulated amount of equity-settled share-based payment included in capital reserve	25,825,028.83
Total expense recognized for equity-settled share-based payments during the period	16,129,859.95

3、Share-based payment expenses incurred during the year are as follows:

Unit: RMB yuan

	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Marketing	1,120,412.16	
management	12,721,740.00	
R&D	1,673,279.10	
Production&Operation	614,428.69	
Total	16,129,859.95	

XV Commitments and Contingencies

1. Substantial commitments

Item	Closing balance	Opening balance
Committed but not provisioned capital commitments	13,672,107.52	58,000,411.49

2. Contingencies

(1) Explain if the Company has no substantial contingencies that need to be disclosed

The Company had no substantial contingencies that needed to be disclosed.

XVI Events after the Balance Sheet Date

1. Other information on events after the balance sheet date

At the balance sheet date, the Company had no events after the balance sheet date that are required to be disclosed.

XVII Other Significant Matters

1. Segment reporting

(1) Basis for the determination of reporting segments and accounting policies

For management purposes, the Group is divided into business units based on products and services.。

(2) Financial information of reporting segments

Unit: RMB yuan

Item	Domestic entities	Overseas entities	Offset	Total
Operating revenue	948,598,071.72	1,306,325,233.92	-95,966,447.76	2,158,956,857.88
Cost of sales	685,864,905.50	910,966,036.65	-85,212,728.70	1,511,618,213.45
Total assets	6,317,274,805.34	3,303,628,697.86	-1,273,499,165.64	8,347,404,337.56
Total liabilities	1,622,373,174.32	1,736,638,060.67	-575,683,442.71	2,783,327,792.28

XVIII Notes to Major Items in the Company Financial Statements

1. Accounts receivable

(1) Disclosure by the aging of accounts receivable

Unit: RMB yuan

age of accounts	H1 2025	H1 2024
Within 1 year	158,256,842.15	233,762,914.62
1-2 years	27,433,214.80	3,910,580.71
2-3 years	3,720,896.59	341,011.00
Over 3 years	1,648,720.84	1,760,719.07
3-4 years		357,841.19
4-5 years	398,320.84	152,477.88
Over 5 years	1,250,400.00	1,250,400.00
Total	191,059,674.38	239,775,225.40

(2) Disclosure classified by the bad debt provision methods

Unit: RMB yuan

Type	Closing balance					Opening balance				
	Gross amount		Allowance		Carrying amount	Gross amount		Allowance		Carrying amount
	Amount	Percent age	Amount	Allowance percent age		Amount	Percent age	Amount	Allowance percent age	
Accounts receivable for which the allowances are established individually	1,250,400.00	0.65%	1,250,400.00	100.00%		1,250,400.00	0.52%	1,250,400.00	100.00%	
Of which:										
Accounts receivable for which the allowances are established individually	1,250,400.00	0.65%	1,250,400.00	100.00%		1,250,400.00	0.52%	1,250,400.00	100.00%	
Accounts receivable for which the allowances are established by group	189,809,274.38	99.35%	3,554,835.27	1.87%	186,254,439.11	238,524,825.40	99.48%	2,399,666.15	1.01%	236,125,159.25
Of which:										
Accounts receivable for which the allowance	189,809,274.38	99.35%	3,554,835.27	1.87%	186,254,439.11	238,524,825.40	99.48%	2,399,666.15	1.01%	236,125,159.25

s are establishe d by group with similar credit risk characteris tics										
Total	191,059,67 4.38	100.00 %	4,805,23 5.27	2.52%	186,254,43 9.11	239,775,22 5.40	100.00 %	3,650,06 6.15	1.52%	236,125,15 9.25

Accounts receivable for which the allowances are established individually:

Unit: RMB yuan

	H1 2025		H1 2024			
	Gross amount	Allowance	Gross amount	Allowance	ECL (%)	Reason for allowance
Customer 1	641,600.00	641,600.00	641,600.00	641,600.00	100.00%	Customer's inability to settle the amount due
Customer 2	608,800.00	608,800.00	608,800.00	608,800.00	100.00%	Customer's inability to settle the amount due
Total	1,250,400.00	1,250,400.00	1,250,400.00	1,250,400.00		

Accounts receivable for which the allowances are established by group with similar credit risk characteristics are as follows:

Unit: RMB yuan

Item	Closing balance		
	Gross amount	Allowance	Allowance percentage
Within 1 year (inclusive)	158,256,842.15	792,723.62	0.50%
1-2 years (including 2 years)	27,433,214.80	724,735.86	2.64%
2-3 years (including 3 years)	3,720,896.59	1,639,054.95	44.05%
3-4 years (including 4 years)			
4-5 years (including 5 years)	398,320.84	398,320.84	100.00%
Over 5 years			
Total	189,809,274.38	3,554,835.27	

Basis for grouping:

Where allowances for doubtful accounts receivable are established using the general model of expected credit loss.

☐ Applicable ☒ Not applicable

(3) Allowances established or reversed in the current period

Allowances in the current period:

Unit: RMB yuan

Type	Opening balance	Change in the current period				Closing balance
		Provision	Reversed	Written off	Others	
Allowances for doubtful accounts receivable	3,650,066.15	1,155,169.12				4,805,235.27
Total	3,650,066.15	1,155,169.12				4,805,235.27

As at 30 June 2025, the top five accounts receivable and contract assets were as follows:

Unit: RMB yuan

	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and contract assets	As a % of the closing balance of total accounts receivable and contract assets	Total closing balance of accounts receivable and contract assets
Dongfang Precision (HK)	76,197,562.00		76,197,562.00	35.12%	
Dongfang Precision (Netherland)	73,358,883.56		73,358,883.56	33.81%	
Customer 8	6,935,969.41	620,000.00	7,555,969.41	3.48%	117,873.12
Fosber Asia	5,417,400.44		5,417,400.44	2.50%	
Customer 9	1,003,624.88	4,143,689.75	5,147,314.63	2.37%	118,392.24
Total	162,913,440.29	4,763,689.75	167,677,130.04	77.28%	236,265.36

2. Other receivables

Unit: RMB yuan

Item	Closing balance	Opening balance
Dividends receivable	189,441,700.97	184,841,125.30
Other receivables	306,385,002.67	319,428,138.72
Total	495,826,703.64	504,269,264.02

(1) Other receivables**1) Disclosure by nature**

Unit: RMB yuan

Nature	Closing gross amount	Opening gross amount
Internal transactions with related parties	291,447,337.63	308,429,032.05

Prepaid service charges	1,969,123.92	1,775,693.02
Security deposits	1,735,000.57	1,128,327.05
Performance compensation	500,000.00	500,000.00
Employee loans and petty cash	1,135,209.38	1,991,026.87
Others	10,753,355.71	6,759,084.27
Total	307,540,027.21	320,583,163.26

2) Disclosure by the aging

Unit: RMB yuan

age of accounts	2025	2024
Within 1 year	35,658,905.87	69,165,030.40
1-2 years	128,090,945.11	158,655,504.15
2-3 years	97,854,087.50	67,930,684.05
Over 3 years	45,936,088.73	24,831,944.66
3-4 years	45,463,468.41	24,323,818.04
4-5 years	32,670.06	62,225.66
Over 5 years	439,950.26	445,900.96
Total	307,540,027.21	320,583,163.26

3) Disclosure classified by the allowances provision methods

Unit: RMB yuan

Type	Closing balance					Opening balance				
	Gross amount		Allowance		Carrying amount	Gross amount		Allowance		Carrying amount
	Amount	Percent age	Amount	Allowance percent age		Amount	Percent age	Amount	Allowance percent age	
Of which:										
allowances are established by group	307,540,027.21	100.00 %	1,155,024.54	0.38%	306,385,002.67	320,583,163.26	100.00 %	1,155,024.54	0.36%	319,428,138.72
Of which:										
allowances are established by group with similar credit risk characteristics	307,540,027.21	100.00 %	1,155,024.54	0.38%	306,385,002.67	320,583,163.26	100.00 %	1,155,024.54	0.36%	319,428,138.72

Total	307,540,027.21	100.00 %	1,155,024.54	0.38%	306,385,002.67	320,583,163.26	100.00 %	1,155,024.54	0.36%	319,428,138.72
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Provision for allowance is made according to the general model of expected credit loss:

Unit: RMB yuan

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Financial assets with credit impairment (lifetime ECL)	
Opening and closing balance	655,024.54	500,000.00		1,155,024.54

4) Allowances established or reversed in the current period

Allowances for doubtful other receivables in the current period:

Unit: RMB yuan

Type	Opening balance	Change in the current period				Closing balance
		Provision	Reversed	Written off	Others	
Allowances for doubtful other receivables	1,155,024.54					1,155,024.54
Total	1,155,024.54					1,155,024.54

5) As at 30 June 2025, top 5 of other receivables are as follows:

Unit: RMB yuan

	Nature	2025	Age	As a % of total other receivables	Closing balance of allowance
Hainan Yineng	Current account	166,866,700.44	Within 1 year; 1-2 years; 2-3 years; 3-4 years	54.26%	
Tiruña Aisa	Current account	59,411,902.00	Within 1 year; 1-2 years; 2-3 years; 3-4 years	19.32%	
Dongfang Digicom (Guangdong)	Current account	34,103,077.52	Within 1 year; 1-2 years; 2-3 years; 3-4 years	11.09%	
Dongfang Digicom	Current account	12,505,992.07	Within 1 year; 1-2 years; 2-3 years; 3-4 years	4.07%	
Dongfang Precision (Netherland)	Current account	8,897,949.59	Within 1 year; 1-2 years; 2-3 years	2.89%	
Total		281,785,621.62		91.63%	

3. Long-term equity investments

Unit: RMB yuan

Item	Closing balance			Opening balance		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Investments in subsidiaries	819,220,899.99	45,303,485.99	773,917,414.00	816,228,606.62	45,303,485.99	770,925,120.63
Investments in joint ventures and associates	105,376,042.64		105,376,042.64	106,602,462.51		106,602,462.51
Total	924,596,942.63	45,303,485.99	879,293,456.64	922,831,069.13	45,303,485.99	877,527,583.14

(1) Investments in subsidiaries

Unit: RMB yuan

	Opening balance	Opening impairment allowance	Change in the period				Closing balance	Closing impairment allowance
			Additional investment	Reduction in investment		Change in other equity		
Dong Fang Precision (HK) Limited	1,856,010.00						1,856,010.00	
Dongfang Precision (Netherlands)	1,602,394.30						1,602,394.30	
Guangdong Fosber Intelligent Equipment	115,620.65					1,670,165.90	117,290.82	
Suzhou Shunyi Investment Co., Ltd	296,553.88	45,303,485.99				3,509,062.50	300,062.95	45,303,485.99
Tiruña (Guangdong) Intelligent Equipment Manufacturing Co., Ltd.	21,940,399.84					73,875.00	22,014,274.84	
Dongfang Digicom	4,718,918.7						4,718,918.7	

Data Technology Co., Ltd.	4						4	
Dongfang Digicom Data Technology (Guangdong) Co., Ltd.	10,916,737.27					101,852.47	11,018,589.74	
Hainan Yineng Investment Co., Ltd.	103,440,244.58					2,637,337.50	106,077,582.08	
Tianjin Hangchuan g	10,000,000.00			5,000,000.00			5,000,000.00	
Wander Digital	173,800,000.00						173,800,000.00	
EDF	1,197,730.34						1,197,730.34	
Yineng International Holdings Co., Ltd	29,278,141.13						29,278,141.13	
Total	770,925,120.63	45,303,485.99		5,000,000.00		7,992,293.37	773,917,414.00	45,303,485.99

(2) Investments in joint ventures and associates

Unit: RMB yuan

	Openi ng balanc e	Openi ng impair ment allowa nce	Change in the period								Closin g balanc e	Closin g impair ment allowa nce
			Additi onal invest ment	Reduct ion in invest ment	Return on invest ment recogn ized using the equity metho d	Adjust ment to other compr ehensi ve incom e	Other equity change s	Declar ed cash divide nds or profit	Impair ment allowa nce	Others		
Associates/joint ventures												
Guang dong Jaten Robot & Autom ation Co.	88,414 ,913.6 5				191,56 2.98						88,606 ,476.6 3	

Ltd.												
Nanjing Profeta Intelligent Technology Co., Ltd.	18,187,548.86				-1,417,982.85						16,769,566.01	
Total	106,602,462.51				-1,226,419.87						105,376,042.64	

4. Operating revenue and costs

Unit: RMB yuan

Item	H1 2025		H1 2024	
	Revenue	Costs	Revenue	Costs
Principal operations	147,397,112.58	93,653,394.93	174,730,275.81	98,570,978.05
Other operations	5,925,797.39	1,056,427.40	8,346,571.88	1,567,415.81
Total	153,322,909.97	94,709,822.33	183,076,847.69	100,138,393.86

Information related to the transaction price allocated to residual performance obligations:

At the end of the Reporting Period, the amount of revenue corresponding to performance obligations that had been contracted but not yet performed or fulfilled was RMB35,877,984.58, of which RMB35,877,984.58 is expected to be recognized during 2025.

5. Investment income

Unit: RMB yuan

Item	H1 2025	H1 2024
Income from long-term equity investments measured at equity method	-1,226,419.87	-2,158,740.92
Investment income generated from the disposal of long-term equity investment	875,016.30	529,048.11
Income from financial assets held for trading	146,337,046.02	-3,853,122.25
Cost method dividend	290,092,756.16	
Total	436,078,398.61	-5,482,815.06

XIX Supplementary Information

1. Schedule of exceptional gains and losses in the current period

☒ Applicable ☐ Not applicable

Unit: RMB yuan

	Amount
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-308,560.28
Government grants through profit or loss (Except for government grants that are closely related to normal business, comply with national policies and regulations, enjoy according to the recognition criteria and have a sustained impact on profit and loss)	10,467,732.86
Profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss from disposal of financial assets and financial liabilities, except for effective hedging business related to normal business operations	156,597,226.73
Non-operating income and expenses other than the above	527,205.94
Minus: Income tax effects	24,962,924.76
Non-controlling interests effects (net of tax)	1,766,016.43
Total	140,554,664.06

Other items that meet the definition of exceptional gain/loss:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

☐ Applicable ☒ Not applicable

2. Return on equity (ROE) and earnings per share (EPS)

Profit of the Reporting Period	Weighted average ROE	EPS	
		Basic EPS (RMB yuan/share)	Diluted EPS (RMB yuan/share)
Net profit attributable to ordinary shareholders of the Company	7.58%	0.33	0.33
Net profit attributable to ordinary shareholders of the Company before exceptional gains and losses	4.90%	0.21	0.21

3. Accounting data differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and foreign accounting standards**(1) Net profit and equity under CAS and IFRS**

☐ Applicable ☒ Not applicable

(2) Net profit and equity under CAS and foreign accounting standards

☐ Applicable ☒ Not applicable

Part IX Other Reported Data

I. Status of Other Major Social Security Issues

Whether the listed company and its subsidiaries have any other major social security issues

☐ Yes ☐ No ☒ Not applicable

Whether any administrative penalties imposed during the reporting period

☐ Yes ☐ No ☒ Not applicable

II. Communications with the Investment Community such as Researches, Inquiries and Interviews

✓ Applicable ☐ Not applicable

Date	Place	Way of communication	Type of the communication party	Communication party	Main discussions and materials provided by the Company	Index to the relevant information
2025-02-13	Company Conference Room	Field Research	Institutes	Hongsite Assets, Zhongyi Capital, Hengying Fund, Qianhai Yunxi Fund, Far East Horizon, Meihua Venture Capital, Huishang Bank, Deppon Securities, Galaxy Securities, Zhongtai Securities, Guoling Assets, Zhiyuan Investment, Dianrun Investment, China Business News	Introduction of the Company's operation, competitive advantages, industry development trend and future strategic planning and answering investor questions	cninfo.com http://www.cninfo.com.cn
2025-03-18	Online Meeting	Online communication	Institutes	Guotou Securities, E Fund, Cinda Australia-Asia Fund, Zhengyuan Fund, Minsheng Plus Silver Fund, Huaan Fund, Pengyang Fund, Tongtai Fund, HT Capital, Guotou Securities Asset Management, Hongming Assets, GF Fund, Noah Fund, Bosera Fund, Hongyi Asset Management, CITIC	Introduction of the Company's operation, competitive advantages, industry development trend and future strategic	cninfo.com http://www.cninfo.com.cn

Date	Place	Way of communication	Type of the communication party	Communication party	Main discussions and materials provided by the Company	Index to the relevant information
				Securities, AIA Life Insurance, Guoxin Securities, Juzhou Investment, Dacheng Fund, China Asset Management (ChinaAMC), Duoxin Investment, Harvest Fund, CCB Pension, Hongyi Yuanfang Fund, Baoying Fund.	planning and answering investor questions	
2025-03-28	Company Conference Room	Field Research	Institutes	CSHENZHEN New Fortune Private Equity Investment Fund Co., Ltd. Guangzhou Blue Ocean Private Securities Investment Fund Management Co., Ltd. Shenzhen Hongzhou Investment Management Co., Ltd. Shenzhen Runyuan Private Securities Fund Management Co., Ltd. Shenzhen Hexin Private Securities Fund Management Co., Ltd. Shenzhen Lianrun Oriental Equity Investment Fund Management Co., Ltd. Guangzhou Shanyue Private Fund Management Co., Ltd. Qingping Private Fund Management (Hainan) Co., Ltd. China Guangfa Bank Co., Ltd. Chaoshang Investment Co., Ltd. Ruisheng International Capital Limited Yuemin Investment Private Fund Management Co., Ltd. Northeast Securities Co., Ltd..	Introduction of the Company's operation, competitive advantages, industry development trend and future strategic planning and answering investor questions	cninfo.com http://www.cninfo.com.cn

III. Fund transactions between listed companies and their controlling shareholders as well as other related parties

☒ Applicable ☐ Not applicable

Unit: RMB'0,000

Name of Counter-party	Nature of Transaction	Opening Balance	Amount Incurred in Reporting Period	Amount Repaid in Reporting Period	Closing Balance	Interest Income	Interest Expense
Tiruña Asia	Non-operational Transactions	5,550.74	353.1	1.11	5,902.73	51.99	
Dongfang Precision (Netherland)	Non-operational Transactions	764.32	125.47	0	889.79	0	
Shunyi Investment	Non-operational Transactions	683.76	12.38	696.14	0	12.38	
Yineng Investment	Non-operational Transactions	10,279.7	49.88	1,500	8,829.58	49.78	
Dongfang Digicom	Non-operational Transactions	1,250.5	0	0	1,250.5	0	
Dongfang Precision (HK)	Non-operational Transactions	19.4	0	0	19.4	0	
Yineng International	Non-operational Transactions	208.69	463.77	349.99	322.47	13.49	
Dongfang Digicom(Guangdong)	Non-operational Transactions	3,397.59	0.67	0	3,398.26	0	
Total	--	22,154.7	1,005.27	2,547.24	20,612.73	127.64	0
Decision-Making Procedures	All counter-parties listed in this table are wholly-owned subsidiaries of the company. The non-operational fund transactions between the company and its wholly-owned subsidiaries as well as their affiliated enterprises are normal transaction funds, and the internal approval procedures have been performed in accordance with the requirements of the company's internal control system.						
Fund Security Safeguard Measures	The aforementioned fund transactions of the company occur based on business needs, and the security risks of the funds are controllable. The company has established necessary approval processes in accordance with internal system requirements, and relevant businesses must be approved by management personnel with corresponding authority. The company's internal audit department and the accounting firm hired by the company will also conduct audits on the aforementioned fund transactions to ensure fund security.						