

**Goertek Inc.**

**Annual Report 2025**

**Goertek**

**April 2026**

# Annual Report 2025

## Section I Important Notes, Contents and Interpretations

The Board of Directors, directors, and senior management of the Company guarantee that the information presented in this report is true, accurate, and complete, free from false statements, misrepresentations and material omissions, and shall together be wholly liable for the truthfulness, accuracy and completeness of its contents.

Mr. Jiang Bin, the person in charge of the Company, and Mr. Li Yongzhi, the person in charge of accounting and the head of accounting department (accounting supervisor) guarantee that the financial report in this annual report is true, accurate, and complete.

All directors have attended the board meeting to review the annual report.

The future plans and some forward-looking statements in this report shall not be considered as commitments to investors. Investors and relevant persons should maintain sufficient risk awareness and understand the differences between plans, forecasts and commitments. Investors are kindly reminded to pay attention to investment risks.

The Company faces the risks in market, operation and management. For details, please refer to "Section III Management Discussion and Analysis, XI. Outlook for the Future Development of the Company" in this report.

The profit distribution proposal approved by the Board of Directors is: based on the total share capital registered on the record date minus the repurchased shares in the Company's specific securities repurchase account, the Company will distribute a cash dividend of RMB 2.00 (tax inclusive) for every 10 shares to all the shareholders, with no bonus shares and no conversion of capital surplus into share capital.

## Contents

<b>Section I Important Notes, Contents and Interpretations.....</b>	<b>2</b>
<b>Section II Company Profile and Key Financial Indicators .....</b>	<b>7</b>
<b>Section III Management Discussion and Analysis.....</b>	<b>11</b>
<b>Section IV Corporate Governance, Environment and Society .....</b>	<b>33</b>
<b>Section V Important Matters .....</b>	<b>61</b>
<b>Section VI Changes in Shares and Shareholder Information .....</b>	<b>73</b>
<b>Section VII Bonds.....</b>	<b>82</b>
<b>Section VIII Financial Report .....</b>	<b>85</b>

## **Documents Available for Reference**

1. Financial statements signed and sealed by the Company's person in charge, the chief accountant, and the person in charge of accounting department (accounting supervisor);
2. The originals of the 2025 annual report and its abstract signed by the Company's person in charge;
3. The originals of the auditor's report with the seal of Zhongxi CPAs (Special General Partnership) and the signature and seal of the certified public accountants;
4. The originals of all documents and announcements publicly disclosed on the media designated by the China Securities Regulatory Commission (CSRC) during the reporting period.

## Interpretations

Term	Refers to	Interpretation
Company, the Company	Refers to	Goertek Inc.
Goertek Group	Refers to	Goertek Group Co., Ltd., controlling shareholder of the Company
Goertek Microelectronics	Refers to	Goertek Microelectronics Inc., subsidiary of the Company
Goertek Optical	Refers to	Goertek Optical Technology Co., Ltd., an associate of the Company
ODM	Refers to	Original Design and Manufacturing
JDM	Refers to	Joint Design and Manufacturing
Micro speaker	Refers to	The micro electro-acoustic components that convert electrical signals into acoustic signals, generate driving forces through the magnetic line cutting by the voice coil in a magnetic field, which drive the diaphragm to vibrate, and then the diaphragm pushes the air to produce sound. Compared with the micro receiver, it has higher power, wide frequency response and high fidelity, which is generally used for external sound playback
MEMS	Refers to	Micro Electro Mechanical Systems, technologies based on micro/nano technology for the design, processing, manufacturing, measurement and control of micro/nano materials. The systems can integrate mechanical components, optical systems, driving components and electronic control systems into a single micro system, featured with miniaturization, intelligence, multi-function, high integration and being suitable for mass production
Speaker module	Refers to	An acoustic component composed of one or several micro speakers and other electronic devices, which are assembled together through an injection molded housing
Smart wearable devices	Refers to	Portable devices that can be worn or carried directly, or integrated into the user's clothes or accessories
Mixed reality, MR	Refers to	A new visual environment that can integrate the real and virtual situations, where users, the real world, and virtual digital objects can coexist and interact in real time
Augmented reality, AR	Refers to	A technology that skillfully integrates virtual information with the real world. By making extensive use of multimedia, 3D modeling, real-time tracking and registration, intelligent interaction, sensing, and other technical means, it applies the computer-generated text, images, 3D models, music, video, and other virtual information to the real world after simulation. These two kinds of information complement each other to achieve "augmentation" of the real world
AI smart glasses	Refers to	Wearable devices that integrate AI technology, embedding speakers, microphones, cameras, chips, storage, communication modules, and display modules into traditional glasses. Through intelligent interaction methods such as voice and vision, The glasses provide users with AI smart assistant experience and functions such as audio, shooting and wireless communication
Smart wireless earphones	Refers to	The new types of smart wireless earphones represented by TWS (True Wireless Stereo) earphones, connect the left and right earphones with smart phones or other terminal devices through Bluetooth technology to form an independent stereo system, which realizes touch control, voice control, body information collection, and other functions by adding various sensors
Microsystem module	Refers to	Also known as System in Package (SiP). It integrates multiple chips and passive components into the same package through advanced packaging technologies such as 3D packaging, to form a module with whole or main functions of an electronic system, so as to realize the optimal combination of performance, volume, weight, and other indicators. It is a comprehensive emerging

Term	Refers to	Interpretation
		microelectronic technology
Sensor	Refers to	A detection device that can sense the measured information and convert the sensed information into electrical signals or other required forms of information output according to certain rules to meet the requirements of information transmission, processing, storage, display, recording and control
GPS	Refers to	Goertek Production System. It is a comprehensive operation system that integrates automation, information communication, artificial intelligence, green and low-carbon technologies. It aims to promote manufacturing transformation and upgrading, optimize the management and cooperation mode of the whole chain, and improve the core competitiveness of the company and the happiness of employees
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
Articles of Association	Refers to	Articles of Association of Goertek Inc.
CSRC	Refers to	China Securities Regulatory Commission
HKEX	Refers to	Hong Kong Exchanges and Clearing Limited
RMB, RMB 10,000, RMB 100,000,000	Refers to	yuan (RMB), ten thousand yuan (RMB), hundred million yuan (RMB)
Reporting period	Refers to	January 1, 2025 to December 31, 2025
Same period of the previous year	Refers to	January 1, 2024 to December 31, 2024
End of the reporting period	Refers to	December 31, 2025
Beginning of the period, beginning of the year	Refers to	January 1, 2025

Notes:

1. In this report, any discrepancies between the total and the sum of individual items are due to rounding.
2. This report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

## Section II Company Profile and Key Financial Indicators

### I. Company Information

Stock abbreviation	Goertek	Stock code	002241
Stock exchange where the stock is listed	Shenzhen Stock Exchange		
Name of the company in Chinese	歌尔股份有限公司		
Abbreviation of the company in Chinese	歌尔股份		
Name of the company in English	Goertek Inc.		
Abbreviation of the company in English	Goertek		
Legal representative of the company	Jiang Bin		
Registered address	No. 268, Dongfang Road, High-tech Industrial Development District, Weifang		
Postal code	261031		
History of changes in registered address of the company	N/A		
Business address	No. 268, Dongfang Road, High-tech Industrial Development District, Weifang		
Postal code	261031		
Company website	<a href="http://www.goertek.com">http://www.goertek.com</a>		
E-mail	<a href="mailto:ir@goertek.com">ir@goertek.com</a>		

### II. Contacts and Contact Information

	Board secretary	Securities affairs representative
Name	Xu Dapeng	Xu Yanqing
Contact address	No. 268, Dongfang Road, High-tech Industrial Development District, Weifang	No. 268, Dongfang Road, High-tech Industrial Development District, Weifang
Telephone	0536-3055688	0536-3055688
Fax	0536-3056777	0536-3056777
E-mail	<a href="mailto:ir@goertek.com">ir@goertek.com</a>	<a href="mailto:ir@goertek.com">ir@goertek.com</a>

### III. Information Disclosure and Placement Location

Stock exchange website where the company discloses this report	Shenzhen Stock Exchange( <a href="http://www.szse.cn">http://www.szse.cn</a> )
Name and website of the media where the company discloses this report	<i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily, CNINFO</i> ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Placement location of this report	Board of Directors Office

### IV. Changes in Registration

Unified social credit code	91370700729253432M
Changes in the company's main business since listing	N/A
Changes of controlling shareholders (if any)	N/A

### V. Other Relevant Information

Accounting firm engaged by the company

Name of accounting firm	Zhongxi CPAs (Special General Partnership)
Office address of the accounting firm	Room 1101, 11th Floor, No. 11, Chongwenmenwai Street, Dongcheng

	District, Beijing
Names of accountants signing the report	Gong Ping, Zhang Shuli

Sponsor institution performing continuous supervision duties during the reporting period engaged by the company

Applicable  Not applicable

Financial Advisor performing continuous supervision duties during the reporting period engaged by the company

Applicable  Not applicable

## VI. Key Accounting Data and Financial Indicators

Whether the company performed a retrospective adjustment or restatement of previous accounting data

Yes  No

	2025	2024	YoY change	2023
Revenue (RMB)	96,550,169,615.26	100,953,848,156.08	-4.36%	98,573,902,273.14
Net profit attributable to the shareholders of the company (RMB)	3,940,313,461.54	2,665,044,826.06	47.85%	1,088,076,730.88
Net profit attributable to the shareholders of the company excluding non-recurring gains and losses (RMB)	1,479,790,943.48	2,393,206,176.65	-38.17%	859,926,918.87
Net cash flow from operating activities (RMB)	6,848,877,206.40	6,200,452,181.84	10.46%	8,151,888,243.38
Basic earnings per share (RMB)	1.14	0.79	44.30%	0.32
Diluted earnings per share (RMB)	1.13	0.78	44.87%	0.32
Weighted average return on net assets	11.29%	8.46%	2.83%	3.59%
	End of 2025	End of 2024	YoY change	End of 2023
Total assets (RMB)	90,530,293,646.97	82,706,773,086.83	9.46%	73,744,409,441.15
Net assets attributable to shareholders of the company (RMB)	36,402,044,580.31	33,186,335,842.73	9.69%	30,810,590,551.00

The lower of the net profit before and after deducting non-recurring gains and losses of the company in the latest three fiscal years is negative, and the audit report of the latest year shows that the company's going concern ability is uncertain.

Yes  No

The lower of the audited total profit, net profit and net profit after deducting non-recurring gains and losses of the company during the reporting period is negative.

Yes  No

Companies with equity incentives or employee stock ownership plans may disclose the net profit after deducting the impact of share-based payments

Key accounting data	2025	2024	YoY change	2023
Net profit after deducting the impact of share-based payments(RMB)	4,218,048,370.69	2,996,611,816.57	40.76%	1,260,362,734.75

## VII. Differences in Accounting Data under Domestic and Foreign Accounting Standards

### 1. Differences in net profit and net assets between financial reports disclosed in accordance with International Accounting Standards and Chinese Accounting Standards

Applicable  Not applicable

During the reporting period, there are no differences in net profit and net assets between the financial reports disclosed in accordance with International Accounting Standards and Chinese Accounting Standards.

## 2. Differences in net profit and net assets between financial reports disclosed in accordance with overseas accounting standards and Chinese Accounting Standards

Applicable  Not applicable

During the reporting period, there are no differences in net profit and net assets between the financial reports disclosed in accordance with overseas accounting standards and Chinese Accounting Standards.

## VIII. Key Quarterly Financial Indicators

Unit: RMB

	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Revenue	16,304,933,891.22	21,244,559,626.95	30,557,096,441.15	28,443,579,655.94
Net profit attributable to the shareholders of the company	468,853,936.56	948,002,513.11	1,170,612,428.68	1,352,844,583.19
Net profit attributable to the shareholders of the company excluding non-recurring gains and losses	292,260,603.66	741,194,056.18	1,033,537,300.91	-587,201,017.27
Net cash flow from operating activities	1,536,480,480.75	334,329,429.27	-396,097,879.13	5,374,165,175.51

Whether there are significant differences between the above financial indicators and that of what disclosed in the quarterly reports and semi-annual report

Yes  No

## IX. Non-Recurring Gains and Losses

Applicable  Not applicable

Unit: RMB

Item	2025	2024	2023	Explanation
Gains or losses from disposal of non-current assets (including the write-off portion of the provision for asset impairment)	-266,611,004.45	-85,999,752.59	-123,882,680.16	Mainly includes the loss on scrapping fixed assets
Government grants included in the current gains and losses (except for those that are closely related to the normal business operations of the Company, comply with national policy regulations, are enjoyed according to established standards, and have a continuous impact on the Company's gains and losses)	203,672,060.18	196,923,255.19	331,548,590.64	Mainly includes special funds for enterprise innovation and development and other government grants
Gains and losses from changes in the fair value of financial assets and liabilities, and from the disposal of financial assets and liabilities, held by non-financial enterprises, except for effective hedging businesses related to the normal operating business of the Company.	495,018,305.50	112,020,093.46	-26,138,756.91	Mainly includes investment income from foreign exchange derivatives and fair value change income
Other non-operating income and expenditures other than those	10,923,270.83	12,014,095.20	28,631,472.04	

mentioned above				
Other profit or loss items that meet the definition of non-recurring profit or loss	2,142,078,695.49	62,609,433.16	66,527,741.91	Mainly includes gains from remeasuring the remaining equity of Goertek Optics at fair value due to losing control of Goertek Optics
Less: Impact of income tax	122,757,472.87	18,834,375.42	35,531,401.22	
Impact of minority interests (after tax)	1,801,336.62	6,894,099.59	13,005,154.29	
Total	2,460,522,518.06	271,838,649.41	228,149,812.01	--

Details of other gains and losses that meet the definition of non-recurring gains and losses:

Applicable  Not applicable

This item mainly includes gains from remeasuring the remaining equity of Goertek Optics at fair value due to losing control of Goertek Optics.

Explanation if the Company classified non-recurring gains and losses set out in the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Gains and Losses*, as recurring gains and losses.

Applicable  Not applicable

The Company did not classify any item of the non-recurring gains and losses listed in the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Gains and Losses*, as recurring gains and losses in the reporting period.

## Section III Management Discussion and Analysis

### I. The Company's Main Business during the Reporting Period

During the reporting period, the Company serves the global leading clients in the technology and consumer electronics industry with vertically integrated product solutions of precision components and smart hardware, as well as R&D and manufacturing services.

The Company's main business includes three segments: precision components business, smart audio device business and smart hardware business. The precision components business focuses on product directions such as acoustics, optics, microelectronics, structural components, etc. The related products include micro speaker/receiver, speaker module, haptic component (actuator), wireless charging device, antenna, MR optical devices and modules, AR optical devices and modules, micro-nano optical devices, 3D structured light modules, AR HUD modules, MEMS acoustic sensors, other MEMS sensors, SiP, precision structural parts, etc. The above-mentioned precision components are widely applied in devices such as smartphones, tablets, AI smart glasses, MR, AR, smart wearable devices, smart wireless earphones, smart home devices, and automotive electronics devices. Smart audio device business focuses on providing products related to intelligent noise reduction, AI interaction, and spatial audio. The main products include smart wireless earphones, smart speakers, etc. Smart hardware business focuses on providing products related to leisure and entertainment, smart assistant, sports and health, and home security. The main products include AI smart glasses, MR, AR, smart wearable devices, gaming consoles and accessories, smart home devices, etc.

The Company has innovative competitive advantages in the fields of acoustics, optics, MEMS microelectronics and precision manufacturing, and owns many intellectual property rights in the field of precision parts and components. In addition, the Company has accumulated rich experience in product projects by cooperating with industry-leading clients in the field of smart hardware through "ODM", "JDM" and other business modes. During the reporting period, the Company continued to strengthen its long-term cooperative relationships with leading clients in the global technology and consumer electronics industry. As a result, the Company has been highly recognized by clients for its product solutions and services, and occupies a leading market position in the fields of micro speakers, MEMS microphones, AI smart glasses, MR, smart wearable devices, smart wireless earphones, gaming consoles and accessories, etc.

During the reporting period, the Company won multiple honors, including being ranked the 6th in the 2025 Top 100 Backbone Electronic Components Enterprises of China, 16th in the 2025 Top 100 Competitive Enterprises in China's Electronics Information Industry, 102nd in the 2025 Top 500 Private Enterprises in China, 71st in the 2025 Top 500 Private Manufacturing Enterprises in China and 135th in the 2025 Top 500 Chinese Brands. The company was named to Fortune China's Tech 50 in 2025, and received several honors including the First Prize for Scientific and Technological Progress of the China Electronic Components Industry Association in 2025, as well as the Red Dot Product Design Award from Germany.

### II. The Situation of the Industry during the Reporting Period

In 2025, AI technology made remarkable progress, with continuous improvements in model inference and multimodal capabilities. AI agents have progressively matured and continued to evolve toward intelligent assistants. AI technology has been widely applied across both the industrial and consumer sectors. In the industrial sector, AI has been progressively deeply embedded throughout the entire chain of enterprise decision-making, R&D, production and sales, becoming a key productivity driver for improving quality and efficiency. In the consumer sector, AI technology and AI agents have been progressively integrated into consumers' daily lives, work, learning and content creation, continuously building new application scenarios and consumption habits.

The integration of AI technology with smart hardware products has opened up new development space for the consumer electronics industry, bringing a new round of growth opportunities for industry players. On one hand, leading manufacturers have continuously launched smartphones featuring richer AI functionalities, delivering efficient and convenient intelligent experiences for consumers, while also driving continuous upgrades in the technical specifications of precision components related to edge-side AI features, including chips, MEMS sensors, acoustic components and image sensors, with the market scale steadily growing. On the other hand, AI technology urgently needs to be deployed on terminal devices to continuously acquire natural data for model advancement, build consumer stickiness and complete the business model innovation loop. Supported by improved model inference, enhanced multimodal capabilities and the development of AI agents, industry players have been actively advancing the development of emerging AI-powered smart hardware products such as AI smart glasses and smart wearable devices. In addition, text-to-video generative AI technology made significant strides in 2025, deeply empowering the film and television, gaming, short video and advertising content industries, substantially improving content creation efficiency and reducing production costs, and bringing broader future development prospects for smart hardware products with high content dependency such as MR and smart gaming consoles.

According to IDC, a renowned consulting firm, global smartphone shipments reached approximately 1.26 billion units in 2025, a YoY increase of approximately 2.1%. Global smart wearable product shipments reached approximately 210 million units, a YoY increase

of approximately 8.7%. The global smartphone market showed a moderate recovery as a whole, driving a rebound in the related precision components market. In particular, products such as acoustic sensors related to AI voice interaction continued to show a technology upgrade trend, and the market scale of high-performance sensors increased. The market scale of smart wearable products, represented by smart watches, smart bands and smart rings, continued to maintain steady growth.

According to IDC, a renowned consulting firm, global AI smart glasses shipments grew 241% YoY in 2025, reaching a market scale in the tens of millions of units, making it one of the fastest-growing emerging hardware products in the consumer electronics industry. AI smart glasses products have unique advantages in human-computer interaction and natural data acquisition, and are expected to become an important carrier for the edge-side deployment of large AI models, attracting continuous attention and investment from industry-leading enterprises. On the other hand, driven by active promotion from industry-leading enterprises, AR products equipped with more complex optical display systems and capable of overlaying and integrating virtual content with real-world environmental information are also accelerating their maturity. Related technologies in optics, display, communication and new materials are iterating at an accelerating pace, which is expected to drive the rapid development of AR products in the coming years. In addition, with the rapid development and application of generative AI technology, the MR industry has also seen promising new variables. The substantial improvement in content creation efficiency and the rapid decline in content costs are expected to gradually reverse the constraint on industry development caused by content shortage in the coming years, providing strong support for the long-term development of related hardware products.

Facing the new trend of AI technology integration with smart hardware products and the new opportunities in the consumer electronics industry, the Company will go all out and respond proactively. Building on its existing advantages, the Company will actively invest in R&D and explore emerging product and technology directions, continuously consolidate its core competitiveness, deepen long-term strategic cooperation with industry-leading clients, and actively expand emerging smart hardware and related precision components businesses, promoting the sustained, healthy development of the Company.

### III. Analysis of Core Competitiveness

#### 1. Industry-leading precision and intelligent manufacturing capabilities

In the fields of technology and consumer electronics, the Company has well-recognized precision manufacturing capabilities and a strong industry reputation. Relying on its core competencies and long-term experience accumulation in precision manufacturing, the Company continuously enhances the processing precision, production efficiency and quality standards of precision components and smart hardware products, achieving self-developed and self-manufactured core raw materials. Through the comprehensive application of ultra-high-precision molds, high-precision metal/non-metal processing, ultrasonic technology, laser technology and various other advanced process technologies, the Company has built industry-leading precision manufacturing capabilities in areas such as micro acoustic components, precision optical components, MEMS sensors, SiP and precision structural components, ensuring high-precision, high-efficiency and high-quality product delivery.

Relying on its advanced equipment development capabilities and flexible automated production advantages, the Company promotes the upgrading of intelligent manufacturing models and continuously improves the GPS. In the fields of automation, machine vision and artificial intelligence related to intelligent manufacturing, the Company continuously invests in independent R&D, while drawing on international leading practices to introduce world-class advanced technologies and core equipment for systematic integration. Through deep application of new-generation AI technologies such as large AI models, digital twins, intelligent sensing and decision optimization, the Company continuously optimizes key processes including warehousing and logistics, production scheduling, process testing, assembly and packaging, quality control, equipment operation and maintenance, as well as energy management, promoting the transformation of its manufacturing model toward digitalization, networking, intelligentization and servitization, and continuously building core intelligent manufacturing capabilities for the future.

#### 2. Multi-technologies integration platform and strong team of R&D personnel

The Company has established a product R&D and manufacturing platform that integrates multiple technologies including materials, structures, electronic circuits, software algorithms, wireless communication, advanced processes, testing and automation. Through cross-domain technology integration, the Company provides clients with advanced, systematic precision components and smart hardware product solutions. The Company has globally assembled and cultivated outstanding talents in disciplines including acoustics, optics, microelectronics, wireless communication, precision manufacturing and automation, building a technical talent team with deep technical strength and extensive product project experience. The Company has also established industry-academia-research cooperation with renowned universities and research institutions including Stanford University, MIT, Tsinghua University, Zhejiang University, Shandong University, Nanjing University and the Chinese Academy of Sciences, forming an open, comprehensive technology R&D platform that supports continuous innovation in technology and product R&D.

During the reporting period, the Company and its subsidiaries applied for 2,677 patents, including 2,295 invention patents. A total of 1,769 patents have been granted, including 1,390 invention patents. As of December 31, 2025, the Company and its subsidiaries have totally applied for 37,549 patents (4,706 foreign patent applications), including 22,427 invention patent applications. A total of 23,504 patents have been granted, including 9,586 invention patents.

### 3. Continuous strategic innovation and transformation, and stable high-value client resources

Facing complex domestic and international macroeconomic conditions and the accelerating product and technology iteration in the industry, the Company's management team has taken a measured and timely approach, keeping pace with the times. While continuously consolidating core competitive advantages in traditional business areas, the Company actively pursues strategic innovation and transformation, firmly grasping the industry opportunities in emerging smart hardware and AI technology within the technology and consumer electronics sectors. Relying on global high-value client resources and stable, strong client relationships, the Company is market-driven and technology-driven, continuously expanding its consumer electronics and automotive electronics businesses including AI smart glasses, MR, AR, smart wearables, smart home, smart gaming consoles and AR HUDs.

Facing the new trend of rapid development in AI technology, the Company actively explores the practical application of AI algorithms and technologies such as Large Language Model and multimodal models in production and manufacturing, operations management and decision optimization, continuously enhancing the intelligent level of production and manufacturing as well as the informatization level of management and operations, and consolidating the Company's industry position and core competitiveness. In terms of strategic path selection, the Company closely follows the strategic innovation pace of global first-tier clients, optimizes strategic resource allocation, supports strategic product and cutting-edge technology development investment, continues to consolidate and deepen its client resource advantages, and transforms high-value client needs into an inexhaustible driving force for the Company's sustained, high-quality development.

### 4. Outstanding core management team

While the Company's business has grown rapidly and healthily, the core management team has, as always, maintained a steady and efficient work style. Facing industry characteristics such as fast iteration of emerging smart hardware products, high quality requirements, high manufacturing precision, short delivery cycles and difficult client certifications, the core management team closely follows market changes and continuously drives reform and innovation, ensuring that the Company's strategic management capability, operations management capability, technology R&D capability, and precision manufacturing and intelligent manufacturing capabilities remain at a high level over the long term. The Company has always focused on and continuously promoted the internationalization, professionalization and rejuvenation of its core management team, actively attracting senior management talents and professional talents from numerous internationally leading enterprises to join the core management team. At the same time, the Company has strengthened talent team building, with an increasing number of young talents gradually growing into the backbone of the management team through cultivation and practice. The Company's management team possesses both experience and vitality, and continues to drive the Company's stable and rapid development in the new market environment and high-intensity industry competition.

## IV. Analysis of Main Business

### 1. Overview

During the reporting period, the Company, by adhering to the product strategy of "Precision Components + Smart Hardware Products", focused on serving the leading enterprises in the global technology and consumer electronics industry, actively promoted the development of precision components (acoustics, optics, microelectronics, structural parts, etc.) and emerging smart hardware business (AI smart glasses, MR, AR, smart wearables, smart wireless earphones, smart gaming consoles, smart home devices, etc.). At the same time, the Company continuously strengthened its business expansion in the automotive electronics field. In the field of intelligent manufacturing, the Company is actively building the GPS, deeply applying advanced AI technology to enhance the intelligence and informatization level of production, and constructing a future-oriented intelligent manufacturing model with Goertek characteristics, thus continuously consolidating the Company's core competitiveness as a manufacturing enterprise.

During the reporting period, AI technology further integrated with hardware products such as smartphones, and smart voice interaction scenarios continued to develop, bringing a positive impact to the Company's precision components businesses such as MEMS acoustic sensors, and the Company's precision components business revenue scale grew steadily. Meanwhile, AI smart glasses products demonstrated explosive growth, and the Company possesses high-value client resources, systematic solution capabilities and first-mover advantages in this field, with related business revenue scale growing significantly. On the other hand, certain smart audio device and smart hardware projects of the Company were affected by product lifecycle and iteration rhythms, resulting in a decline in revenue scale during the reporting period. Considering the combined impact of the above factors, the Company's overall revenue scale decreased slightly compared to the same period last year.

In Q2 2025, to address trade disputes and tariff policy fluctuations, enterprises in related industries actively adjusted their overseas supply chain plans and significantly increased production capacity layout in Vietnam and other regions. This led to an unexpected labor shortage issue in Vietnam during the peak production and delivery season in Q4. To ensure client cooperation and production delivery during the peak sales season, the Company's Vietnam production base adopted various measures including increasing recruitment incentive efforts, raising onboarding bonuses and improving wages. The unexpected labor shortage, combined with the industry peak season and project labor demand peak, resulted in a significant unexpected increase in the Company's comprehensive labor costs in Q4 2025, leading to a short-term decline in single-quarter profitability. In response to the above issues, the Company has implemented various measures including optimizing commercial terms, adjusting production capacity distribution and enhancing automation levels. It is expected that the above short-term, seasonal profitability fluctuations caused by international trade situation volatility, unexpected labor shortage and peak project labor demand will be quickly alleviated and will not have a long-term impact on the Company's overall profitability.

During the reporting period, the Company promoted Goertek Optics to integrate high-quality industrial resources through capital operations, significantly enhancing Goertek Optics' competitive advantages and industry position in precision optical components and modules for products such as AI smart glasses, AR and MR. Upon completion of the above integration, the Company remains the largest shareholder of Goertek Optics, and Goertek Optics will continue to serve as an important associate company of the Company, further undertaking and deepening the Company's future business development in the precision optical field.

Looking ahead, the Company will seize the new development opportunities brought by the rapid development of AI technology to the consumer electronics industry, relying on its solid core competitiveness and industry position, actively expand related precision components and emerging smart hardware product business opportunities, and do a good job in business development, client service, project delivery, operational improvement and other important tasks, striving to continuously improve business performance and achieve the Company's long-term healthy development.

During the reporting period, the Company achieved revenue of RMB 96,550.17million, with a 4.36% YoY decline. The Company realized net profit attributable to the shareholders of the company of RMB 3,940.31million, with a 47.85% YoY increase. The Company's operating costs amounted to RMB 85,155.35million, with a 5.13% YoY decline.

During the reporting period, the total amount of the Company's selling expenses, general and administrative expenses, research and development expenses, and financial expenses was RMB 9,148.14million, with a 17.70% YoY increase.

During the reporting period, the Company invested RMB 5,026.47million in R&D, accounting for 5.21% of the revenue and 13.81% of the latest audited net assets attributable to the shareholders of listed companies.

During the reporting period, the net cash flow from operating activities of the Company was RMB 6,848.88million, with a 10.46% YoY increase.

## 2. Revenue and cost

### (1) Composition of revenue

Unit: RMB

	2025		2024		YoY change
	Amount	Proportion in revenue	Amount	Proportion in revenue	
Revenue	96,550,169,615.26	100%	100,953,848,156.08	100%	-4.36%
Classified by industry					
Electronic components	94,724,744,409.34	98.11%	98,545,585,814.34	97.61%	-3.88%
Other business income	1,825,425,205.92	1.89%	2,408,262,341.74	2.39%	-24.20%
Classified by product					
Precision components	17,977,957,315.09	18.62%	15,050,929,866.12	14.90%	19.45%
Smart audio device	22,978,234,115.31	23.80%	26,296,149,936.78	26.05%	-12.62%
Smart hardware	53,768,552,978.94	55.69%	57,198,506,011.44	56.66%	-6.00%

Other business income	1,825,425,205.92	1.89%	2,408,262,341.74	2.39%	-24.20%
Classified by region					
Domestic	11,854,129,543.50	12.28%	9,379,102,600.90	9.29%	26.39%
Overseas	84,696,040,071.76	87.72%	91,574,745,555.18	90.71%	-7.51%
Classified by sales mode					
Direct selling	95,813,015,442.88	99.24%	100,398,975,571.86	99.45%	-4.57%
Distribution	737,154,172.38	0.76%	554,872,584.22	0.55%	32.85%

**(2) Industries, products, regions and sales modes accounting for more than 10% of the Company's revenue or operating profit**

Applicable  Not applicable

Unit: RMB

	Revenue	Operating cost	Gross profit margin	YoY change (%) of revenue	YoY change (%) of operating cost	YoY change (%) of gross profit margin
Classified by industry						
Electronic components	94,724,744,409.34	83,496,950,536.81	11.85%	-3.88%	-4.65%	0.71%
Classified by product						
Precision components	17,977,957,315.09	13,750,311,081.88	23.52%	19.45%	16.39%	2.01%
Smart audio device	22,978,234,115.31	22,093,096,063.96	3.85%	-12.62%	-7.20%	-5.62%
Smart hardware	53,768,552,978.94	47,653,543,390.97	11.37%	-6.00%	-8.27%	2.20%
Classified by region						
Domestic	10,565,997,618.99	9,086,852,993.16	14.00%	42.18%	35.04%	4.55%
Overseas	84,158,746,790.35	74,410,097,543.65	11.58%	-7.63%	-7.96%	0.31%
Classified by sales mode						
Direct selling	93,988,185,689.11	82,878,723,893.91	11.82%	-4.08%	-4.86%	0.72%
Distribution	736,558,720.23	618,226,642.90	16.07%	32.83%	34.16%	-0.83%

If the statistical caliber of the Company's main business data has been adjusted in the reporting period, the adjusted statistics of main business are based on the caliber at the end of the reporting period of last year.

Applicable  Not applicable

**(3) Whether the Company's revenue from physical products sales is greater than the revenue from providing services**

Yes  No

Classification of industry	Item	Unit	2025	2024	YoY change
Electronic components industry	Sales volume	Ten thousand PCS	572,746.04	495,967.23	15.48%
	Output volume	Ten thousand PCS	586,737.71	503,833.02	16.45%
	Inventory volume	Ten thousand PCS	60,380.27	46,388.60	30.16%

Reasons for changes in the relevant data over 30% year-on-year

Applicable  Not applicable

During the reporting period, the company's sales volume of precision components and other products increased, leading to a corresponding increase in inventory levels.

**(4) Fulfillment of major sales contracts and major procurement contracts signed by the Company as of the reporting period**

Applicable  Not applicable

**(5) Composition of operating cost**

Classification of industry

Unit: RMB

Classification of industry	Item	2025		2024		YoY change
		Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Electronic components	Direct materials	71,170,593,174.36	85.24%	76,426,496,813.47	87.27%	-6.88%
	Direct labor expenses	5,254,170,168.58	6.29%	3,893,957,684.38	4.45%	34.93%
	Manufacturing expenses	7,072,187,193.87	8.47%	7,251,853,011.79	8.28%	-2.48%

**(6) Whether there is any change in consolidation scope during the reporting period**

Yes  No

During the reporting period, the Company established 12 subsidiaries, including Weifang Goertek Smart Technology Co., Ltd., Qingdao Goertek Starshine Smart Technology Co., Ltd., Hefei Goertek Technology Co., Ltd., Hangzhou Goertek Technology Co., Ltd., Dongguan Yili Technology Co., Ltd., Hainan Goertek Trading Co., Ltd., Shanghai Goertek IntelliReach Technology Co., Ltd., Goertek Optoelectronics Technology (Qingdao) Co., Ltd., GoerView Technology (HongKong) Co., Limited, Goertek Holdings (HongKong) Co., Limited, Yili Technology Vietnam Company Limited, Goertek Singapore Holdings Pte. Ltd.

During the reporting period, a total of 16 subsidiaries were excluded from the consolidated financial statements, including Goertek Optical Technology Co., Ltd., Goertek Optical Technology (Qingdao) Co., Ltd., Goertek Optical Technology (Shanghai) Co., Ltd., Uphoton Technology (Shaoxing) Co., Ltd., Uphoton Technology (Beijing) Co., Ltd., Jiaying Uphoton Optoelectronics Technology Co., Ltd., Shaoxing Uphoton Precision Technology Co., Ltd., Hangzhou Uphoton Optoelectronics Technology Co., Ltd., Tianjin Uphoton Technology Co., Ltd., Nanjing Uphoton Technology Co., Ltd., Goertek Optical Technology (HongKong) Holdings Co., Limited, Goertek Optical Technology (HongKong) Co., Limited, Goertek Optoelectronics Technology (Qingdao) Co., Ltd., GoerView Technology (HongKong) Co., Limited, Qingdao Goerpixel Technology Co., Ltd., Xi'an Goerpixel Technology Co., Ltd.

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

Applicable  Not applicable

**(8) Major clients and suppliers**

Major clients of the Company

Total sales amount from top five clients (RMB)	76,322,447,489.05
Proportion of total sales from top five clients to total annual sales	79.05%
Proportion of sales from related parties among top five clients to total annual sales	0.00%

Information of top five clients

No.	Name of clients	Sales amount (RMB)	Proportion in total annual sales amount
1	Client 1	28,692,464,337.87	29.72%
2	Client 2	25,572,649,727.74	26.49%
3	Client 3	10,260,267,749.86	10.63%
4	Client 4	7,231,510,301.94	7.49%
5	Client 5	4,565,555,371.64	4.73%

Total	--	76,322,447,489.05	79.05%
-------	----	-------------------	--------

Other information of major clients

Applicable  Not applicable

Major suppliers of the Company

Total purchase amount from top five suppliers (RMB)	31,545,403,335.45
Proportion of total purchase amount from top five suppliers to total annual purchase amount	39.65%
Proportion of purchase amount from related parties among top five suppliers to total annual purchase amount	0.00%

Information of top five suppliers

No.	Name of supplier	Purchase amount (RMB)	Proportion in total annual purchase amount
1	Supplier 1	15,059,895,480.53	18.93%
2	Supplier 2	7,400,688,337.68	9.30%
3	Supplier 3	4,809,438,108.96	6.05%
4	Supplier 4	2,147,235,534.30	2.70%
5	Supplier 5	2,128,145,873.98	2.67%
Total	--	31,545,403,335.45	39.65%

Other information of major suppliers

Applicable  Not applicable

### 3. Expenses

Unit: RMB

	2025	2024	YoY change	Note of significant change
Selling expenses	735,912,821.06	619,834,481.67	18.73%	
General and administrative expenses	2,498,052,462.48	2,200,022,715.70	13.55%	
Financial expenses	611,002,980.02	70,707,836.97	764.12%	Mainly because of the increase in exchange losses due to exchange rate fluctuations during the reporting period.
Research and development expenses	5,303,167,876.66	4,882,112,487.52	8.62%	

### 4. R&D Investment

Applicable  Not applicable

Name of major R&D project	Purpose	Status	Objectives	Expected benefits to future development of the Company
R&D project of micro speaker module	Develop micro speaker module products suitable for next-generation smart hardware with high sensitivity, low distortion, large amplitude, waterproof, and dustproof features.	In progress	Support major clients in their smart hardware product iterations and meet technical requirements, complete R&D of a number of micro speaker module products, and achieve mass production and application on customer products.	Continuously consolidate the Company's competitive advantage and market share in the field of acoustic precision components.
R&D project of high-performance	Develop high-performance MEMS microphone module	In progress	Complete the R&D, verification and mass production application of	Support the Company's business expansion in the

Name of major R&D project	Purpose	Status	Objectives	Expected benefits to future development of the Company
MEMS acoustic sensor module	products for smartphones, tablets, AI smart glasses and other fields to realize AI voice interaction functions.		MEMS microphone module products that are adapted to various AI edge hardware products, featuring higher signal-to-noise ratio, wider dynamic range, superior frequency response characteristics, combined with multi-array layout and low-power MEMS processes, as well as strong anti-interference and wind-noise resistance capabilities.	MEMS acoustic sensor field and further enhance the Company's comprehensive strength in the MEMS field.
R&D project of SiP	Develop SiP modules for AI smart glasses and AR terminals, helping products achieve integration upgrades and lightweight optimization.	In progress	Develop SiP modules adapted to AI smart glasses and AR terminals, utilizing system-level packaging to achieve highly integrated components within the module, effectively reducing product volume and device weight, and optimizing device wearing comfort.	Enhance the Company's vertical integration level and comprehensive competitiveness in the AI smart glasses and AR product fields.
R&D project of optical components and modules for AI smart glasses / AR devices	Develop high-performance integrated optical modules for AI smart glasses and AR devices, achieving integrated optical component design and lightweight implementation.	In progress	Realize deep integration of technologies such as optical waveguides, microdisplays and electrochromic with traditional eyeglass lenses, develop integrated optical modules adapted to AI smart glasses and AR devices, achieve R&D targets of component integration and structural lightweight, optimize optical display effects and wearing experience of AI smart glasses, and promote commercial implementation of related products.	Enhance the Company's competitiveness in the precision optical components and modules field for AI smart glasses and AR products, and improve the profitability of the Company's related end products.
R&D project of MR precision optical components and modules	Develop precision optical components and modules products utilizing optical technologies such as Pancake, and promote their application in MR head mounted products.	In progress	Complete the R&D and mass production application of optical lens and module products for next-generation MR mixed reality all-in-one devices.	Enhance the Company's capability to provide customized optical solutions for customers in the MR field and improve the Company's vertical integration capability and profitability in the MR field.
R&D project of AI smart glasses	Develop lightweight smart glasses products supporting voice/visual interaction and various AI functions.	In progress	Develop multiple mass-producible AI smart glasses products that meet different customer requirements for product functionality, appearance and adaptation.	Enhance the Company's R&D experience and competitive advantages in the AI smart glasses field.
R&D project of lightweight AR devices	Develop wireless lightweight AR devices and their main functional modules for future AR applications.	In progress	Complete the R&D and trial production of a number of AR devices, based on the latest chip platform, so as to develop a complete solution system covering AR devices	Promote the Company's R&D experience and technology accumulation in the field of AR and facilitate the business expansion of the

Name of major R&D project	Purpose	Status	Objectives	Expected benefits to future development of the Company
			and their main functional modules.	Company in AR field.
R&D project of all-in-one MR Head Mounted Display (HMD)	Develop lightweight all-in-one MR HMD products featured with high-definition display, eye tracking, multi-modal interaction and lightweight design.	In progress	Cooperate with clients to complete R&D, validation, and mass production of new-generation all-in-one MR HMD products based on the latest chip platform.	Consolidate the Company's competitive advantage and market share in the field of MR.
R&D project of smart wireless earphones	Develop a new generation of smart wireless earphones.	In progress	Cooperate with clients to complete R&D, validation, and mass production of a number of new-generation smart wireless earphones.	Consolidate the Company's competitive advantage and market share in the field of smart wireless earphones.
R&D project of smart wearable devices for sport and health related applications	Develop a new generation of smart wearable devices with functions of independent communication, health monitoring features etc.	In progress	Cooperate with clients to complete R&D, validation, mass production of a new generation of multiple smart watches and smart bands.	Consolidate the Company's competitive advantage and market share in smart wearable devices such as smart watches and smart bands.

## Details of R&amp;D personnel

	2025	2024	YoY change
Number of R&D personnel	13,645	12,568	8.57%
Proportion of R&D personnel to total number of employees	12.23%	15.36%	-3.13%
Education background of R&D personnel			
Bachelor	7,985	8,136	-1.86%
Master	3,807	2,797	36.11%
Ph.D.	104	75	38.67%
Age structure of R&D personnel			
Below the age of 30	5,548	5,290	4.88%
Aged between 30 and 40	6,614	6,134	7.83%
Over the age of 40	1,483	1,144	29.63%

## The Company's investment in R&amp;D

	2025	2024	YoY change
Amount of R&D Investment (RMB)	5,026,465,998.07	4,569,383,945.08	10.00%
Proportion of R&D investment to revenue	5.21%	4.53%	0.68%
Capitalized amount of R&D investment (RMB)	370,081,909.12	469,838,453.38	-21.23%
Proportion of capitalized R&D investment to total R&D investment	7.36%	10.28%	-2.92%

## Reasons and impacts of significant changes in R&amp;D personnel composition of the Company

Applicable  Not applicable

## Reasons for significant changes in the proportion of total R&amp;D investment to revenue compared with that of previous year

Applicable  Not applicable

## Reasons and explanation of its reasonableness of significant changes in capitalized R&amp;D investment

Applicable  Not applicable

## 5. Cash flow

Unit: RMB

Item	2025	2024	YoY change
Sub-total of cash inflow from operating activities	89,260,959,188.74	87,061,772,095.75	2.53%
Sub-total of cash outflow from operating activities	82,412,081,982.34	80,861,319,913.91	1.92%
Net cash flow from operating activities	6,848,877,206.40	6,200,452,181.84	10.46%
Sub-total of cash inflow from investing activities	40,883,338,051.82	16,293,851,949.50	150.91%
Sub-total of cash outflow from investing activities	54,473,219,416.08	21,539,783,874.54	152.90%
Net cash flow from investing activities	-13,589,881,364.26	-5,245,931,925.04	-159.06%
Sub-total of cash inflow from financing activities	53,396,592,983.44	33,711,467,799.59	58.39%
Sub-total of cash outflow from financing activities	45,350,153,538.23	36,001,703,325.76	25.97%
Net cash flow from financing activities	8,046,439,445.21	-2,290,235,526.17	451.34%
Net increase in cash and cash equivalents	1,274,474,651.90	-1,361,835,546.83	193.59%

Main influencing factors of significant year-on-year changes in relevant data

Applicable  Not applicable

The net cash flow from investing activities was RMB -13,589.88 million, a year-on-year decrease of 159.06%. The main reason is that the company's cash outlays rose during the reporting period, mainly due to the acquisition and construction of fixed assets and other long-term assets, subscription of wealth management products, and equity investments in Shanghai Conant Optical Co., Ltd.

The net cash flow from financing activities was RMB 8,046.44 million, a year-on-year increase of 451.34%. The main reason is that cash received by the company during the reporting period from borrowings and the issuance of science and technology innovation bonds has increased.

The reasons for significant difference between the net cash flow from the Company's operating activities during the reporting period and net profit in current year.

Applicable  Not applicable

The net cash flow from operating activities exceeded the net profit for the year by 78.69%, mainly due to non-cash items such as depreciation of fixed assets and amortization of intangible assets.

## V. Analysis of Non-Main Business

Applicable  Not applicable

Unit: RMB

	Amount	Proportion in total profit	Cause of formation	Whether it is sustainable
Investment income	2,701,630,937.35	67.87%	Mainly for the investment income from the equity transaction of Goertek Optical, as well as investment returns from foreign exchange derivatives and wealth management products.	No
Gains on changes in fair value	315,474,210.57	7.93%	Mainly for changes in the fair value of foreign exchange derivatives contracts and equity investments held by the	No

			Company.	
Asset impairment losses	-1,041,340,540.50	-26.16%	Mainly for the provisions for asset impairment on certain inventories, fixed assets and goodwill made by the Company.	No
Non-operating income	29,455,736.43	0.74%	Mainly for amounts the Company is unable to pay and liquidated damages collected.	No
Non-operating expenses	275,070,970.73	6.91%	Mainly the loss from the scrapping of the Company's non-current assets.	No

## VI. Analysis of Assets and Liabilities

### 1. Major changes in asset composition

Unit: RMB

	End of 2025		Beginning of 2025		YoY change	Note of significant change
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash and cash equivalents	18,886,433,534.86	20.86%	17,466,492,869.05	21.12%	-0.26%	
Accounts receivable	13,294,604,934.23	14.69%	17,881,372,031.94	21.62%	-6.93%	Mainly due to the decrease in the closing balance of accounts receivable resulting from the year-on-year decline in revenue scale in the fourth quarter
Inventory	13,077,174,310.75	14.45%	10,478,868,878.63	12.67%	1.78%	Mainly due to business operation and production requirements, the company's ending inventory including raw materials, work-in-progress and other goods increased.
Long-term equity investments	4,456,794,366.29	4.92%	734,411,641.50	0.89%	4.03%	The main reason is that following the equity transaction, Goertek Optical became an associate company, and the company's equity interest in Goertek Optical is now recorded under long-term equity investments, along with the new investment in Shanghai Conant Optical Co., Ltd.
Fixed assets	22,636,664,932.06	25.00%	21,803,396,794.34	26.36%	-1.36%	
Construction in progress	2,062,045,332.08	2.28%	1,397,416,899.66	1.69%	0.59%	
Right-of-use assets	927,881,732.54	1.02%	831,108,181.41	1.00%	0.02%	
Short-term	13,410,587,923.63	14.81%	7,713,280,169.91	9.33%	5.48%	Mainly due to the increase

	End of 2025		Beginning of 2025		YoY change	Note of significant change
	Amount	Proportion in total assets	Amount	Proportion in total assets		
borrowings						in bank borrowings during the reporting period due to operational and cash management requirements
Contract liabilities	3,479,722,109.48	3.84%	4,052,359,576.04	4.90%	-1.06%	
Long-term borrowings	3,550,585,214.44	3.92%	1,341,201,983.90	1.62%	2.30%	
Lease liabilities	723,833,498.49	0.80%	668,965,200.66	0.81%	-0.01%	

High proportion of overseas assets

Applicable  Not applicable

Asset details	Cause of formation	Assets scale (RMB)	Location	Operation mode	Measures to ensure asset safety	Earnings	Proportion of overseas assets in the net assets of the Company	Whether there is a significant impairment risk
Goertek (HongKong) Co., Limited	Establishment	5,946,453,591.33	Hong Kong	Trade & investment	Effective internal control mechanism	Normal	16.34%	No
Goertek Technology Vina Co., Ltd.	Establishment	2,867,784,601.72	Vietnam	Production & sales	Effective internal control mechanism	Normal	7.88%	No
Other Notes	The assets scale refers to the net assets of overseas subsidiaries. The proportion of overseas assets in the net assets of the Company refers to the proportion of the total equity attributable to shareholders of the parent company at the end of the reporting period.							

## 2. Assets and liabilities measured at fair value

Applicable  Not applicable

Unit: RMB

Item	Opening balance	Profit or loss from changes in fair value in the reporting period	Cumulative changes in fair value included in equity	Impairment accrued in current period	Amount purchased in the reporting period	Amount sold in the reporting period	Other changes	Closing balance
<b>Financial assets</b>								
1. Financial assets held for trading (excluding derivative financial assets)	548,668,959.95	129,117,402.33			31,910,662,403.00	30,283,400,000.00		2,305,048,765.28
2. Derivative financial assets	552,315,040.36	-359,613,893.72					-3,762,220.40	188,938,926.24

3. Investments in other equity instruments	625,661,939.44		-	232,504,287.32		219,267,596.56	3,301,665.39	250,851,543.42
4. Other non-current financial assets	432,722,782.28	2,430,807.87			909,310,588.07		19,555,561.27	-
5. Receivables financing	8,710,031.89						74,419,048.31	83,129,080.20
Sub-total of financial assets	2,168,078,753.92	228,065,683.52	-	232,504,287.32	32,819,972,991.07	30,502,667,596.56	54,402,932.03	4,152,876,932.09
Total of above amounts	2,168,078,753.92	228,065,683.52	-	232,504,287.32	32,819,972,991.07	30,502,667,596.56	54,402,932.03	4,152,876,932.09
Financial liabilities	604,980,242.99	543,539,894.09					-9,672,242.55	51,768,106.35

Other changes

None

Whether the measurement attributes of major assets of the Company have changed significantly during the reporting period

Yes  No

### 3. Restrictions on asset rights as of the end of the reporting period

Item	Book value at the end of the reporting period (RMB)	Reasons for restrictions
Cash and cash equivalents	3,542,873,480.51	Deposits mainly placed for note business, guarantees and other similar business.
Notes receivable	298,000,000.00	Discounted notes receivable not derecognized.
Non-current assets due within one year	163,466,249.99	It is mainly the pledge of large certificates of deposit arising from bill business.
Other current assets	1,806,020,514.22	
Other non-current assets	520,584,337.93	
Total	6,330,944,582.65	

## VII. Analysis of Investment

### 1. Overall situation

Applicable  Not applicable

Investment amount in 2025 (RMB)	Investment amount in 2024 (RMB)	YoY change
10,522,830,799.65	4,129,810,663.79	154.80%

### 2. Major equity investments acquired during the reporting period

Applicable  Not applicable

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

Applicable  Not applicable

#### 4. Financial asset investment

##### (1) Securities investment

Applicable  Not applicable

Unit: RMB

Security type	Security code	Security abbreviation	Initial investment cost	Accounting measurement model	Opening book value	Profit or loss from changes in fair value in the reporting period	Cumulative changes in fair value included in equity	Purchase amount in the reporting period	Sales amount in the reporting period	Profit or loss in the reporting period	Book value at the end of the reporting period	Accounting items	Source of funds
Domestic and foreign stocks	2438.HK	Mobvoi	119,242,314.32	Fair value measurement	84,024,083.70	-	-49,986,299.60	-	25,418,553.90	-	50,812,494.12	Investments in other equity instruments	Self-raised funds
Total			119,242,314.32	--	84,024,083.70	-	-49,986,299.60	-	25,418,553.90	-	50,812,494.12	--	--
Date of announcement disclosure by the Board of Directors for approval of securities investment			July 24, 2015										

##### (2) Derivatives investment

Applicable  Not applicable

##### 1) Investments in derivatives for hedging during the reporting period

Applicable  Not applicable

Unit: RMB 10,000

Type of derivatives investment	Amount of initial investment	Opening balance	Profit or loss from changes in fair value in the reporting period	Cumulative changes in fair value included in equity	Amount of purchase during the reporting period	Amount of sales during the reporting period	Closing balance	Proportion of investment amount in the Company's net asset at the end of the reporting period
Option	-	-	54.88	-	1,892,868.43	1,707,148.43	185,720.00	5.10%

Forward	-	1,772,515.67	41,812.64	-	4,225,865.28	4,991,856.79	1,006,524.16	27.65%
Swap	-	783,535.60	-23,474.92	-	3,884,139.80	3,804,246.15	863,429.25	23.72%
Total	-	2,556,051.27	18,392.60	-	10,002,873.51	10,503,251.37	2,055,673.41	56.47%
Description of whether the accounting policies and specific accounting principles for the Company's hedging business has changed significantly compared with that of previous reporting period	<p>The Company's derivatives transactions are calculated in accordance with <i>Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments</i>. The initial measurement is based on the fair value of the derivatives on the date of the signing of the transaction contracts, and the subsequent measurement is based on its fair value. The derivative instrument with positive fair value is recognized as an asset, while the one with negative fair value is recognized as a liability. The profits and losses generated by changes in fair value are directly recognized in current profit or loss.</p> <p>The accounting policies and specific accounting principles for the Company's derivatives have no significant change compared with that of previous reporting period.</p>							
Statement of actual profit or loss in the reporting period	The Company and its subsidiaries recognized a fair value gain of RMB 183.93 million from derivative transactions in 2025. The total gain, together with the fair value changes of the hedged items, amounted to RMB 278.10 million.							
Statement of hedging effect	To avoid exchange rate risks in daily operations, the Company hedged against its risks through financial derivatives. The changes in the value of the financial derivatives effectively hedged the risk of changes in the existing position, and the overall hedging result is within expectations.							
Source of funds for derivatives investment	Self-raised funds							
Risk analysis and control measures for derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<ol style="list-style-type: none"> <li>1. The financial derivatives transactions carried out by the Company are for the purpose of locking in costs, avoiding and preventing risks of foreign exchange rate and interest rate, and prohibiting any risk speculation. The trading quota of the Company's financial derivatives shall not exceed the authorized quota as reviewed and approved by the Board of Directors or the general meeting of shareholders.</li> <li>2. The Company has formulated a strict management system for financial derivatives transactions, which clearly stipulates the operating principles, approval authority, responsible departments and persons, internal operating procedures, information isolation measures, internal risk reporting system and risk handling procedures, and information disclosure of financial derivatives transactions, in order to control trading risks arising therefrom.</li> <li>3. The Company shall carefully review the terms of contracts signed with qualified banks and other financial institutions, and strictly implement the risk management system to prevent legal risks.</li> <li>4. The Company's business personnel will continue to track the changes in the open market price or fair value of financial derivatives, timely assess the changes in risk exposure of financial derivatives transactions, and regularly report to the management of the Company. If any abnormal situation, inform the Board of Directors of the risk and take emergency measures accordingly.</li> <li>5. The internal audit department regularly conducts internal audit on the compliance of financial derivatives transactions.</li> </ol>							
In case of changes in market price or fair value of invested derivatives during the reporting period, the analysis of fair value of the derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters	Changes in the fair value of foreign exchange derivatives are calculated based on the difference between the fair market price and the contract price in the month of the settlement date determined by the Company.							

Involvement in litigation (if applicable)	None
Date of announcement disclosure by the Board of Directors for approval of the investment in derivatives	March 27, 2025
Date of announcement disclosure by shareholders meeting for approval of the investment in derivatives	May 23, 2025

## 2) Investments in derivatives for speculation during the reporting period

Applicable  Not applicable

The Company did not make any investment in derivatives for speculation during the reporting period.

## VIII. Sales of Major Assets and Equities

### 1. Sales of major assets

Applicable  Not applicable

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

### 2. Sales of major equity

Applicable  Not applicable

## IX. Analysis of Major Subsidiaries and Associates

Applicable  Not applicable

Major subsidiaries and associates with an impact of more than 10% on the Company's net profit

Unit: RMB

Name of company	Type of company	Main business	Registered capital	Total assets	Net asset	Revenue	Operating profit	Net profit
Goertek (HongKong) Co., Limited	Subsidiary	Trade & investment	USD 1,000,000	36,844,447,480.78	5,946,453,591.33	105,357,321,334.64	3,691,032,879.71	3,547,790,918.70

## Acquisition and disposal of subsidiaries during the reporting period

 Applicable  Not applicable

Name of company	Approach on acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation and performance
Qingdao Goerpixel Technology Co., Ltd.	Disposal	No significant impact
Xi'an Goerpixel Technology Co., Ltd.		
Goertek Optical Technology Co., Ltd.	Passive dilution resulting in loss of control	The Company recorded an increase of RMB 2.127 billion in investment income during the year. Such investment income belongs to non-recurring gains and losses and is not expected to have a long-term impact on the Company's operating performance.
Goertek Optical Technology (Qingdao) Co., Ltd.		
Goertek Optical Technology (Shanghai) Co., Ltd.		
Uphoton Technology (Shaoxing) Co., Ltd.		
Uphoton Technology (Beijing) Co., Ltd.		
Jiaxing Uphoton Optoelectronics Technology Co., Ltd.		
Shaoxing UPhoton Precision Technology Co., Ltd.		
Hangzhou Uphoton Optoelectronics Technology Co., Ltd.		
Tianjin Uphoton Technology Co., Ltd.		
Nanjing Uphoton Technology Co., Ltd.		
Goertek Optical Technology (HongKong) Holdings Co., Limited		
Goertek Optical Technology (HongKong) Co., Limited		
Goertek Optoelectronics Technology (Qingdao) Co., Ltd.		
GoerView Technology (HongKong) Co., Limited		
Weifang Goertek Smart Technology Co., Ltd.	Newly established	No significant impact
Qingdao Goertek Starshine Smart Technology Co., Ltd.		
Hefei Goertek Technology Co., Ltd.		
Hangzhou Goertek Technology Co., Ltd.		
Dongguan Yili Technology Co., Ltd.		
Hainan Goertek Trading Co., Ltd.		
Shanghai Goertek IntelliReach Technology Co., Ltd.		
Goertek Optoelectronics Technology (Qingdao) Co., Ltd.		
GoerView Technology (HongKong) Co., Limited		
Goertek Holdings (HongKong) Co., Limited		
Yili Technology Vietnam Company Limited		

Name of company	Approach on acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation and performance
Goertek Singapore Holdings Pte. Ltd		

Description of major subsidiaries and associates

None

## X. Structural Entities Controlled by the Company

Applicable  Not applicable

## XI. Outlook for the Future Development of the Company

### 1. Industry development trends

In recent years, the consumer electronics industry has entered the post-mobile era. Influenced by factors such as global macroeconomic fluctuations and insufficient end-consumer demand, the growth of certain smart hardware products has slowed. Industry players are actively pursuing technological innovation and exploring new development opportunities. Meanwhile, with the rapid development of AI technologies such as large language models, multimodal models and AI agents, the integration of AI technology with the consumer electronics industry, especially smart hardware products, is expected to open up new industry development space and bring a new round of development opportunities for global technology and consumer electronics companies. The development of edge AI smart hardware represented by AI smartphones and AI smart glasses is expected to become a core driving force for the future development of the consumer electronics industry.

According to IDC forecast data, affected by factors such as memory chip shortages, global smartphone shipments are expected to reach approximately 1.1 billion units in 2026, representing a YOY decrease of approximately 12.9%. However, it is expected that after short-term disruptive factors gradually fade, the global smartphone market will still achieve steady growth, with an average annual compound growth rate of approximately 3.3% from 2026 to 2029. As one of the core hardware products in the consumer electronics industry, smartphones serve as a terminal hardware platform that integrates computing, communication, display and intelligent interaction functions, and also represent one of the core edge devices for the integration of AI technology with smart hardware products. It is expected that in the coming years, the integration of AI technology and smartphone products will continue to deepen, the penetration rate of AI smartphones will continue to rise, and this will drive sustained performance upgrades and long-term market growth for related precision component products.

AI smart glasses are currently one of the most followed product innovations globally in the technology and consumer electronics industries, attracting intensive strategic deployments from leading enterprises across consumer electronics, internet, automotive, and other fields, and the industry's development prospects have gained widespread market recognition. AI smart glasses are not only an ideal hardware product form for the edge deployment of AI large models and agents to provide consumers with AI intelligent assistant experiences, but also an ideal interactive interface for AI large models to collect and process natural data, achieve self-evolution and iteration, and complete business model loops. Relying on the global consumer base of billions of glasses wearers, and accompanied by the maturation of AI large models and agents, as well as the continuous development of technologies such as voice interaction, MEMS sensors, optics, microdisplays, SiP, high-density batteries, and lightweight materials, AI smart glasses products are expected to further mature in the coming years, and the market size is also expected to usher in explosive growth.

According to IDC forecast data, global AR device shipments are expected to reach 9.4 million units by 2029, with a CAGR (Compound Annual Growth Rate) of approximately 57.6% from 2026 to 2029. Driven by active investment and efforts from industry leading companies, AR product hardware technologies continue to advance toward large-scale commercial implementation, with accelerated breakthroughs in key areas such as optics, displays, computing power and packaging. Technology solution routes have become clearer, and product maturity has continuously improved, with AR products expected to embrace rapid development in the coming years. Meanwhile, according to IDC forecast data, the CAGR of global MR (VR) device shipments from 2026 to 2029 is expected to reach approximately 22.3%. The rapid development of generative AI technology is expected to significantly reduce the production cost of MR related content, reverse the current situation where the lack of high-quality content limits industry development, and provide strong support for the long-term development of related hardware products.

According to IDC forecast data, global smart wearable device shipments are expected to reach 220 million units in 2026, representing a YOY increase of approximately 1.9%, with a CAGR of approximately 0.8% from 2026 to 2029. Accompanied by breakthroughs and maturation of high-precision vital sign monitoring technologies such as electrocardiogram (ECG), blood pressure and non-invasive blood glucose, as well as the integration of AI technology with smart wearable products, related products are expected to embrace new development opportunities in the coming years. According to IDC forecast data, global TWS product shipments are expected to reach

330 million units in 2026, representing a YOY increase of approximately 4.9%, with a CAGR of approximately 3.4% from 2026 to 2029. Driven by AI voice interaction scenarios, along with product form innovation and continuous optimization of features such as spatial audio, health monitoring, and sports monitoring for smart wireless earphone products, the market size is expected to continue steady growth in the future.

Overall, the rapid development of AI technology will inject new vitality into the development of emerging smart hardware products. The edge deployment of AI technology on terminal devices will also give rise to richer emerging smart hardware product forms and usage scenarios. Driven by the entire industry, edge AI smart hardware products are expected to achieve sustained and healthy development in the future, and drive performance upgrades and market demand growth for related products such as acoustics, sensors, SiP, haptic devices and precision structural components, thereby bringing new development opportunities to the Company.

## 2. Strategy for future development

Looking ahead, the Company will actively seize the new opportunities brought by AI technology for the consumer electronics industry, track technology directions such as AI large models, AI agents, 6G, advanced sensing, microdisplays, lightweight materials and SiP, and continue to deepen its layout in the emerging smart hardware and precision component fields. The Company will consistently strengthen its strategic cooperation with world-class clients, conscientiously fulfill its economic and social responsibilities, and maximize corporate value and shareholder returns through stable and healthy growth.

(1) Actively seize new opportunities in the AI industry and deepen the implementation of the Company's "Precision Components + Smart Hardware Products" strategy. Based on the Company's existing competitive advantages in the precision components and smart hardware fields, actively pursue business opportunities in edge AI smart hardware products and develop emerging smart hardware products and related precision components businesses. Fully leverage the synergies between components business and smart hardware products business, continuously strengthen the Company's core capabilities in precision manufacturing and smart manufacturing, build GPS for the future smart manufacturing era, and provide customers with industry-leading vertically integrated product solutions and "one-stop" R&D and manufacturing services.

(2) Continue to implement the key account strategy and adhere to client orientation. Focus on serving leading clients in the global technology and consumer electronics industries, continuously consolidate long-term strategic cooperation with clients, closely follow the future strategic development directions of world-class clients, build a global layout of R&D, manufacturing and sales services, and make customers consistently satisfied from multiple perspectives including business, technology, engineering and process, and operational delivery over the long term, so as to achieve win-win cooperation and joint growth with world-class clients.

(3) Adhere to independent R&D and technological innovation, and continue to invest in R&D. Continuously improve the Company's technical capabilities in areas such as acoustics, microelectronics, precision manufacturing, automation, IT technology, software and algorithms, so as to build core technological competitiveness for the Company's future development. Firmly implement the talent strategy, integrate excellent management and technical talents globally, build first-class talent teams, and provide effective long-term incentives for core and key employees, so as to provide strong talent support for the Company's future development.

(4) Continuously improve corporate governance and management levels, and promote standardized and efficient internal operations. Oriented toward market development and client needs, continuously promote internal reform and innovation, and build core competitiveness with leading change capabilities. Continuously enhance the digitalization and informatization levels of the Company's internal operational management, and actively explore the application of big data and AI technologies in enterprise operational management. Build an excellent corporate culture, practice the Company's core values of "Client Orientation, Employee Development, Trustworthy, Cooperation and Mutual Benefits", and strive to be a great company.

## 3. Business operation during the reporting period and business plan for next year

During the reporting period, the Company adhered to client-orientation and the key account strategy, leveraged synergies between components business and integrated products business, and successfully completed various important tasks including business expansion, project delivery and operational improvement. The Company's core competitiveness and industry competitive position were further consolidated. The Company's precision components business achieved steady growth and emerging businesses represented by AI smart glasses showed significant revenue growth. However, certain smart audio device and smart hardware projects experienced revenue declines due to product lifecycle and iteration rhythm factors, resulting in a slight YOY decrease in the Company's overall revenue scale.

During the reporting period, affected by international trade disputes, tariff policy fluctuations and concentrated adjustments in overseas supply chain layouts by related industry enterprises, the Company's Vietnam production base encountered unexpected labor shortages during the peak staffing period in Q4. To ensure customer cooperation and production delivery during the sales peak season, the Company adopted various temporary measures to secure labor, leading to a significant unexpected increase in comprehensive labor costs in Q4, with short-term fluctuations in quarterly profitability. In response to the above issues, the Company has taken various measures including optimizing business terms, adjusting production capacity distribution and enhancing automation levels. It is

expected that the above short-term and seasonal profitability fluctuations will be quickly alleviated. During the reporting period, the Company promoted Goertek Optical to integrate high-quality industry resources through capital operations, significantly enhancing Goertek Optical's competitive advantages and industry position in the precision optics field, while also generating considerable investment returns.

Looking ahead to 2026, the Company will continue to implement its future development strategy, focus on its core business, continuously consolidate its competitive advantages in precision components and smart hardware product fields, closely track the latest progress of technologies such as AI large models and AI agents, actively expand into the edge AI smart hardware sector, deepen client relationships, comprehensively enhance automation levels and lean operations levels, and support the Company in achieving sustainable high-quality development.

(1) Maintain strategic focus and grasp development opportunities

The Company will continue to uphold its "Precision Components + Smart Hardware Products" strategy, fully leverage synergies between components business and smart hardware product business, and seize new opportunities arising from the integration of AI technology and emerging smart hardware products. On one hand, the Company will continue to strengthen technology R&D in areas such as acoustics, microelectronics and precision structural components, and continue to enhance its future core competitiveness in the precision components field. On the other hand, the Company will actively pursue emerging smart hardware project opportunities and expand the application of the Company's self-developed precision components such as acoustics, sensors, SiP modules and precision structural components in related projects. The Company will combine its vertically integrated product solutions with its core capabilities in precision manufacturing and smart manufacturing, and continuously enhance its solution capabilities and profitability. Meanwhile, as an important associated enterprise of the Company, Goertek Optical will continue to undertake and deepen the Company's future business development in the precision optics field.

(2) Adhere to the client-orientation philosophy, and deepen engagement with strategic clients

Based on the development plans of strategic clients, the Company will carry out corresponding business deployment, technology R&D, product planning, and capacity planning. Focusing on the future product needs of strategic clients, the Company will conduct forward-looking technology and product research and development, and build capabilities for future-oriented overall solutions. The Company aligns with the business pace of strategic clients and provides industry-leading full-process R&D and manufacturing services. The Company will continuously enhance its ability to serve strategic clients, strengthen client loyalty through high-level service, consolidate strategic partnerships, and achieve mutual benefit and win-win cooperation with clients.

(3) Strengthen business expansion and create new growth points

Facing new opportunities brought by AI technology in industry development, the Company will continuously explore new product directions and business opportunities. The Company will actively seize new opportunities in areas such as acoustic components, haptic devices, MEMS sensors, SiP, AI smart glasses, MR, AR, smart wearables, smart wireless earphones, smart gaming consoles and smart home devices, continuously expand the application of the Company's precision components products in the automotive electronics field, and create new business growth points around the needs of leading clients in the consumer electronics and automotive electronics industries.

(4) Strengthen lean operation and complete successful delivery of key projects

The Company will constantly promote the idea of lean operation, effectively improve the level of lean operation, and derive benefits from operations. The Company will actively build a GPS and establish a new intelligent manufacturing model that meets future market needs. The Company will make thorough planning of its resources, ensure the delivery of key projects that are closely related to the strategy and the business objectives, and to support the achievement of the Company's performance goals.

(5) Continue to invest in independent R&D and technological innovation, strengthen core competitiveness with talent strategy

The Company will continue to invest in R&D and technological innovations centered on future strategic directions, and strengthen its technical capabilities in the fields of acoustics, microelectronics, precision manufacturing, and intelligent manufacturing. The Company will integrate the management and technical talents globally, keep bringing in high-level talents, carry out solid efforts in the selection, cultivation, utilization and retention of talents, and to support the Company's strategic implementation and business development with a high-quality talent echelon.

(6) Effectively control risks and maintain healthy operation

The Company will continue to maintain a sound business strategy, strengthen risk awareness, pay close attention to changes in the external environment, perform effective control on various risk indicators in the Company's production and operation, take the initiative to identify and resolve potential risks, and ensure healthy and sustainable development of production and operation activities.

4. Fund demand and usage plan

The Company maintains a healthy asset and liability structure, and maintains a good long-term cooperative relationship with banks and other major financial institutions. In 2026, the Company will continue to improve the management of cash, optimize payment terms, control capital expenditure, and enhance the efficiency of funds. The Company will fully evaluate various financing tools to reasonably manage and control the asset-liability ratio and debt structure. The Company will conduct financial derivatives trading activities in a standardized manner, to actively avoid liquidity risks, foreign exchange risks, and interest rate risks, and with all the measures above, to thus provide stable and sufficient financial support to the development of the Company.

## 5. Future risks

### (1) Risk of macroeconomic

The global economy still awaiting recovery, and unfavorable factors suppressing investment and consumption activities continue to exist, which may affect the development of the global technology and consumer electronics industries in the short term. Some smart hardware products, such as smartphones, have experienced slower growth, and the development speed of certain emerging smart hardware product markets may fall short of expectations, which may affect the market demand or sales prices of the Company's related products, thereby impacting the Company's business performance. At the same time, the international political and economic landscape has become increasingly complex and severe, and international trade frictions and geopolitical conflicts have intensified. As the Company's products are supplied to global technology and consumer electronics brand clients, such risks may affect the global industrial chain layout of related customers, thereby bringing potential impact on the Company's production and operations.

### (2) Risk of client concentration

The competitive landscape of the global technology and consumer electronics industry, along with the Company's business model and key account strategy, determines a relatively concentrated client structure. As a result, the business income from a few core clients accounts for a large proportion of the Company's overall revenue. Although the aforementioned clients are all leading global industry enterprises with significant competitive advantages and market positions, and have maintained long-term stable cooperative relationships with the Company, if major clients experience fluctuations in their business activities due to various factors, or if the cooperative relationship between the clients and the Company changes, it may bring corresponding fluctuations and risks to the Company's business.

### (3) Risk of exchange rate fluctuation

The export business accounts for a high proportion of the Company's overall revenue. At the same time, the Company also imports a considerable amount of raw materials, equipments and other items from overseas. These import and export businesses are primarily settled in US dollars. Although the Company has adopted appropriate risk hedging tools, the significant fluctuation of foreign exchange rates may still bring certain exchange rate risks to the Company.

### (4) Risk of loss of core talents

The technology and consumer electronics industry is a talent-intensive industry. Therefore, the demand for core technical and management talents is strong, and the competition for talent is very fierce. Core talents are the key strategic resources for the Company to consolidate its competitive advantages and drive long-term stable development. For this reason, the Company will continue to improve various incentive and restraint mechanisms in order to do a good job in the "selection, cultivation, utilization and retention" of the Company's core talents. Under fierce industry competition, there may still be the loss of core talents, which may weaken the Company's competitiveness and adversely affect the sustainable development of its business.

### (5) Risk of patent and technology infringement

The Company has been deeply engaged in technology R&D and innovation, and has mastered a number of independently developed core intellectual property technologies relying on long-term stable resource investment. Although the Company attaches great importance to intellectual property protection, has established full-process patent protection management measures, equipped with dedicated personnel to handle patent application and protection related matters, and signed non-compete agreements and confidentiality agreements with key technical and management personnel to ensure the maximum protection of various patent rights and interests against infringement, with the intensification of industry competition, the Company still faces the risk of its patents and other intellectual property being infringed by others.

## **XII. Reception of Research, Communication, Interview and Other Activities during the Reporting Period**

Applicable  Not applicable

Reception time	Reception place	Method of communication	Type of attendees	List of attendees	Main content of discussion and information provided	Index of related information
April 2, 2025	The Company	Other	Other	Investors participated in the Company's performance presentation meeting of 2024	The Company's overall operation and business development	The record of investor relations activities on April 2, 2025 issued by company on CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
May 15, 2025	The Company	Other	Other	Investors participated in the 2025 Shandong Regional Listed Companies Investor Online Collective Reception Day event	The Company's overall operation and business development	The record of investor relations activities on May 15, 2025 issued by company on CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )

### XIII. Formulation and Implementation of the Market Value Management System and Valuation Enhancement Plan

Whether the Company has established a market value management system.

Yes  No

Whether the Company has disclosed the valuation enhancement plan.

Yes  No

To further strengthen the Company's market value management, standardize the Company's market value management conduct, and protect the legitimate rights and interests of the Company, investors, and other stakeholders, taking into account its own actual circumstances, the Company has formulated the *Market Value Management Rules of Goertek* in accordance with relevant laws, regulations, normative documents such as the *Company Law*, the *Securities Law*, *Regulatory Guidelines for Listed Companies No. 10 - Market Value Management*, *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange - Normative Operation of Listed Companies on the Main Board*, as well as the provisions of the *Articles of Association*, which was deliberated and approved at the 22nd meeting of the 6th board of directors held on December 27, 2024.

### XIV. Implementation of the Action Plan of Quality and Return Improvement

Whether the Company has disclosed the Action Plan for Improving Quality and Investor Returns

Yes  No

To implement the guiding ideology proposed by the Political Bureau of the CPC Central Committee to "activate the capital market and boost investor confidence" and by the Executive Meeting of the State Council to "vigorously improve the quality and investment value of listed companies, take more forceful and effective measures to stabilize the market and boost confidence", and to protect the interests of all shareholders, the Company formulated the Action Plan of Quality and Return Improvement on February 27, 2024. For details, please refer to the Company's Announcement on "the Action Plan of Quality and Return Improvement" disclosed on designated media.

During the reporting period, the Company actively promoted the implementation of the Action Plan, deepened the implementation of various measures, continuously improved corporate governance, focused on its core business, and strengthened scientific and technological innovation capabilities, achieving good progress in multiple areas. For details, please refer to the Company's Announcement on "the Progress of the Action Plan of Quality and Return Improvement" disclosed on April 24, 2026.

## Section IV Corporate Governance, Environment and Society

### I. Corporate Governance in Practice

The Company continuously improved the corporate governance structure, optimized the internal management and control system, and steadily carried out corporate governance activities in strict accordance with the requirements of relevant laws, regulations and normative documents such as the *Company Law*, the *Securities Law*, *Basic Standard for Enterprise Internal Control*, *Guidelines for Articles of Association of Listed Companies*, *Code of Corporate Governance for Listed Companies*, *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* as well as the requirements of the China Securities Regulatory Commission, so as to further standardize the Company's operation and improve the level of corporate governance.

During the reporting period, the Company comprehensively reviewed its relevant governance systems. Furthermore, based on its actual conditions and business development needs, the Company revised 23 related rules including the *Articles of Association*, *Rules of Procedure for the Shareholder Meetings*, *Rules of Procedure of the Board of Directors*, *Independent Director Working System* and *External Guarantee Management System*. The Company also established the *Administrative System for Suspension and Exemption of Information Disclosure*, *Implementation Rules for the Nomination Committee*, *Internal Review System for Information Release and Reply on the Interactive Platforms of the Shenzhen Stock Exchange* and *Public Opinion Management System*.

By the end of the reporting period, the company's practice of corporate governance complied with the relevant requirements of the aforesaid laws, administrative regulations, departmental rules and normative documents, as detailed below:

1. Shareholders and Shareholders' General Meetings: The Company standardizes the procedures for convening, holding and voting at shareholders' general meetings in strict compliance with the *Rules on Shareholders' General Meetings of Listed Companies*, the *Articles of Association* and the *Rules of Procedure for the Shareholder Meetings*. The Company enhances the convenience for small and medium-sized shareholders to participate in shareholders' general meetings by offering a combination of on-site and online voting, thus ensuring that small and medium-sized shareholders can fully exercise their rights. Meanwhile, the Company appoints lawyers to witness the shareholders' general meetings on site and ensure that the convening, holding and voting procedures of each meeting are legal and compliant, thereby effectively safeguarding the legitimate rights and interests of the Company and all shareholders.

2. The Company and the Controlling Shareholder: The Company, with independent operation capacity, is independent of the controlling shareholder in business, personnel, assets, institutions and finance. The Board of Directors and internal institutions of the Company operate independently. The controlling shareholder strictly regulates its own conduct and does not interfere directly or indirectly in the Company's decision-making and business operations beyond the authority of the shareholders' general meeting.

3. Directors and the Board of Directors: The Company elects directors in strict accordance with the procedures stipulated in the *Company Law* and the *Articles of Association*. The Company currently has nine directors in total, including three independent directors, accounting for no less than one-third of the total number of directors. The size and composition of the Board of Directors meet the requirements of relevant laws, regulations and the *Articles of Association*. The Board of Directors convenes and holds board meetings and implements resolutions of shareholders' general meetings in strict accordance with the *Rules of Procedure of the Board of Directors*. All directors of the Company perform their duties in accordance with relevant laws and regulations, diligently attend board meetings and shareholders' general meetings, actively participate in professional training, and earnestly fulfill their obligations of honesty, integrity, due diligence and responsibility.

The Board of Directors has established three specialized committees, namely the Audit Committee, the Remuneration and Assessment Committee and the Nomination Committee. In accordance with the *Articles of Association* and the authorization of the Board of Directors, each committee is respectively responsible for key functions such as financial audit and internal control supervision, formulation of remuneration and performance assessment for directors and senior management, and qualification review for appointment of directors and senior management. The committees conduct comprehensive supervision and guidance over the Company's operation and management to ensure compliance and efficiency in relevant matters.

4. Performance evaluation and incentive-restraint mechanisms: The Company has established a relatively robust performance evaluation and incentive-restraint mechanism, linking operational performance, sustainable development and other indicators to the performance of senior management. The shareholders' general meeting exercises its statutory authority to determine the remuneration of directors. The Remuneration and Assessment Committee is responsible for formulating and implementing assessment standards for directors and senior management in accordance with the *Implementation Rules of the Remuneration and Assessment Committee*.

During the reporting period, the Company continued to promote the implementation of employee stock ownership plans and stock option incentive plans, fully mobilizing the initiative and enthusiasm of senior management, core business personnel and key technical personnel, and effectively achieving the close integration of the interests of shareholders, the Company and employees.

5. Stakeholders: The Company fully respects and protects the legitimate rights and interests of stakeholders, actively communicates with stakeholders to balance the interests of the Company, shareholders, employees, customers, the public and other parties, and jointly promotes the sound and sustainable development of the Company.

6. Information disclosure: In strict compliance with the *Measures for the Administration of Information Disclosure of Listed Companies*, the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* and the *Articles of Association*, the Company has set up a dedicated department equipped with a professional team to fulfill its information disclosure obligations in accordance with the law. The Company ensures that the information disclosed is true, accurate, complete, timely, fair, concise, clear, easy to understand, free from false statements, misrepresentations and material omissions, and safeguards the right of all shareholders to obtain information on an equal basis. The Company strictly implements the *Insider Information Management Rules*, strengthens the confidentiality of insider information, maintains the fairness of information disclosure, and effectively protects the legitimate rights and interests of investors.

The Company has designated *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and *CNINFO* (<http://www.cninfo.com.cn>) as the information disclosure media. During the reporting period, the Company disclosed a total of 214 announcements, publishing its financial statements, operating information and other significant matters to shareholders and the public in a timely manner so as to ensure the transparency of information.

7. Investor relations: To better serve investors, the Company has designated the Board Secretary as the person in charge of investor relations management and has assembled a professional team to handle related matters, including investor reception, holding annual performance briefings and providing online voting platforms. The Company has launched a special column for investor relations on its official website and promptly responds to investors' inquiries through interactive platforms of the Shenzhen Stock Exchange (<http://irm.cninfo.com.cn>), the investor hotline and other various channels, ensuring smooth communication channels and establishing a fair and efficient communication bridge between the Company, investors and the public.

During the reporting period, details regarding directors' meeting attendance and investor reception arrangements can be found in the relevant sections of this annual report.

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

Yes  No

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

## II. Particulars about the independence of the Company from controlling shareholder and actual controller in terms of the assets, personnel, finance, institutions and business

The Company carries out independent production, operation, procurement and sales, and has no dependence on controlling shareholder or its related parties. The Company has independent assets and clear property rights and ownership, with no mixed operation with its controlling shareholder. The Company is completely separated from its controlling shareholder in terms of business, personnel, assets, institutions and finance, and maintains an independent and complete business as well as independent operational capacity.

1. Business independence: The Company independently conducts production and business operations and has no reliance on its controlling shareholder or other related parties. The company possesses its own raw material procurement, product production and sales systems, and its major raw material procurement, product production and sales do not depend on the controlling shareholder or other related parties.

2. Separation of Personnel: The Company has established dedicated departments responsible for labor, human resources and payroll management, and has formulated relevant rules and regulations for employee performance appraisal. The senior management of the Company do not hold concurrent positions in the Company and its controlling shareholder entity or its branches and subsidiaries.

3. Institutional independence: The Company's internal organizational structure is completely independent from the controlling shareholder, and there is no subordinate relationship between the Company and the controlling shareholder. The office institutions and production and business premises of the Company are fully separated from those of the controlling shareholder and its related parties, with no mixed operation or co-located office arrangement.

4. Asset independence: The Company has an independent and complete production system, auxiliary production system and supporting facilities, as well as assets including land use rights, building ownership and intellectual property rights.

5. Financial independence: The Company has set up an independent finance department as its financial management authority, established a separate accounting system and financial management rules and made financial decisions independently in compliance with the accounting requirements applicable to listed companies. The Company implements vertical financial management over its subsidiaries. It maintains independent bank accounts and independently fulfills its tax obligations in accordance with the law.

### III. Horizontal Competition

Applicable  Not applicable

### IV. Directors and Senior Management

#### 1. Basic Information

Name	Gender	Age	Position	Appointment status	Term start date	Term end date	Number of shares held at the beginning of the period	Number of shares increased during the period	Number of shares decreased during the period	Other increase or decrease changes	Number of shares held at the end of the period	Reason for change in shares
Jiang Bin	Male	60	Chairman of the Board	Incumbent	July 27, 2007	October 29, 2028	287,397,406				287,397,406	
Jiang Long	Male	52	Director	Incumbent	October 30, 2025	October 29, 2028	250,345,197				250,345,197	
			Vice Chairman of the Board, President	Incumbent	November 7, 2025	October 29, 2028						
Li Youbo	Male	49	Director	Incumbent	November 15, 2022	October 29, 2028						
			Vice President	Incumbent	November 7, 2025	October 29, 2028						
			President	Resigned	April 7, 2023	November 7, 2025						
Duan Huilu	Male	50	Director	Incumbent	February 4, 2016	October 29, 2028	3,474,500				3,474,500	
			Vice President	Incumbent	March 25, 2011	October 29, 2028						
Liu Yaocheng	Male	53	Director	Incumbent	May 10, 2023	October 29, 2028						
			Vice President	Resigned	August 14, 2024	November 7, 2025						
Dong Haixia	Female	47	Employee Representative Director	Incumbent	October 30, 2025	October 29, 2028		115,000	115,000			Exercise of stock options and subsequently

Name	Gender	Age	Position	Appointment status	Term start date	Term end date	Number of shares held at the beginning of the period	Number of shares increased during the period	Number of shares decreased during the period	Other increase or decrease changes	Number of shares held at the end of the period	Reason for change in shares
												sold shares obtained therefrom before election
Huang Yidong	Female	61	Independent Director	Incumbent	November 15, 2022	October 29, 2028						
Jiang Fuxiu	Male	57	Independent Director	Incumbent	November 15, 2022	October 29, 2028						
Gao Yonggang	Male	61	Independent Director	Incumbent	December 16, 2025	October 29, 2028						
Gao Xiaoguang	Male	50	Vice President	Incumbent	April 12, 2012	October 29, 2028						
Liu Chunfa	Male	50	Vice President	Incumbent	October 10, 2013	October 29, 2028	864,000				864,000	
Jiang Hongzhai	Male	56	Vice President	Incumbent	October 10, 2013	October 29, 2028						
Yu Dachao	Male	48	Vice President	Incumbent	October 24, 2016	October 29, 2028						
Rao Yi	Male	43	Vice President	Incumbent	April 7, 2023	October 29, 2028						
Li Yongzhi	Male	48	Chief Financial Officer	Incumbent	January 27, 2021	October 29, 2028						
Xu Dapeng	Male	42	Board Secretary	Incumbent	April 23, 2023	October 29, 2028						
Qiu Min	Male	51	Independent Director	Resigned	May 21, 2024	December 16, 2025						
Total	--	--	--	--	--	--	542,081,103	115,000	115,000		542,081,103	--

Whether there is any resignation of directors and senior management during their term of office in the reporting period

Yes  No

## Changes in directors and senior management

 Applicable  Not applicable

Name	Position	Type	Date	Reason
Jiang Long	Director	Elected	October 30, 2025	Board Re-election
Jiang Long	Vice Chairman of the Board	Elected	November 7, 2025	Board Re-election
Jiang Long	President	Appointment	November 7, 2025	Board Re-election
Dong Haixia	Employee Representative Director	Elected	October 30, 2025	Board Re-election
Li Youbo	President	Departure Due to Term Expiration	November 7, 2025	Board Re-election
Li Youbo	Vice President	Appointment	November 7, 2025	Board Re-election
Liu Yaocheng	Vice President	Departure Due to Term Expiration	November 7, 2025	Board Re-election
Qiu Min	Independent Director	Departure Due to Term Expiration	December 16, 2025	Board Re-election
Gao Yonggang	Independent Director	Elected	December 16, 2025	Board Re-election

## 2. Biographical Information

Professional backgrounds, main working experience and current duties of the directors and the senior management

### (1) Members of the Board of Directors of the Company

Jiang Bin, male, a Chinese citizen with no foreign permanent residency, was born in September 1966 and holds a master's degree in business administration from Tsinghua University and a bachelor's degree in electronic engineering from Beihang University. Mr. Jiang is currently the board chairman of the Company. He has more than 30 years of experience in the electro-acoustic industry. He also serves as the chairman of Goertek Group Co., Ltd. Mr. Jiang serves as a deputy to the 14th National People's Congress and a standing member of the 13th Executive Committee of the All-China Federation of Industry and Commerce. He has been honored with numerous awards, including National Model Worker, Model Worker in Shandong Province, National Leading Entrepreneur in the Electronic Information Industry, Industry Leader in Shandong Province, the Highest Award in Science and Technology in Shandong Province and Qilu Talent.

Jiang Long, male, a Chinese citizen with no foreign permanent residency, was born in February 1974 and holds a Ph.D. in strategic management from the University of Maryland, a master's degree in management science from Renmin University of China, and a bachelor's degree in materials science and engineering from Tsinghua University. Mr. Jiang currently serves as vice chairman of the Board and president of the Company. He joined the Company in 2004 and previously served as vice president and president of the Company. He is currently the vice chairman of Goertek Group Co., Ltd. He also serves as the chairman of China Electronic Components Association-Electroacoustic Chapter. Mr. Jiang has extensive experience in marketing, sales, strategy and management.

Li Youbo, male, a Chinese citizen with no foreign permanent residency, was born in December 1977 and holds a bachelor's degree in automation from Dalian University of Technology. Mr. Li currently serves as the director and vice president of the Company. He joined the Company in 2003 and has successively held the positions of engineer, technical manager, head of the business unit, vice president and president. He has over 20 years of experience in R&D and manufacturing of electro-acoustic components/complete machines.

Duan Huilu, male, a Chinese citizen with no foreign permanent residency, was born in February 1976 and holds a bachelor's degree in accounting from Shandong University of Finance and Economics. Mr. Duan currently serves as the director and vice president of the Company, and he also serves as director of Goertek Group Co., Ltd. He joined the Company in 2001 and has successively held various positions of accountant, manager of the finance department, and chief financial officer. He has more than 20 years of experience in enterprise finance.

Liu Yaocheng, male, a Chinese citizen with permanent residency in the United States, was born in October 1973 and holds a Ph.D. in materials science and engineering and a master's degree in electronic engineering from Stanford University, and a master's degree and bachelor's degree in materials science and engineering from Tsinghua University. Mr. Liu currently serves as director of the Company. He joined the Company in 2019 and has successively held various positions of head of the Company's Strategy and Investment Department, head of the Company's Central Research Institute and vice president. Mr. Liu has worked at IBM semiconductor R&D center, McKinsey & Company, and Silex Microsystems AB, gaining extensive experience in technology R&D, strategic planning, investment and M&A.

Dong Haixia, female, a Chinese citizen with no foreign permanent residency, was born in June 1979 and holds a master's degree in management from Renmin University of China. Ms. Dong currently serves as employee representative director and is head of Business Performance Management Department. She joined the Company in 2003 and has successively served as manager of Business Performance Development Department, manager of Audit Department, and head of Operations Management Center. Ms. Dong has extensive experience in business management.

Huang Yidong, female, a Chinese citizen with permanent residency in Japan, was born in March 1965 and holds a Ph.D. in electronic engineering from Tsinghua University. She is currently a professor in the Department of Electronic Engineering at Tsinghua University, International Member of the United States National Academy of Engineering, and fellow of the OSA. She is also the executive director of the Chinese Optical Society, vice chairman of the China Education Society of Electronics, vice president of the Higher Education Branch, deputy editor-in-chief of ACS Photonics, and independent director of the Company and Advanced Fiber Resources (Zhuhai), Ltd. She formerly served as a distinguished researcher at the NEC Institute of Optical-Wireless Devices, deputy director of the academic committee at Tsinghua University, deputy dean and head of the Department of Electronic Engineering of Tsinghua University, and dean of the Tianjin Institute of Electronic Information of Tsinghua University.

Jiang Fuxiu, male, a Chinese citizen with no foreign permanent residency, was born in June 1969. Mr. Jiang completed his postdoctoral research in accounting at Guanghua School of Management, Peking University, and holds a Ph.D. in economics from Nanjing University. He is currently a professor and doctoral supervisor in the Department of Finance, Business School of Renmin University of China, and a director of the Environmental, Social and Governance (ESG) Research Center of the National Academy of Development and Strategy of Renmin University of China. He also serves as an independent director of the Company and Bank of China Wealth Management Co., Ltd. He has previously served as independent director of Datang International Power Generation Co., Ltd. and other companies.

Gao Yonggang, male, a Chinese citizen with no foreign permanent residency, was born in March 1965 and holds a Ph.D. in corporate financial management from Nankai University. Mr. Gao currently serves as founding director of the Hong Kong Independent Non-Executive Director Association, executive member of the 8th Council of the Accounting Society of China, doctoral supervisor at Hong Kong Graduate School of Business, industry mentor for Ph.D. candidates of School of Accountancy at Shanghai University of Finance and Economics, and honorary president of Shandong Integrated Circuit Industry Association. Mr. Gao is presently the board chairman and chief partner of China Fortune-Tech Capital Co., Ltd. And he also serves as independent director of the Company, iRay Group, and Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd, as well as honorary chairman of Jiangcheng Industrial Investment Fund (Wuhan) Co., Ltd. His previous roles include the board chairman and executive director of Semiconductor Manufacturing International Corporation, board chairman of JCET Group Co., Ltd., the first Science and Technology Innovation Board Listing Committee member of the Shanghai Stock Exchange, chief accountant of the China Academy of Telecommunications Technology (Datang Telecom Technology & Industry Group), senior vice president of Datang Telecom Technology & Industry Holdings Co., Ltd., board chairman of Datang Telecom Group Finance Company Limited, and independent director of Beijing Easpring Material Technology Co., Ltd. He also served as the board chairman of several related parties. With over 40 years of experience in corporate management, Mr. Gao possesses extensive expertise and deep insight in high-tech enterprise management, corporate governance, investment, and financing.

## (2) Senior management of the Company

Please refer to the above for the biographies of Li Youbo and Duan Huilu.

Liu Chunfa, male, a Chinese citizen with no foreign permanent residency, was born in October 1976 and graduated from Lanzhou Jiaotong University, majoring in mechatronics. He is currently vice president of the Company. Mr. Liu joined the Company in 2001. He successively served as engineer and assistant manager of the R&D department, technical manager of the technical engineering department, senior product manager, head of the manufacturing department, senior manager of the R&D department, head of the business unit, etc. Mr. Liu has over 20 years of experience in the field of electroacoustic components, especially in miniature micro speakers and receivers.

Jiang Hongzhai, male, a Chinese citizen with no foreign permanent residency, was born in December 1970 and graduated from Shandong College of Information Technology, majoring in computer application. He is currently the vice president of the Company. Mr. Jiang used to serve as factory director of Yuefeng Electronic Technology (Dongguan) Co., Ltd., and engineer of Weifang Radio Eighth Factory. He joined the Company in 2006 and successively served as deputy general manager of the equipment department, head of the employee management department, etc. Mr. Jiang has more than 20 years of experience in the field of precision machining and has rich experience in administration and infrastructure, etc.

Yu Dachao, male, a Chinese citizen with no foreign permanent residency, was born in May 1978 and holds a bachelor's degree in computer science and engineering from Tianjin University of Technology. He is currently vice president of the Company. Mr. Yu joined the Company in 2005 and successively served as the manager of R&D department, product manager, deputy general manager

of R&D, head of business unit, and head of the supply chain management department. He has extensive experience in smart electronics development and supply chain management.

Gao Xiaoguang, male, a Chinese citizen with no foreign permanent residency, was born in March 1976 and holds a master's degree in business administration from Southern Cross University, Australia. He is currently vice president of the Company. Mr. Gao joined the Company in 2001, and successively served as manager, deputy general manager of the marketing department, deputy general manager of the electroacoustic device business unit, and head of the marketing system. He has rich experience in market expansion, key account operation and maintenance and human resources management, etc.

Rao Yi, male, a Chinese citizen with no foreign permanent residency, was born in June 1983 and holds a bachelor's degree in electronic science and technology from Tsinghua University, and economics from Peking University, and a master's degree in electronic science and technology from Tsinghua University. He has a Ph.D. in optoelectronics from the University of California, Berkeley. He is currently the vice president of the Company. Mr. Rao joined the Company in 2019. He used to work for Bandwidth 10 Corporation and Rokid US in the United States. He has received several honorary titles, including the Science and Technology Youth Award of Shandong Province, the Special Prize of Tianjin Science and Technology Invention and Taishan Industrial Leading Talent of Shandong Province. He has rich experience in the field of virtual reality/augmented reality optics.

Li Yongzhi, male, a Chinese citizen with no foreign permanent residency, was born in November 1978 and holds a master's degree in business management and a bachelor's degree in management from Hefei University of Technology. He is currently the chief financial officer and head of the accounting department of the Company. Mr. Li joined the Company in 2005 and successively served as accountant and financial manager of the financial department. Mr. Li is a senior accountant and certified management accountant (CMA), with over 20 years of experience in corporate finance.

Xu Dapeng, male, a Chinese citizen with no foreign permanent residency, was born in November 1984. He holds a master's degree in management from Renmin University of China and a bachelor's degree in economics from Hunan University. He is currently the board secretary of the Company and possesses the Board Secretary Qualification Certificate. Mr. Xu joined the Company in 2015 and successively worked in the Company's marketing system and securities department. He successively held the positions of marketing director, securities affairs representative, etc. He has rich experience in the fields of marketing, securities finance, investor relations management, etc.

The situation where the controlling shareholder and the actual controller simultaneously serve as chairman and president of the listed company

Applicable  Not applicable

Positions held in shareholder's entities

Applicable  Not applicable

Name	Name of the shareholder's entities	Position	Term start date	Term end date	Receive remuneration or allowance from shareholder's entity (Yes/No)
Jiang Bin	Goertek Group Co., Ltd.	Chairman of the Board	April 24, 2001	April 23, 2028	No
Jiang Long	Goertek Group Co., Ltd.	Vice Chairman of the Board	September 27, 2007	April 23, 2028	No
Duan Huilu	Goertek Group Co., Ltd.	Director	September 27, 2007	April 23, 2028	No
Liu Yaocheng	Shanghai Goerpixel Technology Co., Ltd.	Director	September 3, 2025	September 2, 2028	No
Liu Yaocheng	Jinan Silicon Vision Limited Partnership	Appointed Representative of the Managing Partner	September 11, 2025	September 10, 2028	No
Liu Yaocheng	Jinan Goerpixel Technology Co., Ltd.	Director	September 13, 2025	September 12, 2028	No
Liu Yaocheng	Qingdao Goerpixel Technology Co., Ltd.	Director	June 27, 2024	June 26, 2027	No
Liu Yaocheng	Qingdao Goerpixel Technology Co., Ltd.	Manager	June 27, 2024	September 25, 2025	No

Description of incumbency in shareholder's entities	None
---	------

## Positions held in other entities

 Applicable  Not applicable

Name	Name of other entity	Position	Term start date	Term end date	Receive remuneration or allowance from other entity (Yes/No)
Jiang Bin	Weifang Goertek Electronics Co., Ltd.	Chairman of the Board	November 23, 2004	November 22, 2028	No
Jiang Bin	Goertek Optical Technology Co., Ltd.	Director	April 20, 2022	April 19, 2028	No
Jiang Bin	Beijing Goertek Investment Management Co., Ltd.	Executive Director	January 22, 2016	January 21, 2028	No
Jiang Long	Goertek Optical Technology Co., Ltd.	Director	April 21, 2022	April 20, 2028	No
Jiang Long	Rongcheng Goertek Technology Co., Ltd.	Director	July 15, 2020	July 14, 2026	No
Jiang Long	Weifang Goertek Electronics Co., Ltd.	Director	November 26, 2015	November 25, 2027	No
Jiang Long	Goertek Technology Co., Ltd.	Executive Director, General Manager	December 10, 2015	December 9, 2027	No
Jiang Long	Goertek Optical Technology (Shanghai) Co., Ltd.	Director	February 16, 2022	February 15, 2028	No
Jiang Long	Goertek Optical Technology (Qingdao) Co., Ltd.	Director	June 29, 2022	June 28, 2028	No
Jiang Long	Goertek Optoelectronics Technology (Qingdao) Co., Ltd.	Director	March 3, 2025	March 2, 2028	No
Jiang Long	Qingdao Goertek Horizons Technology Co., Ltd.	Director	May 19, 2022	May 18, 2028	No
Jiang Long	Goertek Starshine (Qingdao) Inc.	Director	October 15, 2024	October 14, 2027	No
Jiang Long	Goertek Electronics, Inc.	Director	August 11, 2006	August 10, 2027	No
Jiang Long	Goertek Singapore Pte. Ltd.	Director	November 8, 2024	November 7, 2027	No
Jiang Long	Goertek Singapore Holdings Pte. Ltd.	Director	December 16, 2025	December 15, 2028	No
Li Youbo	Goertek Intelligence Technology Co., Ltd.	Director	April 7, 2024	April 6, 2027	No
Li Youbo	Weifang Goertek Electronic Technology Co., Ltd.	Executive Director, General Manager	November 16, 2023	November 15, 2026	No
Li Youbo	Goertek Starshine (Qingdao) Inc.	Manager	October 15, 2024	October 14, 2027	No
Li Youbo	Weifang Goertek Electronics Co., Ltd.	Manager	December 30, 2025	December 29, 2028	No
Li Youbo	Qingdao Goertek Starshine Smart Technology Co., Ltd.	Director	November 3, 2025	November 2, 2028	No
Duan Huilu	Qingdao Goertek Acoustics Technology Co., Ltd.	Executive Director, General Manager	November 15, 2023	November 14, 2026	No

Name	Name of other entity	Position	Term start date	Term end date	Receive remuneration or allowance from other entity (Yes/No)
Duan Huilu	Weifang Goertek Trading Co., Ltd.	Executive Director,	August 26, 2011	August 25, 2026	No
Duan Huilu	Weifang Goertek Trading Co., Ltd.	General Manager	December 24, 2015	December 23, 2027	No
Duan Huilu	Goertek Investment Co., Ltd.	Executive Director, General Manager	December 7, 2015	December 6, 2027	No
Duan Huilu	Qingdao Goertek Commercial Factoring Co., Ltd.	Executive Director,	January 11, 2018	January 10, 2027	No
Duan Huilu	Hainan Goertek Trading Co., Ltd.	Director, General Manager	January 9, 2025	January 8, 2028	No
Duan Huilu	Weifang Goertek Electronics Co., Ltd.	Director	November 23, 2004	November 22, 2028	No
Duan Huilu	Goertek (HongKong) Co., Limited	Director	April 24, 2013	April 23, 2028	No
Duan Huilu	Goertek Technology (HongKong) Co., Limited	Director	November 3, 2023	November 2, 2026	No
Duan Huilu	Goertek Holdings (HongKong) Co., Limited	Director	November 4, 2025	November 3, 2028	No
Duan Huilu	Goertek Singapore Holdings Pte. Ltd.	Director	December 16, 2025	December 15, 2028	No
Duan Huilu	Goertek Technology Co., Ltd.	Supervisor	August 14, 2014	August 13, 2026	No
Duan Huilu	Beijing Goertek Investment Management Co., Ltd.	Supervisor	January 22, 2016	January 21, 2028	No
Liu Yaocheng	Goertek Optical Technology Co., Ltd.	Director	June 27, 2022	December 8, 2025	No
Liu Yaocheng	Uphoton Technology (Shaoxing) Co., Ltd.	Director	June 13, 2022	June 12, 2028	No
Liu Yaocheng	Shanghai Goertek Technology Development Co., Ltd.	Director, General Manager	October 31, 2024	October 30, 2027	No
Liu Yaocheng	SeeYA Technology Corp.	Director	March 17, 2023	March 16, 2029	No
Liu Yaocheng	GravityXR Electronics and Technology Co., Ltd.	Director	April 17, 2023	April 16, 2029	No
Liu Yaocheng	Qingdao Resonance Venture Capital Management Co., Ltd.	Director, General Manager	February 9, 2022	February 8, 2028	No
Liu Yaocheng	Qingdao Tuopu Tanyuan Investment Partnership LP	Managing Partner	January 19, 2022	January 18, 2028	No
Liu Yaocheng	Beijing Glory Technology Co., Ltd.	Director, Manager	August 29, 2024	August 28, 2027	No
Liu Yaocheng	Jiaxing Zeray New Material Technology Co., Ltd.	Director	May 8, 2024	May 7, 2027	No
Liu Yaocheng	DeepMirror	Director	July 25, 2024	July 24, 2027	No
Liu Yaocheng	Helio Display Materials Limited	Director	November 4, 2024	November 3, 2027	No

Name	Name of other entity	Position	Term start date	Term end date	Receive remuneration or allowance from other entity (Yes/No)
Liu Yaocheng	LinkVue LTD.	Director	June 27, 2025	June 26, 2028	No
Liu Yaocheng	Zhejiang Magtron Intelligent Technology Co., Ltd.	Director	July 31, 2025	July 30, 2028	No
Liu Yaocheng	Zhejiang Hunet Chem Co., LTD.	Director	July 3, 2025	July 2, 2028	No
Liu Yaocheng	Qingdao Resonance I Venture Capital Fund LP	Appointed Representative of the Managing Partner	May 16, 2022	May 15, 2028	No
Liu Yaocheng	Shanghai Tongge Xingchen Management Consulting Partnership Enterprise (Limited Partnership)	Appointed Representative of the Managing Partner	November 20, 2025	November 19, 2028	No
Liu Yaocheng	Shanghai Tongge Star River Management Consulting Partnership (Limited Partnership)	Managing Partner	November 14, 2025	November 13, 2028	No
Liu Yaocheng	Goertek Singapore Pte. Ltd.	Director	December 17, 2025	December 16, 2028	No
Jiang Fuxiu	Bank of China WealthManagement Co., Ltd.	Independent Director	April 1, 2024		Yes
Huang Yidong	Advanced Fiber Resources (Zhuhai), Ltd.	Independent Director	March 31, 2021	March 28, 2027	Yes
Gao Yonggang	China Fortune-Tech Capital Co., Ltd.	Chairman	February 27, 2014		No
Gao Yonggang	Cft Capital Private Equity Fund Management (Shenzhen) Co., Ltd.	Director	May 12, 2021		No
Gao Yonggang	iRay Group	Independent Director	November 17, 2020	November 23, 2026	Yes
Gao Yonggang	Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd.	Independent Director	June 28, 2024	June 27, 2027	Yes
Gao Yonggang	Beijing Easpring Material Technology Co., Ltd.	Independent Director	April 24, 2024	November 19, 2025	Yes
Gao Yonggang	Gongqingcheng Juchuang Investment Partnership Enterprise (Limited Partnership)	Managing Partner	September 22, 2023		No
Gao Yonggang	Gongqingcheng Xingwei Investment Partnership Enterprise (Limited Partnership)	Managing Partner	September 22, 2023		No
Gao Yonggang	Juyuan Shengye Investment (Ningbo) Co., Ltd.	Director, Manager	April 14, 2025		No
Liu Chunfa	Goertek Vina Co., Ltd.	Director	January 1, 2019	December 31, 2027	No
Liu Chunfa	Yili Precision Manufacturing Co., Ltd.	Director	November 9, 2023	November 8, 2026	No
Liu Chunfa	Shanghai Goertek Technology Co., Ltd.	Supervisor	August 7, 2014	August 6, 2026	No
Jiang	Goertek Vina Co., Ltd.	Director,	September 22, 2023	September 21, 2026	No

Name	Name of other entity	Position	Term start date	Term end date	Receive remuneration or allowance from other entity (Yes/No)
Hongzhai		General Manager			
Jiang Hongzhai	Nanning Goertek Electronics Co., Ltd.	Director	November 12, 2018	November 11, 2027	No
Jiang Hongzhai	Nanning Goertek Electronics Co., Ltd.	General Manager	November 7, 2025	November 6, 2028	No
Jiang Hongzhai	Goertek Technology Vina Co., Ltd.	Director, General Manager	September 25, 2023	September 24, 2026	No
Jiang Hongzhai	Goertek Precision Industry Vietnam Co., Ltd.	Director, General Manager	October 2, 2023	October 1, 2026	No
Jiang Hongzhai	Goertek Smart Technology Vina Co., Ltd.	Director, General Manager	March 15, 2023	March 14, 2029	No
Jiang Hongzhai	Goertek Electronics Vietnam Co., Ltd.	Director	February 22, 2024	February 21, 2027	No
Jiang Hongzhai	Yili Technology Vietnam Company Limited	Director, Manager	April 10, 2025	April 9, 2028	No
Jiang Hongzhai	Weifang Goertek Communication Technology Co., Ltd.	Executive Director	June 26, 2015	June 25, 2027	No
Jiang Hongzhai	Nanning Goertek Trading Co., Ltd.	Director	November 29, 2018	November 28, 2027	No
Jiang Hongzhai	Nanning Goertek Trading Co., Ltd.	Manager	November 7, 2025	November 6, 2028	No
Gao Xiaoguang	Shanghai Goertek IntelliReach Technology Co., Ltd.	Director	December 30, 2025	December 29, 2028	No
Gao Xiaoguang	Shenzhen Goertek Technology Co., Ltd.	Director	October 29, 2012	October 28, 2027	No
Gao Xiaoguang	Shanghai Goertek Technology Co., Ltd.	Director	August 7, 2014	August 6, 2026	No
Gao Xiaoguang	Beijing Goertek Technology Co., Ltd.	Director	November 13, 2023	November 12, 2026	No
Gao Xiaoguang	Goertek (Korea) Technology Inc.	Director	March 31, 2023	March 30, 2026	No
Gao Xiaoguang	Goertek Electronics, Inc.	Manager	December 19, 2018	December 18, 2027	No
Rao Yi	Zhongrong Zhige Technology (Tianjin) Co., Ltd.	Director	April 1, 2022	March 31, 2028	No
Rao Yi	Goertek Optical Technology Co., Ltd.	Director	April 21, 2022	April 20, 2028	No
Rao Yi	Sunny OmniLight NanoOptics Information Technology Co., Ltd.	Director	December 11, 2025	December 10, 2028	No
Rao Yi	Goertek Optical Technology (Shanghai) Co., Ltd.	General Manager	February 16, 2022	February 15, 2028	No
Rao Yi	Goertek Optical Technology (Qingdao) Co., Ltd.	Manager	June 29, 2022	June 28, 2028	No
Rao Yi	Goertek Optoelectronics Technology (Qingdao) Co., Ltd.	Manager	March 3, 2025	March 2, 2028	No
Rao Yi	Uphoton Technology (Shaoxing) Co., Ltd.	Director	June 13, 2022	June 12, 2028	No

Name	Name of other entity	Position	Term start date	Term end date	Receive remuneration or allowance from other entity (Yes/No)
Rao Yi	Goertek Optical Technology (HongKong) Holdings Co., Limited	Director	March 4, 2024	March 3, 2027	No
Rao Yi	Goertek Optical Technology (HongKong) Co., Limited	Director	March 11, 2024	March 10, 2027	No
Rao Yi	GoerView Technology (HongKong) Co., Limited	Director	September 15, 2025	September 14, 2028	No
Rao Yi	Dongguan Yili Precision Manufacturing Co., Ltd.	Director, Manager	January 31, 2024	July 17, 2025	No
Li Yongzhi	Goertek Microelectronics Inc.	Director	December 23, 2020	December 22, 2026	No
Li Yongzhi	Weifang Goertek Electronics Co., Ltd.	Supervisor	June 12, 2023	June 11, 2026	No
Li Yongzhi	Goertek Intelligence Technology Co., Ltd.	Supervisor	August 18, 2017	August 17, 2026	No
Li Yongzhi	Nanning Goertek Electronics Co., Ltd.	Supervisor	November 12, 2018	November 11, 2027	No
Li Yongzhi	Yishui TECO Electronics Technology Co., Ltd.	Supervisor	December 10, 2019	December 9, 2028	No
Li Yongzhi	Rongcheng Goertek Technology Co., Ltd.	Supervisor	July 15, 2020	July 14, 2026	No
Li Yongzhi	Weifang Goertek Electronic Technology Co., Ltd.	Supervisor	November 16, 2023	November 15, 2026	No
Li Yongzhi	Xi'an Goertek Electronic Technology Co., Ltd.	Supervisor	May 7, 2019	May 6, 2028	No
Li Yongzhi	Goertek Investment Co., Ltd.	Supervisor	November 7, 2023	November 6, 2026	No
Li Yongzhi	Qingdao Goertek Commercial Factoring Co., Ltd.	Supervisor	January 11, 2018	January 10, 2027	No
Li Yongzhi	Nanning Goertek Trading Co., Ltd.	Supervisor	November 29, 2018	November 28, 2027	No

Penalties imposed by securities regulatory authorities on current and outgoing directors and senior management of the company in the past three years

Applicable  Not applicable

### 3. Remuneration of Directors and Senior Management

The decision-making procedure, basis and actual payment of the remuneration of directors and senior management

The remuneration for the directors and senior management of the Company shall be proposed to the Board of Directors by the Remuneration and Assessment Committee; The remuneration for the senior management shall be deliberated and determined by the Board of Directors; The remuneration for directors shall be deliberated by the Board of Directors before being submitted to the general meeting of shareholders for determination.

Proposal on the remuneration for directors and senior management approved by the above-mentioned approval authority of the Company is as follows:

Proposal on the remuneration of directors:

Non-independent directors who hold concurrent senior management or other positions in the Company will be compensated according to the approved remuneration proposal for senior management determined by the Board of Directors or the employment contract signed with the Company. They will not be additionally compensated as directors. The remuneration standard of the Chairman of the Board is RMB 1.8 million per year before tax and paid on a monthly basis.

The pre-tax allowance for independent directors of the 6th Board of Directors is RMB 180,000 per person per year, and for independent directors of the 7th Board of Directors is RMB 210,000 per person per year, paid on a monthly basis.

Proposal on the remuneration of senior management of the Company:

The remuneration for the Company's senior management is based on the remuneration standard for their respective positions or the provisions of their employment contracts. The remuneration for senior management consists of basic remuneration and performance-based remuneration. Among them, the basic remuneration shall be determined by the Company with reference to the market or industry remuneration standards in combination with their positions, responsibilities, abilities and other factors, and will be paid on a monthly basis. The performance-based remuneration shall be determined on the basis of factors such as the score of the performance appraisal period and the position weight of each senior management with reference to the Company's relevant performance appraisal management regulations. The remuneration will then be submitted to the Company's Remuneration and Assessment Committee for approval.

Additional explanation of the above proposal:

Normal working expenses incurred by the directors and senior management in the course of the Company's business shall be borne by the Company. When directors and senior management leave their positions due to a change in the term of office, re-election, resignation during their term or for any other reason, their remuneration will be calculated and paid based on their actual term of service.

Remuneration of directors and senior management during reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Appointment status	The total amount of pre-tax remuneration received from the Company	Remuneration from related parties (Yes/No)
Jiang Bin	Male	60	Chairman of the Board	Incumbent	180.00	No
Jiang Long	Male	52	Vice Chairman of the Board, President	Incumbent	24.10	No
Li Youbo	Male	49	Director, Vice President	Incumbent	225.53	No
Duan Huilu	Male	50	Director, Vice President	Incumbent	149.93	No
Liu Yaocheng	Male	53	Director	Incumbent	168.46	No
Dong Haixia	Female	47	Employee Representative Director	Incumbent	12.24	No
Huang Yidong	Female	61	Independent Director	Incumbent	18.50	No
Jiang Fuxiu	Male	57	Independent Director	Incumbent	18.50	No
Gao Yonggang	Male	61	Independent Director	Incumbent	0.88	No
Gao Xiaoguang	Male	50	Vice President	Incumbent	164.37	No
Liu Chunfa	Male	50	Vice President	Incumbent	184.21	No
Jiang Hongzhai	Male	56	Vice President	Incumbent	177.17	No
Yu Dachao	Male	48	Vice President	Incumbent	162.56	No
Rao Yi	Male	43	Vice President	Incumbent	183.32	No
Li Yongzhi	Male	48	Chief Financial Officer	Incumbent	135.03	No
Xu Dapeng	Male	42	Board Secretary	Incumbent	119.20	No
Qiu Min	Male	51	Independent Director	Resigned	17.25	No
Total	--	--	--	--	1,941.24	--

Note: The total remuneration for directors and senior management who departed during the reporting period refers to the total pre-tax compensation received from the Company from the beginning of the reporting period to the date of their departure. The total remuneration for newly appointed directors and senior management refers to the total pre-tax remuneration received from the Company

from the date of their appointment to the end of the reporting period.

Appraisal basis for actual remuneration received by all directors and senior management at the end of the reporting period	Individual Performance Appraisal Results
Completion status of appraisal for actual remuneration received by all directors and senior management at the end of the reporting period	Completed
Deferred payment arrangement for actual remuneration received by all directors and senior management at the end of the reporting period	N/A
Clawback and suspension circumstances for actual remuneration received by all directors and senior management at the end of the reporting period	N/A

Other circumstances

Applicable  Not applicable

## V. Performance of Directors' Duties during the Reporting Period

### 1. Directors' attendance at the meetings of Board of Directors and general meeting of shareholders

Directors' attendance at the meetings of Board of Directors and general meeting of shareholders							
Name	Number of attendance required during the reporting period (times)	Attendance on-site (times)	Attendance by tele-communication (times)	Entrusted presence (times)	Absence (times)	Whether there is absence in person for two consecutive times	Attendance of the general meeting of shareholders (times)
Jiang Bin	15	9	6	0	0	No	4
Jiang Long	2	2	0	0	0	No	1
Li Youbo	15	6	9	0	0	No	4
Duan Huilu	15	5	10	0	0	No	4
Liu Yaocheng	15	5	10	0	0	No	4
Dong Haixia	2	0	2	0	0	No	1
Huang Yidong	15	0	15	0	0	No	2
Jiang Fuxiu	15	0	15	0	0	No	4
Gao Yonggang	0	0	0	0	0	No	1
Qiu Min	15	0	15	0	0	No	3

Statement on absence from two consecutive meetings of the Board

None

### 2. Objections raised by directors to relevant matters of the Company

Whether directors raise any objection to relevant matters of the Company

Yes  No

No objection was raised to relevant matters of the Company during the reporting period.

### 3. Other details on the performance of duties by directors

Whether proposals made by directors were adopted by the Company

Yes  No

Statement on the adoption or non-adoption of proposals made by the directors

During the reporting period, the directors of the Company carried out work in strict accordance with the provisions of *the Company Law, the Securities Law, Code of Corporate Governance for Listed Companies, Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange - Normative Operation of Listed Companies on the Main Board, Articles of Association and Rules of Procedure of the Board of Directors*. They fulfilled their duty of due diligence through full discussion on major governance and business matters of the Company, ensured the decision-making process being scientific, timely, and efficient, and resolutely supervised and drove the implementation of the relevant resolutions, so as to play a positive role in the sustainable, healthy and stable development of the Company, and effectively safeguard the legitimate rights and interests of the Company and all shareholders.

During the reporting period, the Company's independent directors carried out their work in strict accordance with the *Measures for the Administration of Independent Directors of Listed Companies, Articles of Association, Rules of Procedure of the Board of Directors, and Independent Director Working System*. They maintained communication with other directors, senior management, and relevant personnel through on-site and remote methods to actively understand the Company's production and operating conditions as well as its financial status. Based on their professional expertise, they made positive suggestions for improving corporate governance. These suggestions effectively ensured the fairness and objectivity of board decisions, and played a positive role in perfecting the Company's supervision mechanism and governance structure, thereby safeguarding the legitimate rights and interests of the Company and all shareholders.

## VI. Performance of Special Committees under the Board of Directors during the Reporting Period

Committee name	Members	Number of meetings held	Convening date	Meeting content	Important opinions and suggestions proposed	Performance of other duties	Specific objections
Audit committee	Jiang Fuxiu, Jiang Bin, Qiu Min	7	January 24, 2025	Reviewed and approved the <i>Company's Inspection Report on Related-Party Transactions, External Guarantees and Other Matters for the Second Half of 2024, the Company's 2024 Annual Internal Audit Work Report, and the Company's 2025 Annual Internal Audit Work Plan, and other proposals.</i>	Approved	N/A	N/A
			March 14, 2025	Reviewed and approved the <i>Proposal on the Company's 2024 Final Financial Accounts Report, the Proposal on the Provision for Asset Impairment for 2024 and the Proposal on the Company's 2024 Annual Report and its Abstract, and other proposals.</i>	Approved	N/A	N/A
			April 17, 2025	Reviewed and approved the <i>Proposal on the Company's First Quarter Report of 2025, the Company's Internal Audit Work Report for the First Quarter of 2025, and other proposals.</i>	Approved	N/A	N/A
			August 11, 2025	Reviewed and approved the <i>Proposal on the Company's 2025 Semi-Annual Report and Its Abstract, the Company's</i>	Approved	N/A	N/A

Committee name	Members	Number of meetings held	Convening date	Meeting content	Important opinions and suggestions proposed	Performance of other duties	Specific objections
				<i>Inspection Report on Related-Party Transactions, External Guarantees and Other Matters for the First Half of 2025, the Company's Internal Audit Work Report for the Second Quarter of 2025, and other proposals.</i>			
			October 11, 2025	Reviewed and approved the <i>Proposal on the Amendment to the Working Rules for the Audit Committee of Goertek Inc.</i>	Approved	N/A	N/A
			October 21, 2025	Reviewed and approved the <i>Proposal on the Company's Third Quarter Report of 2025, the Company's Internal Audit Work Report for the Third Quarter of 2025, and other proposals.</i>	Approved	N/A	N/A
			November 4, 2025	Reviewed and approved the <i>Proposal on the Appointment of the Company's Chief Financial Officer, the Proposal on the Appointment of the Company's Head of Internal Audit, and other proposals.</i>	Approved	N/A	N/A
Remuneration and assessment committee	Huang Yidong, Jiang Bin, Jiang Fuxiu	11	January 25, 2025	In accordance with the 2024 annual work reports of each director and senior management member and the actual operating performance of the Company in 2024, individual performance evaluations for the year 2024 shall be conducted on all directors and senior management personnel.	It is approved that the 2024 annual remuneration of each director and senior management shall be determined and paid on the basis of performance evaluation results in combination with their basic remuneration.	N/A	N/A
			March 14, 2025	Reviewed and approved the <i>Proposal on Cancellation of Stock Options for the First Granted Portion under the Company's 2022 Stock Option Incentive Plan Due</i>	Approved	N/A	N/A

Committee name	Members	Number of meetings held	Convening date	Meeting content	Important opinions and suggestions proposed	Performance of other duties	Specific objections
				<i>to Failure to Meet the Exercise Conditions for the Second Exercise Period, and other proposals.</i>			
			April 17, 2025	Reviewed and approved the <i>Proposal on Cancellation of Stock Options Granted and Unexercised at the Expiration of the Second Exercise Period of the Reserved Portion under the Company's 2021 Stock Option Incentive Plan</i> , and other proposals.	Approved	N/A	N/A
			May 7, 2025	Reviewed and approved the <i>Proposal on the 2025 Stock Option Incentive Plan (Draft) and Its Abstract of Goertek Inc.</i> and the <i>Proposal on the Measures for Implementation, Assessment and Administration of the 2025 Stock Option Incentive Plan of Goertek Inc.</i> , and other proposals.	Approved	N/A	N/A
			May 30, 2025	Reviewed and approved the <i>Proposal on the Adjustment of the Exercise Price under the 2023 Stock Option Incentive Plan</i> , and the <i>Proposal on the Adjustment of the List of Incentive Recipients and Grant Sizes for the Reserved Granted Portion under the 2023 Stock Option Incentive Plan and the Cancellation of Certain Stock Options</i> , and other proposals.	Approved	N/A	N/A
			June 19, 2025	Reviewed and approved the <i>Proposal on Goertek Inc.'s "Home No. 8" Employee Stock Ownership Plan (Draft) and Its Summary</i> , and the <i>Proposal on the "Home No. 8" Employee Stock Ownership Plan Management Measures of Goertek Inc.</i> , and other proposals.	Approved	N/A	N/A
			August 11, 2025	Reviewed and approved the <i>Proposal on the Adjustment of the List of Incentive Recipients and Grant Sizes for the Initial Grant under the Company's 2023 Stock Option Incentive Plan and the Cancellation of Certain Stock Options</i> , and the <i>Proposal on the Achievement of the Exercise</i>	Approved	N/A	N/A

Committee name	Members	Number of meetings held	Convening date	Meeting content	Important opinions and suggestions proposed	Performance of other duties	Specific objections
				<i>Conditions for the Second Exercise Period of the Initial Grant under the Company's 2023 Stock Option Incentive Plan, and other proposals.</i>			
			August 27, 2025	Reviewed and approved the <i>Proposal on Cancellation of Unexercised Stock Options upon Expiration of the First Exercise Period of the Initial Grant under the Company's 2023 Stock Option Incentive Plan, and other proposals.</i>	Approved	N/A	N/A
			October 11, 2025	Reviewed and approved the <i>Proposal on the Remuneration Plan for Non-independent Directors of the Company's 7th Board of Directors, and the Proposal on the Allowances for Independent Directors of the Company's 7th Board of Directors, and other proposals.</i>	Approved	N/A	N/A
			October 20, 2025	Reviewed and approved the <i>Proposal on the Adjustment of Incentive Recipients and Grant Sizes under the Company's 2025 Stock Option Incentive Plan, and the Proposal on the Grant of Stock Options to Incentive Recipients, and other proposals.</i>	Approved	N/A	N/A
			October 21, 2025	Reviewed and approved the <i>Proposal on the Adjustment of the Exercise Price under the Company's Stock Option Incentive Plan, and other proposals.</i>	Approved	N/A	N/A
Nomination committee	Huang Yidong, Jiang Bin, Jiang Fuxiu	1	November 25, 2025	Reviewed and approved the <i>Proposal on the By-election of Candidates for Independent Directors of the 7th Board of Directors.</i>	Approved	N/A	N/A

## VII. Performance of the Audit Committee

Whether the audit committee found out any risk of the Company in its supervision activities during the reporting period.

Yes  No

The audit committee has no objection to the matters supervised during the reporting period.

## VIII. Personnel of the Company

### 1. Number of staff, specialty composition and educational background

Number of staff of the parent company at the end of the reporting period	25,939
Number of staff of major subsidiaries at the end of the reporting period	85,646
Total number of staff at the end of the reporting period	111,585
Total number of staff who receive remuneration during the reporting period	111,585
Number of retired staff the Company and its major subsidiaries are required to compensate	0
<b>Specialty composition</b>	
Category	Number
Production staff	84,198
Sales staff	939
Technical staff	21,914
Financial staff	293
Administrative staff	4,241
Total	111,585
<b>Educational level</b>	
Category	Number
Ph.D.	130
Master	5,340
Bachelor	20,575
College degree	15,962
Below college degree	69,578
Total	111,585

### 2. Remuneration policy

The Company always adheres to the cultural philosophy of "We Make, We Share, We Thrive". It is committed to continuously building a distinctive compensation and incentive system with competitiveness and differentiation, while improving all-round welfare guarantees. Covering basic guarantees and targeted care services, the Company fully enhances employees' sense of gain and happiness. The Company integrates remuneration incentives with employees' joint value creation, and strives to build a remuneration system with market competitiveness. It continuously carries out remuneration benchmarking and optimizes the remuneration distribution mechanism for all employees, ensuring that the remuneration strategy is tilted toward strategic businesses and key positions to reflect value differences. In 2025, the Company formulated all-round compensation policies including competitive salaries and retention incentives for outstanding fresh graduates from top universities, so as to strengthen the attraction and reserve of high-quality talents. For talents in core businesses and key positions, the Company has implemented robust special salary adjustments as well as incentive measures such as the incentive project of "Moat" and retention incentives, to realize targeted talent retention and motivation.

The Company continues to deepen the construction of incentive mechanisms and adheres to the guidance of "high performance and high incentives". Resource allocation is inclined to employees with outstanding contributions and key positions, ensuring that outstanding talents can obtain more competitive returns. At the same time, the Company attaches importance to the traction of long-term incentives and sets up equity incentive plans for employees. In 2025, the Company launched the "Home No. 8" Employee Stock Ownership Plan and the 2025 Stock Option Incentive Plan, covering more than 6,000 core key employees, which further strengthens the joint value creation between employees and the Company.

The Company strictly abides by national and local laws and regulations to protect the basic welfare rights and interests of all employees in terms of five social insurances and one housing fund, medical insurance and other aspects, and builds a compliant, comprehensive

and caring employee security system. Always adhering to the people-oriented concept and taking employees' needs as the orientation, the Company has established an all-round and multi-level "eight major welfare categories" system. It covers more than 50 segmented welfare items including catering, comfortable accommodation, education, health care, thoughtful care, delightful entertainment, considerate life services and pleasant vacation arrangements. It comprehensively covers employees' work and life scenarios ranging from daily life, clothing, food, housing and transportation to physical and mental health, as well as family protection and personal growth, making intimate care within easy reach for all employees.

### 3. Training programs

In 2025, the Company deeply integrated major strategic projects and business development needs into its talent development system. While continuously consolidating foundational programs in leadership, professional competencies, and cultural values, the Company achieved innovative breakthroughs in key areas. The Company systematically advanced scenario-based practical training for core business personnel, effectively enhancing their versatile expertise and collaborative capabilities. It fully launched the development of an AI talent echelon, promoting the application and innovation of AI technologies in business scenarios through specialized training and tool enablement. Additionally, the Company successfully upgraded its intelligent learning platform to create personalized, immersive online learning experiences, providing robust support for the construction of a global talent echelon.

In 2026, the Company will further advance the in-depth integration of talent development and business strategies to realize systematic upgrading and model innovation. The Company will systematically build a school-enterprise joint training mechanism to facilitate the integration of industry-university-research resources and establish an early-stage talent pipeline. It will scale up international talent development to broaden employees' global vision and strengthen their cross-cultural leadership. Furthermore, the Company will deepen the integration of AI and knowledge management, exploring the development of an enterprise-level knowledge base to foster AI capabilities that drive business transformation. It will continuously optimize the intelligent learning ecosystem, leveraging data and AI technologies to achieve precise competency diagnostics and development planning. Ultimately, the Company aims to build an agile, efficient, and future-oriented talent development system that steadily underpins its global strategic layout and sustainable development.

### 4. Labor outsourcing

Applicable  Not applicable

## IX. Profit Distribution and Conversion of Capital Surplus into Share Capital

Formulation, execution or adjustment of profit distribution policy, especially the cash dividend during the reporting period

Applicable  Not applicable

The Company is strictly implementing the *Shareholder Return Plan for the Next Three Years (2025-2027)*. It has clearly specified the standards, ratios, and decision-making procedures for the distribution policy, thereby ensuring the continuity and stability of profit distribution and fully protecting the legitimate rights and interests of minority investors. During the reporting period, the Company made no changes to its profit distribution policy.

Special description of the cash dividend policy	
Whether it complies with the provisions of the Articles of Association or the resolution of the shareholders' meeting:	Yes
Whether the dividend criteria and payout ratio are clear and explicit:	Yes
Whether the related decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have fulfilled their duties and played their due roles:	Yes
Where the Company does not carry out cash dividend distribution, it shall disclose the specific reasons and outline the measures to be taken to enhance investor returns:	N/A
Whether minority shareholders have adequate opportunities to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected:	Yes
Whether the conditions and procedures for adjusting or revising the cash dividend policy are compliant and transparent:	The cash dividend policy has not been adjusted.

The Company was profitable during the reporting period and the parent company had positive distributable profits to shareholders, but no cash dividend distribution plan was proposed.

Applicable  Not applicable

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

Applicable  Not applicable

Number of bonus shares per 10 shares	0
Dividend per 10 shares (RMB) (tax inclusive)	2.00
Share capital base of the distribution proposal (shares)	3,503,760,017
Cash dividend amount (RMB) (tax inclusive)	700,752,003.40
Cash dividend amount distributed by other means (such as shares repurchase) (RMB)	950,080,648.62
Total cash dividends (including other means) (RMB)	1,650,832,652.02
Distributable profit (RMB)	12,435,642,628.90
Proportion of total cash dividends (including other means) in total profit distribution	100%

#### Details of cash dividends distribution policy for the reporting period

If the Company is in developing stage, and there are major capital expenditure arrangements, the minimum proportion of cash dividends in profit distribution should reach at least 20%.

#### Details of the proposal for profit distribution or conversion of capital surplus into share capital

According to the standard unqualified audit report issued by Zhongxi CPAs (Special General Partnership) for the Company, the net profit attributable to the shareholders of the company in the Company's consolidated financial statements in 2025 is RMB 3,940,313,461.54. The parent Company reports a net profit of RMB 2,372,320,604.59. A general risk reserve of RMB 567,483.32 is accrued. Adding the undistributed profit at the beginning of the period, deducting the cash dividend actually distributed in 2025 of RMB 1,036,200,213.45, and adding the gain from the disposal of investments in other equity instruments of RMB 75,585,403.54, the retained earnings in the consolidated financial statements amounts to RMB 21,691,383,850.91, and the undistributed profit of the parent Company amounts to RMB 12,435,642,628.90 as of December 31, 2025. The Company's profit available for distribution to shareholders in 2025 is RMB 12,435,642,628.90, based on the principle that profit distribution should be based on the lower of the distributable profit of the parent Company and that of the consolidated financial statements.

In accordance with the relevant provisions of *the Company Law* and the *Articles of Association*, the Company's proposed 2025 annual profit distribution plan is as follows: Based on the total share capital registered on the record date of equity distribution minus the repurchased shares in the Company's specific securities repurchase account and adhering to the principle of unchanged distribution ratio, the Company will distribute a cash dividend of RMB 2.00 (tax inclusive) per 10 shares to all shareholders. No bonus shares will be issued, and no capital surplus shall be converted into share capital.

If the Company's total share capital changes due to share buybacks, the exercise of stock options by incentive recipients, material asset restructuring, cancellation of repurchased shares, new shares issued for refinancing and other circumstances between the disclosure date of the Company's 2025 annual profit distribution plan and the record date of equity distribution, the Company will adjust the total distribution amount accordingly while keeping the distribution ratio unchanged.

In accordance with the relevant provisions of the *Rules for Share Repurchase of Listed Companies*, the shares held in the Company's specific securities repurchase account are not entitled to participate in profit distribution and the conversion of capital surplus into share capital.

Up to now, the Company holds 46,011,092 shares in its specific securities repurchase account. Based on the Company's current total share capital of 3,549,771,109 shares, after deducting the repurchased shares, the adjusted share base of 3,503,760,017 shares is adopted for the calculation. The total amount of cash dividend is RMB 700,752,003.40 (tax inclusive).

## X. Stock Option Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentives

Applicable  Not applicable

### 1. Stock option incentive plan

(1) The 2021 Stock Option Incentive Plan (hereinafter referred to as the "2021 Incentive Plan")

On April 16, 2021, the Company convened the 19th meeting of the 5th Board of Directors and the 14th meeting of the 5th Board of Supervisors, at which the *Proposal on the 2021 Stock Option Incentive Plan (Draft) and Its Abstract of Goertek Inc.* and other related proposals were approved. The incentive participants of the 2021 Incentive Plan were the key management and key business personnel serving in the Company and its wholly-owned and controlled subsidiaries. On May 7, 2021, the Company held the 2020 Annual General Shareholders' Meeting and approved the aforesaid relevant proposals. The 2021 Incentive Plan was approved, and the 2020 Annual General Shareholders' Meeting authorized the Board of Directors to handle matters related to the 2021 Incentive Plan.

On April 21, 2025, the Company convened the 25th meeting of the 6th Board of Directors and the 20th meeting of the 6th Board of Supervisors, at which the *Proposal on Cancellation of Stock Options Granted and Unexercised at the Expiration of the Second Exercise Period of the Reserved Portion under the Company's 2021 Stock Option Incentive Plan* was reviewed and approved. In accordance with the above resolution and the authorization granted by the 2020 Annual General Shareholders' Meeting, the Company cancelled a total of 937,895 stock options granted to incentive participants of the reserved grant portion under the 2021 Incentive Plan, which had been granted but had expired without being exercised. Relevant cancellation procedures were completed on April 24, 2025. Upon completion of the cancellation, the 2021 Incentive Plan of the Company has been fully implemented and concluded.

(2) The 2022 Stock Option Incentive Plan (hereinafter referred to as the "2022 Incentive Plan")

On July 8, 2022, the Company convened the 31st meeting of the 5th Board of Directors and the 25th meeting of the 5th Board of Supervisors, at which the *Proposal on the 2022 Stock Option Incentive Plan (Draft) and Its Abstract of Goertek Inc.* and other related proposals were approved. The incentive participants of the 2022 Incentive Plan were the key management and key business personnel serving in the Company and its wholly-owned and controlled subsidiaries. On July 26, 2022, the Company held the First Extraordinary General Shareholders' Meeting of 2022 and approved the aforesaid relevant proposals. The 2022 Incentive Plan was approved, and the First Extraordinary General Shareholders' Meeting of 2022 authorized the Board of Directors to handle matters related to the 2022 Incentive Plan.

On March 26, 2025, the Company convened the 23rd meeting of the 6th Board of Directors and the 19th meeting of the 6th Board of Supervisors, at which the *Proposal on Cancellation of Stock Options for the First Granted Portion under the Company's 2022 Stock Option Incentive Plan Due to Failure to Meet the Exercise Conditions for the Second Exercise Period* was reviewed and approved. In accordance with the above resolution and the authorization granted by the First Extraordinary General Shareholders' Meeting of 2022, the Company cancelled a total of 23,994,510 stock options of the initially granted portion under the 2022 Incentive Plan, which failed to satisfy the exercise conditions due to the Company's failure to meet the performance assessment targets for the second exercise period. The relevant cancellation procedures have been completed, and the 2022 Incentive Plan of the Company has been fully implemented.

(3) The 2023 Stock Option Incentive Plan (hereinafter referred to as the "2023 Incentive Plan")

On July 19, 2023, the Company convened the 7th meeting of the 6th Board of Directors and the 6th meeting of the 6th Board of Supervisors, at which the *Proposal on the 2023 Stock Option Incentive Plan (Draft) and Its Abstract of Goertek Inc.* and other related proposals were approved. The incentive participants of the 2023 Incentive Plan were the key management and business personnel of the Company and its subsidiaries. On August 8, 2023, the Company held the First Extraordinary General Shareholders' Meeting of 2023 and approved the aforesaid relevant proposals. The 2023 Incentive Plan was approved, and the First Extraordinary General Shareholders' Meeting of 2023 authorized the Board of Directors to handle matters related to the 2023 Incentive Plan.

On June 4, 2025, the Company convened the 27th meeting of the 6th Board of Directors and the 22nd meeting of the 6th Board of Supervisors, at which the *Proposal on the Adjustment of the Exercise Price under the 2023 Stock Option Incentive Plan*, the *Proposal on the Adjustment of the List of Incentive Recipients and Grant Sizes for the Reserved Granted Portion under the 2023 Stock Option Incentive Plan and the Cancellation of Certain Stock Options*, and the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period of the Reserved Granted Portion under the 2023 Stock Option Incentive Plan* were approved. In accordance with the above resolutions and the authorization granted by the First Extraordinary General Shareholders' Meeting of 2023, the Company adjusted the exercise price of the initially granted portion and the reserved granted portion under the 2023 Incentive Plan from RMB 18.12 per share to RMB 17.97 per share. The total number of incentive recipients for the reserved granted portion was adjusted from 945 to 905, and a total of 1,127,600 granted stock options that failed to meet the exercise conditions were cancelled. The relevant cancellation procedures were completed on June 12, 2025. After the cancellation, the number of stock options under the reserved grant portion was adjusted from 15,025,900 to 13,898,300. The Board of Directors holds that the exercise conditions for the first exercise period of the reserved grant portion under the 2023 Incentive Plan have been met, and incentive recipients may exercise their rights in accordance with the relevant provisions of the 2023 Incentive Plan.

On August 21, 2025, the Company convened the 30th meeting of the 6th Board of Directors and the 25th meeting of the 6th Board of Supervisors, at which the *Proposal on the Adjustment of the List of Incentive Recipients and Grant Sizes for the Initial Grant under the Company's 2023 Stock Option Incentive Plan and the Cancellation of Certain Stock Options*, the *Proposal on the Achievement of the*

*Exercise Conditions for the Second Exercise Period of the Initial Grant under the Company's 2023 Stock Option Incentive Plan* were approved. The Company adjusted the total number of incentive recipients for the initially granted portion under the 2023 Incentive Plan from 5,002 to 4,735. The number of stock options of the initially granted portion (excluding the vested and unexercised portion of the first exercise period of the initially granted portion) was adjusted from 116,266,320 to 110,142,661, and a total of 6,123,659 granted stock options that failed to meet the exercise conditions were cancelled. The relevant cancellation procedures were completed on August 25, 2025. The Board of Directors holds that the exercise conditions for the second exercise period of the initially granted portion under the 2023 Incentive Plan have been met, and incentive participants may exercise their rights in accordance with the relevant provisions of the 2023 Incentive Plan.

On August 27, 2025, the Company convened the 31st meeting of the 6th Board of Directors and the 26th meeting of the 6th Board of Supervisors, at which the *Proposal on Cancellation of Unexercised Stock Options upon Expiration of the First Exercise Period of the Initial Grant under the Company's 2023 Stock Option Incentive Plan* was approved. The Company cancelled a total of 69,000 stock options granted to incentive participants of the initially granted portion under the 2023 Incentive Plan, which had been granted but expired without being exercised. The relevant cancellation procedures were completed on August 28, 2025.

On October 24, 2025, the Company convened the 35th meeting of the 6th Board of Directors and the 29th meeting of the 6th Board of Supervisors, at which the *Proposal on the Adjustment of the Exercise Price under the Company's Stock Option Incentive Plan* was approved. The Company adjusted the exercise price under the 2023 Incentive Plan from RMB 17.97 per share to RMB 17.82 per share. As of the end of the reporting period, the initially granted portion of the 2023 Incentive Plan is within the second exercise period, and the reserved grant portion is within the first exercise period.

(4) The 2025 Stock Option Incentive Plan (hereinafter referred to as the "2025 Incentive Plan")

On May 8, 2025, the Company convened the 26th meeting of the 6th Board of Directors and the 21st meeting of the 6th Board of Supervisors, at which the *Proposal on the 2025 Stock Option Incentive Plan (Draft) and Its Abstract of Goertek Inc.* and other related proposals were approved. The incentive participants of the 2025 Incentive Plan were the key management and core business personnel of the Company and its subsidiaries. On September 30, 2025, the Company held the First Extraordinary General Shareholders' Meeting of 2025, approved the aforesaid related proposals, and authorized the Board of Directors to handle matters in connection with the 2025 Incentive Plan.

On October 20, 2025, the Company convened the 34th meeting of the 6th Board of Directors and the 28th meeting of the 6th Board of Supervisors, at which the *Proposal on the Adjustment of Incentive Recipients and Grant Sizes under the Company's 2025 Stock Option Incentive Plan*, and the *Proposal on the Grant of Stock Options to Incentive Recipients* were approved. The Company adjusted the total number of incentive participants under the 2025 Incentive Plan from 6,302 to 5,972, and revised the total number of stock options granted to incentive participants from 68,060,000 to 59,716,520. The Company designated October 20, 2025 as the grant date for the stock options under the 2025 Incentive Plan.

On October 24, 2025, the Company convened the 35th meeting of the 6th Board of Directors and the 29th meeting of the 6th Board of Supervisors, at which the *Proposal on the Adjustment of the Exercise Price under the Company's Stock Option Incentive Plan* was approved. The Company adjusted the exercise price under the 2025 Incentive Plan from RMB 22.21 per share to RMB 22.06 per share.

On November 19, 2025, the Company completed the grant and registration procedures of the 2025 Incentive Plan, and granted a total of 58,068,320 stock options to 5,943 incentive participants who met the grant conditions. As of the end of the reporting period, the 2025 Incentive Plan is within the vesting period.

For details, please refer to the relevant announcements published in *CNINFO* (<http://www.cninfo.com.cn>), *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, and *Securities Daily*.

Stock options granted to Directors and senior management

Applicable  Not applicable

Unit: share

Name	Position	Number of stock options held at the beginning of the year	Number of stock options newly granted during the reporting period	Number of exercisable stock options during the reporting period	Number of stock options exercised during the reporting period	Exercise price of stock options exercised during the reporting period (RMB/share)	Number of stock options held at the end of the reporting period	Market price at the end of the reporting period (RMB/share)	Number of restricted shares held at the beginning of the period	Number of restricted shares vested in the current period	Number of restricted shares newly granted during the reporting period	Grant price of restricted shares (RMB/share)	Number of restricted shares held at the end of the reporting period
Dong	Employee	220,000		115,000	115,000	17.97	105,000	28.73					

Name	Position	Number of stock options held at the beginning of the year	Number of stock options newly granted during the reporting period	Number of exercisable stock options during the reporting period	Number of stock options exercised during the reporting period	Exercise price of stock options exercised during the reporting period (RMB/share)	Number of stock options held at the end of the reporting period	Market price at the end of the reporting period (RMB/share)	Number of restricted shares held at the beginning of the period	Number of restricted shares vested in the current period	Number of restricted shares newly granted during the reporting period	Grant price of restricted shares (RMB/share)	Number of restricted shares held at the end of the reporting period
Haixia	Representative Director												
Total	-	220,000		115,000	115,000	--	105,000	--				-	

The Appraisal and incentive mechanism for senior management

The remuneration standard for senior management shall be formulated by the remuneration and assessment committee, and implemented after approval by the Board of Directors.

## 2. Implementation of employee stock ownership plan

Applicable  Not applicable

All valid employee stock ownership plans during the reporting period

Participants	Number	Total shares held	Changes	Proportion in Company's total share capital	Source of funds
"Home No.6" Employee Stock Ownership Plan: Directors (excluding independent directors), senior management, and key business personnel	742	30,179,120	Due to the resignation and other reasons affecting certain participants, they are no longer eligible for the Company's "Home No. 6" Employee Stock Ownership Plan, resulting in changes to the total number of participants and their respective holdings.	0.85%	self-raised
"Home No.7" Employee Stock Ownership Plan: Middle and senior management and key business personnel of the Company and its holding subsidiaries and other eligible employees, as determined by the Board of Directors	37	2,744,100	Due to the resignation and other reasons affecting certain participants, they are no longer eligible for the Company's "Home No. 7" Employee Stock Ownership Plan, resulting in changes to the total number of participants and their respective holdings.	0.08%	self-raised

Total shares held by directors, and senior management in employee stock ownership plans during the reporting period

Name	Position	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Proportion in Company's total share capital
Duan Huilu, Li Youbo, Liu Yaocheng, Dong Haixia, Liu Chunfa, Jiang Hongzhai, Yu Dachao, Gao Xiaoguang, Li Yongzhi, and Xu Dapeng	Directors, senior management	8,505,000	5,670,000	0.16%

Changes of asset management agency during the reporting period

Applicable  Not applicable

Changes in equity resulting from participants' disposal of holdings and other factors during the reporting period

Applicable  Not applicable

During the reporting period, upon the expiration of the applicable lock-up period, the Company's "Home No. 6" Employee Stock Ownership Plan disposed of a portion of its holdings in accordance with relevant provisions. As of the end of the reporting period, the Company's "Home No. 6" Employee Stock Ownership Plan held 30,179,120 shares of the Company, accounting for 0.85% of the total share capital.

Exercise of shareholders' rights during the reporting period

During the reporting period, the Company's Employee Stock Ownership Plan exercised shareholders' rights to received in cash dividends for the fiscal year 2024, and for the first three quarters of 2025.

Other relevant situations and descriptions related to employee stock ownership plans during the reporting period

Applicable  Not applicable

During the reporting period, 1,893,274 shares held by participants of the "Home No. 6" Employee Stock Ownership Plan were withdrawn due to resignation and other reasons, and 72,677 shares held by participants of the "Home No. 7" Employee Stock Ownership Plan were withdrawn due to resignation and other reasons.

Changes in members of the Management Committee of the Employee Stock Ownership Plans

Applicable  Not applicable

Financial impacts of the employee stock ownership plans during the reporting period and relevant accounting treatment

Applicable  Not applicable

In accordance with the provisions of Accounting Standard for Business Enterprises No. 11 — Share-based Payment: For equity-settled share-based payment transactions in exchange for employee services, which vest only upon completion of service during the vesting period or satisfaction of specified performance conditions, at each balance sheet date within the vesting period, the services received in the current period shall be recognized in the relevant costs or expenses and capital reserve, based on the best estimate of the number of exercisable equity instruments and at the fair value of the equity instruments on the grant date. The expense amortization of the Company's "Home No. 6" and "Home No. 7" Employee Stock Ownership Plans for 2025 amounted to RMB 105.1407 million and RMB 6.1767 million respectively.

Termination of employee stock ownership plan during the reporting period

Applicable  Not applicable

Explanation of other matters:

None

### 3. Other employee incentive measures

Applicable  Not applicable

## XI. Establishment and Implementation of the Company's Internal Control System during the Reporting Period

### 1. Establishment and implementation of internal control system

The Company has implemented a rigorous and effective internal control system that is tailored to its specific needs in strict compliance with the *Basic Standard for Enterprise Internal Control*, as well as relevant laws, regulations, and normative documents. The internal audit department is responsible for overseeing and assessing the implementation of this system. The Board of Directors conducts an annual self-evaluation of the Company's internal controls and discloses the *Internal Control Evaluation Report*. Simultaneously, the Company engages an accounting firm to conduct an internal control audit of the Company.

The Company continuously improves its internal control level in compliance with applicable laws, regulations, normative documents and the *Articles of Association of the Company*. During the reporting period, all operational activities of the Company were conducted in compliance with relevant systems and provisions. The Company manages major internal control businesses and matters in a strict, adequate and effective manner, including governance structure, organizational structure, social responsibility, corporate culture, human resources, procurement business, sales business, asset management, capital activities, research and development, engineering projects, financial reporting, related party transactions, external guarantees, investment management, financing management, information disclosure, internal supervision, and integrity construction.

During the reporting period, the Company did not have any material or significant deficiencies in its internal control of financial and non-financial reports. The Company has maintained effective internal control in all material respects in accordance with the requirements of the corporate internal control standard system and relevant regulations.

## 2. Details of material deficiency of internal control detected during the reporting period

Yes  No

## XII. Management and Controls of Subsidiaries during the Reporting Period

Not applicable

## XIII. Internal Control Evaluation Report or Internal Control Audit Report

### 1. Internal control evaluation report

Disclosure date of full text of internal control evaluation report	April 24, 2026	
Disclosure index of full text of internal control evaluation report	The <i>Goertek Inc. Internal Control Evaluation Report of 2025</i> Disclosed on <i>CNINFO</i> on April 24, 2026	
Proportion of the total assets of entities within the scope of evaluation to the total assets stated in the Company's consolidated financial statements		100.00%
Proportion of the operating revenue of entities within the scope of evaluation to the operating revenue stated in the Company's consolidated financial statements		100.00%
Deficiency Identification Criteria		
Category	Financial report	Non-financial report
Qualitative criteria	<p>The qualitative criteria for the evaluation of internal control deficiencies in financial reporting are as follows:</p> <p>Indicators of material deficiencies in financial reporting:</p> <p>(1) Fraudulent acts committed by the Company's directors and senior management personnel;</p> <p>(2) Restatement of previously issued financial reports by the Company;</p> <p>(3) Material misstatements in the current-period financial statements identified by certified public accountants but not detected by the Company's internal control;</p> <p>(4) Ineffective supervision over the Company's external financial reporting and internal control over financial reporting by the audit committee and the internal audit department.</p> <p>Indicators of significant deficiencies in financial reporting:</p> <p>(1) Failure to select and apply accounting policies in compliance with generally accepted accounting principles;</p> <p>(2) Failure to establish anti-fraud procedures and control measures;</p> <p>(3) Failure to formulate corresponding control mechanisms for the accounting treatment of unusual or special transactions, or failure to implement such mechanisms without corresponding compensatory controls in place;</p> <p>(4) The existence of one or more deficiencies in the controls over the period-end financial reporting process, which cannot provide reasonable assurance that the prepared financial statements are true and complete in all material respects.</p>	<p>The qualitative criteria for the evaluation of internal control deficiencies in non-financial reporting are as follows:</p> <p>A deficiency shall be classified as a material deficiency if it is highly probable to occur and would seriously impair operational efficiency or effectiveness, materially increase uncertainty of outcomes, or cause a substantial deviation from expected objectives.</p> <p>A deficiency shall be classified as a significant deficiency if it is reasonably probable to occur and would markedly impair operational efficiency or effectiveness, increase uncertainty of outcomes to a notable extent, or cause a marked deviation from expected objectives.</p> <p>A deficiency shall be classified as a general deficiency if it has a low probability of occurring and would impair operational efficiency or effectiveness, increase uncertainty of outcomes, or cause a deviation from expected objectives.</p>

	General deficiencies: Other internal control deficiencies that do not meet the criteria for material deficiencies or significant deficiencies.	
Quantitative criteria	<p>(1) Any deficiency satisfying any of the following criteria shall be deemed a material deficiency: The potential misstatement of total profit is not less than 5% of the total profit, and the amount of such potential misstatement is not less than RMB 10 million; the potential misstatement of total assets is not less than 1% of total assets; the potential misstatement of operating revenue is not less than 1% of total operating revenue.</p> <p>(2) Any deficiency satisfying any of the following criteria shall be deemed a significant deficiency: The potential misstatement of total profit ranges from 3% to less than 5% of the total profit; the potential misstatement of total assets ranges from 0.5% to less than 1% of total assets; the potential misstatement of operating revenue ranges from 0.5% to less than 1% of total operating revenue.</p> <p>(3) A deficiency that meets any of the following criteria shall be deemed a general deficiency: The potential misstatement of total profit is less than 3% of the total profit; the potential misstatement of total assets is less than 0.5% of total assets; the potential misstatement of operating revenue is less than 0.5% of total operating revenue.</p>	The quantitative criteria for the evaluation of internal control deficiencies in non-financial reporting shall be implemented with reference to those for financial reporting.
Number of material deficiencies in financial reporting		0
Number of material deficiencies in non-financial reporting		0
Number of significant deficiencies in financial reporting		0
Number of significant deficiencies in non-financial reporting		0

## 2. Internal control audit report

Applicable  Not applicable

The opinion paragraph in internal control audit report	
Zhongxi CPAs (Special General Partnership) believes that Goertek Inc. maintained effective internal control over financial reporting in all material respects as of December 31, 2025 in accordance with the <i>Basic Standard for Enterprise Internal Control</i> and relevant regulations.	
Disclosure of the internal control audit report	Disclosed
Disclosure date of the full text of the internal control audit report	April 24, 2026
Disclosure index of the full text of the internal control audit report	<i>Internal Control Audit Report of Goertek Inc. (Zhong Xi Special Audit No. 2026T00167)</i> , disclosed on <i>CNINFO</i> on April 24, 2026
Opinion type of the internal control audit report	Standard unqualified opinion
Material deficiencies found in non-financial reporting	No

Whether the accounting firm issued an internal control audit report with a non-standard opinion

Yes  No

Whether the opinion expressed in the internal control audit report issued by the accounting firm and the self-evaluation report of the Board of Directors are consistent

Yes  No

Whether a non-standard audit opinion on internal control was issued for the reporting period or the previous year

Yes  No

#### XIV. Rectification of Issues Identified in the Special Action on Listed Company Governance

Not applicable

#### XV. Environmental Information Disclosure

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

Yes  No

Number of enterprises included in the list of enterprises legally required to disclose environmental information		4
No.	Company name	Environmental information legally disclosure report query index
1	Goertek Inc.	Shandong Enterprise Environmental Information Legal Disclosure System <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>
2	Weifang Goertek Microelectronics Co., Ltd.	
3	Weifang Goertek Electronics Co., Ltd.	
4	Rongcheng Goertek Technology Co., Ltd.	

#### XVI. Performance of Social Responsibility

During the reporting period, while achieving its own development, the Company implemented work regarding the protection of the rights and interests of shareholders, creditors, employees, suppliers, customers, and consumers, environmental protection and sustainable development, as well as public relations and public welfare undertakings. For further details, please refer to the *2025 Sustainability Report of Goertek Inc.* disclosed on CNINFO on April 24, 2026.

#### XVII. Consolidation and Expansion of Achievements in Poverty Alleviation and Rural Revitalization

For further details, please refer to the *2025 Sustainability Report of Goertek Inc.* disclosed on CNINFO on April 24, 2026.

## Section V Important Matters

### I. Fulfilment of Commitments

1. The commitments of the Company's actual controllers, shareholders, related parties, acquires and companies that have been completely fulfilled during the reporting period or remain valid by the end of the reporting period.

Applicable  Not applicable

Commitment matters	Commitment party	Commitment type	Commitment content	Commitment time	Commitment period	Performance of commitments
Commitments made during the joint-stock reform	N/A					
Commitments made in the report of acquisition or in the report of equity changes	N/A					
Commitments made during asset restructuring	N/A					
Commitments made during initial public offering or refinancing	Jiang Bin, the actual controller, and Jiang Long, the shareholder and the related party of the actual controller	Commitment to restricted stock	Jiang Bin and Jiang Long promise that the Company shares transferred each year during their tenure will not exceed 25% of the total Company shares held by them, and the shares will not be transferred within six months after their resignation in future	October 8, 2007	Long-term standing	Being strictly fulfilled
	Jiang Bin and Hu Shuangmei, the actual controllers of the Company, Goertek Group Co., Ltd. and Jiang Long, the shareholders who hold more than 5% of the Company shares	Horizontal competition related commitment	At present, there is no competition between the main businesses of Goertek Inc. and the commitment parties (company and persons) in this clause or other entities controlled by the commitment parties (company and persons). In future, in order to fundamentally avoid the possibility of competing with Goertek Inc., the commitment parties	October 8, 2007	Long-term standing	Being strictly fulfilled

Commitment matters	Commitment party	Commitment type	Commitment content	Commitment time	Commitment period	Performance of commitments
			<p>(company and persons) promise as follows:</p> <p>1) The commitment parties (company and persons) will not engage in the same or similar business as Goertek Inc. in order to avoid direct or indirect competition to the production and operation of Goertek Inc. Efforts will be made to urge other entities controlled by the commitment parties (company and persons) not to directly or indirectly participate in or carry out any business activity that compete with the production and operation of Goertek Inc.</p> <p>2) If the commitment parties (company and persons) and the other entities controlled by the commitment parties (company and persons) except Goertek Inc., have competitive businesses of the same kind with Goertek Inc., which may bring unfair impacts on Goertek Inc. in terms of market share, business opportunities and resource allocation, etc. The commitment parties (company and persons) and other entities controlled by the commitment parties (company and persons) except Goertek Inc. will voluntarily give up business competition with Goertek Inc.</p> <p>3) The commitment parties (company and persons) undertake to give Goertek Inc. the pre-emption right on the purchase of any assets and business to be</p>			

Commitment matters	Commitment party	Commitment type	Commitment content	Commitment time	Commitment period	Performance of commitments
			<p>sold, and will do their best to ensure that the price of the transaction is determined on the basis of fair, reasonable and normal commercial transactions with independent third parties.</p> <p>4) The commitment parties (company and persons) will not be restricted from engaging in or continuing to engage in existing production business, in particular to provide Goertek Inc. with relevant materials and services needed for its operation. Since the date of issuance of this letter of commitment, the commitment parties (company and persons) undertake to indemnify Goertek Inc. for any loss or expense suffered or incurred in violation of any of the terms of this commitment.</p>			
Stock option incentive commitments	The Company	Other commitments	Stock option incentive plan of 2021: The Company undertakes not to provide loans or any other form of financial assistance to any participants to obtain relevant rights and interests under this incentive plan, including guarantee for their loans	April 16, 2021	From the issuance date of the commitment to the completion of the implementation of the stock option incentive plan of 2021	Fully performed
	The Company	Other commitments	Stock option incentive plan of 2022: The Company undertakes not to provide loans or any other form of financial assistance to any participants to obtain relevant rights and interests under this incentive plan, including guarantee for their loans	July 8, 2022	From the issuance date of the commitment to the completion of the implementation of the stock option incentive plan of 2022	Fully performed
	The Company	Other	Stock option incentive plan	July 19, 2023	From the issuance	Being strictly

Commitment matters	Commitment party	Commitment type	Commitment content	Commitment time	Commitment period	Performance of commitments
		commitments	of 2023: The Company undertakes not to provide loans or any other form of financial assistance to any participants to obtain relevant rights and interests under this incentive plan, including guarantee for their loans		date of the commitment to the completion of the implementation of the stock option incentive plan of 2023	fulfilled
	The Company	Other commitments	Stock option incentive plan of 2025: The Company undertakes not to provide loans or any other form of financial assistance to any participants to obtain relevant rights and interests under this incentive plan, including guarantee for their loans	May 8, 2025	From the issuance date of the commitment to the completion of the implementation of the stock option incentive plan of 2025	Being strictly fulfilled
Other commitments made to minority shareholders	Goertek Group Co., Ltd. and its parties acting in concert	Commitment to restricted stock	Goertek Group Co., Ltd. and its parties acting in concert have committed to completing the share acquisition plan in accordance with regulations during the implementation period of the acquisition plan, and will not reduce their holdings in the company's shares during the acquisition period and the time periods stipulated by laws and regulations.	February 27, 2025	From February 27, 2025 to April 10, 2025	Fully performed
	All directors of the Company	Commitment on repurchase	This share repurchase will not impair the Company's ability to fulfill its debt obligations and its going concern.	April 10, 2025	Within 12 months following April 10, 2025, or until this repurchase closes	Being strictly fulfilled
Whether the commitments are fulfilled on time		Yes				
If the commitments are not fulfilled within the time limit, specific reasons for the failure of complying and the work plan for the next step shall be explained in detail		N/A				

**2. If the Company's assets or projects have profit forecasts and the reporting period is still in the profit forecasting period, the Company shall make statement on whether the assets or projects reach the original profit forecast and provide relevant reasons**

Applicable  Not applicable

**3. The company is involved in performance commitments.**

Applicable  Not applicable

## **II. Non-operational Occupation of Funds by Controlling Shareholders and Other Related Parties to Listed Companies**

Applicable  Not applicable

During the reporting period of the Company, there is no non-operational occupation of funds by controlling shareholders or other related parties to the Company.

## **III. External Guarantee in Violation of Regulations**

Applicable  Not applicable

The Company has no violation of external guarantee during the reporting period.

## **IV. Explanation made by the Board of Directors about the modified audit opinion for the latest period**

Applicable  Not applicable

## **V. Explanation of the Accounting Firm's "Modified Auditor's Report" by the Board of Directors and Independent Directors (if Any) During the Reporting Period**

Applicable  Not applicable

## **VI. Explanation of Changes in Accounting Policies, Accounting Estimates or Correction of Major Accounting Errors Compared with the Financial Report of Previous Year**

Applicable  Not applicable

There were no changes in accounting policies, accounting estimates, or corrections of material accounting errors during the reporting period.

## **VII. Explanation of Changes in the Scope of the Consolidated Financial Statements Compared with Previous Year's Financial Report**

Applicable  Not applicable

During the reporting period, the Company established 12 subsidiaries, including Weifang Goertek Smart Technology Co., Ltd., Qingdao Goertek Starshine Smart Technology Co., Ltd., Hefei Goertek Technology Co., Ltd., Hangzhou Goertek Technology Co., Ltd., Dongguan Yili Technology Co., Ltd., Hainan Goertek Trading Co., Ltd., Shanghai Goertek IntelliReach Technology Co., Ltd., Goertek Optoelectronics Technology (Qingdao) Co., Ltd., GoerView Technology (HongKong) Co., Limited, Goertek Holdings (HongKong) Co., Limited, Yili Technology Vietnam Company Limited, Goertek Singapore Holdings Pte. Ltd.

During the reporting period, a total of 16 subsidiaries were excluded from the consolidated financial statements, including Goertek Optical Technology Co., Ltd., Goertek Optical Technology (Qingdao) Co., Ltd., Goertek Optical Technology (Shanghai) Co., Ltd., UPhoton Technology (Shaoxing) Co., Ltd., UPhoton Technology (Beijing) Co., Ltd., Jiaxing UPhoton Optoelectronics Technology Co., Ltd., Shaoxing UPhoton Precision Technology Co., Ltd., Hangzhou UPhoton Optoelectronics Technology Co., Ltd., Tianjin

Uphoton Technology Co., Ltd., Nanjing Uphoton Technology Co., Ltd., Goertek Optical Technology (HongKong) Holdings Co., Limited, Goertek Optical Technology (HongKong) Co., Limited, Goertek Optoelectronics Technology (Qingdao) Co., Ltd., GoerView Technology (HongKong) Co., Limited, Qingdao Goerpixel Technology Co., Ltd., Xi'an Goerpixel Technology Co., Ltd.

### VIII. Appointment and Dismissal of Accounting Firms

Accounting firm currently appointed

Name of the domestic accounting firm	Zhongxi CPAs (Special General Partnership)
Remuneration of the domestic accounting firm (unit: RMB 10,000)	300
Consecutive audit service years of the domestic accounting firm	7
Name of certified public accountant of the domestic accounting firm	Gong Ping, Zhang Shuli
Consecutive audit service years of certified public accountant of the domestic accounting firm	Gong Ping has been in service for 1 year, and Zhang Shuli for 4 years
Name of overseas accounting firms (if any)	None
Remuneration of overseas accounting firms (unit: RMB 10,000) (if any)	0
Consecutive audit service years of overseas accounting firms (if any)	None
Names of certified public accountants of the overseas accounting firms	None
Consecutive audit service years of certified public accountants of overseas accounting firms (if any)	None

Whether to reappoint accounting firm in current period

Yes  No

Employment of internal control audit accounting firms, financial consultants or sponsors

Applicable  Not applicable

During the reporting period, the Company engaged Zhongxi CPAs (Special General Partnership) as the internal control audit accounting firm and paid the internal control audit fee of RMB 800,000 that has been included in the total compensation of RMB 3 million (tax-inclusive) paid to Zhongxi CPAs (Special General Partnership).

### IX. Delisting After the Disclosure of Annual Report

Applicable  Not applicable

### X. Bankruptcy or Reorganization Related Events

Applicable  Not applicable

No bankruptcy or reorganization related events occurred during the reporting period.

### XI. Significant Lawsuit and Arbitration Events

Applicable  Not applicable

No significant litigation or arbitration events occurred during the reporting period.

### XII. Punishment and Rectification

Applicable  Not applicable

No punishment or rectification occurred during the reporting period.

### XIII. Integrity Issues of the Company, Controlling Shareholders and Actual Controllers

Applicable  Not applicable

### XIV. Significant Related Party Transactions

#### 1. Related party transactions related to daily operations

Applicable  Not applicable

No significant related party transactions related to daily operations occurred during the reporting period.

#### 2. Related party transactions involving the acquisition or sale of assets or equity

Applicable  Not applicable

No significant related party transactions involving the acquisition or sale of assets or equity occurred during the reporting period.

#### 3. Related party transactions of joint external investment

Applicable  Not applicable

No significant related party transactions of joint external investment occurred during the reporting period.

#### 4. Related party transactions of credits and liabilities

Applicable  Not applicable

Whether there are non-operating related creditor's rights and debts

Yes  No

Creditor's rights receivable from related parties

None

Debt due to related parties

Related parties	Relations with related party	Cause of formation	Opening balance (RMB 10,000)	Increased amount in the current period (RMB 10,000)	Amount repaid in the current period (RMB 10,000)	Interest rate	Interest in the current period (RMB 10,000)	Closing balance (RMB 10,000)
Goertek Group Co., Ltd.	Controlling shareholder of the Company	Financial assistance in the same proportion to Goertek Optical.	2,700		2,700	2.80%	43.05	
Impact of related parties' debts on the Company's operating results and financial position		No significant impact						

#### 5. Business with affiliated financial company

Applicable  Not applicable

There is no finance company that has a related party relationship with the Company.

#### 6. Business between the related parties and the financial company controlled by the Company

Applicable  Not applicable

There was no financial company controlled by the Company.

## 7. Other significant related party transactions

Applicable  Not applicable

No other significant related party transactions occurred during the reporting period.

## XV. Significant Contracts and Executions

### 1. Trusteeship, contracting and leasing

#### (1) Trusteeship

Applicable  Not applicable

No significant trusteeship occurred during the reporting period.

#### (2) Contracting

Applicable  Not applicable

No significant contracting occurred during the reporting period.

#### (3) Leasing

Applicable  Not applicable

No significant leasing occurred during the reporting period.

### 2. Significant guarantees

Applicable  Not applicable

Unit: RMB 10,000

External guarantees provided by the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of guaranteed party	Disclosure date of the amount limit of the guarantee	The amount limit of the guarantee	Actual occurrence date	Actual amount guaranteed	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether the guarantee is complete	Whether guarantee for related parties
N/A										
The Company's guarantee to its subsidiaries										
Name of guaranteed party	Disclosure date of the amount limit of the guarantee	The amount limit of the guarantee	Actual occurrence date	Actual amount guaranteed	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether the guarantee is complete	Whether guarantee for related parties
Goertek Precision Industry Vietnam Co., Ltd.	December 1, 2021	253,036.80	April 1, 2023	0.00	Joint liability guarantee			94 months	Yes	No
Goertek Technology Vina Co., Ltd.	December 1, 2021	337,382.40	April 1, 2023	30,198.19	Joint liability guarantee			94 months	No	No
	March 28, 2024	205,943.84	July 19, 2024	390.81	Joint liability guarantee			1 year	Yes	No
	March 27, 2025	506.07	May 31, 2025	18.08	Joint liability guarantee			1 year	No	No
Goertek	March 28,	38,798.98	July 19,	106.28	Joint			1 year	Yes	No

Smart Technology Vina Co., Ltd.	2024		2024		liability guarantee						
			May 21, 2025	600.00	Joint liability guarantee			1 year	No	No	
Goertek Intelligence Technology Co., Ltd.	March 28, 2024	2,300.00	July 19, 2024	119.10	Joint liability guarantee			1 year	Yes	No	
	March 27, 2025	13,073.57	August 3, 2025	1,027.05	Joint liability guarantee			Six months from the expiry date of the performance period of the principal debt.	No	No	
			December 1, 2025	150.98	Joint liability guarantee				No	No	
Goertek (HongKong) Co., Limited	March 28, 2024	152,524.96	July 19, 2024	3,905.90	Joint liability guarantee			1 year	Yes	No	
			November 8, 2024	105.16	Joint liability guarantee			1 year	Yes	No	
			January 20, 2025	75,000.00	Joint liability guarantee			6 months	Yes	No	
	March 27, 2025	356,360.16	May 30, 2025	33,035.36	Joint liability guarantee			Six months from the expiry date of the performance period of the principal debt.	No	No	
			June 1, 2025	3,321.75	Joint liability guarantee				No	No	
			June 30, 2025	10,274.78	Joint liability guarantee			1 year	No	No	
			July 21, 2025	13,831.95	Joint liability guarantee				No	No	
			July 31, 2025	2,297.39	Joint liability guarantee			Six months from the expiry date of the performance period of the principal debt.	No	No	
			August 3, 2025	2,397.83	Joint liability guarantee				No	No	
			August 17, 2025	819.06	Joint liability guarantee				No	No	
			December 1, 2025	344.41	Joint liability guarantee				No	No	
	Goertek Optical Technology Co., Ltd.	March 27, 2025	8,000.00	May 22, 2025	9.46	Joint liability guarantee			1 year	Yes	No
				June 17, 2025	600.38	General guarantee			1 year	Yes	No
Total amount of guarantee			394,808.92	Total amount of actual guarantee to				178,553.92			

limit to subsidiaries approved during the reporting period (B1)			subsidiaries occurred during the reporting period (B2)							
Total amount of guarantee limit to subsidiaries approved at the end of the reporting period (B3)		732,191.32	Total balance of actual guarantee to subsidiaries occurred at the end of the reporting period (B4)		98,316.82					
The guarantee between subsidiaries										
Name of guaranteed party	Disclosure date of the amount limit of the guarantee	The amount limit of the guarantee	Actual occurrence date	Actual amount guaranteed	Guarantee type	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether the guarantee is complete	Whether guarantee for related parties
N/A										
Total amount of company guarantee (namely the sum of the previous three items)										
Total amount of guarantee limit approved during the reporting period (A1+B1+C1)		394,808.92	Total amount of actual external guarantee occurred during the reporting period (A2+B2+C2)		178,553.92					
Total amount of external guarantee limit approved at the end of the reporting period (A3+B3+C3)		732,191.32	Total balance of actual external guarantee occurred at the end of the reporting period (A4+B4+C4)		98,316.82					
The proportion of the total amount of actual guarantee (i.e. A4+B4+C4) to the net assets of the Company					2.70%					
Including:										
Balance of guarantees for shareholders, actual controllers and their affiliate parties (D)					0					
Balance of guarantee provided directly or indirectly to the parties with an asset-liability ratio of more than 70% (E)					98,316.82					
Amount of total guarantees exceeding 50% of net assets (F)					0					
Total amount of the above three kinds of guarantees (D+E+F)					98,316.82					
Explanation of unexpired guarantee contracts for which there are guarantee liabilities or there is evidence showing the possibility of joint and several liability for repayment during the reporting period					None					
Notes on providing external guarantees in violation of specified procedures					None					

Specific description of complex guarantees

None

### 3. Entrusted management of cash assets

#### (1) Entrusted wealth management

Applicable  Not applicable

Entrusted wealth management during the reporting period

Unit: RMB 10,000

Product category	Risk characteristics	The balance of entrusted wealth management during the reporting period	Overdue outstanding amount
Bank wealth management	Principal-protected floating	130,000	0

product	return		
---------	--------	--	--

The company, as the sole entrusting party, entrusts financial institutions with asset management, or invests in high-risk entrusted wealth management products with low safety and poor liquidity, and shall specify the actual circumstances.

Applicable  Not applicable

## (2) Entrusted loans

Applicable  Not applicable

No entrusted loans occurred during the reporting period.

## 4. Other significant contracts

Applicable  Not applicable

No other significant contracts occurred during the reporting period.

## XVI. Use of Raised Funds

Applicable  Not applicable

No use of raised funds occurred during the reporting period.

## XVII. Explanation of Other Significant Matters

Applicable  Not applicable

On September 12, 2025, the Company convened the 32nd meeting of the 6th Board of Directors, at which it reviewed and approved the Proposal on *the Subsidiary Equity Transaction* and the Proposal on *the Capital Increase of Goertek Optical Technology Co., Ltd. and Related Party Transactions*. The Board resolved that the Company and Goertek Optical would enter into relevant agreements with the transaction counterparties. Under the agreed terms, Goertek Optical would acquire 100% equity interests in Sunny OmniLight NanoOptics Co., Ltd. and Sunny OmniLight NanoOptics Information Technology Co., Ltd. (collectively the "Share Exchange Transaction") by issuing new registered capital of RMB 529,511,488 to Sunny OmniLight Technology Co., Ltd. ("Ningbo OmniLight") and the counterparty's employee shareholding platform.

Upon completion of the Share Exchange Transaction, the Company and Ningbo OmniLight each made a capital contribution of RMB 200 million to subscribe for the newly issued registered capital of RMB 55,640,600 of Goertek Optical. As of the end of the reporting period, the Company had fully completed the aforesaid transactions and capital increases. As a result, the Company's shareholding in Goertek Optical dropped from 56.6560% to 38.5713%. In accordance with *Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements*, Goertek Optical was no longer included in the Company's scope of consolidation.

In accordance with the requirements of laws and regulations, the Company has disclosed the significant matters that should be disclosed and occurred during the reporting period on <http://www.cninfo.com.cn>, *Securities Times*, *China Securities Journal*, *Shanghai Securities News* and *Securities Daily*. Other than that, no other significant matters occurred.

## XVIII. Significant Events of Subsidiaries of the Company

Applicable  Not applicable

On September 13, 2024, the Company held the 19th meeting of the 6th Board of Directors, which approved the Proposal of *Planning on the Spin-off of Goertek Microelectronics Inc. and Listing on the Main Board of the Hong Kong Stock Exchange* and other related proposals. The above-mentioned proposals were reviewed and approved at the Company's third extraordinary general meeting of shareholders held in 2024.

On January 20, 2025, Goertek Microelectronics submitted an application for the initial public offering of overseas listed foreign shares (H shares) and their listing on the main board of the Hong Kong Stock Exchange to the Stock Exchange of Hong Kong Limited (hereinafter referred to as "HKEX"), and published the application materials for such offering and listing on the website of HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)).

On March 4, 2025, Goertek Microelectronics submitted the filing documents regarding this issuance and listing to the China Securities Regulatory Commission (CSRC) in accordance with relevant regulations, and the CSRC has acknowledged receipt of the materials.

For details, please refer to the relevant announcements published in *CNINFO* (<http://www.cninfo.com.cn>), *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, and *Securities Daily*.

## Section VI Changes in Shares and Shareholders' Information

### I. Changes in Shares

#### 1. Changes in shares

Unit: share

	Before the change		Increases or decreases (+, -)					After the change	
	Number	Percentage	New shares	Bonus shares	Transferred from reserves	Other	Sub-total	Number	Percentage
I. Shares Subject to Selling Restrictions	407,160,827	11.68%				17,025	17,025	407,177,852	11.48%
1. State shareholding									
2. Shares held by state-owned corporates									
3. Shares held by other domestic shareholders	407,160,827	11.68%				17,025	17,025	407,177,852	11.48%
Including: held by domestic corporates									
held by domestic individuals	407,160,827	11.68%				17,025	17,025	407,177,852	11.48%
4. Shares held by foreign shareholders									
Including: held by foreign corporates									
held by foreign individuals									
II. Shares Without Restrictions	3,079,183,917	88.32%	61,088,644			-17,025	61,071,619	3,140,255,536	88.52%
1. RMB common shares	3,079,183,917	88.32%	61,088,644			-17,025	61,071,619	3,140,255,536	88.52%
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total Number of Shares	3,486,344,744	100.00%	61,088,644				61,088,644	3,547,433,388	100.00%

## Reasons for changes in shares

Applicable  Not applicable

Exercise of the Reserved Granted Portion of the 2021 Stock Option Incentive Plan is in the second exercise period. During the reporting period, the exercise of rights by eligible incentive recipients led to an increase in the Company's share capital by 216,555 shares.

Exercise of the Initial Granted Portion of the 2023 Stock Option Incentive Plan is in the first and second exercise period. During the reporting period, the exercise of rights by eligible incentive recipients led to an increase in the Company's share capital by 54,207,679 shares.

Exercise of the Reserved Granted Portion of the 2023 Stock Option Incentive Plan is in the first exercise period. During the reporting period, the exercise of rights by eligible incentive recipients led to an increase in the Company's share capital by 6,664,410 shares.

## Approval of changes in shares

Applicable  Not applicable

On March 27, 2024, the Company convened the 14th meeting of the 6th Board of Directors, which approved the *Proposal on the Achievement of the Exercise Conditions for the Second Exercise Period of the Reserved Granted Portion in the 2021 Stock Option Incentive Plan*, among others. The Board of Directors approved that the exercise conditions had been met. 147 incentive recipients with reserved grants can exercise stock options during the second exercise period by means of voluntary exercise.

On August 14, 2024, the Company convened the 18th meeting of the 6th Board of Directors, which approved the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period of the Initial Granted Portion in the 2023 Stock Option Incentive Plan*, among others. The Board of Directors approved that the exercise conditions had been met. 5,001 incentive recipients can exercise stock options during the first exercise period by means of voluntary exercise.

On June 4, 2025, the Company convened the 27th meeting of the 6th Board of Directors, which approved the *Proposal on the Achievement of the Exercise Conditions for the First Exercise Period of the Reserved Granted Portion in the 2023 Stock Option Incentive Plan*, among others. The Board of Directors approved that the exercise conditions had been met. 905 incentive recipients can exercise stock options during the first exercise period by means of voluntary exercise.

On August 21, 2025, the Company convened the 30th meeting of the 6th Board of Directors, which approved the *Proposal on the Achievement of the Exercise Conditions for the Second Exercise Period of the Initial Granted Portion in the 2023 Stock Option Incentive Plan*, among others. The Board of Directors approved that the exercise conditions had been met. 4,735 incentive recipients can exercise stock options during the second exercise period by means of voluntary exercise.

## Ownership transfer of changes in shares

Applicable  Not applicable

According to the *2021 Stock Option Incentive Plan of Goertek Inc. (Draft)*, the second exercise period of the Reserved Granted Portion of the 2021 Stock Option Incentive Plan is from April 20, 2024, to April 19, 2025. China Securities Depository and Clearing Co., Ltd. will handle the corresponding stock registration in conjunction with the incentive recipients exercising their rights during the aforementioned exercise period.

According to the *2023 Stock Option Incentive Plan of Goertek Inc. (Draft) (Revised)*, the first exercise period of the Initial Granted Portion of the 2023 Stock Option Incentive Plan is from August 28, 2024, to August 27, 2025, the second exercise period is from August 28, 2025, to August 27, 2026, and the first exercise period of the Reserved Granted Portion of the 2023 Stock Option Incentive Plan is from June 27, 2025, to June 26, 2026. China Securities Depository and Clearing Co., Ltd. will handle the corresponding stock registration in conjunction with the incentive recipients exercising their rights during the aforementioned exercise period.

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

Applicable  Not applicable

During the reporting period, as the 2021 and 2023 stock option incentive plans were in their exercise periods, the changes in shares resulting from the exercise of options correspondingly affected financial indicators such as basic earnings per share, diluted earnings per share, and net assets per share attributable to ordinary shareholders of the Company, but did not have a material impact.

Other content that the Company considers necessary or that the securities regulator requires to be disclosed

Applicable  Not applicable

## 2. Changes in restricted shares

Applicable  Not applicable

Unit: share

Name of shareholder	Number of restricted shares in opening period	Increased in reporting period	Decreased in reporting period	Number of restricted shares in closing period	Type for restricted shares	Unlock date
Jiang Bin	215,548,054			215,548,054	Restricted shares of Incumbent Directors and Senior Management	Unlock 25% of shares held per annum
Jiang Long	187,758,898			187,758,898		
Duan Huilu	2,605,875			2,605,875		
Liu Chunfa	648,000			648,000		
Jia Jun'an	600,000	15,000		615,000	Restricted shares of Former Directors and Senior Management	May 15, 2026
Wang Kun		2,025		2,025		
Total	407,160,827	17,025		407,177,852	--	--

## II. Issuance and Listing of Securities

### 1. Securities issuance (excluding preferred stocks) during the reporting period

Applicable  Not applicable

Name of the stock and its derivative securities	Issue Date	Issuance price (or interest rate)	Quantity of issuance	Listing date	Number of stocks permitted to be listed and traded	Transaction termination date	Disclosure index	Disclosure date
Stocks								
Goertek Inc. (2021 Stock Option Exercise)	-	RMB 28.78/share	216,555	-	216,555	-	<i>Announcement of Goertek Inc. on the Adoption of a Voluntary Exercise Mode for the Second Exercise Period of the Reserved Granted Portion of the 2021 Stock Option Incentive Plan</i>	November 18, 2024
Goertek Inc. (2023 Stock Option Exercise)	-	RMB 18.12 per share, RMB 17.97/share, RMB 17.82/share	60,872,089	-	60,872,089	-	<i>Announcement of Goertek Inc. on the Adoption of a Voluntary Exercise Mode for the First Exercise Period of the Initial Granted Portion of the 2023 Stock Option Incentive Plan</i>	September 3, 2024

							<i>Announcement of Goertek Inc. on the Adoption of a Voluntary Exercise Mode for the First Exercise Period of the Reserved Granted Portion of the 2023 Stock Option Incentive Plan</i>	June 25, 2025
							<i>Announcement of Goertek Inc. on the Adoption of a Voluntary Exercise Mode for the Second Exercise Period of the Initial Granted Portion of the 2023 Stock Option Incentive Plan</i>	September 3, 2025
Convertible corporate bonds, separately-traded convertible corporate bonds, corporate bonds								
None								
Other derivative securities								
None								

Description of the issuance of securities (excluding preferred stocks) during the reporting period

(1) The Reserved Granted Portion of the 2021 Stock Option Incentive Plan for the Second Exercise Period was approved by the Company's Board of Directors, and the exercise conditions have been satisfied. During the reporting period, the Company's share capital increased by 216,555 shares due to exercise by certain incentive recipients.

(2) The Initial Granted Portion of the 2023 Stock Option Incentive Plan for the First and the Second Exercise Period was approved by the Company's Board of Directors, and the exercise conditions for the First and the Second Exercise Period have been satisfied. During the reporting period, the Company's share capital increased by 54,207,679 shares due to exercise by certain incentive recipients.

(3) The Reserved Granted Portion of the 2023 Stock Option Incentive Plan for the First Exercise Period was approved by the Company's Board of Directors, and the exercise conditions have been satisfied. During the reporting period, the Company's share capital increased by 6,664,410 shares due to exercise by certain incentive recipients.

## 2. Description of changes in the total number of shares, the structure of shareholders, and the structure of assets and liabilities

Applicable  Not applicable

In 2025, the Company's share capital increased by 61,088,644 shares due to the exercise of options by incentive recipients, resulting in an increase of RMB 1.101 billion in the Company's cash. See Section VI (I), Item 1 "Changes in Shares" of this report for details.

## 3. Internal employee shares

Applicable  Not applicable

### III. Shareholders and Actual Controllers

#### 1. Number of shareholders and corresponding shareholding

Unit: share

Total of common shareholders at the end of the reporting period	394,195	Total of common shareholders at the end of the previous month before disclosure date of the annual report	481,237	Total of preference shareholders whose voting rights were restored at the end of the reporting period	0	Total of preference shareholders whose voting rights were restored at the end of the previous month before disclosure date of the annual report	0	
Shareholding of shareholders with more than 5% of shares or the top 10 shareholders (Excluding lending of shares through refinancing)								
Name of shareholder	Type of shareholder	Percentage	Total common shares held at the end of the reporting period	Increase/decrease during the reporting period	The number of common shares held with trading restrictions	The number of shares held without trading restrictions	Pledge or freeze status	
							Share status	Number
Goertek Group Co., Ltd.	Domestic non-state-owned corporation	15.65%	555,119,800	47,439,630		555,119,800	N/A	
Jiang Bin	Domestic individual	8.10%	287,397,406		215,548,054	71,849,352	N/A	
Jiang Long	Domestic individual	7.06%	250,345,197		187,758,898	62,586,299	Pledged	65,000,000
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas corporation	3.22%	114,234,486	-408,014		114,234,486	N/A	
China Securities Finance Corporation Limited	Domestic General Legal Person	2.34%	83,044,011			83,044,011	N/A	
Industrial and Commercial Bank of China Limited - Huatai-Pinebridge CSI300 Exchange-Traded Index Securities Investment Fund	Other	1.16%	41,017,093	-1,038,300		41,017,093	N/A	
Goertek Inc. - Home No. 6 ESOP	Other	0.85%	30,179,120	-16,971,120		30,179,120	N/A	
China Construction Bank Corporation - E Fund CSI300 Exchange-Traded Initiative-type Index	Other	0.82%	29,243,903	261,000		29,243,903	N/A	

Securities Investment Fund								
Zhejiang Haokun Shengfa Asset Management Co., Ltd. - Haokun Starry Sky Pegasus Phase VI Private Securities Investment Fund	Other	0.70%	24,707,800	24,707,800		24,707,800	N/A	
Industrial and Commercial Bank of China Limited - China Asset Management CSI300 Exchange-Traded Index Initiative-type Securities Investment Fund	Other	0.63%	22,313,787	3,057,300		22,313,787	N/A	
Strategic investors or general legal entities who become the top 10 shareholders as a result of the placement of new shares	None							
Explanation of the affiliated relationships of the above shareholders or their action in concert	Jiang Bin and Jiang Long are brothers. Goertek Group Co., Ltd. is controlled by Jiang Bin and Jiang Long; Goertek Inc. - Home No. 6 ESOP is the Company's ESOP; The Company does not know whether the other top ten shareholders are related or acting in concert with each other.							
Explanation on entrustment/acceptance and waiver of voting rights by the aforesaid shareholders	Goertek Inc. - Home No. 6 ESOP voluntarily waives its voting rights for the shares it holds at the company's shareholders' meeting.							
Special notes on the existing special account of securities repurchasing in the top 10 shareholders	As of December 31, 2025, the specific securities repurchase account of Goertek Inc. holds 73,931,992 company shares, accounting for 2.08% of the Company's total share capital.							
Shareholding of the top 10 unrestricted shareholders (Excluding lending of shares through refinancing, and restricted shares of senior management)								
Name of shareholder	Number of shares without sales restrictions held at the end of the reporting period	Type of shares						
		Type of shares	Number					
Goertek Group Co., Ltd.	555,119,800	Ordinary shares in RMB	555,119,800					
Hong Kong Securities Clearing Company Ltd. (HKSCC)	114,234,486	Ordinary shares in RMB	114,234,486					
China Securities Finance Corporation Limited	83,044,011	Ordinary shares in RMB	83,044,011					
Jiang Bin	71,849,352	Ordinary shares in RMB	71,849,352					
Jiang Long	62,586,299	Ordinary shares in RMB	62,586,299					
Industrial and Commercial Bank of China Limited - Huatai-Pinebridge CSI300 Exchange-Traded Index Securities Investment Fund	41,017,093	Ordinary shares in RMB	41,017,093					
Goertek Inc. - Home No. 6 ESOP	30,179,120	Ordinary shares in RMB	30,179,120					
China Construction Bank Corporation - E Fund CSI300 Exchange-Traded Initiative-type Index Securities Investment Fund	29,243,903	Ordinary shares in RMB	29,243,903					
Zhejiang Haokun Shengfa Asset Management Co., Ltd. - Haokun Starry Sky Pegasus Phase VI Private Securities Investment Fund	24,707,800	Ordinary shares in RMB	24,707,800					
Industrial and Commercial Bank of China Limited - China Asset Management CSI300	22,313,787	Ordinary shares in RMB	22,313,787					

Exchange-Traded Index Initiative-type Securities Investment Fund			
Explanation on affiliated relationships or action in concert among top 10 shareholders of shares without sales restrictions, or between top 10 shareholders of shares without sales restrictions and top 10 shareholders	Jiang Bin and Jiang Long are brothers. Goertek Group Co., Ltd. is controlled by Jiang Bin and Jiang Long; Goertek Inc. - Home No. 6 ESOP is the Company's ESOP; The Company does not know whether the other top ten shareholders are related or acting in concert with each other.		
Explanation of the top 10 common shareholders' participation in margin trading and securities lending	At the end of the reporting period, the shares held by Goertek Group Co., Ltd., the controlling shareholder of the Company include the 150,000,000 shares held in the customer credit guarantee account of Southwest Securities Co., Ltd.		

Whether shareholders holding more than 5%, the top 10 shareholders, and the top 10 unrestricted public shareholders participating in the lending of shares through refinancing business

Applicable  Not applicable

Any change in the top 10 shareholders and the top 10 unrestricted public shareholders compared to the previous period due to reasons related to the lending/returning of shares through refinancing business

Applicable  Not applicable

Whether the Company's top 10 common shareholders and top 10 common shareholders without share sales restrictions agreed on any repurchase transaction in the reporting period

Yes  No

None of the Company's top 10 common shareholders and top 10 common shareholders without share sales restrictions agreed on any repurchase in the reporting period.

## 2. Particulars about the controlling shareholder

Nature of the controlling shareholder: Natural person controlling

Type of the controlling shareholder: Legal entity

Name of the controlling shareholder	Legal representative/Head of the Company	Date of establishment	Organization code	Business scope
Goertek Group Co., Ltd.	Jiang Bin	April 24, 2001	913707007286084226	Residential interior decoration; medical services; technology import and export; investing activities conducted with own funds; non-residential real estate leasing; technical services; wholesale of edible agricultural products; tree planting management; electronic products sales, etc.
Shareholdings of the controlling shareholder in other listed companies	None			

Change of the controlling shareholders in the reporting period

Applicable  Not applicable

No change on the controlling shareholder of the Company in the reporting period.

### 3. Actual controllers of the Company and persons acting in concert with the actual controller

Nature of the actual controllers: Domestic individual

Type of the actual controllers: Individual

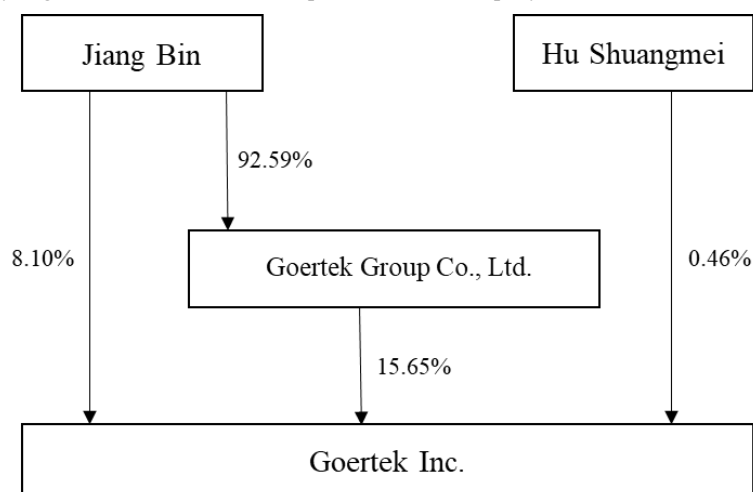
Name of the actual controller	Relationship with the actual controller	Nationality	Whether he/she has obtained the right of residence in another country or region
Jiang Bin	Himself	China	No
Hu Shuangmei	Herself	China	No
Jiang Long	Acting in concert (including agreement, relative and common control)	China	No
Main occupation and title	Mr. Jiang Bin currently serves as the Chairman of the Board of the Company; Mr. Jiang Long currently serves as the Vice Chairman of the Board and President of the Company.		
Information about other listed companies at home and abroad controlled in the last ten years	Goertek Inc.		

Change on the actual controllers in the reporting period

Applicable  Not applicable

No change on the actual controllers of the Company in the reporting period.

Block Diagram for Equity Right and Control Relationship between the Company and its Actual Controllers



The actual controller controls the Company via trust or other ways of asset management

Applicable  Not applicable

### 4. All the pledged shares account for 80% of the total shares held by the controlling shareholder or No.1 shareholder of the Company and their persons acting in concert

Applicable  Not applicable

### 5. Particulars about other corporate shareholders with over 10% shares of the Company

Applicable  Not applicable

### 6. Particulars on share sales restrictions for controlling shareholders, actual controllers, or other parties involved in the reorganization of the Company or in any commitments related to the sales of shares

Applicable  Not applicable

#### IV. Specific Implementation of Share Repurchase in the Reporting Period

Progress of share repurchase

Applicable  Not applicable

Disclosure date of the plan	Number of shares to be repurchased (share)	Proportion of total share capital	Amount to be repurchased (RMB 10,000)	Period of proposed repurchase	Purpose of repurchase	Number of repurchased shares (share)	Proportion of repurchased shares to the underlying shares covered by the Stock Incentive Plan (if any)
April 11, 2025	Based on the upper limit of the repurchase price and the repurchase amount, it is estimated that approximately 25,660,764 shares can be repurchased	0.74%	50,000 (inclusive) - 100,000 (inclusive)	Within 12 months from the date on which the Board of Directors deliberates and approves the repurchase plan	For ESOP or equity incentive plan	34,497,046	

The progress of repurchased shares reduction through centralized trading at competitive price

Applicable  Not applicable

#### V. Preference Shares

Applicable  Not applicable

There are no preference stocks in the reporting period.

## Section VII Bonds

Applicable  Not applicable

### I. Enterprise Bonds

Applicable  Not applicable

The Company had no enterprise bonds during the reporting period.

### II. Corporate Bonds

Applicable  Not applicable

The Company had no corporate bonds during the reporting period.

### III. Non-Financial Corporate Debt Financing Instruments

Applicable  Not applicable

#### 1. Basic information of non-financial corporate debt financing instruments

Unit: RMB 10,000

Bond Name	Bond Abbreviation	Bond Code	Issue Date	Value Date	Maturity Date	Bond Balance	Interest Rate	Principal and Interest Payment Method	Trading Venue
Goertek Inc. 2025 First Tranche Sci-Tech Innovation Bond	25 Goertek SCP001 (Sci-Tech Innovation Bond)	012581434	June 18, 2025	June 19, 2025	March 16, 2026	100,901.76	1.70%	A lump sum payment of principal and interest at maturity	Interbank bond market
Investor Suitability Arrangement (if any)			Institutional investors in the national interbank bond market (except those prohibited by national laws and regulations)						
Applicable trading mechanisms			Trading mechanism of the interbank bond market						
Whether there is a risk of delisting (if any) and countermeasures			No						

Bonds overdue but not yet repaid

Applicable  Not applicable

#### 2. Trigger and execution of issuer or investor option clauses and investor protection clauses

Applicable  Not applicable

#### 3. The situation of intermediary agencies

Bond Project Name	Intermediary Institution Name	Office Address	Name of Signing Accountant	Intermediary Institution Contact Person	Contact Phone Number
25 Goertek SCP001 (Sci-Tech)	Industrial Bank Co., Ltd.	398 Industrial Bank Building, Jiangbin Middle Avenue, Taijiang District,	/	Lin Chen, Xing Huaixi, Chu	010-89926551, 0531-82097273

Bond Project Name	Intermediary Institution Name	Office Address	Name of Signing Accountant	Intermediary Institution Contact Person	Contact Phone Number
Innovation Bond)		Fuzhou City, Fujian Province		Lejing	
	China Merchants Bank Co., Ltd.	7088 China Merchants Bank Tower, Shennan Avenue, Futian District, Shenzhen City	/	Liu Yang	0755-88026154
	China Zheshang Bank Co., Ltd.	1788 Hongning Road, Xiaoshan District, Hangzhou City, Zhejiang Province	/	Sun Yong	0531-59669233
	Shanghai Pudong Development Bank Co., Ltd.	12 Zhongshan East 1st Road, Shanghai	/	Chen Zixian	021-31882623
	Zhongxi CPAs (Special General Partnership)	Room 1101, 11th Floor, No. 11 Chongwenmenwai Street, Dongcheng District, Beijing	Du Yeqin, Mu Huiling, Zhang Shuli	Du Yeqin	010-67085873
	Beijing Tian Yuan Law Firm	Unit 509, Tower A, International Enterprise Plaza, No. 35 Financial Street, Xicheng District, Beijing	/	Sun Chunyan, Wang Junyi	010-57763999
	Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	Room K-22, 103, Tower A, 1555 Kongjiang Road, Yangpu District, Shanghai	/	Liao Yong	021-63501349

Whether the above institutions have changed during the reporting period

Yes  No

#### 4. Use of funds raised

Unit: RMB 10,000

Bond Project Name	Total Raised Amount	Stated Use of Proceeds	Amount Used	Amount Unused	Operation of Special Account for Raised Funds (if any)	Rectification of Non-compliant Use of Funds Raised (if applicable)	Consistency with Stated Use, Plan and Other Commitments in the Prospectus
Goertek Inc. 2025 First Tranche Sci-Tech Innovation Bond	100,000	Repayment of interest-bearing liabilities and replenishment of working capital for the issuer's headquarters and subsidiaries	100,000	0	N/A	N/A	Yes

Funds raised for construction projects

Applicable  Not applicable

The company changed the intended use of the aforementioned bond proceeds during the reporting period

Applicable  Not applicable

**5. Credit rating adjustments during the reporting period**

Applicable  Not applicable

**6. Guarantee status, debt repayment plans, and other debt service safeguard measures: implementation, changes, and impact on bond investors' rights and interests during the reporting period**

Applicable  Not applicable

**IV. Convertible Corporate Bonds**

Applicable  Not applicable

The Company had no convertible bonds during the reporting period.

**V. Loss in the Consolidated Financial Statements during the Reporting Period Exceeded 10% of the Net Assets at the End of the Previous Reporting Period**

Applicable  Not applicable

**VI. Overdue Interest-Bearing Debts Other Than Bonds at the End of the Reporting Period**

Applicable  Not applicable

**VII. Whether There Were Any Violations of Rules and Regulations during the Reporting Period**

Yes  No

**VIII. Main Accounting Data and Financial Indicators of the Company for the Most Recent Two Years as of the End of the Reporting Period**

Unit: RMB 10,000

Item	End of current reporting period	End of previous year	Increase/decrease compared to the prior year
Current ratio	1.08	1.10	-1.82%
Debt-to-asset ratio	58.85%	58.83%	0.02%
Quick ratio	0.74	0.82	-9.76%
	2025	2024	Increase/decrease compared to the same period of the prior year
Net profit after deducting non-recurring gains and losses	147,979.09	239,320.62	-38.17%
EBITDA to total debt ratio	43.96%	50.70%	-6.74%
Interest coverage ratio	7.46	5.85	27.52%
Cash interest coverage ratio	16.22	13.23	22.60%
EBITDA interest coverage ratio	14.11	12.98	8.71%
Loan repayment rate	100.00%	100.00%	0.00%
Interest payment rate	100.00%	100.00%	0.00%

## Section VIII Financial Report

### I. Auditor's Report

Auditor's Opinion	Standard unqualified opinion
Auditor's Report Sign-off Date	April 23, 2026
Name of the audit institution	Zhongxi CPAs (Special General Partnership)
Auditor's Report Number	Zhong Xi Cai Shen No. 2026S02024
Name of the Certified Public Accountant	Gong Ping, Zhang Shuli

### Auditor's Report

Zhong Xi Cai Shen No. 2026S02024

To all the shareholders of Goertek Inc.,

#### I. Opinion

We have audited the accompanying financial statements of Goertek Inc. (hereinafter referred to as "Goertek"), including the consolidated and Company's balance sheets as of December 31, 2025, the consolidated and Company's income statements, the consolidated and Company's cash flow statements, the consolidated and Company's statements of changes in shareholders' equity, and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements have been prepared in all material aspects in accordance with the Accounting Standards for Business Enterprises, fairly presenting the consolidated and Company's financial position as of December 31, 2025, and the consolidated and Company's financial performance and cash flows for the year then ended.

#### II. Basis for Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the "Certified Public Accountants' Responsibilities for the Audit of the Financial Statements" section of the auditor's report. We are independent of Goertek Inc. in accordance with the independence requirements for audits of public interest entities under the Independence Standards for Certified Public Accountants of China and the Code of Ethics for Certified Public Accountants of China ("Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our auditor's opinion.

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determine that the following matters are key audit matters that need to be communicated in the audit report.

##### (I) Revenue recognition

###### 1. Description of the matter

Goertek Inc. is mainly in the business of producing and selling electronic components, and for the accounting policy of revenue recognition, please refer to "27. Revenue" in "III. Significant Accounting Policies and Accounting Estimates" of notes to the financial statements. In 2025, the revenue in the consolidated financial statements of Goertek Inc. is RMB 96,550.1696 million.

Revenue is one of the key performance indicators of Goertek Inc. and is the major source of profit of the Company, and the accuracy and completeness of revenue recognition has a significant impact on the profits of the Company. Therefore, we identified the recognition of Goertek Inc.'s revenue as a key audit matter.

###### 2. Audit procedures

We performed the following audit procedures in recognition of the revenue:

(1) Understood, evaluated and tested the design and effectiveness of the internal control related to revenue recognition;

- (2) Performed analytical review procedure to analyze the rationality of changes in the revenue and gross profits;
- (3) Identified the contractual terms related to the transfer of risks and rewards of ownership of goods, evaluated whether the accounting policies for revenue recognition in different modes were appropriate, and evaluated whether the time point for revenue recognition of the Company was consistent with the requirements in the Accounting Standards for Business Enterprises by audit procedures such as checking the major sales contracts or orders, understanding the policies for receipt and return of goods, communicating with the management;
- (4) Selected samples to check the supporting documents related to revenue recognition, and executed external confirmation procedures on a sampling basis;
- (5) Selected samples of revenue recognized before and after the balance sheet date to evaluate whether the revenue was recognized in the appropriate accounting period by verifying relevant supporting documents.

## (II) Disposal of Subsidiaries

### 1. Description of the matter

For the accounting policy for the disposal of long-term equity investments, please refer to "14. Long-term Equity Investments" in "III. Significant Accounting Policies and Accounting Estimates" of notes to the financial statements. In 2025, Goertek disposed the equity of three subsidiaries: namely Goertek Optical Technology Co., Ltd., Qingdao Goerpixel Technology Co., Ltd., and Xi'an Goerpixel Technology Co., Ltd., respectively, resulting in a total disposal gain of RMB 2,132.6263 million. This includes: a loss of RMB 7.5729 million recognized from the disposal of equity, and a remeasurement gain of RMB 2,140.1992 million due to the remaining equity remeasured at fair value after losing control.

Due to the critical accounting judgments involved in equity disposal transactions regarding the assessment of control transfer, the nature of transaction, the fairness of transaction price, and disclosure of the disposal transactions, and the significant impact of the related investment income on the financial statements, we have identified the disposal of subsidiary equity transactions as a key audit matter.

### 2. Audit procedures

We performed the following audit procedures for the disposal transaction of subsidiary equity:

- (1) Understood, evaluated, and tested the design and the effectiveness of the internal control related to equity disposal;
- (2) Understood the reasons for the equity disposal transactions, and obtained relevant supporting documentation for the disposal of long-term equity investments, analyzed the rationality of the equity disposal transaction, and evaluated whether the measurement method for the remaining equity after disposal was appropriate;
- (3) Reviewed agreements for equity disposal transactions, such as board resolutions, shareholder meeting resolutions, announcement documents, handover procedures, etc. and verified whether the relevant decision-making procedures were appropriate and whether the transactions had commercial substance;
- (4) Evaluated the capability, professionalism and objectivity of external valuers engaged by the management, obtained and reviewed the valuation results of the external valuers, assessed whether the valuation models, assumptions, and key parameters used were appropriate to evaluate whether the transaction price was fair;
- (5) Performed analysis and recalculation procedures to verify the accuracy of the accounting treatment related to equity disposal transactions;
- (6) Reviewed the adequacy and appropriateness of the disclosure of the equity disposal transactions in the financial statements.

## IV. Other Information

The Management of Goertek Inc. (the Management) is responsible for Other Information. Other Information includes information covered in the 2025 Annual Report of Goertek Inc. but excludes financial statements and auditor's reports.

Our auditor's opinions on financial statements do not cover Other Information. We also do not express any kind of verification conclusion on Other Information.

In combination with our audit of the financial statements, we're obliged to read the Other Information. In the process, we consider whether the Other Information is materially inconsistent with the financial statements or the information we learned during the audit, or whether there is a material misstatement.

Based on the work that we have already done, if we determine that the Other Information contains material misstatements, we should report the fact. In this regard, we have nothing to report.

## V. Responsibilities of Management and Governance for the Financial Statements

The Management of Goertek Inc. is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the ability of Goertek Inc. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management intends to liquidate Goertek Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Goertek Inc.

## **VI. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with the Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures to address those risks, and obtain audit evidence that is sufficient and appropriate as the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design appropriate audit procedures.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
4. Conclude on the appropriateness of Management's use of the going concern basis of accounting. And, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Goertek Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on the information obtained up to the date of our auditor's report. However, future events or conditions may cause Goertek Inc. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence on the financial information of entities or business activities within Goertek Inc. to express an opinion on the financial statements. We are responsible for the instruction, supervision and execution of the Group's audit, and assume full responsibility for the auditor's opinion.

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

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

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

Zhongxi CPAs (Special General Partnership)

Certified Public Accountant in China  
(Engagement partner)

---

Gong Ping

Beijing China

Certified Public Accountant in China

---

Zhang Shuli

April 23, 2026

## II. Financial Statements

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

### 1. Consolidated balance sheet

Prepared by: Goertek Inc.

December 31, 2025

Unit: RMB

Item	Closing balance	Opening balance
<b>Current assets:</b>		
Cash and cash equivalents	18,886,433,534.86	17,466,492,869.05
Clearing settlement funds		
Lending funds		
Financial assets held for trading	2,493,987,691.52	1,100,984,000.31
Derivative financial assets		
Notes receivable	309,460,586.50	149,898,502.69
Accounts receivable	13,294,604,934.23	17,881,372,031.94
Receivables financing	83,129,080.20	8,710,031.89
Prepayments	171,917,870.27	236,914,434.64
Premium receivable		
Reinsurance Recoverables		
Reinsurance contract reserves receivable		
Other receivables	138,869,443.31	99,984,370.19
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventory	13,077,174,310.75	10,478,868,878.63
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	218,209,999.99	388,821,194.44
Other current assets	2,685,291,893.68	1,627,479,062.68
<b>Total current assets</b>	<b>51,359,079,345.31</b>	<b>49,439,525,376.46</b>
<b>Non-current assets:</b>		
Loans and advances disbursed		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	4,456,794,366.29	734,411,641.50
Investments in other equity instruments	250,851,543.42	625,661,939.44
Other non-current financial assets	1,324,908,616.95	432,722,782.28
Investment properties		
Fixed assets	22,636,664,932.06	21,803,396,794.34
Construction in progress	2,062,045,332.08	1,397,416,899.66
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	927,881,732.54	831,108,181.41
Intangible assets	3,037,348,468.21	3,051,389,711.82
Including: Data resources		
Development expenditure	224,196,314.37	170,050,760.76
Including: Data resources		
Goodwill	16,859,185.08	605,033,979.56

Item	Closing balance	Opening balance
Long-term prepaid expenses	338,274,312.62	367,577,226.56
Deferred tax assets	1,287,332,157.95	1,673,617,312.92
Other non-current assets	2,608,057,340.09	1,574,860,480.12
Total non-current assets	39,171,214,301.66	33,267,247,710.37
Total assets	90,530,293,646.97	82,706,773,086.83
Current liabilities:		
Short-term borrowings	13,410,587,923.63	7,713,280,169.91
Borrowing from central bank		
Borrowing funds		
Financial liabilities held for trading	51,768,106.35	604,980,242.99
Derivative financial liabilities		
Notes payable	5,087,510,125.41	3,960,266,092.27
Accounts payable	21,552,560,033.86	21,962,224,256.37
Advances from customers		
Contract liabilities	3,479,722,109.48	4,052,359,576.04
Financial assets sold for repurchase		
Client deposits and deposits from banks and other financial institutions		
Client deposits for securities trading		
Deposits from clients for securities underwriting		
Employee benefits payable	1,313,120,559.48	1,285,301,671.81
Tax payable	316,537,840.18	355,577,450.15
Other payables	89,300,065.58	96,306,705.81
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,076,750,638.50	4,923,444,540.44
Other current liabilities	1,013,472,821.40	3,214,059.97
Total current liabilities	47,391,330,223.87	44,956,954,765.76
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	3,550,585,214.44	1,341,201,983.90
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	723,833,498.49	668,965,200.66
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	500,258,115.61	517,913,990.19
Deferred tax liabilities	454,633,477.33	721,366,698.78
Other non-current liabilities	660,801,718.25	452,293,738.43
Total non-current liabilities	5,890,112,024.12	3,701,741,611.96
Total liabilities	53,281,442,247.99	48,658,696,377.72
Shareholders' equity:		
Share capital	3,547,433,388.00	3,486,344,744.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital surplus	11,843,866,040.25	10,293,187,264.59
Less: Treasury stock	1,624,979,597.51	674,818,183.40
Other comprehensive income	-872,505,950.80	-445,220,994.00

Item	Closing balance	Opening balance
Specific reserve	4,701,395.13	3,012,357.93
Surplus reserve	1,805,496,771.01	1,805,496,771.01
General risk reserve	6,648,683.32	6,081,200.00
Retained earnings	21,691,383,850.91	18,712,252,682.60
Total equity attributable to shareholders of the parent company	36,402,044,580.31	33,186,335,842.73
Minority interests	846,806,818.67	861,740,866.38
Total shareholders' equity	37,248,851,398.98	34,048,076,709.11
Total liabilities and shareholders' equity	90,530,293,646.97	82,706,773,086.83

Legal representative: Jiang Bin    Principal in charge of accounting: Li Yongzhi    Head of the accounting department: Li Yongzhi

## 2. Parent company balance sheet

Unit: RMB

Item	Closing balance	Opening balance
<b>Current assets:</b>		
Cash and cash equivalents	5,434,277,307.21	7,149,879,508.27
Financial assets held for trading	835,846,079.34	177,628,577.00
Derivative financial assets		
Notes receivable	304,634,085.54	100,000,000.00
Accounts receivable	3,483,681,114.22	6,886,317,365.30
Receivables financing	24,212,948.13	19,322,467.03
Prepayments	19,735,882.62	15,256,011.77
Other receivables	8,666,543,923.15	4,119,484,430.97
Including: Interest receivable		
Dividends receivable		
Inventory	2,299,496,527.30	1,582,215,097.26
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	163,466,249.99	358,821,194.44
Other current assets	313,319,947.93	677,367,092.72
Total current assets	21,545,214,065.43	21,086,291,744.76
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	9,920,407,265.78	9,179,124,798.47
Investments in other equity instruments		
Other non-current financial assets	195,813,895.00	187,623,367.90
Investment properties		
Fixed assets	7,423,233,277.67	7,548,959,971.95
Construction in progress	408,630,741.21	273,634,271.41
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	209,153,571.42	217,909,651.02
Intangible assets	959,313,551.21	1,297,404,258.03
Including: Data resources		
Development expenditure	140,627,002.95	68,036,054.29
Including: Data resources		
Goodwill		
Long-term prepaid expenses	60,411,563.87	37,825,188.03
Deferred tax assets	737,805,916.64	775,083,130.47
Other non-current assets	2,008,188,972.98	912,012,437.84

Item	Closing balance	Opening balance
Total non-current assets	22,063,585,758.73	20,497,613,129.41
Total assets	43,608,799,824.16	41,583,904,874.17
Current liabilities:		
Short-term borrowings	1,370,943,296.54	350,768,160.41
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	6,258,469,194.12	4,818,757,278.34
Accounts payable	2,707,067,376.78	5,188,570,435.79
Advances from customers		
Contract liabilities	869,477,415.96	915,086,687.46
Employee benefits payable	442,291,040.30	483,374,610.26
Tax payable	27,545,003.17	83,564,268.04
Other payables	251,625,729.30	143,268,625.77
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	547,067,060.33	4,245,428,792.53
Other current liabilities	1,013,385,222.74	455,123.77
Total current liabilities	13,487,871,339.24	16,229,273,982.37
Non-current liabilities:		
Long-term borrowings	3,550,585,214.44	270,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	126,080,897.94	214,963,508.87
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	131,345,880.24	153,340,899.07
Deferred tax liabilities	215,149,151.33	306,612,090.55
Other non-current liabilities		
Total non-current liabilities	4,023,161,143.95	944,916,498.49
Total liabilities	17,511,032,483.19	17,174,190,480.86
Shareholders' equity:		
Share capital	3,547,433,388.00	3,486,344,744.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital surplus	9,934,930,189.66	8,342,856,094.74
Less: Treasury stock	1,624,979,597.51	674,818,183.40
Other comprehensive income	-753,256.69	-12,213.99
Specific reserve		
Surplus reserve	1,805,493,988.61	1,805,493,988.61
Retained earnings	12,435,642,628.90	11,449,849,963.35
Total shareholders' equity	26,097,767,340.97	24,409,714,393.31
Total liabilities and shareholders' equity	43,608,799,824.16	41,583,904,874.17

### 3. Consolidated income statement

Unit: RMB

Item	2025	2024
I. Total Operating Revenue	96,550,169,615.26	100,953,848,156.08
Including: Operating Revenue	96,550,169,615.26	100,953,848,156.08
Interest income		

Item	2025	2024
Earned premium		
Handling charges and commission income		
II. Total Operating Cost	94,575,852,760.24	97,810,796,274.54
Including: Cost of sales	85,155,349,336.39	89,759,386,768.92
Interest expense		
Handling charge and commission expense		
Surrender value		
Net payments for insurance claims		
Net amount of withdrawal of insurance contract reserve		
Expenditures of policy dividend		
Reinsurance expenses		
Taxes and surcharges	272,367,283.63	278,731,983.76
Selling expenses	735,912,821.06	619,834,481.67
General and administrative expenses	2,498,052,462.48	2,200,022,715.70
Research and development expenses	5,303,167,876.66	4,882,112,487.52
Financial expenses	611,002,980.02	70,707,836.97
Including: Interest expenses	615,731,512.79	572,194,609.11
Interest income	376,619,288.43	400,653,329.10
Add: Other income	203,612,956.90	256,120,767.94
Investment income ("- for loss)	2,701,630,937.35	109,040,057.77
Including: Investment income from associates and joint ventures	9,637,471.40	-26,835,728.84
Gains on derecognition of financial assets measured at amortized cost	-43,832,356.46	-36,419,794.69
Exchange gains ("- for loss)		
Net exposure hedging income ("- for loss)		
Gains on changes in fair value ("- for loss)	315,474,210.57	41,043,887.97
Credit impairment losses ("- for loss)	40,806,923.33	-58,415,027.69
Asset impairment losses ("- for loss)	-1,041,340,540.50	-643,065,577.73
Gains on disposal of assets ("- for loss)	31,571,793.86	-307,473.69
III. Operating Profit ("- for Loss)	4,226,073,136.53	2,847,468,516.11
Add: Non-operating income	29,455,736.43	33,583,222.26
Less: Non-operating expenses	275,070,970.73	107,214,393.27
IV. Total Profit ("- for Total Losses)	3,980,457,902.23	2,773,837,345.10
Less: Income tax expenses	147,649,727.78	187,548,219.70
V. Net Profit ("- for Net Loss)	3,832,808,174.45	2,586,289,125.40
(I) Classification by continuity of operations		
1. Net profit from continuing operations ("- for net loss)	3,832,808,174.45	2,586,289,125.40
2. Net profit from discontinued operations ("- for net loss)		
(II) Classification by ownership of the equity		
1. Net profit attributable to the shareholders of the company	3,940,313,461.54	2,665,044,826.06
2. Minority interests	-107,505,287.09	-78,755,700.66
VI. Other comprehensive income, net of tax	-356,965,932.67	-408,200,238.17
Other comprehensive income, net of tax attributable to the shareholders of the company	-351,826,015.05	-404,286,054.11
(I) Other comprehensive income items which will not be reclassified subsequently to profit or loss	-124,265,297.54	9,082,795.67
1. Changes in remeasurement of defined benefit plan		
2. Shares of other comprehensive income of the investee accounted for using equity method that will not be subsequently reclassified to profit or loss		
3. Changes in fair value of investments in other equity instruments	-124,265,297.54	9,082,795.67
4. Changes in fair value attributable to change in the credit risk of financial liability designated at FVPL		
5. Others		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-227,560,717.51	-413,368,849.78

Item	2025	2024
1. Shares of other comprehensive income of the investee accounted for using equity method that will be reclassified to profit or loss	-969,778.55	436.41
2. Changes in fair value of other debt investments		
3. Shares of financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Effective portion of gains or losses on hedging instruments in a cash flow hedge		
6. Translation differences on translation of foreign currency financial statements	-226,590,938.96	-413,369,286.19
7. Others		
Net other comprehensive income, net of tax, attributable to minority shareholders	-5,139,917.62	-3,914,184.06
VII. Total comprehensive income	3,475,842,241.78	2,178,088,887.23
Attributable to the shareholders of the company	3,588,487,446.49	2,260,758,771.95
Attributable to minority shareholders	-112,645,204.71	-82,669,884.72
VIII. Earnings per share		
(I) Basic earnings per share	1.14	0.79
(II) Diluted earnings per share	1.13	0.78

In case of combination of enterprises under common control during current period, the net profit before combination realized by acquiree is RMB 0.00. The net profit realized by the acquiree in the previous period is RMB 0.00.

Legal representative: Jiang Bin    Principal in charge of accounting: Li Yongzhi    Head of the accounting department: Li Yongzhi

#### 4. Parent company income statement

Unit: RMB

Item	2025	2024
I. Revenue	20,363,289,313.02	24,841,538,078.97
Less: Cost of sales	13,445,754,589.63	19,566,465,346.45
Taxes and surcharges	129,344,181.55	162,511,630.34
Selling expenses	369,828,259.12	350,187,302.71
General and administrative expenses	1,503,241,120.16	1,511,219,517.41
Research and development expenses	2,738,343,654.36	2,527,786,668.27
Financial expenses	140,639,513.66	-87,231,349.63
Including: Interest expenses	219,708,058.21	270,389,421.59
Interest income	201,605,943.32	223,496,061.01
Add: Other income	71,078,780.23	121,748,106.62
Investment income ("- for loss)	415,700,706.61	468,650,734.00
Including: Investment income from associates and joint ventures	-284,949,357.85	-14,691,875.13
Gains on derecognition of financial assets measured at amortized cost ("- for loss)		
Net exposure hedging income ("- for loss)		
Gains on changes in fair value ("- for loss)	-133,611,521.56	219,932,515.71
Credit impairment losses ("- for loss)	6,461,040.90	-3,642,953.38
Asset impairment losses ("- for loss)	-75,918,964.70	-249,965,077.81
Gains on disposal of assets ("- for loss)	90,413,521.87	40,819,273.41
II. Operating Profit ("- for Loss)	2,410,261,557.89	1,408,141,561.97
Add: Non-operating income	21,111,145.76	8,339,193.19
Less: Non-operating expenses	113,237,824.45	72,055,682.20
III. Total Profit ("- for Total Losses)	2,318,134,879.20	1,344,425,072.96
Less: Income tax expenses	-54,185,725.39	-59,876,597.51
IV. Net profit ("- for Net Loss)	2,372,320,604.59	1,404,301,670.47
(I) Net profit from continuing operations ("- for net loss)	2,372,320,604.59	1,404,301,670.47

Item	2025	2024
(II) Net profit from discontinued operations ("- for net loss)		
V. Other comprehensive income, net of tax	-741,042.70	436.41
(I) Other comprehensive income items which will not be reclassified subsequently to profit or loss		
1. Changes in remeasurement of defined benefit plan		
2. Shares of other comprehensive income of the investee accounted for using equity method that will not be subsequently reclassified to profit or loss		
3. Changes in fair value of investments in other equity instruments		
4. Changes in fair value attributable to change in the credit risk of financial liability designated at FVPL		
5. Others		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-741,042.70	436.41
1. Shares of other comprehensive income of the investee accounted for using equity method that will be reclassified to profit or loss	-741,042.70	436.41
2. Changes in fair value of other debt investments		
3. Shares of financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Effective portion of gains or losses on hedging instruments in a cash flow hedge		
6. Translation differences on translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	2,371,579,561.89	1,404,302,106.88
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated statement of cash flow

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	84,370,242,852.06	83,445,136,080.81
Net increase in deposits from customers and due to banks and other financial institutions		
Net increase in borrowing from central bank		
Net increase in capital borrowed from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash received from reinsurance business		
Net increase in deposits and investments from policy holders		
Cash received from interests, fees and commissions		
Net increase in borrowing funds		
Net increase in repurchase business funds		
Net cash received from securities trading brokerage		
Refund of taxes and surcharges	2,189,998,278.54	1,549,152,951.97
Cash received relating to other operating activities	2,700,718,058.14	2,067,483,062.97
Sub-total of cash inflow from operating activities	89,260,959,188.74	87,061,772,095.75
Cash paid for goods and services	66,109,782,829.36	67,988,438,849.28
Net increase in loans and advances to clients		

Item	2025	2024
Net increase in deposits with central bank and other financial institutions		
Payments of claims for original insurance contracts		
Net increase in lending funds		
Cash paid for interests, fees and commissions		
Cash payments of policy dividend		
Cash paid to and on behalf of employees	11,387,836,144.99	8,726,656,239.35
Payments of taxes and surcharges	870,737,494.97	647,185,473.86
Cash paid relating to other operating activities	4,043,725,513.02	3,499,039,351.42
Sub-total of cash outflow from operating activities	82,412,081,982.34	80,861,319,913.91
Net cash flow from operating activities	6,848,877,206.40	6,200,452,181.84
<b>II. Cash flows from investing activities</b>		
Cash received from disposal of investments	40,135,200,644.40	14,866,628,432.41
Cash received from returns on investments	123,520,982.66	77,023,062.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	606,623,463.82	1,322,049,989.09
Net cash received from disposal of subsidiaries and other business units	6,773,840.33	
Cash received relating to other investing activities	11,219,120.61	28,150,465.60
Sub-total of cash inflow from investing activities	40,883,338,051.82	16,293,851,949.50
Cash paid to acquire fixed assets, intangible assets and other long-term assets	7,129,436,142.38	3,634,412,755.75
Cash paid to acquire investments	46,574,663,601.73	17,893,371,118.79
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	769,119,671.97	12,000,000.00
Sub-total of cash outflow from investing activities	54,473,219,416.08	21,539,783,874.54
Net cash flow from investing activities	-13,589,881,364.26	-5,245,931,925.04
<b>III. Cash flows from financing activities</b>		
Cash received from capital contributions	1,381,311,020.06	1,260,159,248.49
Including: Cash received from capital contributions by minority shareholders of subsidiaries	280,800,000.00	
Cash received from borrowings	41,838,159,526.01	27,855,466,967.04
Cash received from issuing bonds	999,850,000.00	
Cash received relating to other financing activities	9,177,272,437.37	4,595,841,584.06
Sub-total of cash inflow from financing activities	53,396,592,983.44	33,711,467,799.59
Cash repayments of borrowings	34,761,891,164.10	26,975,242,473.72
Cash payments for distribution of dividends, profits, or cash payments for interest expenses	1,507,334,606.38	1,366,966,690.52
Including: Cash payments for dividends and profits to minority shareholders of the subsidiaries		
Cash payments relating to other financing activities	9,080,927,767.75	7,659,494,161.52
Sub-total of cash outflow from financing activities	45,350,153,538.23	36,001,703,325.76
Net cash flow from financing activities	8,046,439,445.21	-2,290,235,526.17
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-30,960,635.45	-26,120,277.46
V. Net Increase in cash and cash equivalents	1,274,474,651.90	-1,361,835,546.83
Add: Cash and cash equivalents at beginning of year	11,790,891,094.95	13,152,726,641.78
VI. Cash and cash equivalents at end of year	13,065,365,746.85	11,790,891,094.95

## 6. Parent company cash flow statement

Unit: RMB

Item	2025	2024
<b>I. Cash flows from operating activities:</b>		
Cash received from sale of goods or rendering of services	24,190,155,154.04	25,977,349,092.81
Refund of taxes and surcharges	715,821,664.76	638,104,683.87

Item	2025	2024
Cash received relating to other operating activities	600,155,817.23	847,599,221.29
Sub-total of cash inflow from operating activities	25,506,132,636.03	27,463,052,997.97
Cash paid for goods and services	14,198,293,370.13	17,919,823,512.79
Cash paid to and on behalf of employees	3,791,619,423.99	3,443,521,502.80
Payments of taxes and surcharges	132,038,558.57	197,671,935.75
Cash paid relating to other operating activities	2,768,955,335.47	2,511,886,174.13
Sub-total of cash outflow from operating activities	20,890,906,688.16	24,072,903,125.47
Net cash flow from operating activities	4,615,225,947.87	3,390,149,872.50
II. Cash flows from investing activities		
Cash received from disposal of investments	30,582,032,265.19	10,591,064,015.80
Cash received from returns on investments	146,468,237.82	515,857,409.47
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	458,858,789.00	1,251,303,260.88
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	75,636,445,103.15	50,654,491,774.76
Sub-total of cash inflow from investing activities	106,823,804,395.16	63,012,716,460.91
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,791,108,434.38	1,228,282,383.98
Cash paid to acquire investments	33,527,275,274.04	11,701,746,960.51
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	80,069,360,067.53	49,442,166,694.99
Sub-total of cash outflow from investing activities	115,387,743,775.95	62,372,196,039.48
Net cash flow from investing activities	-8,563,939,380.79	640,520,421.43
III. Cash flows from financing activities		
Cash received from capital contributions	1,100,511,020.06	1,260,159,248.49
Cash received from borrowings	9,211,566,714.44	8,973,754,900.01
Cash received from issuing bonds	999,850,000.00	
Cash received relating to other financing activities	13,475,858,531.74	4,279,087,094.57
Sub-total of cash inflow from financing activities	24,787,786,266.24	14,513,001,243.07
Cash repayments of borrowings	8,183,184,647.91	12,328,502,300.00
Cash payments for distribution of dividends, profits, or cash payments for interest expenses	1,213,784,379.90	1,121,029,942.79
Cash payments relating to other financing activities	15,122,485,536.11	5,383,650,336.62
Sub-total of cash outflow from financing activities	24,519,454,563.92	18,833,182,579.41
Net cash flow from financing activities	268,331,702.32	-4,320,181,336.34
IV. Effect of foreign exchange rate changes on cash and cash equivalents	51,866,388.90	-7,417,097.98
V. Net Increase in cash and cash equivalents	-3,628,515,341.70	-296,928,140.39
Add: Cash and cash equivalents at beginning of year	6,111,610,064.91	6,408,538,205.30
VI. Cash and cash equivalents at end of year	2,483,094,723.21	6,111,610,064.91

## 7. Consolidated statement of changes in shareholders' equity

Amount of current period

Unit: RMB

Item	2025														
	Shareholders' equity attributable to the company													Minority interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total		
	Preferential Shares	Perpetual Bonds	Other												
I. Balance at December 31, 2024	3,486,344,744.00				10,293,187,264.59	674,818,183.40	445,220,994.00	3,012,357.93	1,805,496,771.01	6,081,200.00	18,712,252,682.60		33,186,335,842.73	861,740,866.38	34,048,076,709.11
Add: Changes in accounting policy															
Corrections of errors in previous period															
Other															
II. Balance at January 1, 2025	3,486,344,744.00				10,293,187,264.59	674,818,183.40	445,220,994.00	3,012,357.93	1,805,496,771.01	6,081,200.00	18,712,252,682.60		33,186,335,842.73	861,740,866.38	34,048,076,709.11
III. Changes in Current Period ("-" )	61,088,644.00				1,550,678,775.66	950,161,414.11	427,284,956.80	1,689,037.20		567,483.32	2,979,131,168.31		3,215,708,737.58	14,934,047.71	3,200,774,689.87

Item	2025														
	Shareholders' equity attributable to the company													Minority interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total		
	Preference Shares	Perpetual bonds	Other												
for Decrease)															
(I) Total comprehensive income															
(II) Capital invested and reduced by owners															
1. Common shares invested by owners															
2. Capital contributed from other equity instrument holders															
3. Amounts of share-															

Item	2025														
	Shareholders' equity attributable to the company													Minority interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total		
Preference Shares		Perpetual bonds	Other												
based payments recognized in shareholders' equity															
4. Other				47,019,302.51		126,461.79						47,145,764.30	14,622,098.19	32,523,666.11	
(III) Profit distribution									567,483.32	1,036,767,696.77	-	1,036,200,213.45	-	1,036,200,213.45	
1. Appropriation of surplus reserve															
2. Provision for general risk reserve									567,483.32	-567,483.32					
3. Distribution to owners or shareholders										1,036,200,213.45	-	1,036,200,213.45		1,036,200,213.45	

Item	2025														Minority interests	Total shareholders' equity	
	Shareholders' equity attributable to the company																
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total				
Preference Shares		Perpetual bonds	Other														
rs																	
4. Other																	
(IV) Internal carry-over of shareholders' equity						75,585,403.54	-			75,585,403.54							
1. Capital surplus converted into capital (or share capital)																	
2. Surplus reserve converted into capital (or share capital)																	
3. Surplus reserve for making up losses																	
4. Carry-																	

Item	2025														
	Shareholders' equity attributable to the company													Minority interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total		
Preference Shares		Perpetual bonds	Other												
forward of defined benefit plan changes to retained earnings															
5. Carry-forward of other comprehensive income to retained earnings						75,585,403.54	-			75,585,403.54					
6. Other															
(V) Specific reserve							1,689,037.20					1,689,037.20		1,689,037.20	
1. Withdrawal in current period							9,757,686.52					9,757,686.52		9,757,686.52	
2. Use in current period							8,068,649.32					-8,068,649.32		-8,068,649.32	
(VI) Other					7,832,613.06							7,832,613.06		7,832,613.06	

Item	2025														
	Shareholders' equity attributable to the company												Minority interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other			Sub-total
	Preference Shares	Perpetual bonds	Other												
IV. Balance at December 31, 2025	3,547,433,388.00				11,843,866,040.25	1,624,979,597.51	872,505,950.80	4,701,395.13	1,805,496,771.01	6,648,683.32	21,691,383,850.91		36,402,044,580.31	846,806,818.67	37,248,851,398.98

Amount of previous period

Unit: RMB

Item	2024														
	Shareholders' equity attributable to the company												Minority interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other			Sub-total
	Preference shares	Perpetual bonds	Other												
I. Balance at December 31, 2023	3,420,403,200.00				8,998,372,370.61	278,530,746.47	40,934,939.89	1,551,313.67	1,665,066,603.96	6,081,200.00	17,038,581,549.12		30,810,590,551.00	716,973,764.66	31,527,564,315.66
Add: Changes in accounting policy															

Item	2024														Minority interests	Total shareholders' equity	
	Shareholders' equity attributable to the company																
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total				
Preference shares		Perpetual bonds	Other														
Corrections of errors in previous period																	
Other																	
II. Balance at January 1, 2024	3,420,403,200.00				8,998,372,370.61	278,530,746.47	40,934,939.89	1,551,313.67	1,665,066,603.96	6,081,200.00	17,038,581,549.12	30,810,590,551.00	716,973,764.66	31,527,564,315.66			
III. Changes in Current Period ("-" for Decrease)	65,941,544.00				1,294,814,893.98	396,287,436.93	404,286,054.11	1,461,044.26	140,430,167.05		1,673,671,133.48	2,375,745,291.73	144,767,101.72	2,520,512,393.45			
(I) Total comprehensive income							404,286,054.11				2,665,044,826.06	2,260,758,771.95	82,669,884.72	2,178,088,887.23			
(II) Capital invested and reduced by owners	65,941,544.00				1,293,788,842.12	396,287,436.93						963,442,949.19	227,436,986.44	1,190,879,935.63			

Item	2024														Minority interests	Total shareholders' equity
	Shareholders' equity attributable to the company															
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total			
Preference shares		Perpetual bonds	Other													
1. Common shares invested by owners	65,941,544.00				883,874,188.64	396,287,436.93							553,528,295.71	206,250,686.97	759,778,982.68	
2. Capital contributed from other equity instrument holders																
3. Amounts of share-based payments recognized in shareholders' equity					331,566,990.51								331,566,990.51	21,186,299.47	352,753,289.98	
4. Other					78,347,662.97								78,347,662.97		78,347,662.97	
(III) Profit distribution								140,430,167.05			-		990,892,560.50	-	850,462,393.45	

Item	2024														Minority interests	Total shareholders' equity
	Shareholders' equity attributable to the company															
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total			
Preference shares		Perpetual bonds	Other													
1. Appropriation of surplus reserve								140,430,167.05			-	140,430,167.05				
2. Provision for general risk reserve																
3. Distribution to owners or shareholders										850,462,393.45	-	850,462,393.45		-		
4. Other																
(IV) Internal carry-over of shareholders' equity											-481,132.08	-481,132.08		-481,132.08		

Item	2024														Minority interests	Total shareholders' equity
	Shareholders' equity attributable to the company															
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other	Sub-total			
Preference shares		Perpetual bonds	Other													
1. Capital surplus converted into capital (or share capital)																
2. Surplus reserve converted into capital (or share capital)																
3. Surplus reserve for making up losses																
4. Carry-forward of defined benefit plan changes to retained earnings																

Item	2024															
	Shareholders' equity attributable to the company												Minority interests	Total shareholders' equity		
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Other			Sub-total	
	Preference shares	Perpetual bonds	Other													
5. Carry-forward of other comprehensive income to retained earnings													-481,132.08	-481,132.08		-481,132.08
6. Other																
(V) Specific reserve							1,461,044.26						1,461,044.26			1,461,044.26
1. Withdrawal in current period							8,193,801.30						8,193,801.30			8,193,801.30
2. Use in current period							-6,732,757.04						-6,732,757.04			-6,732,757.04
(VI) Other					1,026,051.86								1,026,051.86			1,026,051.86
IV. Balance at December 31, 2024	3,486,344,744.00				10,293,187,264.59	674,818,183.40	-445,220,994.00	3,012,357.93	1,805,496,771.01	6,081,200.00	18,712,252,682.60		33,186,335,842.73	861,740,866.38		34,048,076,709.11

## 8. Parent company statement of changes in shareholders' equity

Amount of current period

Unit: RMB

Item	2025											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Other	Total shareholders' equity
		Preference shares	Perpetual bonds	Other								
I. Balance at December 31, 2024	3,486,344,744.00				8,342,856,094.74	674,818,183.40	-12,213.99		1,805,493,988.61	11,449,849,963.35		24,409,714,393.31
Add: Changes in accounting policy												
Corrections of errors in previous period												
Other										-350,327,725.59		-350,327,725.59
II. Balance at January 1, 2025	3,486,344,744.00				8,342,856,094.74	674,818,183.40	-12,213.99		1,805,493,988.61	11,099,522,237.76		24,059,386,667.72
III. Changes in Current Period ("-" Decrease)	61,088,644.00				1,592,074,094.92	950,161,414.11	-741,042.70			1,336,120,391.14		2,038,380,673.25
(I) Total comprehensive income							-741,042.70			2,372,320,604.59		2,371,579,561.89
(II) Capital invested and reduced by	61,088,644.00				1,330,684,265.27	950,161,414.11						441,611,495.16

Item	2025											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Other	Total shareholders' equity
		Preference shares	Perpetual bonds	Other								
owners												
1. Common shares invested by owners	61,088,644.00				1,039,422,376.06	950,161,414.11						150,349,605.95
2. Capital contributed from other equity instrument holders												
3. Amounts of share-based payments recognized in shareholders' equity					244,242,586.70							244,242,586.70
4. Other					47,019,302.51							47,019,302.51
(III) Profit distribution												
1. Appropriation of surplus reserve												
2. Distribution to owners or shareholders												
3. Other												
(IV) Internal carry-over of												

Item	2025											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Other	Total shareholders' equity
		Preference shares	Perpetual bonds	Other								
shareholders' equity												
1. Capital surplus converted into capital (or share capital)												
2. Surplus reserve converted into capital (or share capital)												
3. Surplus reserve for making up losses												
4. Carry-forward of defined benefit plan changes to retained earnings												
5. Carry-forward of other comprehensive income to retained earnings												

Item	2025											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Other	Total shareholders' equity
		Preference shares	Perpetual bonds	Other								
6. Other												
(V) Specific reserve												
1. Withdrawal in current period							6,108,195.69					6,108,195.69
2. Use in current period							-6,108,195.69					-6,108,195.69
(VI) Other				261,389,829.65								261,389,829.65
IV. Balance at December 31, 2025	3,547,433,388.00			9,934,930,189.66	1,624,979,597.51	-753,256.69		1,805,493,988.61	12,435,642,628.90			26,097,767,340.97

Amount of previous period

Unit: RMB

Item	2024											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Other	Total shareholders' equity
		Preference shares	Perpetual bonds	Other								
I. Balance at December 31, 2023	3,420,403,200.00			6,909,206,304.38	278,530,746.47	-12,650.40		1,665,063,821.56	11,036,440,853.38			22,752,570,782.45
Add: Changes in accounting policy												

Item	2024											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Other	Total shareholders' equity
		Preference shares	Perpetual bonds	Other								
Corrections of errors in previous period												
Other												
II. Balance at January 1, 2024	1,342,403,200.00				6,909,206,304.38	278,530,746.47	-12,650.40		1,665,063,821.56	11,036,440,853.38		22,752,570,782.45
III. Changes in Current Period ("-" for Decrease)	65,941,544.00				1,433,649,790.36	396,287,436.93	436.41		140,430,167.05	413,409,109.97		1,657,143,610.86
(I) Total comprehensive income							436.41			1,404,301,670.47		1,404,302,106.88
(II) Capital invested and reduced by owners	65,941,544.00				1,432,623,738.50	396,287,436.93						1,102,277,845.57
1. Common shares invested by owners	65,941,544.00				1,093,342,148.79	396,287,436.93						762,996,255.86
2. Capital contributed from other equity instrument holders												

Item	2024											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Other	Total shareholders' equity
		Preference shares	Perpetual bonds	Other								
3. Amounts of share-based payments recognized in shareholders' equity					260,933,926.74							260,933,926.74
4. Other					78,347,662.97							78,347,662.97
(III) Profit distribution									140,430,167.05	-990,892,560.50		-850,462,393.45
1. Appropriation of surplus reserve									140,430,167.05	-140,430,167.05		
2. Distribution to owners or shareholders										-850,462,393.45		-850,462,393.45
3. Other												
(IV) Internal carry-over of shareholders' equity												
1. Capital surplus converted into capital (or share capital)												
2. Surplus reserve converted into capital (or share capital)												

Item	2024											
	Share capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Other	Total shareholders' equity
		Preference shares	Perpetual bonds	Other								
3. Surplus reserve for making up losses												
4. Carry-forward of defined benefit plan changes to retained earnings												
5. Carry-forward of other comprehensive income to retained earnings												
6. Other												
(V) Specific reserve												
1. Withdrawal in current period								4,406,305.64				4,406,305.64
2. Use in current period								-4,406,305.64				-4,406,305.64
(VI) Other				1,026,051.86								1,026,051.86
IV. Balance at December 31, 2024	3,486,344,744.00			8,342,856,094.74	674,818,183.40	-12,213.99		1,805,493,988.61	11,449,849,963.35			24,409,714,393.31

### III. Company Profile

Goertek Inc. (hereinafter referred to as "the Company" or "Goertek") was established on July 27, 2007, through the conversion of WeiFang IEA Electro-Acoustic Co., Ltd.

As approved by the document of China Securities Regulatory Commission [2008] No. 613, the lead underwriter CITIC Securities Co., Ltd. issued 30 million common shares (Class A shares) through offline inquiry and placement in combination with online subscription, pricing and issue, at a price of RMB 18.78 per share. The stocks of the Company were officially listed and traded on the Shenzhen Stock Exchange on May 22, 2008.

As of December 31, 2025, the registered capital is RMB 3,538,871,496, and the total number of shares issued by the Company is 3,547,433,388 shares.

The registered address of the Company's headquarters: 268 Dongfang Road, Weifang Hi-Tech Industrial Development Zone.

The principal businesses of the Company and its subsidiaries (collectively referred to as the "Group") include precision component business, smart audio device business, and smart hardware business, which belong to the computer, communication, and other electronic equipment manufacturing industry. The Company focuses on sectors such as consumer electronics and automotive electronics, with main products including precision components like acoustics, optics, microelectronics, and structural parts, as well as smart hardware products such as AI smart glasses, MR, AR, smart wearables, smart wireless earphones, smart gaming consoles and accessories, and smart home devices.

These financial statements have been approved by the Board of Directors of the Company on April 23, 2026.

### IV. Basis for Preparing the Financial Statements

#### 1. Basis for the preparation

The Group has prepared the financial statements on a going concern basis, based on the actual transactions and matters in accordance with the *Accounting Standards for Business Enterprises - Basic Standards (issued by Order No. 33 of the Ministry of Finance and amended by Order No. 76 of the Ministry of Finance)* issued by the Ministry of Finance, 42 specific accounting standards, application guidelines of accounting standards for business enterprises, explanations on the accounting standards for business enterprises and other related regulations (hereinafter collectively referred to as "*Accounting Standards for Business Enterprises*") issued and amended on or after February 15, 2006, and *Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports (2023 Revision)* issued by CSRC.

According to relevant provisions in the Accounting Standards for Business Enterprises, the Group's accounting records are maintained on the accrual basis. These financial statements are prepared on the basis of historical cost, except for certain financial instruments. In case of asset impairment, the appropriate impairment provision shall be accrued according to relevant regulations.

#### 2. Going concern

The Company evaluated its ability to continue as a going concern for 12 months after the end of the reporting period and identified no matters or circumstances that may cast significant doubt on the ability to continue as a going concern. Therefore, these financial statements were prepared on a going concern basis.

### V. Significant Accounting Policies and Accounting Estimates

Notes to specific accounting policies and accounting estimates:

The Group has formulated several specific accounting policies and accounting estimates with respect to revenue recognition, research and development expenditure, and other transactions and matters, according to the provisions of relevant Accounting Standards for Business Enterprises on the basis of the actual production and operation characteristics. For details, please refer to the descriptions in 30. "Revenue" and 23. "Intangible assets" (2) of Note V. For explanation on the major accounting judgments and estimates made by the management, please refer to 37. "Other significant accounting policies and accounting estimates" of Note V.

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

The financial statements have been prepared by the Group in compliance with the requirements of the Accounting Standards for Business Enterprises, and give a true and fair view of the financial position of the Company and the Group as at December 31, 2025, as well as the business performance, and cash flows and other relevant information for the year 2025. In addition, the financial statements of the Company and the Group comply in all material respects with the requirements concerning disclosure of the financial statements and the notes specified in "Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports (2023 Revision)" issued by CSRC.

## 2. Accounting period

The accounting period of the Group is divided into annual accounting period and interim accounting period. Interim accounting period means a reporting period that is shorter than a complete accounting year. The Group adopts the calendar year as its accounting year, namely January 1 to December 31 of each year.

## 3. Business cycle

The normal business cycle means the period from the Group's purchase of the assets for processing to realization of cash and cash equivalents. The Group takes 12 months as a business cycle and adopts the business cycle as the liquidity classification standard for assets and liabilities.

## 4. Functional currency

RMB is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate, and the Company and its domestic subsidiaries use RMB as the functional currency. Goertek (HongKong) Co., Limited, Goertek Technology (HongKong) Co., Limited, Goertek Microelectronics (HongKong) Co., Limited, OPTIMAS CAPITAL PARTNERS FUND LP, Goertek Microelectronics Holdings Co., Ltd., Goermicro Technology Development Company Limited, Goertek Singapore Pte. Ltd., GMI SEMICONDUCTOR SDN. BHD., Goertek Holdings (HongKong) Co., Limited, Goertek Singapore Holdings Pte. Ltd. use USD as their functional currency, and all other overseas subsidiaries of the Company use the lawful currency of the country or region where their registered addresses are located as their functional currency. The currency adopted by the Group in preparing these financial statements is RMB.

## 5. Determination method and selection basis of Materiality criteria

Applicable  Not applicable

Item	Materiality criteria
Material receivables with bad debt provision on an individual basis	The amount of single provision accounts for 10% or more of the total amount of bad debt provisions for various receivables and is more than RMB 10 million
Material prepayments with an aging of more than one year	Individual prepayments with an aging of more than one year account for 10% or more of the total prepayments and the amount is more than RMB 10 million
Material construction in progress	Single budget is more than RMB 100 million and closing balance is more than RMB 50 million
Material goodwill	The individual amount accounts for 10% or more of the total goodwill and is more than RMB 100 million
Material accounts payable aged over one year	Individual accounts payable with an aging of more than one year account for 10% or more of the total accounts payable and the amount is more than RMB 10 million
Material contract liabilities aged over one year	Individual contract liabilities with an aging of more than one year account for 10% or more of the total contract liabilities and the amount is more than RMB 10 million
Material other payables aged over one year	Individual other payables with an aging of more than one year account for 10% or more of the total other payables and the amount is more than RMB 10 million

Item	Materiality criteria
Material investment activities	A single investment activity accounts for 10% or more of the total cash inflow or outflow related to the investment activity received or paid, and the amount is more than RMB 500 million
Material capitalized R&D projects	The balance of a single capitalized R&D project accounts for 10% of the total development expenditure and is more than RMB 50 million
Material non-wholly-owned subsidiaries	The total assets or revenue accounts for 10% or more of those of the Group
Material joint ventures and associated enterprises	The value of a single investment accounts for 2% or more of the total assets of the Group and the amount is more than RMB 500 million.

## 6. Accounting treatments for business combination of enterprises under and not under common control

Business combination means the transaction or matter in which two or more separate enterprises are combined into one reporting entity. Business combination is divided into business combination of enterprises under common control and business combination of enterprises not under common control.

### (1) Business combination of enterprises under common control

Business combination of enterprises under common control is the combination in which enterprises combined are controlled by the same party or parties before and after the combination, and such control is not temporary. In the business combination of enterprises under common control, the party that acquires control of other enterprises in the business combination is the acquirer and the other enterprises in the business combination are the acquirees. Business combination date is the date on which the acquirer actually acquires the control of the acquirees.

The assets and liabilities acquired by the acquirer are measured on the basis of carrying value of acquirees on the business combination date. The difference between the carrying value of the net assets acquired by the acquirer and the carrying value of the consideration paid for the combination (or total par value of the shares issued) is adjusted to capital surplus (share capital premiums). Adjustments shall be made to retained earnings in the event that the capital surplus (share capital premiums) is not sufficient for write-down.

Any direct costs incurred by the acquirer as a result of the business combination are recognized in the profit or loss for the current period when incurred.

### (2) Business combination of enterprises not under common control

Business combination of enterprises not under common control is the combination in which the enterprises combined are not controlled by the same party or parties before and after the business combination. In the business combination of enterprises not under common control, the party that acquires control of other enterprises in the business combination on the acquisition date is the acquirer and the other enterprises in the business combination are the acquired parties. Acquisition date is the date on which the acquiring party actually acquires the control of the acquired parties.

In the business combination of enterprises not under common control, the cost of combination includes the fair value of assets paid, liabilities incurred or assumed and equity securities issued by the acquiring party in exchange for the control of the acquired parties on the acquisition date. The audit, legal service, assessment, consulting and other intermediary fees and other management fees incurred for the business combination are recognized in the profit or loss for the current period when incurred. The costs of the acquiring party for issuing equity or debt securities as part of the business consideration for the business combination are included in the initially recognized amount of these equity or debt securities. The contingent business consideration shall be included in the combination cost at its fair value on the acquisition date, and the goodwill shall be adjusted accordingly if the contingent consideration needs to be adjusted when new or further evidence arises in connection with the circumstances existing on the acquisition date within 12 months after the acquisition date. The combination cost incurred by the acquiring party and the identifiable net assets acquired in the business combination shall be measured at the fair value on the acquisition date. If the combination cost is higher than the fair value of the acquirer's share of the identifiable net assets acquired from the acquired parties on the acquisition date, the difference thereof shall be recognized as goodwill. If the combination cost is lower than the fair value of the acquirer's share of the identifiable net assets acquired from the acquired parties in the business combination, the fair value of the identifiable assets, liabilities and contingent liabilities as well as the measurement of the combination cost shall be first reviewed. If upon review, the combination cost is still lower than the fair value of the acquirer's share of the identifiable net assets acquired from the acquired parties in the business combination, such difference shall be recognized in the profit or loss for the current period.

If the deductible temporary difference acquired by the acquiring party from the acquired parties is not recognized for failure to meet the conditions for recognition of the deferred tax assets on the acquisition date, and if new or further information is obtained within 12

months after the acquisition date, showing that relevant circumstances on the acquisition date have already existed and it is expected that the economic benefits brought about by the deductible temporary difference of the acquired parties on the acquisition date may be realized, relevant deferred tax assets shall be recognized and the goodwill shall be reduced. If the goodwill is insufficient for write-down, the difference will be recognized in the profit or loss for the current period. In addition to the above condition, the deferred tax assets recognized in connection with the combination of enterprises shall be recognized in the profit or loss for the current period.

If the business combination of enterprises not under common control is realized step by step through multiple transactions, whether such transactions fall within a "package deal" shall be judged according to the standards for judgment of "package deal" in the *Notice by the Ministry of Finance of Issuing the Interpretation No. 5 of the Accounting Standards for Business Enterprises (Finance and Accounting [2012] No. 19)* and Article 51 of the *Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements (see 7 (2) of Note V)*. If they fall within "package deal", see the description in the previous paragraphs of this part and 18. "Long-term equity investments" of Note V for accounting treatment. If they do not fall within "package deal", relevant accounting treatment shall be distinguished for individual financial statements and consolidated financial statements:

In the individual financial statements, the sum of the carrying value of the equity investment of the acquired parties held before the acquisition date and the increased investment cost on the acquisition date shall be taken as the initial investment cost of such investment. If other comprehensive income is involved in the equity of the acquired parties held before the acquisition date, the accounting treatment of other comprehensive income while disposing such investment, shall be conducted on the same basis as the direct disposal of related assets or liabilities by the acquired parties.

In the consolidated financial statements, the equity of the acquired parties held before the acquisition date shall be remeasured at the fair value of such equity on the acquisition date, and the difference between the fair value and its carrying value shall be recognized in investment income in the current period. If other comprehensive income is involved in the equity of the acquired parties held before the acquisition date, the accounting treatment of other comprehensive income related, shall be conducted on the same basis as the direct disposal of related assets or liabilities by the acquired parties.

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

### (1) Principles for determination of the scope of consolidated financial statements

The scope of consolidation for the consolidated financial statements shall be determined on the basis of control. Control means that the Group has the power over the investees, and through its participation in the relevant activities of the investees, it enjoys variable returns and is able to influence the amount of such returns by applying its power over the investees. The Company and all its subsidiaries are included in the scope of consolidation. Subsidiary means the entity controlled by the Group.

The Group shall re-assess the control definition if changes in relevant facts and circumstances that lead to changes in relevant elements of the above control definition occur.

### (2) Method for preparing the consolidated financial statements

The Company shall include the subsidiaries into the scope of consolidation from the date when it obtains the net assets and actual control over the production and operation decisions of the subsidiaries. It shall cease to do so as of the date when the actual control is lost. For subsidiaries disposed of, the business performance and cash flows prior to the disposal date have been appropriately included in the consolidated income statement and consolidated statement of cash flows. The opening balance of the consolidated balance sheets shall not be adjusted for the subsidiaries disposed in current period. For the subsidiaries added through the combination of enterprises not under common control, the business performance and cash flows have been appropriately included in the consolidated income statement and consolidated statement of cash flows after acquisition date. The opening balance and comparative figures of consolidated financial statements shall not be adjusted. For the subsidiaries added during combination of enterprises under common control and the subsidiaries under absorption combination, the business performance and cash flows, from the beginning of current period to acquisition date, have been appropriately included in consolidated income statement and consolidated statement of cash flows. The comparative figures in the consolidated financial statements shall be adjusted at the same time.

In preparing the consolidated financial statements, if the accounting policies or accounting periods of the subsidiaries are different from those of the Company, the financial statements of the subsidiaries shall be adjusted based on the accounting policies and accounting periods of the Company. The individual financial statements of the subsidiaries acquired from combination of enterprises not under common control are adjusted based on the fair value of the identifiable net assets on the acquisition date.

All the material account balances, transactions and unrealized profits within the Group shall be offset during preparation of the consolidated financial statements.

The shareholders' equity and current net profits or losses of the subsidiaries which are not owned by the Company shall be separately listed under the shareholders' equity and net profit in the consolidated financial statements as minority interests and minority interest profit or loss. These current profits or losses of the subsidiaries which are attributable to the minority interest shall be presented as "minority interest profit or loss" under the net profit of the consolidated financial statements. If the losses of the subsidiaries attributed to the minority shareholders exceed the shareholders' equity owned by the minority shareholders in such subsidiaries at the beginning of the period, the excess shall be deducted from the minority interests.

If the control of the previous subsidiaries is lost due to disposal of some equity investments or for any other reasons, the remaining equity shall be re-measured at fair value on the date when control is lost. The difference between the sum of consideration received from disposal of equity and the fair value of the remaining equity, and the Company's share of the previous subsidiaries' net assets calculated at the previous shareholding proportion from the acquisition date, shall be recognized in investment income in the period when control is lost. Other comprehensive income related to the equity investment of the previous subsidiaries shall be conducted on the same basis as the direct disposal of related assets or liabilities by the acquired parties when the control is lost (Except for the change caused by the re-measurement of net liabilities or net assets of the defined benefit plan in the previous subsidiary, the remaining part shall be converted into investment income for current period). Thereafter, such remaining equity shall be subject to subsequent measurement according to the *Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investments* or *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* and other relevant regulations. For details, please refer to 18. "Long-term equity investments" of Note V or 10. "Financial instruments" of Note V.

If the Group disposes of the equity investment of the subsidiaries step by step through multiple transactions until it loses the control thereof, it is necessary to determine whether such transactions fall within "a package deal". The multiple transactions shall be taken as a "package deal" for accounting treatment, if the terms, conditions, and economic impacts of the transactions undertaken to dispose of the equity investment of the subsidiaries meet one or more of the following conditions: ① these transactions are entered into at the same time or with their impacts on each other considered; ② a complete business result may be achieved only when these transactions are taken as a whole; ③ one transaction depends on at least one of the other transactions; ④ one transaction is not economical on its own, but it is economical when considered together with other transactions. If they do not fall within a "package deal", each of them shall be subject to accounting treatment according to the principles applicable to "Partial disposal of the long-term equity investments in the subsidiaries without losing control" (for details, please refer to (2) ④ of 18 of Note V) and "Loss of control of the previous subsidiaries due to disposal of some equity investments or for any other reasons", as appropriate. If the transactions taken to dispose of the equity investment in the subsidiaries until loss of control are recognized as "package deal", these transactions shall be subject to accounting treatment as one transaction in which the subsidiaries are disposed and the control is lost. However, the difference between the price for each disposal before the control is lost and share of such subsidiaries' net assets as a result of disposal of investment, shall be recognized in other comprehensive income in the consolidated financial statements, and be included in profit or loss for the period when the control is lost.

## 8. Criteria for determining cash and cash equivalents

Cash and cash equivalents of the Group include cash on hand, deposits available at any time for payment, and short-term (generally due within three months from the date of purchase) and highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

## 9. Foreign currency business and translation of foreign currency financial statements

### (1) Translation method of foreign currency transactions

A foreign currency transaction of the Group is translated into the functional currency at initial recognition, using the spot exchange rate prevailing at the date of the transaction (i.e., in most cases, the central parity rate of the foreign exchange rate announced by the People's Bank of China on that day; the same hereinafter). However, for foreign currency exchange transactions or other transactions involving foreign currency exchange, the Group translates the amounts into the functional currency using the actual exchange rate.

### (2) Translation method of monetary items denominated in foreign currencies and non-monetary items denominated in foreign currencies

The foreign currency monetary items on the balance sheet date are translated at the spot exchange rate on the balance sheet date, and the exchange differences arising therefrom are included in the current profit or loss, except for the exchange difference of the principal and interest of foreign currency specific borrowings related to the acquisition and construction of assets eligible for capitalization.

Non-monetary items denominated in foreign currency that are measured at historical cost shall still be measured at the functional currency amount translated at the spot exchange rate of the transaction date. Non-monetary items denominated in foreign currency that are measured at fair value are converted by using the exchange rate at the date when fair value is determined and the difference between the converted functional currency amount and the original amount in functional currency is recorded as profit or loss arising from a change in fair value (including exchange rate change) for the current period or other comprehensive income.

### (3) Translation method of foreign currency financial statements

The foreign currency financial statements of overseas operations shall be converted into RMB financial statements in accordance with the following methods: Assets and liabilities items in the balance sheet are translated at the spot exchange rate on the balance sheet date; except for "Retained earnings", other items of shareholders' equity are converted at the spot exchange rate at the time of occurrence. Revenues and expenses in the income statement are translated using the average exchange rates prevailing in the period in which the transactions occur. Retained earnings in the beginning of the year are the retained earnings at the end of the prior year as translated; retained earnings at the end of the period are calculated and presented according to the translated profit distributions; exchange differences from translation between translated assets and translated liabilities and equities are recognized in other comprehensive income as exchange differences from translation. When the Group disposes of, and loses the control over, an overseas operation, exchange differences from translation which are presented in "shareholders' equity" of the balance sheet and related to the overseas operation are all or proportionally transferred to the profit or loss of the period of disposal.

Cash flows denominated in foreign currencies and cash flows of overseas subsidiaries are translated using the average exchange rates prevailing in the period of the cash flows. Any impact of exchange rate changes on cash is presented as a separate adjusting item in the cash flow statement.

The opening balances and comparative figures for the prior year are presented based on the translated amounts of the prior year's financial statements.

When all the equity of the Group in an overseas operation is disposed of, or the control over an overseas operation is lost due to a disposal of partial equity investments or any other reason, exchange differences which are presented in "shareholders' equity" of the balance sheet, related to the overseas operation and attributable to the owners of the parent company are all transferred to the profit or loss of the period of disposal.

If the proportion of equities in an overseas operation declines (but the control over that overseas operation is not lost) for a disposal of partial equity investments or any other reason, exchange differences which are related to that partial disposal are attributed to minority interests and not transferred to the profit or loss of the period of disposal. When the disposal of overseas operation involves a part of the equities in an associate or joint venture, exchange differences from translation which are related to the overseas operation are, based on the disposal proportion, transferred to the profit or loss of the period of disposal.

For any monetary item denominated in a foreign currency that constitutes a net investment in an overseas operation, in the consolidated financial statements, exchange differences from the exchange rate changes are recognized in other comprehensive income as "exchange differences from translation", and when the overseas operation is disposed of, are transferred to the profit or loss of the period of disposal.

## 10. Financial instruments

A financial asset or financial liability shall be recognized when the Group becomes a party to a financial instrument contract.

### (1) Classification, recognition and measurement of financial assets

Pursuant to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified by the Group into financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

Financial assets, when initially recognized, shall be measured at fair value. For the financial assets at fair value through profit or loss, the related transaction costs shall be included directly into current profit or loss. For the financial assets of other categories, the related transaction costs shall be included in the initially recognized amount. For the accounts receivable or notes receivable arising from the sale of products or the provision of services, which do not include or consider major financing components, the amount of consideration that the Group is expected to be entitled to is taken as the initially recognized amount.

#### ① Financial assets measured at amortized cost

The Group's business model for managing financial assets is aimed to collect contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangement, i.e., the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal. For such financial assets, the Group shall

perform subsequent measurements at the amortized cost by the effective interest method. The gains or losses arising from amortization or impairment shall be included in current profit or loss.

② Financial assets measured at fair value with changes recognized in other comprehensive income

The Group's business model for managing this type of financial assets aims both to collect the contractual cash flow and to sell it, and the characteristics of contractual cash flow of this type of financial assets shall be consistent with the basic lending arrangement. The Group measures these financial assets at fair value and the changes thereof shall be included in other comprehensive income, but the impairment losses or gains, exchange gains and losses and interest income calculated by the effective interest method shall be included in current profit or loss.

Apart from that, the Group shall designate some investments in non-trading equity instruments as financial assets at fair value through other comprehensive income. The Group will recognize the relevant dividend income of this type of financial assets in current profit or loss, and the changes in fair value into other comprehensive income. Upon derecognition of financial assets, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and transferred to the retained earnings, other than being included in current profit or loss.

③ Financial assets at fair value through profit or loss

The financial assets except those classified into financial assets measured at amortized cost and financial assets at fair value through other comprehensive income as mentioned above, are classified by the Group into financial assets at fair value through profit or loss. In addition, at initial recognition, part of the financial assets can be recognized by the Group as financial assets at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. The financial assets are subsequently measured by the Group at fair value, and changes in fair value are included in current profit or loss.

(2) Classification, recognition and measurement of financial liabilities

At initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss, and other financial liabilities. For the financial liabilities at fair value through profit or loss, the related transaction costs shall be included directly in current profit or loss. For other financial liabilities, the related transaction costs shall be included in the initially recognized amount.

① Financial liabilities at fair value through profit or loss

The financial liabilities at fair value through profit or loss shall include financial liabilities held for trading (including derivatives falling into the category of financial liabilities) and financial liabilities designated as those measured at fair value through profit or loss at initial recognition.

Financial liabilities held for trading (including derivatives falling into the category of financial liabilities) shall be subsequently measured at fair value. Except for hedging accounting, changes in fair value shall be included in current profit or loss.

The amount of change in the fair value of a financial liability which is designated as those measured at fair value through profit or loss due to change in the Group's own credit risks shall be included in other comprehensive income. Upon derecognition of such liability, the accumulative change in its fair value caused by the change of its own credit risk included in other comprehensive income is transferred to retained earnings. The changes in its fair value shall be recognized in current profit or loss. If the treatment of the impact on the credit risk change of the financial liabilities in the above manner will cause or expand the accounting mismatch in profit or loss, the Group will recognize all the gains or losses (including the changes in the Group's own credit risks) of the financial liabilities in current profit or loss.

② Other financial liabilities

Other financial liabilities except those caused by the transfer of financial assets that do not conform to the conditions for derecognition or continue to relate to the transferred financial assets and financial guarantee contracts shall be classified as financial liabilities measured at amortized cost, which shall be subsequently measured at amortized cost, and the gains or losses arising from derecognition or amortization shall be included in current profit or loss.

(3) Principle of recognition and measurement method of financial asset transfer

The financial asset shall be derecognized if: ① The contractual right to receive cash flows of the financial asset is terminated; ② The financial asset has been transferred and substantially all risks and rewards in the ownership of the financial asset have been transferred to the transferee; or ③ The financial asset has been transferred and the enterprise has neither transferred nor retained substantially all risks and rewards in the ownership of the financial asset, but has relinquished its control over the financial asset.

If the enterprise does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset and if the enterprise does not relinquish its control over the financial asset, it shall, according to the extent of its continuous involvement in the transferred financial asset, recognize the relevant financial asset and recognize the relevant liabilities accordingly. The extent of involvement in the financial asset transferred, refers to the company's exposure to changes in the value of the financial assets.

If the overall transfer of a financial asset meets the conditions for de-recognition, the difference between the carrying value of the transferred financial asset and the sum of the transfer consideration received and the change in fair value originally recognized in other comprehensive income will be recognized in current profit or loss.

If the partial transfer of financial assets meets the conditions for derecognition, the carrying value of the transferred financial assets is apportioned between the derecognized part and the non-derecognized part according to their respective relative fair values, and the difference between the sum of the transfer consideration received and the change in fair value originally recognized in other comprehensive income and apportioned to the de-recognition component and the aforesaid attributed carrying value will be recognized in current profit or loss.

If a financial asset is sold with the right of recourse or an endorsement, the Group needs to determine whether substantially all the risks and rewards related to the ownership of the financial asset have been transferred. If substantially all the risks and rewards related to the ownership of the financial asset have been transferred to the transferee, the Group shall de-recognize the financial asset; If substantially all the risks and rewards related to the ownership of the financial asset have been retained, the Group shall not de-recognize the financial asset. If none of the risks and rewards related to the ownership of the financial asset has been transferred or retained, the Group shall continue to determine whether it retains the control over the asset, and the accounting standard stated in the aforesaid paragraphs shall apply.

#### (4) Derecognition of financial liabilities

When the current obligations of a financial liability (or part of it) have been discharged, the financial liability (or that part of the financial liability) shall be derecognized by the Group accordingly. When the Group (borrower) signs an agreement with a lender to replace a financial liability with a new one, in case of substantially different terms of contract between the new one and the original one, the Group shall derecognize the original one and recognize the new one. If a substantial modification is made to all (or part of) the original financial liabilities by the Group, the original financial liabilities shall be derecognized, and at the same time, a new financial liability shall be recognized in accordance with the modified terms.

If all (or a part of) the financial liability is derecognized, the difference between the carrying value allocated to the derecognized part and the consideration paid (including the transferred non-cash assets or the liabilities assumed) is included in current profit or loss by the Group.

#### (5) Offset of financial assets and financial liabilities

When the Group has the legal right to offset the recognized financial assets and financial liabilities, which is enforceable for the time being, and the Group plans to settle on a netting basis or realize the financial assets and settle the financial liabilities, any net amount from netting of financial assets and financial liabilities shall be included in the balance sheet. Otherwise financial assets and financial liabilities shall be included separately in the balance sheet and shall not offset each other.

#### (6) Method of determining the fair value of financial assets and financial liabilities

Fair value refers to the price that market participants can receive by selling an asset or need to pay by transferring a liability in the orderly transactions on the measurement date. The fair value of a financial instrument in an active market is determined by the Group at the price quoted in the active market. The quotation in an active market refers to the price that is easily acquired from exchanges, brokers, industry associations, pricing service agencies, and the like on a regular basis and represents the actual market transactions in fair trade. If there is no financial instrument in an active market, its fair value shall be determined by the Group via valuation techniques. Valuation techniques include referring to the prices used in recent market transactions by parties who are familiar with the situation and trade voluntarily and the current fair value of other financial instruments which are essentially the same, as well as using the discounted cash flow method, the option pricing model and the like. During valuation, the Group shall adopt the valuation techniques applicable under the current circumstances and supported by sufficient available data and other information, select the input values consistent with the characteristics of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and give priority to the relevant observable input values as much as possible. When observable input values are unavailable or impractical to obtain, unobservable input values are used.

#### (7) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's issuance (including refinancing), repurchase, sales or cancellation of an equity instrument shall be accounted for as a change to equity. Transaction costs of an equity transaction are accounted for as a deduction from equity. The Group does not recognize changes in the fair value of equity instruments.

If the Group's equity instruments distribute dividends (covering "interest" incurred by instruments classified as equity instruments) during the existence thereof, the dividends shall be treated as profit distribution.

## 11. Impairment of financial assets

The financial assets for which the Group needs to recognize the impairment losses are financial assets measured at amortized cost, which mainly include notes receivable, accounts receivable, other receivables, contract assets, and so on.

### (1) Method for recognizing provision for impairment

Based on the expected credit loss, the Group shall make provision for impairment of the aforementioned items by its applicable measurement method (general approach or simplified approach) of expected credit loss and recognize the credit impairment losses.

Credit loss means the difference between all contractual cash flows receivable by the Group in accordance with the contract and all cash flows expected to be received, discounted at the original effective interest rate, i.e., the present value of all cash shortages. Purchased or originated credit-impaired financial assets shall be discounted by the Group according to the credit-adjusted effective interest rate of such financial assets.

The general approach to measure expected credit losses means that the Group evaluates whether the credit risk of the financial assets (including other applicable items; the same hereinafter) has increased significantly since the initial recognition at each balance sheet date. If the credit risk of the financial instrument has increased significantly since the initial recognition, the Group measures its loss allowance according to the amount equivalent to the expected credit loss of the financial instrument over its entire lifetime; if the credit risk has not increased significantly since initial recognition, the Group measures its loss allowance according to the amount equivalent to the expected credit loss of the financial instrument in the next 12 months. When assessing expected credit loss, the Group gives consideration to all reasonable and well-founded information, including forward-looking information.

For financial instruments with relatively low credit risks on the balance sheet date, the Group assumes that their credit risks have not increased significantly since initial recognition, and measures loss allowance based on the expected credit loss within the next 12 months.

### (2) Criteria for judging whether the credit risks have increased significantly since initial recognition

When the default probability of a financial asset within the expected lifetime determined on the balance sheet date is significantly higher than that at initial recognition, it suggests that the credit risks of the financial asset have significantly increased. Except under special circumstances, the Group determines whether credit risks have increased significantly since initial recognition by estimating the changes in the risk of default occurring over the lifetime based on the changes in the risk of default occurring within the next 12 months.

### (3) Grouping method for assessing the expected credit risks

The Group carries out separate credit risk assessments for financial assets with significantly different credit risks, including receivables in dispute with the other party or involving litigation or arbitration; accounts receivable where there are obvious signs that the debtor may not be able to fulfill the repayment obligation, etc.

Except for the financial assets that are individually assessed for credit risks, the Group shall classify the financial assets into different groups in view of the common credit risk characteristics, and assess the credit risks on the basis of groups.

### (4) Accounting treatment methods for impairment of financial assets

At the end of the reporting period, the Group shall calculate the expected credit loss of all types of financial assets. If the expected credit loss is greater than the carrying value of its current provision for impairment, the difference shall be recognized as impairment loss; if it is less than the carrying value of current provision for impairment, the difference shall be recognized as a reversal of impairment loss.

### (5) Determination method for measurement of expected credit losses of various financial assets

#### ① Notes receivable

For notes receivable, the Group measures loss allowance according to the amount equivalent to the expected credit loss over the entire lifetime. Depending on their credit risk characteristics, notes receivable are classified into different groups:

Item	Basis for determining groups
Bank acceptance notes	The acceptor is a bank with low credit risk
Commercial acceptance notes	By acceptor's credit risk (the same as that of accounts receivable)

#### ② Accounts receivable

For accounts receivable not containing significant financing components, the Group measures loss allowance according to the amount equivalent to the expected credit loss over the lifetime.

Except for accounts receivable for which credit risk is assessed separately, depending on their credit risk characteristics, accounts receivable are classified into different groups:

Item	Basis for determining groups
Accounts receivable aging portfolio	Except for the receivables for which the loss allowance of impairment has been calculated separately, the Group shall determine, through analysis of current conditions, the proportion of allowance for bad debt based on the expected credit loss rate of identical or similar receivables in previous years with similar credit risk characteristics classified by aging
Related party group	The parent and subsidiary companies included in the consolidated financial statements are divided into groups according to equity relationship.

### ③ Other receivables and factoring receivables

The Group measures impairment losses based on whether the credit risk of other receivables and factoring receivables has increased significantly since initial recognition, using an amount equivalent to expected credit loss within the next 12 months or entire lifetime.

### ④ Receivables financing

Receivables financing are primarily classified as notes receivable and accounts receivable which are measured at fair value through other comprehensive income and are presented under "Receivables financing" if they have original maturity of up to one year (including one year) or under other debt investments if they have original maturity more than one year as from the initial recognition date.

Depending on their credit risk characteristics, receivables financing are classified into different portfolios:

Item	Basis for determining groups
Bank acceptance notes	The acceptor is a bank with low credit risk
Commercial acceptance notes	Classified by the acceptor's credit risk, the same as that of the "Accounts receivable" group
Accounts receivable	Same as that of the "Accounts Receivable" group

## 12. Notes receivable

For further details, please refer to Note V 10. "Financial instruments" and 11. "Impairment of financial assets".

## 13. Accounts receivable

For further details, please refer to Note V 10. "Financial instruments" and 11. "Impairment of financial assets".

## 14. Receivables financing

For further details, please refer to Note V 10. "Financial instruments" and 11. "Impairment of financial assets".

## 15. Other receivables

For further details, please refer to Note V 10. "Financial instruments" and 11. "Impairment of financial assets".

## 16. Contract assets

The Group presents as contract assets in the balance sheet the rights to receive consideration from customers for performance obligations that the Group has satisfied, but which are not unconditional (i.e., dependent only on the passage of time). Contract assets and contract liabilities under the same contract are presented on a net basis. Contract assets and contract liabilities under different contracts are not offset.

For details of the method for determining and accounting for the expected credit loss of contract assets, please refer to Note V 11. "Impairment of financial assets".

## 17. Inventory

### (1) Classification of inventory

Inventory types include among others raw materials, finished goods, turnover materials and work in progress.

### (2) Valuation methods of inventory acquired and sold

When inventory is acquired, it is measured based on actual cost, including purchase cost, processing cost and other costs. When inventory is issued or sold, it is priced according to the monthly weighted average method.

### (3) Determination method of the net realizable value of inventory and calculation method of provision for decline in value

Net realizable value means the estimated selling price of inventory less the estimated cost to be incurred by the time of completion, the estimated selling expenses and related taxes. In determining the net realizable value of inventory, based on obtained evidence, the Group considers the purpose of the inventory and the impact of any matters occurring after the balance sheet date.

On the balance sheet date, inventory is measured at cost or net realizable value (whichever is lower). If the net realizable value is lower than its cost, the Group will make a provision for decline in value of inventories. The provision for decline in value of inventories is generally made at the difference between an inventory item's cost and its net realizable value. For the inventory with a large quantity and relatively low unit price, the provision for decline in value is accrued based on the inventory category; for inventories associated with product series manufactured and sold in the same area, with the same or similar end use or purpose, and are difficult to be measured separately from other items, the provisions for decline in value are consolidated and accrued. For raw materials with a large quantity and low unit price, the provision for decline in value of inventories is generally made according to the inventory aging.

After the provision for decline in value of inventories is made, if the original trigger for inventory write-down has disappeared so that the net realizable value of the inventory is higher than the carrying value, the amount of provision for decline in value of inventories shall be reversed, and the reversed amount shall be recognized in current profit or loss.

### (4) The inventory system is a perpetual inventory system.

### (5) Amortization method of turnover materials

The Group's turnover materials include low-value consumables and packaging materials. Large-amount turnover materials are amortized on a monthly basis over the expected useful life when issued. Other low-value consumables are amortized when issued using the one-off amortization method. Packaging materials are amortized when issued using the one-off amortization method.

## 18. Long-term equity investments

Long-term equity investments in this note refer to the long-term equity investments through which the Group has control, joint control or significant influence over the investee. The long-term equity investments through which the Group does not have control, joint control or significant influence over the investee, are accounted for as financial assets at fair value through profit or loss. If they are non-trading, the Group can choose to designate them as financial assets at fair value through other comprehensive income at initial recognition. For details about the relevant accounting policy, please refer to Note V 10. "Financial instruments".

Joint control refers to the Group's shared control of an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be unanimously agreed upon by the participants sharing the control before a decision can be made. Significant influence refers to the Group's right to participate in the decision-making of an investee's financial and operational policies, but not to control or jointly control the formulation of these policies with other parties.

### (1) Determination of investment cost

For long-term equity investments arising from a business combination under common control, the share of the carrying value of the shareholders' equity of the merged party in the consolidated financial statements of the final controlling party is regarded as the initial investment cost of the long-term equity investment on the combination date. If there is a difference between the initial investment cost of the long-term equity investment and the cash paid, non-cash assets transferred, and the carrying value of liabilities assumed, the capital surplus shall be adjusted. Where the capital surplus is insufficient to absorb the difference, retained earnings shall be adjusted. Where equity securities issued are used as consideration, the share of the carrying value of the shareholders' equity of the merged party in the consolidated financial statements of the final controlling party is regarded as the initial investment cost of the long-term equity investment on the combination date. The total face value of the issued shares is regarded as share capital. The difference between the initial investment cost of the long-term equity investment and the total face value of the issued shares shall be used to adjust the capital surplus. Where the capital surplus is insufficient to absorb the difference, retained earnings should be adjusted. Where equity of an acquiree under common control is acquired step-by-step through multiple transactions leading to a business combination under common control, the transactions shall be assessed to determine whether they constitute a "package transaction": If they constitute a

"package transaction", all transactions shall be treated as one transaction to obtain control. If they do not constitute a "package transaction", the Group regards the share of the carrying amount of the acquiree's shareholders' equity in the consolidated financial statements of the final controller at the date of combination as the initial cost of the long-term equity investment. The difference between the initial investment cost of the long-term equity investment on the combination date and the sum of the carrying value of the long-term equity investment before the merger plus the carrying value of the new share payment consideration on the combination date shall be used to adjust the capital surplus. Where the capital surplus is insufficient to absorb the difference, retained earnings should be adjusted. Other comprehensive income recognized as a result of equity investments held before the combination date that were measured using the equity method or as financial assets at fair value through other comprehensive income will not be accounted for temporarily.

For the acquisition of long-term equity investments involving enterprises not under common control, the Group regards the business combination cost at the date of acquisition as the initial cost of the long-term equity investment, including the sum of the fair values of assets paid, liabilities incurred or borne, and equity securities issued by the buyer. Where equity of an acquiree is acquired step-by-step through multiple transactions leading to a business combination not under common control, the transactions shall be assessed to determine whether they constitute a "package transaction": If they constitute a "package transaction", all transactions shall be treated as one transaction to obtain control. If they do not constitute a "package transaction", the sum of the carrying value of the original equity investment plus the new investment cost is regarded as the initial investment cost of the long-term equity investment accounted for using the cost method. If the previous equity was measured using the equity method, the relevant other comprehensive income will not be accounted for temporarily.

Acquisition-related costs including auditing fees, legal service fees, valuation advice fees and other relevant management fees are generally recognized in profit or loss as incurred.

A long-term equity investment acquired other than through a business combination is initially measured at cost. Such cost is determined based on the amount of cash paid by the Group, the fair value of the equity securities issued by the Group, the value agreed upon in an investment contract or agreement, the fair value or carrying value of assets exchanged in the non-monetary asset exchange, or the fair value of the long-term equity investment itself. Costs, taxes and other necessary expenses directly related to the acquisition of the long-term equity investment are also included in the investment cost. If additional investment results in significant influence over, or joint control of, the investee (other than control), the cost of the long-term equity investment shall be the sum of the fair value of the original equity investment determined in accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* and the cost of the additional investment.

#### (2) Method of subsequent measurement and recognition of profit or loss

The long-term equity investments through which the Group has joint control (except for joint operations) or significant influence over the investee shall be calculated using the equity method. The Company's financial statements use the cost method to calculate long-term equity investments that constitute control over investees.

##### ① Long-term equity investments calculated by the cost method

Under the cost method, a long-term equity investment is measured at its initial investment cost. Increasing or reducing investments will adjust the cost of the long-term equity investment accordingly. Except for the actual price paid when the investment is obtained or the cash dividends or profits included in the consideration that have been declared but not yet disbursed, the current investment income shall be recognized according to the cash dividends or profits declared by the investee.

##### ② Long-term equity investments accounted for by the equity method

When the equity method is adopted, if the initial investment cost of the long-term equity investment exceeds the investor's share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost shall not be adjusted; when the initial investment cost is less than the share of the fair value of the identifiable net assets of the investee, the difference is included in the current profit or loss, and the cost of the long-term equity investment shall be adjusted accordingly.

When the equity method is adopted, investment income and other comprehensive income shall be recognized respectively according to the share of net profit or loss and other comprehensive income realized by the investee, and the carrying value of the long-term equity investment shall be adjusted accordingly; the carrying value of the long-term equity investment is reduced correspondingly in accordance with the portion of profits or cash dividends declared and distributed by the investee; for changes in owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investee, the carrying value of the long-term equity investment shall be adjusted and included in capital surplus. The share of net profit or loss of the investee shall be recognized based on the fair value of various identifiable assets of the investee when the investment is made, after adjustment of the net profit of the investee. When the accounting policy and accounting period adopted by the investee are inconsistent with those of the Group, the investment income and other comprehensive income shall be recognized based on the adjusted financial statements of the investee in accordance with the Group's accounting policies and accounting period. For the Group's transactions with its associates and joint ventures, if the

invested or sold asset does not constitute a business, unrealized profits or losses resulting from the transactions are recognized as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealized losses resulting from the Group's transactions with its investee in respect of impairment losses on the transferred assets should not be eliminated. If the asset invested by the Group to its associates and joint ventures constitutes a business, to the extent that the investor realizes long-term equity investments other than control, the fair value of the invested business shall be the initial investment cost of the additional long-term equity investment, and the difference between the initial investment cost and the carrying value of the invested business shall be recognized in the profit or loss of the current period. If the asset sold by the Group to its associates and joint ventures constitutes a business, the difference between the consideration received and the carrying value of the sold business shall be recognized in the profit or loss of the current period. If the asset purchased by the Group from its associates or joint ventures constitutes a business, the transaction shall be accounted for pursuant to *Accounting Standards for Business Enterprises No. 20 - Business Combination*, and the gain or loss from the transaction shall be fully recognized.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that substantially constitute part of its net investments in the investee has been written down to zero. In addition, if the Group has the obligation to bear additional losses for the investee, provisions shall be recognized according to the expected obligations and recognized in the investment losses of the current period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

### ③ Acquisition of minority equity

When preparing consolidated financial statements, if there is a difference between the new long-term equity investments acquired as a result of the purchase of minority shares and the share of net assets continuously calculated from the date of purchase (or merger) of the subsidiary based on the new shareholding ratio, the capital surplus shall be adjusted. Where capital surplus is insufficient to offset the difference, retained earnings are adjusted.

### ④ Long-term equity investment disposal

In consolidated financial statements, where a parent company partially disposes of a long-term equity investment in a subsidiary without losing control over it, the difference between the disposal price and the carrying amount of the net assets of the subsidiary attributable to the disposed equity investment shall be recognized in shareholders' equity. If it is a partial disposal by a parent company of a long-term equity investment in a subsidiary and control over the subsidiary is lost, the accounting policy stipulated in this Note V 7. (2) "Method for preparing the consolidated financial statements" shall apply.

For the disposal of long-term equity investments in other situations, the difference between the disposed equity's carrying value and the actual proceeds is included in the current profit or loss.

When the Group reduces its ownership interest in an investee but continues to use the equity method for the long-term equity investment, other comprehensive income previously recorded as shareholders' equity is disposed of in proportion, subject to the accounting treatment applicable to the assets or liabilities related to the direct disposal of the investee. The equity recognized by the Group, other than the change in net profit or loss, other comprehensive income and profit distribution of the investee, is transferred to current profit or loss in proportion.

When the Group reduces its ownership interest but continues to use the cost method for the long-term equity investment, for the other comprehensive income recognized by the Group using the equity method prior to obtaining control over the investee or under financial instrument recognition and measurement standards, other comprehensive income previously recorded as shareholders' equity is subject to the accounting treatment applicable to the assets or liabilities related to the direct disposal of the investee and is transferred to current profit or loss in proportion. Then the other changes in shareholders' equity recognized by the Group using the equity method, not arising from the change in net profit or loss, other comprehensive income or profit distribution of the investee, are reclassified to profit or loss in proportion.

If the Group loses control over the investee due to the disposal of a portion of an equity investment, the equity method is adopted in the preparation of individual financial statements when the remaining equity allows the Group to exercise joint control or hold significant influence over the investee, and the remaining equity after disposal is regarded as being adjusted by the equity method at the time of acquisition; if the remaining equity after disposal does not allow the Group to exercise joint control or hold significant influence over the investee, it is calculated in accordance with the relevant provisions of financial instrument recognition and measurement standards, and the difference between the fair value and the carrying value on the day when control is lost is recognized in the current profit or loss. If other comprehensive income was recognized using the equity method or under the standards for recognition and measurement of financial instruments before the Group obtained control over the investee, it is subject to the accounting treatment applicable to the assets or liabilities related to the direct disposal of the investee when control over the investee is lost; changes in the shareholders' equity of the net assets of the investee recognized using the equity method, except for net profit or loss,

other comprehensive income and profit distributions, shall be transferred to current profit or loss when control over the investee is lost. Where the remaining equity after disposal is calculated using the equity method, other comprehensive income and other shareholders' equity are transferred in proportion. If the remaining equity after disposal is calculated in accordance with the standards for recognition and measurement of financial instruments, other comprehensive income and other shareholders' equity are transferred in full.

If joint control or significant influence over the investee is lost by the Group due to the disposal of some equity investments, the remaining equity after disposal is calculated according to the financial instrument recognition and measurement standards. The difference between the fair value and the carrying value on the day when joint control or significant influence is lost is recognized in the current profit or loss. Other comprehensive income of the equity investment previously recognized using the equity method is subject to the accounting treatment applicable to the assets or liabilities related to the direct disposal of the investee when the Group stops using the equity method. Shareholders' equity recognized by the Group, other than the change in net profit or loss, other comprehensive income and profit distribution of the investee, is reclassified to profit or loss in full when the Group stops using the equity method.

Where the equity investment in a subsidiary is disposed of step-by-step by the Group through multiple transactions until control is lost, the aforementioned transactions, if they constitute a "package transaction", are accounted for as one transaction for the disposal of the equity investment in the subsidiary and the loss of control. The difference between the price of each disposal before control is lost and the carrying value of the long-term equity investment related to the disposed equity is recognized in other comprehensive income, and then transferred to the profit or loss of the current period when control is lost.

## 19. Investment properties

Measurement of investment property

Measurement by cost method

Depreciation or amortization method

Investment property refers to property held to earn rentals or for capital appreciation, or both. It includes land use rights that have been leased, land use rights held for transfer upon appreciation, and leased buildings. In addition, vacant buildings held by the Group for the purpose of leases will also be reported as investment properties, if the board of directors (or similar authority) adopts a written resolution expressly indicating that the buildings will be used for leases and the intention of holding them will not change in the short term.

Investment property is initially measured at cost. Subsequent expenses related to investment property shall, if economic benefits associated with the property are probable to flow to the Group and its costs can be measured reliably, be capitalized as part of the cost of the investment property. Other subsequent expenditures are recognized in current profit or loss when incurred.

The Group adopts the cost model for subsequent measurement of investment property. The investment property is depreciated or amortized in accordance with policies consistent with those for buildings or land use rights.

When self-use properties or inventories are converted into investment property, or investment property is converted into self-use properties, the carrying value before the conversion is recognized as the carrying amount after the conversion.

When investment property is disposed of or permanently withdrawn from use and is not expected to generate economic benefits from its disposal, the investment property shall be derecognized. The disposal income from the sale, transfer, abandonment or destruction of investment property less its carrying value and relevant taxes shall be recognized in current profit or loss.

## 20. Fixed assets

### (1) Recognition criteria

Fixed assets are tangible assets held with a useful life exceeding one fiscal year for the production of goods, provision of services, leasing or management. Fixed assets are recognized only when the following conditions are met: Economic benefits relating to the fixed asset are probable to flow to the Group, and the cost of the fixed asset can be measured reliably. Fixed assets are initially measured at cost, with the influence of estimated abandonment cost taken into account.

**(2) Depreciation methods**

Category	Depreciation methods	Estimated useful life(years)	Residual value rate(%)	Annual depreciation rate(%)
Buildings	Straight-line method	20-30	5-10	3-4.75
Production equipment	Straight-line method	5-10	5-10	9-19
Test equipment	Straight-line method	5-10	5-10	9-19
Office equipment	Straight-line method	5	5-10	18-19
Transportation equipment	Straight-line method	5	5-10	18-19

Depreciation of a fixed asset is provided within its useful life by the straight-line method starting from the next month after it reaches the intended serviceable state.

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**(3) Other explanations**

Subsequent expenditures related to fixed assets are included in the cost of fixed assets if it is probable that the economic benefits associated with the assets will flow to the Group and the costs can be measured reliably; the carrying value of the replaced parts is derecognized. Other subsequent expenditures are recognized in current profit or loss when incurred.

Fixed assets are derecognized when they are held for disposal or when no future economic benefits are expected from their use or disposal. The difference between the disposal income from the sale, transfer, retirement or damage of fixed assets and their carrying value and relevant taxes is recognized in current profit or loss.

At least at the end of each year, the Group reviews the useful life, estimated net residual value, and depreciation method of fixed assets. Any changes are treated as changes in accounting estimates.

**21. Construction in progress**

The cost of construction in progress is determined at the actual construction costs, including various construction expenditures incurred during the period of construction, capitalized borrowing costs and other related expenses before the project reaches the intended serviceable state. Where the fixed assets constructed have reached the intended serviceable state, but the completion settlement has not yet been processed, they are transferred to fixed assets at an estimated value based on the project budget, cost, or actual cost. Equipment to be installed will be transferred to fixed assets once it reaches the intended serviceable state. Equipment that requires installation and debugging will also be transferred to fixed assets after reaching the intended serviceable state.

The specific standards and timing for the conversion of the Company's various categories of construction in progress to fixed assets:

Category	Standards and timing for the conversion to fixed assets
Buildings	<ol style="list-style-type: none"> <li>(1) The main construction project and supporting works have been substantially completed;</li> <li>(2) The construction works have met the intended design requirements, and acceptance has been completed by the survey, design, construction, and supervision units;</li> <li>(3) Acceptance by external departments such as fire safety and planning has been completed;</li> <li>(4) If the construction project has reached the intended serviceable state but the completion settlement has not been processed, it shall be transferred to fixed assets based on the estimated value according to the actual construction cost from the date it reaches the intended serviceable state.</li> </ol>
Machines and equipment that require installation and commissioning	<ol style="list-style-type: none"> <li>(1) Relevant equipment and other supporting facilities have been installed;</li> <li>(2) The equipment has been debugged and can maintain normal and stable operation for a period of time;</li> <li>(3) The production equipment can stably produce qualified products for a period of time;</li> <li>(4) The equipment has been accepted by asset management personnel and users.</li> </ol>

## 22. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings, etc. Borrowing costs that are directly attributable to the acquisition, construction or production of assets eligible for capitalization shall be capitalized when asset expenditures have been incurred, borrowing costs have been incurred, and the acquisition, construction or production activities necessary to make the asset reach the intended serviceable or salable state have started. Capitalization shall cease when the assets eligible for capitalization reach the intended serviceable or salable state. The remaining borrowing costs are recognized as expenses in the period in which they are incurred.

The amount of borrowing costs to be capitalized for specific borrowings is the actual interest expenses incurred during the period, less any interest income earned from unused borrowing funds deposited in banks or any investment income arising from the temporary investment of those funds. The amount of borrowing costs to be capitalized for general borrowings is calculated by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the specific borrowings. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

During the period of capitalization, exchange differences arising from specific foreign currency borrowings shall be fully capitalized, and exchange differences arising from general foreign currency borrowings shall be recognized in profit or loss.

Assets eligible for capitalization refer to fixed assets, investment property, inventories and other assets that require a substantial period of time to undergo acquisition, construction or production activities to reach the intended serviceable or salable state.

If an abnormal interruption occurs in the process of acquisition, construction or production of assets eligible for capitalization and continues for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended until the acquisition, construction or production of such assets resumes.

## 23. Intangible assets

### (1) Useful life and its determination basis, estimation situation, amortization method, or review procedures.

Intangible assets are identifiable non-monetary assets without physical substance owned or controlled by the Group.

Intangible assets are initially measured at cost. Expenditures related to intangible assets are recognized in the cost of intangible assets when it is probable that the associated economic benefits will flow to the Group and the associated costs can be measured reliably. Other expenditures related to intangible assets are recognized in profit or loss for the period in which they are incurred.

The acquired land use right is generally recognized as intangible assets. Expenses related to land use rights and construction costs of buildings such as self-built factories, etc., are recognized as intangible assets and fixed assets, respectively. In the case of purchased buildings, related costs are allocated between the cost of land use rights and the cost of buildings. The related costs that cannot be allocated reasonably are recognized as fixed assets.

When intangible assets with a finite useful life are available for use, their original cost is amortized over their estimated useful life using the straight-line method. Intangible assets with indefinite useful life shall not be amortized.

The amortization method for intangible assets with limited useful life is as follows:

Category	Estimated useful life	Amortization method	Basis
Land-use right	37-50 years	Straight-line method	Duration of registration of property right
Non-patented technology	2-10 years	Straight-line method	Expected years of economic benefits
Patent right	7-10 years	Straight-line method	Expected years of economic benefits
Trade mark	5 years	Straight-line method	Expected years of economic benefits
Software	3-10 years	Straight-line method	Expected years of economic benefits

For intangible assets with a finite useful life, the Group reviews their useful life and amortization method at the end of the period, and accounts for any change as a change in accounting estimates. For intangible assets with indefinite useful life, the Group reviews their useful life. If it is evident that the duration of associated economic benefits is predictable, the useful life is estimated and the asset is amortized pursuant to amortization policies for intangible assets with finite useful life.

## (2) Scope of research and development expenditure and related accounting treatment

The Group classifies all costs directly related to the conduct of research and development activities as research and development expenditure. These expenditures include employee benefits, direct input costs, depreciation expenses, design costs, and amortization of intangible assets.

The expenditure for research and development projects in the Group is divided into research phase expenditure and development phase expenditure.

The classification into the expenditure in the research phase or the expenditure in the development phase in relation to internal R&D projects of the Group conforms to the following standards:

Expenditures in the research phase are defined as those spent in an innovative, explorative and planned investigation to acquire and understand new scientific or technical knowledge. The research is the preparation in documents and other aspects for further development. It is very uncertain whether the completed research will move onto the development phase and whether the development will lead to the emergence of an intangible asset. Therefore, the Group expenses the expenditures in the research phase and recognizes them in the profit or loss of the current period.

Expenditures in the development phase refer to the expenditures incurred during the stage of applying research results or other knowledge to a project or design to produce new or substantially improved materials, devices and products before commercial mass production or use. As the development phase comes after the research phase, the majority of basic conditions for a new product or technology have been established. Thus, the Group recognizes the expenditures in development phase eligible for capitalization as intangible assets. Gross expenditures incurred in the period from the point when the conditions for capitalization are satisfied to the point when intangible assets are ready for the intended purpose are capitalized. No further adjustment will be made for any expenditure that has been expensed and recognized in profit or loss before the same intangible assets have met the conditions for capitalization in the development phase.

Expenditures in the research phase are included in the current profit or loss when incurred.

Expenditures in the development phase are recognized as intangible assets only when the following conditions are all satisfied, or are recognized in the profit or loss of the current period:

- ① It is technically feasible to complete such an intangible asset so that it will be available for use or for sale;
- ② There is the intention to complete the intangible asset for use or sale;
- ③ The intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset have a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset;
- ④ There is sufficient support in terms of technology, financial resources, and other resources in order to complete the development of the intangible asset, and there is the capability to use or sell the intangible asset;
- ⑤ The expenditures attributable to the development stage of the intangible asset can be measured reliably.

If it is impossible to distinguish between expenditures in the research phase and expenditures in the development phase, the R&D expenditures incurred shall be recognized in the profit or loss of the current period.

## 24. Impairment of long-term assets

For non-current and non-financial assets including fixed assets, construction in progress, intangible assets with finite useful life, investment property measured at cost, and long-term equity investments in subsidiaries, associates and joint ventures, the Group assesses whether there is an indication of impairment at the balance sheet date. If there is such an indication, the Group estimates the recoverable amount and carries out an impairment test. An impairment test shall be conducted every year for goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use, regardless of whether there is any indication of impairment. If the impairment test results show that the recoverable amount of an asset is lower than its carrying value, the impairment loss is recognized for the difference. The recoverable amount is the higher of the fair value of the asset less disposal expenses and the present value of the expected future cash flows of the asset. The fair value of an asset is measured as the price agreed in a sales contract concluded in good faith. In the absence of any such sales contract, if there is an active market for the asset, the fair value is determined based on the buyer's offer for the asset. In the absence of both a sales contract and an active market, the fair value of the asset is estimated based on the best information available. Disposal expenses include legal fees, taxes, transportation fees, and direct expenses incurred to make the asset salable. The present value of expected future cash flows of an asset is measured by applying an appropriate discount rate to the expected future cash flows generated from the continuous use of the asset and its final disposal.

The asset impairment provision is calculated and recognized on the basis of individual assets. In the case of difficulty in estimating the recoverable amount of an individual asset, the recoverable amount of the asset group to which the individual asset belongs is calculated. An asset group is the smallest unit of combined assets that can generate cash inflows independently.

For goodwill listed separately in the financial statements, the carrying amount of such goodwill arising from business combinations is allocated to relevant asset groups or asset group portfolios that are expected to benefit from the synergies of the business combination. If the test results show that the recoverable amount of asset groups or asset group portfolios containing allocated goodwill is lower than their carrying value, the corresponding impairment loss shall be recognized. The amount of impairment loss shall firstly be deducted from the carrying amount of goodwill allocated to the asset groups or asset group portfolios, then be deducted from the carrying amounts of other assets based on the proportions of their carrying amounts in the asset groups or asset group portfolios.

The impairment losses of assets will not be reversed in subsequent periods once recognized.

## **25. Long-term prepaid expenses**

Long-term prepaid expenses represent expenses that have been incurred but are to be amortized over a period of more than one year, including the current and future periods. Long-term prepaid expenses are amortized using the straight-line method over the estimated benefit period.

## **26. Contract liabilities**

Contract liabilities represent the Group's obligation to transfer goods to a customer for which the Group has received or is entitled to receive consideration from the customer. If a customer pays consideration before the Group transfers goods to the customer, or the Group has an unconditional right to receive consideration before the goods are transferred, the Group presents the consideration received or receivable as contract liabilities at the earlier of the date of actual payment or the due date of payment. Contract assets and contract liabilities under the same contract are presented on a net basis. Contract assets and contract liabilities under different contracts are not offset.

## **27. Employee benefits**

### **(1) Accounting treatment of short-term employee benefits**

Short-term employee benefits include wages, salaries, bonuses, allowances and subsidies, employee welfare, medical insurance contributions, maternity insurance contributions, work injury insurance contributions, housing provident fund contributions, union funds, employee education funds, and non-monetary benefits. During the accounting period when employees provide services to the Group, the short-term benefits actually incurred are recognized as a liability and recognized in profit or loss or related asset costs. Non-monetary benefits in short-term employee benefits are measured at fair value.

### **(2) Accounting treatment of post-employment benefits**

Post-employment benefits mainly cover basic pension insurance contributions and unemployment insurance contributions. Post-employment benefit plans are mainly defined contribution plans. The defined contribution plans of the Group are basic pension insurance contributions and unemployment insurance contributions, and the contributions thereto are recognized in asset costs or profit or loss when they occur.

### **(3) Accounting treatment of termination benefits**

Where the Group terminates the labor relationship with an employee before the labor contract expires, or offers compensation to encourage employees to accept redundancies voluntarily, the employee remuneration liabilities arising from termination benefits are recognized and recognized in profit or loss on the earlier of the following two dates: (a) when the Group cannot unilaterally withdraw the termination benefits provided by the termination plan or redundancy proposal; or (b) when the Group recognizes costs related to the reorganization involving the payment of termination benefits. However, termination benefits that are expected not to be fully paid within twelve months after the end of the annual reporting period are accounted for as other long-term employee benefits.

Internal early retirement programs are accounted for using the same method applicable to termination benefits. The Group recognizes in profit or loss (as termination benefits) the employee salaries and social insurance contributions covered by its internal retirement

program from the date when employees stop providing services until their statutory retirement dates, provided that the conditions for recognizing provisions are satisfied.

#### **(4) Accounting treatment of other long-term employee benefits**

If other long-term employee benefits provided by the Group for its employees constitute a defined contribution plan, the accounting treatment for defined contribution plans applies. In any other circumstance, the accounting treatment for defined benefit plans applies.

### **28. Provisions**

Obligations relating to contingencies are recognized as provisions when they meet the following conditions: (1) the Group has a present obligation related to a contingency; (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and (3) the amount of the obligation can be measured reliably.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account factors relating to contingencies such as risks, uncertainties and the time value of money.

If all or part of the expenditure required to settle the provision is expected to be compensated by a third party, the amount of compensation is recognized separately as an asset when it is virtually certain that it can be received, and the recognized compensation amount does not exceed the carrying value of the provision.

### **29. Share-based payment**

#### **(1) Accounting treatment of share-based payment**

Share-based payment is a transaction where equity instruments are granted or equity instrument-based liabilities are assumed in consideration of services provided by employees or other parties. Share-based payment is classified into cash-settled share-based payment and equity-settled share-based payment.

##### **① Equity-settled share-based payment**

Equity-settled share-based payments made in consideration of services provided by employees are measured at the fair value of equity instruments on the grant date. If the equity instruments vest after the completion of services in the vesting period or upon satisfaction of stipulated performance conditions, the fair value is recognized in relevant costs or expenses using the straight-line method, based on the best estimate of the number of equity instruments expected to vest during the vesting period. If the equity instruments vest immediately after the grant, they are recognized in relevant costs or expenses on the grant date, and the capital reserve is increased accordingly.

At each balance sheet date during the vesting period, the Group makes the best estimate based on the latest available subsequent information, such as changes in the number of employees with vested rights, and revises the estimated number of equity instruments expected to vest. The impact of the above estimation is recognized in the costs or expenses of the current period, and the capital reserve is adjusted accordingly.

Equity-settled share-based payments made in consideration of services provided by other parties shall, if the fair value of the services can be measured reliably, be measured at fair value at the date of acquisition, and if the fair value of the services cannot be measured reliably but the fair value of the equity instruments can be measured reliably, be measured at fair value at the date of acquisition. They are recognized in the cost or expense, and the shareholders' equity is increased accordingly.

##### **② Share-based payment settled in cash**

Cash-settled share-based payments are measured according to the fair value of the liabilities determined based on shares or other equity instruments undertaken by the Group. If the rights vest immediately after the grant, they are recognized in relevant costs or expenses, and the liability is increased accordingly. If the rights vest only after the completion of services in the vesting period or upon satisfaction of stipulated performance conditions, at each balance sheet date within the vesting period, based on the best estimate of the vesting condition and according to the fair value of the liabilities assumed by the Group, the services acquired in the current period are recognized in costs or expenses, and the liability is increased accordingly.

On each balance sheet date and settlement date before the settlement of related liabilities, the fair value of liabilities shall be re-measured, and the changes shall be recognized in the current profit or loss.

#### **(2) Accounting treatment related to modification and termination of share-based payment plan**

When the Group modifies the share-based payment plan, if the fair value of the granted equity instruments is increased by modification, the increase in the services acquired shall be recognized according to the increase of the fair value of the equity instruments. The increase of fair value of equity instruments refers to the difference between the fair values of equity instruments before and after modification on the modification date. If the total fair value of share-based payment is reduced by modification or other ways that are unfavorable to employees, the accounting treatment of the acquired services will continue, as if the change never happened unless the Group cancels some or all of the granted equity instruments.

During the vesting period, if the granted equity instruments are canceled, the Group treats the cancellation of the granted equity instruments as accelerated vesting, immediately recording the amount that would have been recognized over the remaining vesting period into the current profit or loss, and recognizes the capital reserve at the same time. If the employee or other party can choose to meet the non-vesting condition but fails to meet it during the vesting period, the Group treats it as a cancellation of the granted equity instruments.

(3) Accounting treatment for share-based payment transactions involving the Group and shareholders or actual controllers of the Company

For share-based payment transactions involving the Group and shareholders or actual controllers of the Company, where either the settling entity or the service-receiving entity is within the Group and the other is outside the Group, the accounting treatment in the consolidated financial statements of the Group shall be conducted as follows:

① If the settling entity settles with its own equity instruments, the share-based payment transaction shall be treated as an equity-settled share-based payment; Otherwise, it shall be treated as a cash-settled share-based payment.

If the settling entity is an investor in the service-receiving entity, the share-based payment transaction shall be recognized as a long-term equity investment in the service-receiving entity based on the fair value of the equity instruments granted at the grant date or the fair value of the liability assumed. In addition, capital reserves (other capital reserves) or liabilities shall be recognized.

② If the service-receiving entity has no settlement obligation or grants its own equity instruments to its employees, the share-based payment transaction shall be treated as an equity-settled share-based payment; If the service-receiving entity has a settlement obligation and grants its employees an instrument other than its own equity instruments, the share-based payment transaction shall be treated as a cash-settled share-based payment.

For share-based payment transactions occurring between entities within the Group, if the service-receiving entity and the settling entity are not the same entity, the recognition and measurement of the share-based payment transaction in the individual financial statements of the service-receiving entity and the settling entity shall be processed in accordance with the above principles.

### 30. Revenue

Disclose the accounting policies adopted for revenue recognition and measurement according to the type of business

Revenue is defined as the total inflow of economic benefits arising from the Group's ordinary activities that would result in an increase in shareholders' equity. It is not related to the capital invested by shareholders. If a contract between the Group and a customer meets the following conditions, revenue is recognized when the customer obtains control over the goods (including services, the same as below): The parties to the contract have authorized the contract and undertaken to perform their obligations; The contract defines the rights and obligations of the parties about transfer of the goods or provision of the services; The contract contains clear payment terms related to the transferred goods; The contract has commercial substance, which means that the performance of the contract would change the risks, time distribution or amount of the future cash flows of the Group; and The consideration to which the Group is entitled for transferring the goods to the customer is very likely to be recovered. Among them, obtaining the control right of related goods refers to the ability to direct the use of the goods and obtain substantially all the economic benefits.

At the contract commencement date, the Group identifies each individual performance obligation existing under the contract, and allocates the transaction price to each individual performance obligation based on the proportion of the stand-alone selling prices of the goods committed by the individual performance obligations. The transaction price is determined by taking into account the influence of variable consideration, major financing components in the contract, non-cash consideration, consideration payable to customers and other factors.

If each individual performance obligation under the contract meets any of the following conditions, the Group will, according to the progress of performance in the relevant performance period, recognize the part of transaction price apportioned to the individual performance obligation as revenue: the customer obtains and consumes economic benefits from the performance by the Group at the time of performance; the customer has control over the goods in production during the performance by the Group; the goods produced during the performance by the Group have irreplaceable use, and the Group is entitled to be paid for the completed part of the obligation

up to now in the entire contract period. The performance schedule is determined by output method or input method according to the nature of the goods transferred. If the performance schedule cannot be reasonably determined and the incurred costs of the Group are expected to be compensated, the revenue is recognized according to the amount of the incurred costs until the performance schedule can be reasonably determined.

If none of the above conditions is met, the Group will, at the point of time when the customer obtains control over the goods, recognize the part of the transaction price apportioned to the individual performance obligation as revenue. To determine whether the customer obtains the control over the goods, the Group considers the following indications: the Group enjoys the current right to be paid for the goods, and the customer has the current obligation to pay for the goods; the Group has transferred legal ownership of the goods to the customer, and the customer has legal ownership over the goods; the Group has delivered the goods physically to the customer, and the customer has possessed the goods in kind; the Group has passed on to the customer major risks and rewards of the ownership of the goods, and the customer has received the major risks and rewards of the ownership of the goods; the customer has accepted the goods; and any other indication that the customer has obtained the control over the goods.

### Specific methods for product sales revenue recognition

The sales business of the Group is divided into domestic sales and overseas sales. Both domestic and overseas sales of the Group have a general model and a VMI model, with specific sales revenue recognition policies as follows:

#### ① Domestic sales

##### A. General sales mode

The Group arranges production according to a sales contract or order with a customer; upon shipment from the warehouse, the products are transported and delivered to the place of delivery designated by the customer; the customer's warehousing employee checks the quantity of the products and also carries out a spot check for the quality of the products; after the quantity and quality are accepted, the employee will sign and stamp on the receipt for confirmation. The revenue is recognized when the Group obtains the signed and stamped receipt or when the Group obtains the signed and stamped receipt and makes a reconciliation with the customer.

##### B. VMI sales mode

The Group arranges production according to a sales contract or order with the customer; upon shipment from the warehouse, the products will be transported and delivered to the delivery place designated by the customer; the customer's warehouse personnel check the quantity of the products and also carry out a spot check for the quality of the products; after the quantity and quality are accepted, the warehouse personnel will sign and stamp on the receipt for confirmation. Sales revenue will be recognized based on the actual consumption of goods by the customer and reconciliation with the customer.

#### ② Overseas sales

##### A. General sales mode

The Group arranges production according to a sales contract or order with a customer; the export delivery is made through customs clearance after the products are verified as qualified through inspection; the revenue is recognized at the time of control transfer, depending on the specific terms of trade.

##### B. VMI sales mode

The Group arranges production according to a sales contract or order with a customer; the export is made through customs clearance after the products are verified as qualified through inspection; after the Group completes export declaration formalities and obtains an export declaration form, and the products are transported to the place designated by the customer, the revenue is recognized when the customer draws down the products.

Different operating modes in the same kind of business involve different revenue recognition methods and measurement methods

None

## 31. Contract costs

Contract costs include incremental costs incurred to obtain the contract and contract fulfillment costs.

If the incremental costs incurred by the Group to obtain a contract are expected to be recoverable, they are recognized as an asset as contract acquisition costs.

Costs incurred to fulfill a contract that are not within the scope of other *Accounting Standards for Business Enterprises (ASBE) other than ASBE No.14 - Revenue (2017 Revision)* shall be recognized as an asset if: ① such costs relate directly to a contract or an anticipated contract that the Group can specifically identify, including direct labor, direct materials, manufacturing overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into

the contract; ② such costs enhance resources of the Group that will be used in satisfying performance obligations in the future; and ③ such costs are expected to be recoverable.

Assets related to contract costs are amortized on the same basis as the recognition of revenue of the goods or services to which the asset relates, and are charged to profit or loss. However, if the amortization period for the asset does not exceed one year, the asset shall be charged to profit or loss when incurred.

The Company recognizes an impairment loss and makes a provision to the extent that the carrying amount of an asset related to contract costs exceeds the difference between:

- ① the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates;
- ② the costs expected to be incurred to provide those goods or services.

If the impairment provision for the above assets is subsequently reversed, the carrying amount of the asset after reversal shall not exceed the carrying amount of the asset on the reversal date had the impairment provision not been recognized.

### 32. Government grants

Government grants refer to the monetary assets and non-monetary assets obtained by the Group from the government free of charge, excluding the investment made by the government as an investor which holds the corresponding owner's equity. Government grants are divided into asset-related government grants and income-related government grants. Asset-related government grants refer to the government grants obtained by the Group and used for acquiring or forming long-term assets by other means. Other government grants are defined as government grants related to income. If no specific grant target is specified in government documents, government grants are classified into government grants related to income and government grants related to assets as follows: (1) if the government document stipulates grants for a defined project, the grants will be divided according to the proportion of expenditures capitalized and expenditures recognized as expenses in the budget of the defined project, and the proportion will be reviewed at each balance sheet date and be changed if necessary; and (2) if the government document contains a general statement on the purpose of grants, other than a defined project, the grants will be treated as government grants related to income. Government grants in the form of monetary assets shall be measured at the amount received or receivable. Government grants in the form of non-monetary assets shall be measured at fair value. If the fair value cannot be reliably measured, the government grants shall be measured at a nominal amount. Government grants measured at a nominal amount shall be directly recognized in the current profit or loss.

The Group recognizes and measures government grants generally at the time of receipt according to the actually received amounts. However, at the end of the period, the government grant shall be measured according to the amount receivable when there is conclusive evidence that it can meet the relevant conditions stipulated by the financial support policy and is expected to receive financial support funds. A government grant measured at the amount receivable shall meet the following conditions: (1) the amount of grant receivable has been confirmed in a governmental document or can be reasonably estimated according to any officially issued measures for the management of financial support funds, without significant uncertainty in the estimated amount; (2) the measurement is based on the financial support projects and its measures for the management of financial support funds officially released and proactively disclosed by local fiscal authorities according to the *Government Information Disclosure Regulations*, and the measures are universally applicable (applicable to any eligible enterprise), other than for specific enterprises; (3) the relevant grant approval document has clearly stated the period of payment, and as the payment of the grant is guaranteed by corresponding fiscal budgets, there is reasonable assurance that the payment will be made within a specified period; and (4) other relevant conditions should be met according to the actual situation of the Group and the grant (if any).

Asset-related government grants are recognized as deferred income, and shall be recognized in current profit or loss systematically over the useful life of the relevant assets. If income-related government grants are received as compensation for related costs or losses in future periods, they are recognized as deferred income, and are recognized in current profit or loss during the period when the related costs or losses are recognized; those received as compensation for related costs or losses incurred are directly recognized in the profit or loss of the current period.

If a government grant contains an asset-related component and an income-related component, the two components are subject to separate accounting treatment. If it is difficult to distinguish them, the government grant shall be classified as income-related government grants.

Government grants related to the daily operating activities of the Group shall be recognized in other income according to the nature of the business transactions. Government grants unrelated to the daily activities are recognized in non-operating income.

Where any recognized government grants need to be returned, in the case of a related deferred income balance, the carrying amount of the deferred income balance shall be written down, and any excess shall be recognized in the profit or loss of the current period. In other cases, the returned government grant is directly recognized in the profit or loss of the current period.

### 33. Deferred tax assets/liabilities

#### (1) Current income taxes

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (or recovered from) the taxation authorities according to the requirements of tax laws. The taxable profit used as a basis for the current income tax expense is calculated after appropriate adjustment is made to the pre-tax accounting profit of the reporting period according to the requirements of tax laws.

#### (2) Deferred tax assets and liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax bases, or between the carrying amounts of items not recognized as assets or liabilities and their tax bases determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

For the temporary difference arising from the initial recognition of goodwill, no corresponding deferred tax liability is recognized. For temporary differences arising from the initial recognition of assets or liabilities in transactions other than business combinations that affect neither accounting profit nor taxable profit (or deductible losses), and such initial recognition does not result in equal taxable and deductible temporary differences, the corresponding deferred tax assets and deferred tax liabilities are not recognized. In addition, for the taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, no deferred tax liability is recognized. Except for the above exceptions, the Group recognizes deferred tax liabilities arising from all other taxable temporary differences. For the deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, the corresponding deferred tax asset shall not be recognized if it is not probable that the temporary difference will reverse in the foreseeable future, or if it is not probable that taxable profits will be available in the future against which the temporary difference can be utilized. Except for the above exceptions, deferred tax assets for other deductible temporary differences are recognized by the Group to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

For deductible losses and tax credits that can be carried forward to later years, the corresponding deferred tax assets are recognized to the extent that the future taxable profit that can be used to offset the deductible losses and tax credits is probable.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to be applicable when the asset is realized or the liability is settled.

On the balance sheet date, the carrying amount of deferred tax assets shall be reviewed. If it is no longer probable that sufficient taxable profit will be available in the future to offset the deductible temporary differences related to deferred tax assets, the carrying amount of the deferred tax assets shall be written down. When it is probable that sufficient taxable profit will be available, such written-down amount shall be subsequently reversed.

#### (3) Income tax expenses

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

Except that current income taxes and deferred taxes arising from transactions or events recognized in other comprehensive income or directly recognized in shareholders' equity are recognized in other comprehensive income or shareholders' equity, and that deferred taxes arising from business combinations adjust the carrying amount of goodwill, all other current income taxes and deferred tax expenses or gains are recognized in the profit or loss of the current period.

#### (4) Income tax offset

When the Group has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously, the current income tax assets and current income tax liabilities of the Group are offset and presented as a net amount.

When the Group has a legally enforceable right to set off current income tax assets and current income tax liabilities, and the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax authority on the same taxpayer or to different taxpayers, but in each future period of reversing material deferred tax assets and liabilities, the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis or realize assets and settle liabilities at the same time, the deferred tax assets and deferred tax liabilities of the Group are offset and presented as a net amount.

## 34. Lease

### (1) Accounting treatment method for leasing by the lessee

The categories of leased assets in the Group mainly include buildings and structures.

#### ① Initial measurement

On the lease commencement date, the Group recognizes the right to use the leased asset during the lease term as a right-of-use asset and recognizes the present value of the unpaid lease payments as a lease liability, except for short-term leases and low-value asset leases. When measuring the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate, and adopts the incremental borrowing rate of the lessee as the discount rate if the interest rate implicit in the lease is not determinable.

#### ② Subsequent measurement

The Group calculates depreciation on right-of-use assets in accordance with the depreciation provisions set forth in the *Accounting Standards for Enterprises No. 4 - Fixed Assets* (see Note V 20. "Fixed assets"). If it can be reasonably determined that the ownership of the leased asset can be acquired at the end of the lease term, the Group shall depreciate the asset over its remaining useful life. If the Group cannot reasonably determine that it will obtain the ownership of leased assets when the lease term expires, the right-of-use asset is depreciated over the shorter of the lease term and the remaining useful life of the leased assets.

For lease liabilities, the Group calculates its interest expenses for each period of the lease term at a fixed periodic interest rate and recognizes them in current profit or loss or related asset costs. Variable lease payments not included in the measurement of lease liabilities, when actually incurred, shall be recognized in the current profit or loss or related asset costs.

From the lease commencement date, if there is any change to the in-substance fixed payments, the estimated amount to be paid according to the guaranteed residual value, the index or rate referred to for calculating the lease payment, the assessment results of the call option, renewal option or termination option or the actual exercise of the aforesaid options, in which cases the Group will re-measure the lease liability according to the changed lease payment and the present value, and the carrying amount of the right-of-use asset will be adjusted accordingly. If the carrying amount of the right-of-use asset has already been reduced to zero but the lease liability is subject to further reduction, the Group recognizes the remaining amount in current profit or loss.

#### ③ Short-term lease and low-value asset lease

For short-term leases (leases with a lease term not exceeding 12 months at the lease commencement date) and low-value asset leases, the Group adopts a simplified approach. Under this approach, right-of-use assets and lease liabilities are not recognized. Instead, lease payments are recognized as part of the relevant asset costs or current profit or loss on a straight-line basis or other systematic and reasonable methods over the lease term.

### (2) Accounting treatment method for leasing by the lessor

On commencement of the lease term, the Group will divide the lease into a finance lease and an operating lease based on the substance of the transaction. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset. Operating lease refers to leases other than finance leases.

#### ① Operating lease

The Group adopts the straight-line method in each period of the lease term, and recognizes the lease receipts arising from operating leases as rental income. The variable lease payments under an operating lease which are not included in the lease receipts are recognized in the profit or loss of the current period at the time of actual occurrence.

#### ② Finance lease

On the commencement date of the lease term, the Group recognizes finance lease receivables and derecognizes the finance lease assets. Accounts receivable from finance leases are initially measured at the net amount of the lease investment (the sum of the unguaranteed residual value and the present value of the unreceived lease receipts discounted according to the interest rate implicit in the lease on the commencement of the lease term), and the interest income for the lease term is recognized based on a fixed periodic interest rate. Variable lease payments obtained by the Group and not included in the measurement of lease net investment shall be recognized in the current profit or loss when they are actually incurred.

### 35. Treasury stock

The actual payment amount to acquire the Company's own shares for reasons such as capital reduction or employee incentives, shall be recorded as treasury stock, with memorandum registration. The difference between the actual amount received from transferring treasury stock and the carrying value of the treasury stock shall be offset against capital reserve. If the capital reserve is insufficient to cover the offset, retained earnings shall be reduced. When canceling treasury stock, the share capital shall be reduced by the par value and the number of shares canceled. The difference between the book balance of the canceled treasury stock and the par value shall be offset against capital reserve. If the capital reserve is insufficient to cover the offset, retained earnings shall be reduced. No gains or losses shall be recognized when repurchasing, transferring, or canceling the Company's shares.

### 36. Specific reserve

In accordance with the relevant regulations of the Ministry of Finance and the Ministry of Emergency Management, the Group accrues a specific reserve for production safety. The specific reserve is mainly used for safety expenditures incurred during the process of production and operation.

The provision for the specific reserve is recognized as a relevant cost or profit or loss for the current period, and it is also included in the specific reserve account. The specific reserve is written down when the safety production funds are utilized for expense expenditures. If the expenditure is of a capital nature, the expenditure incurred is accumulated in 'Construction in progress' and recognized as a fixed asset when the project is completed and ready for its intended use; meanwhile, the specific reserve is written down by the amount of the cost of the fixed asset, and accumulated depreciation is recognized at the same amount. Consequently, such fixed assets are not depreciated in subsequent periods.

### 37. Other significant accounting policies and accounting estimates

In the application of accounting policies, due to the inherent uncertainty in operating activities, the Group needs to make judgments, estimates, and assumptions about the carrying amounts of items in the financial statements which cannot be measured accurately. These judgments, estimates, and assumptions are made based on the historical experience of the Group's management and other factors that are considered to be relevant. These judgments, estimates, and assumptions affect the reported amounts of revenue, expenses, assets, and liabilities, as well as the disclosure of contingent liabilities at the balance sheet date. However, the actual results arising from the uncertainty of these estimates may differ from the current estimates made by the Group's management, which may result in significant adjustments to the carrying amounts of the affected assets or liabilities in future periods.

The above judgments, estimates, and assumptions are reviewed periodically by the Group on a going-concern basis. If a change in accounting estimates only affects the period in which the change occurs, the effect is recognized in the period in which the change occurs. If the change affects both the period in which the change occurs and future periods, the effect is recognized in the period in which the change occurs and the future periods.

At the balance sheet date, the key areas in which the Group is required to make judgments, estimates, and assumptions regarding the amounts in the financial statements are as follows:

#### (1) Revenue recognition

As stated in Note V. 30 "Revenue", the Group's revenue recognition involves the following significant accounting judgments and estimates: identification of customer contracts; estimation of the recoverability of the consideration to which the Group is entitled due to the transfer of goods to customers; identification of performance obligations in contracts; estimation of the variable consideration in a contract and the amount of accumulated recognized revenue that is highly probable not to be significantly reversed when the relevant uncertainty is eliminated; whether there is a significant financing component in a contract; estimation of stand-alone selling prices of individual performance obligations in a contract; determination of whether the performance obligation shall be performed over time or at a point in time; and determination of performance progress.

The Group makes judgments based on historical experience and practices, and major changes in judgments and estimates would have an impact (and even a significant impact) on the change of operating income, operating cost, and profit or loss during the current or future periods.

#### (2) Lease

##### ① Identification of a lease

While identifying that a contract is or contains a lease, the Group needs to assess whether there is an identified asset and the customer controls the use of the asset for a certain period. During assessment, the Group shall consider the nature and substantive substitution rights of the asset, and whether the customer has the right to obtain almost all economic benefits arising from the use of the asset during the period and can control the use of the asset.

#### ② Classification of a lease

The Group as the lessor classifies leases into operating leases and finance leases. In the classification process, the management needs to make appropriate analysis and judgment on whether substantially all risks and rewards related to the ownership of leased assets have been substantially transferred to the lessee.

#### ③ Lease liabilities

The Group, as a lessee, initially measures the lease liabilities at the present value of lease payments that are unpaid at the lease commencement date. For measuring the present value of the lease payments, the Group estimates the discounting rate in use and the lease term of the lease contract with an option of renewal or termination. For assessing the lease term, the Group considers all the facts and circumstances related to the economic benefits brought by the exercise of the option by the Group, including expected changes in the facts and circumstances from the lease commencement date to the option exercise date. Different judgments and estimates would affect the recognition of lease liabilities and right-of-use assets and further affect the profit or loss of subsequent periods.

#### (3) Impairment of financial assets

The Group assesses impairments of financial instruments using the expected credit loss model, where the Group is required to make significant judgments and estimates, as well as consider all reasonable and evidence-based information, including forward-looking information. In making the judgments and estimates, the Group predicts expected changes in the debtor's credit risk based on historical data, as well as economic policies, macroeconomic indicators, industry risks, external market conditions, technical conditions, changes in customer conditions and other factors.

#### (4) Provisions for the decline in value of inventories

Under accounting policies for inventories, the Group measures inventories according to the lower of cost and net realizable value. For the inventories with a cost higher than the net realizable value as well as obsolete and unsalable inventories, the Group calculates provisions for the impairment of inventories. The inventories are impaired to their net realizable value, depending on the assessment of salability of inventories and their net realizable value. To identify inventory impairment, the management is required to make judgments and estimates after obtaining conclusive evidence, as well as considering the purpose of inventories held, the impact of events occurring after the balance sheet date and other factors. Any difference between actual results and prior estimates will, in the period when relevant estimates are changed, affect the carrying amount of inventories and the provision for inventory impairment or reversal thereof.

#### (5) Fair value of financial instruments

If there is no active trading market for a financial instrument, its fair value is determined by the Group through various valuation methods. The valuation techniques include discounted cash flow modeling, etc. In the valuation process, the Group needs to estimate future cash flow, credit risk, market volatility and correlation, etc. and choose an appropriate discounting rate. These relevant assumptions are uncertain, and their changes would affect the fair value of financial instruments. For investments in equity instruments or contracts with public quotes, the Group will not regard costs as the best fair value estimate.

#### (6) Impairment provision for long-term assets

For non-current assets other than financial assets, the Group will, at the balance sheet date, judge whether there is an indication of impairment. For intangible assets with an indefinite useful life, the impairment test will be carried out annually and when there is an indication of impairment. The impairment test will be carried out for non-current assets other than financial assets, when there is an indication that the carrying amount cannot be recovered.

When the carrying value of an asset or group of assets is higher than the recoverable amount, the higher of the net fair value less costs of disposal and the present value of estimated future cash flows indicates impairment.

The net fair value less costs of disposal is determined by the sales agreement price or observable market price of similar assets in an arm's length transaction reduced by incremental costs directly attributable to the disposal of the asset.

Important judgments shall be made on the output, selling price, related operating costs and discount rate used in calculating the present value of the asset (or a group of assets) in the estimation of the present value of future cash flows. When estimating the recoverable amount, the Group uses all relevant information available, including the output, selling price and related operating costs predicted on the basis of reasonable and evidence-based assumptions.

The Group tests goodwill for impairment at least annually. This requires estimating the present value of future cash flows of an asset group or combination of asset groups to which goodwill has been allocated. When estimating the present value of future cash flows,

the Group needs to predict cash flows generating from an asset group or combination of asset groups in the future, and chooses an appropriate discount rate to determine the present value of future cash flows.

(7) Depreciation and amortization

The Group depreciates and amortizes investment property, fixed assets and intangible assets over their respective useful lives, using the straight-line method, with their respective residual values taken into account. The Group periodically reviews the useful lives of assets to determine the amounts of depreciation and amortization expenses for each reporting period. The useful life is determined by the Group based on its historical experience acquired on similar assets and expected technical development. For significant changes in prior estimates, depreciation and amortization expenses will be adjusted in the coming periods.

(8) Development expenditure

When determining capitalized amounts, the Group's management needs to assume estimated future cash flows, appropriate discount rates and expected benefit periods of relevant assets.

The Group's management believes that the products with its self-developed proprietary technology have a broad market and good prospects, and the market reaction to the products produced with these intangible assets also supports the management's pre-estimated income arising from the project. However, the increasing competition makes the management reconsider the assumptions about market share and estimated gross profits of the products. After a thorough review, the Group's management believes that the carrying value of intellectual properties can be fully recovered notwithstanding a lowered rate of return of the products. The Group will continue to pay close attention to relevant developments. Once there is an indication that it is necessary to adjust the assumptions of relevant accounting estimates, the Group will make adjustment in the period when that indication appears.

(9) Deferred tax assets

To the extent that it is probable that there will be sufficient taxable profit to cover the losses, the Group recognizes deferred tax assets for all unused tax losses. In this case, the Group's management shall make important judgments to estimate the time and amount of future taxable profit and, by taking into account its tax plan, to determine the amount of deferred tax assets that should be recognized.

(10) Income tax

In normal operating activities of the Group, there are some transactions with certain uncertainties in final tax treatment and calculation. Tax deductible expenses for some items are subject to review and approval by the tax authority. Any difference between final results and initially estimated amounts due to these tax matters exerts impact on income taxes and deferred income taxes of the period when the final results are determined.

### 38. Changes in significant accounting policies and accounting estimates

(1) Significant changes in accounting policies

Applicable  Not applicable

(2) Changes in significant accounting estimates

Applicable  Not applicable

(3) Adjustments to relevant items in the opening financial statements upon the initial adoption of the new accounting standards starting from 2025

Applicable  Not applicable

## VI. Taxes

### 1. Major categories of taxes and tax rates

Tax categories	Basis of taxation	Tax rate
VAT	Output VAT is calculated on taxable revenue at the rates of 13%, 9% and 6%, and VAT payable is determined after deducting deductible input VAT for the current period.	13%, 9%, 6%
City maintenance and	7% or 5% of the actual turnover tax paid.	7%, 5%

Tax categories	Basis of taxation	Tax rate
construction tax		
Enterprise income tax	15%, 20%, or 25%; overseas subsidiaries are subject to the statutory tax rates prevailing in their respective jurisdictions.	15%, 20%, or 25%
Education surcharge	3% of the actual turnover tax paid.	3%
Local education surcharge	2% of the actual turnover tax paid.	2%

## Disclosure of entities subject to different enterprise income tax rates

Name of taxpayer	Rate of income tax
Goertek Inc.	15%
Weifang Goertek Electronics Co., Ltd.	15%
Goertek Microelectronics Inc.	15%
Qingdao Goertek Microelectronics Research Institute Co., Ltd.	25%
Qingdao Goertek Intelligent Sensor Co., Ltd.	25%
Weifang Goertek Microelectronics Co., Ltd.	15%
Rongcheng Goertek Microelectronics Co., Ltd.	25%
Beijing Goertek Microelectronics Co., Ltd.	20%
Shenzhen Goertek Microelectronics Co., Ltd.	20%
Wuxi Goertek Microelectronics Co., Ltd.	20%
Shanghai Goertek Microelectronics Co., Ltd.	20%
Goertek Microelectronics Holdings Co., Ltd.	16.5%
Goertek Microelectronics (HongKong) Co., Limited	16.5%
GOERTEK MICROELECTRONICS CORPORATION	The U.S. federal enterprise income tax rate is 21%, and the California state enterprise income tax rate is 8.84%.
GOERTEK MICROELECTRONICS KOREA CO., LTD.	Corporate tax: The tax rate shall be 9% if the income is less than KRW 200 million; 19% if the income is KRW 200 million-20 billion; 21% if the income is KRW 20 billion-300 billion; and 24% if the income is more than KRW 300 billion; Local corporate tax: 10% of corporate income tax payable.
GOERTEK MICROELECTRONICS VIETNAM COMPANY LIMITED	20%
GMI Technology GmbH	23%
GMI SEMICONDUCTOR SDN. BHD.	24%
Goermicro Technology Development Company Limited	16.5%
Qingdao MicroSense Intelligent Technology Co., Ltd.	20%
Weifang Goertek Trading Co., Ltd.	25%
Yishui Goertek Electronics Co., Ltd.	25%
Yili Precision Manufacturing Co., Ltd.	15%
Weifang Goertek Communication Technology Co., Ltd.	25%
Dongguan Yili Precision Manufacturing Co., Ltd.	15%
Goertek Technology Co., Ltd.	15%
Beijing Goertek Technology Co., Ltd.	15%
Qingdao Goertek Acoustics Technology Co., Ltd.	25%
Shenzhen Goertek Technology Co., Ltd.	15%
Shanghai Goertek Technology Co., Ltd.	25%
Nanjing Goertek Technology Co., Ltd.	15%
Weifang Lokomo Precision Industry Co., Ltd.	15%
Goertek Investment Co., Ltd.	25%
Beijing Goertek Investment Management Co., Ltd.	20%
Olive Smart Hardware Investment Center LP	--
Goertek Intelligence Technology Co., Ltd.	25%
Rongcheng Goertek Technology Co., Ltd.	25%
Qingdao Goertek Commercial Factoring Co., Ltd.	25%

Name of taxpayer	Rate of income tax
Nanning Goertek Electronics Co., Ltd.	25%
Nanning Goertek Trading Co., Ltd.	25%
Xi'an Goertek Electronic Technology Co., Ltd.	15%
Yishui TECO Electronics Technology Co., Ltd.	25%
Qingdao Resonance I Venture Capital Fund LP	--
Weifang Goertek Electronic Technology Co., Ltd.	25%
Qingdao Goertek Horizons Technology Co., Ltd.	25%
Weifang High-tech Zone Goertek Education Center	25%
Chongqing Goertek Auto Technology Co., Ltd.	20%
Shanghai Goertek Technology Development Co., Ltd.	25%
Chengdu Goertek Technology Co., Ltd.	20%
Goertek Starshine (Qingdao) Inc.	25%
Weifang Goertek Smart Technology Co., Ltd.	25%
Qingdao Goertek Starshine Smart Technology Co., Ltd.	25%
Hefei Goertek Technology Co., Ltd.	20%
Hangzhou Goertek Technology Co., Ltd.	20%
Dongguan Yili Technology Co., Ltd.	20%
Hainan Goertek Trading Co., Ltd.	20%
Shanghai Goertek IntelliReach Technology Co., Ltd.	20%
Goertek Vina Co., Ltd.	20%
Goertek (Korea) Technology Inc.	Corporate tax: The tax rate shall be 9% if the income is less than KRW 200 million; 19% if the income is KRW 200 million-20 billion; 21% if the income is KRW 20 billion-300 billion; and 24% if the income is more than KRW 300 billion; Local corporate tax: 10% of corporate income tax payable.
Goertek (HongKong) Co., Limited	The applicable tax rate is 8.25% for assessable profits not exceeding HKD 2,000,000, and 16.5% for the portion of assessable profits exceeding HKD 2,000,000.
Goertek Technology Vina Co., Ltd.	20%
Goertek Precision Industry Vietnam Co., Ltd.	20%
Goertek Smart Technology Vina Co., Ltd.	20%
Goertek Electronics Vietnam Co., Ltd.	20%
Goertek Europe ApS	22%
Goertek Seiki Technology Co., Ltd.	Comprehensive tax rate 40.87%
Optimas Capital Partners Fund LP	--
Goertek Singapore Pte. Ltd.	17%
Goertek Electronics, Inc.	The U.S. federal enterprise income tax rate is 21%, and the California state enterprise income tax rate is 8.84%.
Goertek Technology Taiwan Co., Ltd.	20%
Goertek Technology Japan Co., Ltd.	Comprehensive tax rate 42.39%
Goertek Technology (HongKong) Co., Limited	16.5%
Goertek Holdings (HongKong) Co., Limited	16.5%
Yili Technology Vietnam Company Limited	20%
Goertek Singapore Holdings Pte. Ltd.	17%

## 2. Tax incentives

(1) According to the *Announcement on the Filing of the First Batch of High-tech Enterprises Recognized and Reported by Shandong Provincial Recognition Authority in 2023* issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on December 18, 2023, the Company has been recognized as a High-tech Enterprise for a validity period of 3 years.

The enterprise income tax preferential period is from January 1, 2023 to December 31, 2025, and the Company applied an enterprise income tax rate of 15% for the fiscal year 2025.

(2) According to *the Announcement on the Filing of the Second Batch of High-tech Enterprises Recognized and Reported by Shandong Provincial Recognition Authority in 2023*, issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on December 28, 2023, three subsidiaries, Weifang Goertek Electronics Co., Ltd., Weifang Goertek Microelectronics Co., Ltd., and Weifang Lokomo Precision Industry Co., Ltd., have been recognized as High-tech Enterprises for a validity period of 3 years. The enterprise income tax preferential period is from January 1, 2023 to December 31, 2025, and these subsidiaries adopted an enterprise income tax rate of 15% for the year 2025.

(3) According to *the Public Notice on the Filing of the Second Batch of High-tech Enterprises Recognized and Reported by the Qingdao Recognition Authority in 2025* issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on December 19, 2025, the subsidiary Goertek Microelectronics Inc. has been recognized as a High-tech Enterprise, and the qualification is valid for 3 years. The preferential enterprise income tax period is from January 1, 2025 to December 31, 2027. Goertek Microelectronics Inc. was entitled to an enterprise income tax rate of 15% in 2025.

(4) According to *the Public Notice on the Filing of the First Batch of High-tech Enterprises Recognized and Reported by Shandong Provincial Recognition Authority in 2025* issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on December 8, 2025, the subsidiary, Yili Precision Manufacturing Co., Ltd. has been recognized as a High-tech Enterprise, and the qualification is valid for 3 years. The preferential enterprise income tax period is from January 1, 2025 to December 31, 2027. Yili Precision Manufacturing Co., Ltd. was entitled to an enterprise income tax rate of 15% in 2025.

(5) According to *the Public Notice on the Filing of the Third Batch of High-tech Enterprises Recognized and Reported by Guangdong Provincial Recognition Authority in 2024* issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on December 11, 2024, the subsidiary, Dongguan Yili Precision Manufacturing Co., Ltd. has been recognized as a High-tech Enterprise, and the qualification is valid for 3 years. The preferential enterprise income tax period is from January 1, 2024 to December 31, 2026. Dongguan Yili Precision Manufacturing Co., Ltd. was entitled to an enterprise income tax rate of 15% in 2025.

(6) According to *the Public Notice on the Filing of the First Batch of High-tech Enterprises Recognized and Reported by Qingdao Recognition Authority in 2025* issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on December 19, 2025, the subsidiary, Goertek Technology Co., Ltd. has been recognized as a High-tech Enterprise, and the qualification is valid for 3 years. The preferential enterprise income tax period is from January 1, 2025 to December 31, 2027. Goertek Technology Co., Ltd. was entitled to an enterprise income tax rate of 15% in 2025.

(7) According to *the Announcement on the Filing of the Fourth Batch of High-tech Enterprises Recognized and Reported by Beijing Municipal Recognition Authority in 2023* issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on January 9, 2024, the subsidiary, Beijing Goertek Technology Co., Ltd. has been recognized as a High-tech Enterprise, and the qualification is valid for 3 years. The preferential enterprise income tax period is from January 1, 2023, to December 31, 2025. Beijing Goertek Technology Co., Ltd. was entitled to an enterprise income tax rate of 15% in 2025.

(8) According to *the Public Notice on the Filing of the First Batch of High-tech Enterprises Recognized and Reported by Shenzhen Recognition Authority in 2025* issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on December 25, 2025, the subsidiary, Shenzhen Goertek Technology Co., Ltd. has been recognized as a High-tech Enterprise, and the qualification is valid for 3 years. The preferential enterprise income tax period is from January 1, 2025 to December 31, 2027. Shenzhen Goertek Technology Co., Ltd. was entitled to an enterprise income tax rate of 15% in 2025.

(9) According to *the Announcement on the Filing of the Second Batch of High-tech Enterprises Recognized and Reported by Jiangsu Provincial Recognition Authority in 2025* issued by the Office of the National Leading Group for High-tech Enterprise Recognition and Administration on January 9, 2026, the subsidiary, Nanjing Goertek Technology Co., Ltd. has been recognized as a High-tech Enterprise, and the qualification is valid for 3 years. The preferential enterprise income tax period is from January 1, 2025 to December 31, 2027. Nanjing Goertek Technology Co., Ltd. was entitled to an enterprise income tax rate of 15% in 2025.

(10) According to *the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China* (Announcement [2020] No. 23 of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission) issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on April 23, 2020, from January 1, 2021 to December 31, 2030, enterprise income tax will be levied at a reduced rate of 15% for encouraged industrial enterprises located in the western region. The enterprise income tax rate of 15% was applied to the subsidiary, Xi'an Goertek Electronic Technology Co., Ltd., for the year 2025.

(11) The subsidiary, Goertek (HongKong) Co., Limited, is a qualifying entity under the two-tiered profits tax rates regime. The applicable tax rate is 8.25% for assessable profits not exceeding HKD 2,000,000 and 16.5% for the portion of assessable profits exceeding HKD 2,000,000.

(12) According to the *Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement No. 12 of 2023 issued by the Ministry of Finance and the State Taxation Administration), from January 1, 2023, to December 31, 2027, for small and low-profit enterprises, the portion of annual taxable profit not exceeding RMB 3 million shall be included in the taxable profit at a rate of 25%, and enterprise income tax will be levied at the rate of 20%. The subsidiaries, Beijing Goertek Microelectronics Co., Ltd., Wuxi Goertek Microelectronics Co., Ltd., Shenzhen Goertek Microelectronics Co., Ltd., Shanghai Goertek Microelectronics Co., Ltd., Qingdao MicroSense Intelligent Technology Co., Ltd., Beijing Goertek Investment Management Co., Ltd., Chongqing Goertek Auto Technology Co., Ltd., Chengdu Goertek Technology Co., Ltd., Hefei Goertek Technology Co., Ltd., Hangzhou Goertek Technology Co., Ltd., Dongguan Yili Technology Co., Ltd., Hainan Goertek Trading Co., Ltd. and Shanghai Goertek IntelliReach Technology Co., Ltd., are eligible for the aforementioned preferential tax policies.

(13) According to the laws of Vietnam, the subsidiaries, GOERTEK MICROELECTRONICS VIETNAM COMPANY LIMITED, Goertek Smart Technology Vina Co., Ltd., Goertek Electronics Vietnam Co., Ltd., Goertek Precision Industry Vietnam Co., Ltd., and Yili Technology Vietnam Company Limited, enjoy preferential corporate income tax policies in Vietnam on the basis of a 15-year incentive period, adopting a tax arrangement of four-year full exemption and nine-year 50% reduction. Specifically, they are subject to corporate income tax at a reduced rate of 10% within 15 years commencing from the year of generating operating revenue. Meanwhile, starting from the first profit-making year, corporate income tax shall be fully exempted for the first four years and reduced by 50% from the fifth to the thirteenth year. If an enterprise generates no taxable profits within 3 years from the commencement of its qualified preferential business activities, the tax exemption and reduction periods shall commence from the fourth year of operation. The main business income of the above subsidiaries is exempt from corporate income tax for the year 2025.

(14) According to the laws of Vietnam, Goertek Technology Vina Co., Ltd., a subsidiary of the Company, enjoys the corporate income tax preferential policy of four-year exemption and nine-year 50% reduction on the basis of a 15-year incentive period. That is, it shall pay corporate income tax at a reduced rate of 10% within 15 years starting from the date of operating revenue recognition. Meanwhile, from the first profit-making year, it is exempted from corporate income tax for the first to fourth years and entitled to a 50% reduction in corporate income tax from the fifth to the thirteenth years. If the enterprise has no taxable profits within 3 years from the commencement of its preferential tax business activities, the tax exemption and reduction periods shall commence from the fourth year of operation. The main business income is eligible for the 50% preferential tax policy in 2025.

(15) The subsidiary, Goertek (Korea) Technology Inc., qualifies for the comprehensive employment tax credit. In accordance with South Korea's local employment-promotion tax incentive policies, corporate income tax is reduced based on the annual average increase in the number of employees.

## VII. Notes to Items in the Consolidated Financial Statements

### 1. Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	188,339.26	104,171.55
Bank deposits	15,289,876,899.35	12,314,315,531.64
Other monetary funds	3,596,368,296.25	5,152,073,165.86
Total	18,886,433,534.86	17,466,492,869.05
Including: Total amount of funds deposited overseas	3,108,738,034.38	1,232,148,802.12

Other explanations:

Other monetary funds at the end of the period mainly consist of various types of margin deposits for notes and letters of guarantee, as well as funds held in the Company's securities accounts.

## 2. Financial assets held for trading

Unit: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	2,493,987,691.52	1,100,984,000.31
Including:		
Investments in debt instruments	1,301,414,089.05	
Investments in equity instruments	1,003,634,676.23	548,668,959.95
Derivative financial assets	188,938,926.24	552,315,040.36
Total	2,493,987,691.52	1,100,984,000.31

## 3. Notes receivable

### (1) Classification of notes receivable

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance notes	111,378,892.12	149,898,502.69
Commercial acceptance notes	198,081,694.38	
Total	309,460,586.50	149,898,502.69

### (2) Classification and disclosure by bad debt provision method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Notes receivable with bad debt provision on a portfolio basis	311,461,411.70	100.00%	2,000,825.20	0.64%	309,460,586.50	149,898,502.69	100.00%			149,898,502.69
Including:										
Bank acceptance notes	111,378,892.12	35.76%			111,378,892.12	149,898,502.69	100.00%			149,898,502.69
Commercial acceptance notes	200,082,519.58	64.24%	2,000,825.20	1.00%	198,081,694.38					
Total	311,461,411.70	100.00%	2,000,825.20	0.64%	309,460,586.50	149,898,502.69	100.00%			149,898,502.69

Bad debt provision on a portfolio basis: Bank acceptance notes

Unit: RMB

Name	Closing balance

	Book balance	Bad debt provision	Provision ratio
Bank acceptance notes	111,378,892.12	0.00	0.00%
<b>Total</b>	<b>111,378,892.12</b>	<b>0.00</b>	

Description of the basis for determining such portfolios:

For details, please refer to Note V. 11. "Impairment of financial assets".

Bad debt provision on a portfolio basis: Commercial acceptance notes

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Commercial acceptance notes	200,082,519.58	2,000,825.20	1.00%
<b>Total</b>	<b>200,082,519.58</b>	<b>2,000,825.20</b>	

Description of the basis for determining such portfolios:

For details, please refer to Note V. 11. "Impairment of financial assets".

If the bad debt provision on notes receivable is based on the general model of expected credit losses:

Applicable  Not applicable

### (3) Bad debt provision accrued, recovered or reversed during the period

Details of bad debt provision accrued during the period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Accrual	Recovery or reversal	Write-off	Other	
Commercial acceptance notes		2,000,825.20				2,000,825.20
<b>Total</b>		<b>2,000,825.20</b>				<b>2,000,825.20</b>

Among which, the amounts of bad debt provisions recovered or reversed during the current period are significant:

Applicable  Not applicable

### (4) Notes receivable pledged at the end of the period

None

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

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes		100,000,000.00
Commercial acceptance notes		200,000,000.00
<b>Total</b>		<b>300,000,000.00</b>

### (6) Notes receivable actually written off in the current period

None

#### 4. Accounts receivable

##### (1) Disclosure by aging

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	13,425,597,333.09	18,059,400,488.90
1 to 2 years	1,333,993.71	4,544,895.30
2 to 3 years	3,054,255.74	186,898.40
Over 3 years	2,292,895.48	6,748,813.47
3 to 4 years		6,348,865.09
4 to 5 years	2,279,905.00	318,499.98
Over 5 years	12,990.48	81,448.40
Total	13,432,278,478.02	18,070,881,096.07

##### (2) Classification and disclosure by bad debt provision method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Accounts receivable with bad debt provision on an individual basis	3,028,367.32	0.02%	3,028,367.32	100.00%						
Accounts	13,429,250,110.70	99.98%	134,645,176.	1.00%	13,294,604,934.2	18,067,852,728.7	99.98%	186,480,696.8	1.03%	17,881,372,031.9

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
receivable with bad debt provision on a portfolio basis			47		3	5		1		4
Including:										
Accounts receivable aging portfolio	12,965,883,165.10	96.53%	132,328,341.74	1.02%	12,833,554,823.36	17,785,746,898.57	98.42%	185,070,167.66	1.04%	17,600,676,730.91
Receivables factoring portfolio	463,366,945.60	3.45%	2,316,834.73	0.50%	461,050,110.87	282,105,830.18	1.56%	1,410,529.15	0.50%	280,695,301.03
Total	13,432,278,478.02	100.00%	137,673,543.79	1.02%	13,294,604,934.23	18,070,881,096.07	100.00%	189,509,064.13	1.05%	17,881,372,031.94

Bad debt provision on an individual basis: Accounts receivable with bad debt provision on an individual basis

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision ratio	Reason for provision
Aojiade (Shandong) Precision Metal Co., Ltd.	3,028,367.32	3,028,367.32	3,028,367.32	3,028,367.32	100.00%	Expected to be irrecoverable
Total	3,028,367.32	3,028,367.32	3,028,367.32	3,028,367.32		

## Bad debt provision on a portfolio basis: Accounts receivable aging portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Within 1 year	12,962,230,387.49	129,622,303.94	1.00%
1 to 2 years	1,333,993.71	400,198.11	30.00%
2 to 3 years	25,888.42	12,944.21	50.00%
Over 3 years	2,292,895.48	2,292,895.48	100.00%
<b>Total</b>	<b>12,965,883,165.10</b>	<b>132,328,341.74</b>	

Description of the basis for determining such portfolios:

For further details, please refer to Note V. 11. "Impairment of financial assets"

## Bad debt provision on a portfolio basis: Receivables factoring portfolio

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Not overdue	463,366,945.60	2,316,834.73	0.50%
Overdue 1-90 days			
Overdue 91-180 days			
Overdue 181-360 days			
Overdue more than 360 days			
<b>Total</b>	<b>463,366,945.60</b>	<b>2,316,834.73</b>	

Description of the basis for determining such portfolios:

For further details, please refer to Note V. 11. "Impairment of financial assets"

If the bad debt provision on accounts receivable is based on the general model of expected credit losses:

 Applicable  Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss over the next 12 months	Lifetime expected credit losses (not credit-impaired)	Lifetime expected credit losses (credit-impaired)	
Balance as of January 1, 2025:	1,410,529.15		3,028,367.32	4,438,896.47
Accrual in the current period	906,305.58			906,305.58
Balance as of December 31, 2025:	2,316,834.73		3,028,367.32	5,345,202.05

Basis for stage classification and provision ratio for bad debts

None

Explanation for significant changes in the book balance of accounts receivable with provision for impairment losses in the current period:

None

**(3) Bad debt provision accrued, recovered or reversed during the period**

Details of bad debt provision accrued during the period

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Accrual	Recovery or reversal	Write-off	Other	
Bad debt provision on an individual basis	3,028,367.32	249,000.00			249,000.00	3,028,367.32
Bad debt provision on a portfolio basis	186,480,696.81	-46,376,291.79		1,328,802.38	4,130,426.17	134,645,176.47
<b>Total</b>	<b>189,509,064.13</b>	<b>-46,127,291.79</b>		<b>1,328,802.38</b>	<b>4,379,426.17</b>	<b>137,673,543.79</b>

Among which, the amounts of bad debt provisions recovered or reversed during the current period are significant:

None

#### (4) Accounts receivable actually written off in current period

Unit: RMB

Item	Write-off amount
Accounts receivable actually written off	1,328,802.38

Among which, details of significant write-off of accounts receivable:

None

Accounts receivable write-off instructions:

None

#### (5) Top five closing balances of accounts receivable and contract assets grouped by debtor

Unit: RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets	Closing balance of allowance for bad debts on accounts receivable and impairment provision for contract assets
Company 1	3,089,825,055.72		3,089,825,055.72	23.00%	30,898,250.56
Company 2	2,316,528,085.44		2,316,528,085.44	17.25%	23,165,280.85
Company 3	1,851,153,604.38		1,851,153,604.38	13.78%	16,509,730.49
Company 4	1,044,339,907.86		1,044,339,907.86	7.78%	10,443,399.08
Company 5	1,035,575,250.27		1,035,575,250.27	7.71%	10,355,752.50
<b>Total</b>	<b>9,337,421,903.67</b>		<b>9,337,421,903.67</b>	<b>69.52%</b>	<b>91,372,413.48</b>

#### (6) Accounts receivable derecognized due to the transfer of financial assets at the end of the period

Unit: RMB

Transfer method of financial assets	Amount of accounts receivable derecognized	Gains or losses related to derecognition
Buyout factoring	2,460,492,995.00	-15,100,227.39

## 5. Receivables financing

### (1) Classification of receivables financing

Unit: RMB

Item	Closing balance	Opening balance
Notes receivable	83,129,080.20	8,710,031.89
Total	83,129,080.20	8,710,031.89

### (2) Classification and disclosure by bad debt provision method

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Bad debt provision on a portfolio basis	83,129,080.20	100.00%			83,129,080.20	8,710,031.89	100.00%			8,710,031.89
Including:										
Bank acceptance notes	83,129,080.20	100.00%			83,129,080.20	8,710,031.89	100.00%			8,710,031.89
Total	83,129,080.20	100.00%			83,129,080.20	8,710,031.89	100.00%			8,710,031.89

Bad debt provision on a portfolio basis: Bank acceptance notes

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Bank acceptance notes	83,129,080.20	0.00	0.00%
Total	83,129,080.20	0.00	

Description of the basis for determining such portfolios:

For further details, please refer to Note V. 11. "Impairment of financial assets"

Bad debt provision accrued according to the general model of expected credit losses

None

### (3) Bad debt provision accrued, recovered or reversed during the period

None

### (4) Receivables financing pledged at the end of the period

None

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

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes	131,863,156.25	
<b>Total</b>	<b>131,863,156.25</b>	

**(6) Receivables financing actually written off in the current period**

None

**(7) Changes in the current period of receivables financing and changes in fair value**

Unit: RMB

Item	Opening balance	Profit or loss from changes in fair value in the reporting period	Cumulative changes in fair value included in equity	Impairment accrued in current period	Purchase amount in the reporting period	Sales amount in the reporting period	Other changes	Closing balance
Receivables financing	8,710,031.89						74,419,048.31	83,129,080.20

**(8) Other explanations**

None

**6. Other receivables**

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	138,869,443.31	99,984,370.19
<b>Total</b>	<b>138,869,443.31</b>	<b>99,984,370.19</b>

**(1) Interest receivable**

None

**(2) Dividends receivable**

None

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

Unit: RMB

Nature of payment	Closing book balance	Opening book balance
Tax refund for export receivable		12,485,724.69
Deposits and guarantees	88,237,994.27	48,496,384.51
Current account	3,277,592.69	6,444,475.39
Social insurance and housing provident	73,314,881.15	57,173,463.61

Nature of payment	Closing book balance	Opening book balance
fund withheld and remitted		
Other	838,828.43	1,733,206.73
Total	165,669,296.54	126,333,254.93

## 2) Disclosure by aging

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	130,300,336.49	94,618,978.76
1 to 2 years	11,740,798.34	6,118,303.61
2 to 3 years	3,307,102.69	4,440,519.74
Over 3 years	20,321,059.02	21,155,452.82
3 to 4 years	4,130,258.79	3,675,514.27
4 to 5 years	390,204.76	9,755,224.64
Over 5 years	15,800,595.47	7,724,713.91
Total	165,669,296.54	126,333,254.93

## 3) Classification and disclosure by bad debt provision method

 Applicable  Not applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Bad debt provision on a portfolio basis	165,669,296.54	100.00%	26,799,853.23	16.18%	138,869,443.31	126,333,254.93	100.00%	26,348,884.74	20.86%	99,984,370.19
Including:										
Aging group	165,669,296.54	100.00%	26,799,853.23	16.18%	138,869,443.31	126,333,254.93	100.00%	26,348,884.74	20.86%	99,984,370.19
Total	165,669,296.54	100.00%	26,799,853.23	16.18%	138,869,443.31	126,333,254.93	100.00%	26,348,884.74	20.86%	99,984,370.19

Bad debt provision on a portfolio basis: Aging group

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Aging group	165,669,296.54	26,799,853.23	16.18%
Total	165,669,296.54	26,799,853.23	

Description of the basis for determining such portfolios:

For further details, please refer to Note V. 11. "Impairment of financial assets"

Bad debt provision accrued according to the general model of expected credit losses:

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss over the next 12 months	Lifetime expected credit losses (not credit-impaired)	Lifetime expected credit losses (credit-impaired)	
Balance as of January 1, 2025:	25,847,224.74		501,660.00	26,348,884.74
Balance as of January 1, 2025 in the current period				
- Transferred to third stage	-1,398.94		1,398.94	
Accrual in the current period	3,536,503.26		-216,960.00	3,319,543.26
Amount written off in the current period	268,516.00		1,398.94	269,914.94
Other changes	2,313,959.83		284,700.00	2,598,659.83
Balance as of December 31, 2025:	26,799,853.23			26,799,853.23

Criteria for stage classification and bad debt provision ratios

For further details, please refer to Note V.10 "Financial Instruments" and V. 11. "Impairment of financial assets"

Significant changes in the balance of loss provisions during the current period

Applicable  Not applicable

#### 4) Bad debt provision accrued, recovered or reversed during the period

Details of bad debt provision accrued during the period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Accrual	Recovery or reversal	Write-off	Other	
Bad debt provision on a portfolio basis	26,348,884.74	3,319,543.26		269,914.94	2,598,659.83	26,799,853.23
<b>Total</b>	26,348,884.74	3,319,543.26		269,914.94	2,598,659.83	26,799,853.23

Among which, the amounts of bad debt provisions recovered or reversed during the current period are significant:

None

#### 5) Other receivables actually written off in the current period

Unit: RMB

Item	Write-off amount
Other receivables actually written off	269,914.94

Among which, significant write-off of other receivables:

None

#### 6) Top five closing balances of other receivables grouped by debtor

Unit: RMB

Company name	Nature of payment	Closing balance	Aging	Ratio in the total closing balance of other receivables	Closing balance of bad debt provision
Social insurance and	Social	73,314,881.15	Within 1 year	44.25%	733,148.81

Company name	Nature of payment	Closing balance	Aging	Ratio in the total closing balance of other receivables	Closing balance of bad debt provision
housing provident fund withheld and remitted	insurance and housing provident fund withheld and remitted				
Qingdao Dagang Customs	Deposit	31,228,500.00	Within 1 year	18.85%	312,285.00
Daibiru Corporation	Deposits and guarantees	5,869,252.77	Within 1 year, 1-2 years, over 3 years	3.54%	5,828,785.83
Shengqiang Investment & Trade Co., Ltd.	Deposits and guarantees	5,647,150.93	Over 3 years	3.41%	5,647,150.93
Irvine Company	Deposits and guarantees	5,623,040.00	1-2 years	3.39%	1,686,912.00
<b>Total</b>		<b>121,682,824.85</b>		<b>73.44%</b>	<b>14,208,282.57</b>

### 7) Reported under other receivables due to centralized management of funds

None

## 7. Prepayments

### (1) Presentation of prepayments by aging

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	162,310,547.55	94.42%	179,117,151.92	75.60%
1 to 2 years	92,460.00	0.05%	57,797,282.72	24.40%
2 to 3 years	9,514,862.72	5.53%		
<b>Total</b>	<b>171,917,870.27</b>		<b>236,914,434.64</b>	

Explanation for material prepayments aged over one year that have not been settled in a timely manner:

None

### (2) Top five closing balances of prepayments grouped by recipients

Company name	Closing balance (RMB)	Percentage of total closing balance of prepayments (%)
Company 1	75,864,702.21	44.13
Company 2	10,545,480.00	6.13
Company 3	5,274,760.12	3.07
Company 4	4,459,000.00	2.59

Company name	Closing balance (RMB)	Percentage of total closing balance of prepayments (%)
Company 5	4,254,336.12	2.47
Total	100,398,278.45	58.39

## 8. Inventory

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

No

### (1) Inventory classification

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or impairment of costs to fulfill contracts	Carrying value	Book balance	Provision for decline in value of inventories or impairment of costs to fulfill contracts	Carrying value
Raw materials	5,449,964,532.12	189,606,012.22	5,260,358,519.90	4,144,196,623.67	116,145,737.92	4,028,050,885.75
Work in progress	2,707,590,786.18	51,938,940.71	2,655,651,845.47	1,405,943,985.47	22,258,003.80	1,383,685,981.67
Finished goods	4,058,730,855.87	113,361,751.21	3,945,369,104.66	4,635,256,717.16	105,879,302.13	4,529,377,415.03
Turn over materials	1,185,243,889.84		1,185,243,889.84	537,754,596.18		537,754,596.18
Costs to fulfill contracts	30,550,950.88		30,550,950.88			
Total	13,432,081,014.89	354,906,704.14	13,077,174,310.75	10,723,151,922.48	244,283,043.85	10,478,868,878.63

### (2) Provision for decline in value of inventories or impairment of costs to fulfill contracts

Unit: RMB

Item	Opening balance	Increased amount in the current period		Decreased amount in the current period		Closing balance
		Accrual	Other	Reversal or	Other	

				Write-off		
Raw materials	116,145,737.92	333,976,268.35		251,333,934.77	9,182,059.28	189,606,012.22
Work in progress	22,258,003.80	78,545,510.56		46,824,743.82	2,039,829.83	51,938,940.71
Finished goods	105,879,302.13	179,733,875.03		159,341,317.49	12,910,108.46	113,361,751.21
Total	244,283,043.85	592,255,653.94		457,499,996.08	24,131,997.57	354,906,704.14

Provision for decline in value of inventories on a portfolio basis

Unit: RMB

Portfolio name	Closing balance of the period			Opening balance of the period		
	Closing balance	Provision for decline in value	Provision Ratio	Opening balance	Provision for decline in value	Provision Ratio
Inventory age portfolio	10,242,090,251.66	122,738,829.96	1.20%	8,216,929,847.58	130,374,194.59	1.59%
Total	10,242,090,251.66	122,738,829.96	1.20%	8,216,929,847.58	130,374,194.59	1.59%

Provision criteria for decline in value of inventories on a portfolio basis

For the criteria for recognizing provision for decline in value of inventories on an aging basis, please refer to Note V. 17(3).

Note: The Company compares the cost of individual inventory items with their net realizable value, and accrues inventory impairment provision based on the amount that the cost exceeds the net realizable value. The cost was RMB 3,189,990,763.23, with inventory impairment provision of RMB 232,167,874.18 as of December 31 2025, while the same figure was RMB 2,506,222,074.90 with inventory impairment provision of RMB 113,908,849.26 as of December 31 2024.

### (3) Explanation of the closing balance of inventory containing the capitalized amount of borrowing costs

None

### (4) Explanation of the amortization amount of costs to fulfill contracts in current period

None

## 9. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Large-denomination certificates of deposit	218,209,999.99	358,821,194.44
Letter of guarantee deposit		30,000,000.00
Total	218,209,999.99	388,821,194.44

### (1) Debt investments that mature within one year

Applicable  Not applicable

### (2) Other debt investments that mature within one year

Applicable  Not applicable

## 10. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
VAT input tax to be deducted	550,413,737.84	418,805,679.49

Item	Closing balance	Opening balance
VAT input tax to be verified and deducted	165,290,754.10	245,124,511.75
Advance payment of enterprise income tax	34,876,792.74	26,071,641.51
Large-denomination certificates of deposit	1,926,174,377.23	904,138,083.33
Other	8,536,231.77	33,339,146.60
<b>Total</b>	<b>2,685,291,893.68</b>	<b>1,627,479,062.68</b>

## 11. Investments in other equity instruments

Unit: RMB

Name of project	Closing balance	Opening balance	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Cumulative gains included in other comprehensive income at the end of the current period	Cumulative losses included in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reasons for designation of financial assets at fair value through other comprehensive income
Item 1	66,199,571.96	397,123,388.03		143,195,367.95		154,626,533.34		Non-trading equity instrument
Item 2	50,812,494.12	84,024,083.70		6,436,343.33		49,986,299.60		Non-trading equity instrument
Item 3	18,840,884.14	18,691,855.90	149,028.24			1,159,115.86		Non-trading equity instrument
Item 4	50,892,962.04	59,963,319.92		9,070,357.88	892,962.04			Non-trading equity instrument
Item 5	6,495,429.46	9,528,885.53		2,821,891.59		28,989,923.05		Non-trading equity instrument
Item 6	57,610,201.70	56,330,406.36	2,530,467.66		1,364,622.49			Non-trading equity instrument
<b>Total</b>	<b>250,851,543.42</b>	<b>625,661,939.44</b>	<b>2,679,495.90</b>	<b>161,523,960.75</b>	<b>2,257,584.53</b>	<b>234,761,871.85</b>		

Derecognition in the current period

Unit: RMB

Name of project	Cumulative gains transferred	Cumulative losses transferred	Reasons for derecognition
-----------------	------------------------------	-------------------------------	---------------------------

	to retained earnings	to retained earnings	
Item 1	67,337,498.31		Equities sold
Item 2		12,028,595.14	Equities sold

Disclose investments in non-trading equity instruments of the period by item

Unit: RMB

Name of project	Dividend income recognized	Cumulative gains	Cumulative losses	Amount of other comprehensive income transferred to retained earnings	Reasons for designation of financial assets at fair value through other comprehensive income	Reasons for other comprehensive income transferred to retained earnings
Item 1			87,289,035.03	67,337,498.31	Non-trading equity instrument	Partial disposal of equity
Item 2			62,496,026.82	-12,028,595.14	Non-trading equity instrument	Partial disposal of equity
Item 3			1,159,115.86		Non-trading equity instrument	
Item 4		892,962.04			Non-trading equity instrument	
Item 5			28,989,923.05		Non-trading equity instrument	
Item 6		1,364,622.49			Non-trading equity instrument	

## 12. Long-term equity investments

Unit: RMB

Invested entity	Opening balance (carrying value)	Opening balance of impairment provision	Increase or decrease in the current period								Closing balance (carrying value)	Closing balance of impairment provision
			Investment addition	Investment reduction	Recognized investment gain and loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends or profits declared	Provision for impairment	Other		
I. Joint Venture												
II. Associates												
Associates	734,411,641.50		1,607,945,788.35		9,637,471.40	-969,778.55	7,832,613.06	-29,977,833.79		2,127,914,464.32	4,456,794,366.29	
Sub-total	734,411,641.50		1,607,945,788.35		9,637,471.40	-969,778.55	7,832,613.06	-29,977,833.79		2,127,914,464.32	4,456,794,366.29	
Total	734,411,641.50		1,607,945,788.35		9,637,471.40	-969,778.55	7,832,613.06	-29,977,833.79		2,127,914,464.32	4,456,794,366.29	

The recoverable amount is determined based on the net of fair value less disposal costs.

Applicable  Not applicable

The recoverable amount is determined based on the present value of estimated future cash flow.

Applicable  Not applicable

The reasons for significant discrepancies between the aforementioned information and the information used in previous years' impairment tests or external information

None

The reasons for the discrepancy between the information used in the company's previous years' impairment tests and the actual situation of the current year

None

Other explanations:

Other changes during the current period mainly represent the fair value of the remaining equity in the former subsidiary Goertek Optical Technology Co., Ltd. at the date of loss of control.

### 13. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening balance
Investments in equity instruments	821,741,210.95	418,003,302.41
Mixed instrument investment	503,167,406.00	14,719,479.87
Total	1,324,908,616.95	432,722,782.28

### 14. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	22,636,664,932.06	21,803,396,794.34
Fixed assets pending disposal		
Total	22,636,664,932.06	21,803,396,794.34

**(1) Overview of fixed assets**

Unit: RMB

Item	Houses and buildings	Production equipment	Test equipment	Office equipment	Transportation equipment	Total
I. Original carrying value:						
1. Opening balance	12,290,152,656.57	22,089,599,274.41	3,005,094,723.42	754,613,287.35	22,347,613.80	38,161,807,555.55
2. Amount increased in current period	962,359,695.24	3,478,797,215.43	1,157,008,772.61	200,315,546.78	4,221,528.87	5,802,702,758.93
(1) Purchase	5,801,949.39	1,568,057,255.12	548,220,957.79	187,360,246.37	3,948,967.43	2,313,389,376.10
(2) Transfer from construction in progress	1,111,401,391.37	2,173,041,255.26	642,751,258.84	19,824,524.18		3,947,018,429.65
(3) Increase in business mergers						
(4) Effect of foreign currency translation difference	-146,218,537.03	-262,301,294.95	-33,963,444.02	-6,869,223.77	272,561.44	-449,079,938.33
(5) Provisional estimate adjustment	-8,625,108.49					-8,625,108.49
3. Amount decreased in current period	146,014,125.23	2,246,754,002.29	652,950,843.52	39,796,627.40	260,705.27	3,085,776,303.71
(1) Disposal or scrapping	16,350,953.78	1,347,020,463.49	291,500,420.95	14,454,649.76	148,274.16	1,669,474,762.14
(2) Transfer to construction in progress		111,392,300.60	59,087,708.18			170,480,008.78
(3) Disposal of subsidiaries	129,663,171.45	788,341,238.20	302,362,714.39	25,341,977.64	112,431.11	1,245,821,532.79
4. Closing balance	13,106,498,226.58	23,321,642,487.55	3,509,152,652.51	915,132,206.73	26,308,437.40	40,878,734,010.77
II. Accumulated depreciation						
1. Opening balance	2,346,685,806.72	11,349,106,861.10	1,368,561,291.38	533,708,174.90	15,312,391.25	15,613,374,525.35
2. Amount increased in current period	403,877,602.50	2,096,391,626.34	320,926,082.04	93,595,670.85	2,059,717.91	2,916,850,699.64
(1) Depreciation charge	415,394,301.29	2,172,709,141.99	326,769,590.05	96,473,379.42	2,085,052.59	3,013,431,465.34
(2) Effect of foreign currency translation difference	-11,516,698.79	-76,317,515.65	-5,843,508.01	-2,877,708.57	-25,334.68	-96,580,765.70
3. Amount decreased in current period	11,721,322.78	919,877,718.75	180,631,757.46	17,872,506.09	173,757.48	1,130,277,062.56

Item	Houses and buildings	Production equipment	Test equipment	Office equipment	Transportation equipment	Total
(1) Disposal or scrapping	7,972,105.31	671,179,286.55	115,014,593.81	8,927,802.61	98,546.82	803,192,335.10
(2) Transfer to construction in progress		17,153,428.45	6,737,839.31			23,891,267.76
(3) Disposal of subsidiaries	3,749,217.47	231,545,003.75	58,879,324.34	8,944,703.48	75,210.66	303,193,459.70
4. Closing balance	2,738,842,086.44	12,525,620,768.69	1,508,855,615.96	609,431,339.66	17,198,351.68	17,399,948,162.43
III. Impairment provision						
1. Opening balance		720,633,342.15	22,902,922.34	1,499,971.37		745,036,235.86
2. Amount increased in current period	48,013,953.98	136,593,894.10	3,594,941.33			188,202,789.41
(1) Provision	48,013,953.98	142,483,708.68	3,709,835.18			194,207,497.84
(2) Effect of foreign currency translation difference		-5,889,814.58	-114,893.85			-6,004,708.43
3. Amount decreased in current period	48,013,953.98	34,809,123.61	8,281,186.43	13,844.97		91,118,108.99
(1) Disposal or scrapping		34,756,441.72	8,281,186.43	13,844.97		43,051,473.12
(2) Disposal of subsidiaries	48,013,953.98	52,681.89				48,066,635.87
4. Closing balance		822,418,112.64	18,216,677.24	1,486,126.40		842,120,916.28
IV. Carrying value						
1. Closing carrying value	10,367,656,140.14	9,973,603,606.22	1,982,080,359.31	304,214,740.67	9,110,085.72	22,636,664,932.06
2. Opening carrying value	9,943,466,849.85	10,019,859,071.16	1,613,630,509.70	219,405,141.08	7,035,222.55	21,803,396,794.34

## (2) Temporarily Idle Fixed Assets

Unit: RMB

Item	Original carrying value	Accumulated depreciation	Impairment provision	Carrying value	Notes
Houses and buildings	654,460,556.28	112,732,933.40		541,727,622.88	
Production equipment	684,591,658.56	153,723,152.25	519,327,329.44	11,541,176.87	
Test equipment	19,000,419.50	9,076,922.61	9,900,879.46	22,617.43	
Office equipment	12,690,706.48	3,444,620.33	-	9,246,086.15	
Total	1,370,743,340.82	278,977,628.59	529,228,208.90	562,537,503.33	

**(3) Fixed assets leased out through operating leases**

Unit: RMB

Item	Closing carrying value
Houses and buildings	780,957,196.06
Production equipment and other equipment	472,053,585.24
Total	1,253,010,781.30

**(4) Overview of the fixed assets for which certificates of title are to be obtained**

Unit: RMB

Item	Carrying value	Reasons for not obtaining the certificate of title
9# Factory building	124,736,736.19	Property rights certificate under processing
23# Apartment	2,266,738.51	Property rights certificate under processing
Total	127,003,474.70	

**(5) Impairment testing of fixed assets** Applicable  Not applicable

The recoverable amount is determined based on the net of fair value less disposal costs.

 Applicable  Not applicable

Unit: RMB

Item	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal expenses	Key parameters	Basis for determining key parameters
Buildings, structures, and auxiliary equipment	126,088,983.87	78,022,348.00	48,066,635.87	Transaction price based on fair value	Market transaction price	Fair value
Total	126,088,983.87	78,022,348.00	48,066,635.87			

The recoverable amount is determined based on the present value of estimated future cash flow.

 Applicable  Not applicable

Unit: RMB

Item	Carrying value	Recoverable amount	Impairment amount	Forecast period years	Key parameters of forecast period	Key parameters of stable period	Basis for determining key parameters of stable period
Production and testing equipment	837,891,361.97	691,750,500.00	146,140,861.97	3 years	Operating profit margin and discount rate	N/A	N/A
Total	837,891,361.97	691,750,500.00	146,140,861.97				

**(6) Fixed assets pending disposal**

None

## 15. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	2,042,483,102.73	1,359,277,841.73
Construction materials	19,562,229.35	38,139,057.93
Total	2,062,045,332.08	1,397,416,899.66

### (1) Overview of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Equipment to be installed	1,330,407,750.14		1,330,407,750.14	668,183,310.03		668,183,310.03
Infrastructure construction	168,216,975.07		168,216,975.07	138,194,880.68		138,194,880.68
Sporadic projects	147,215,944.86		147,215,944.86	84,422,222.32		84,422,222.32
A9 Factory building	103,163,854.14		103,163,854.14			
Qingdao 2# Office building	91,790,139.88		91,790,139.88	32,737,064.37		32,737,064.37
C1 Factory building	57,506,342.06		57,506,342.06			
C3 Factory building	48,094,860.10		48,094,860.10			
C2 Factory building	19,883,873.69		19,883,873.69			
C5 Factory building	19,531,774.06		19,531,774.06			
Plant renovation and expansion	16,271,972.53		16,271,972.53			
Recruitment Center	15,702,478.29		15,702,478.29			
78# Factory building	12,433,100.17		12,433,100.17	7,697,938.03		7,697,938.03
6# Office building	12,264,037.74		12,264,037.74			
80# Factory building				128,224,538.27		128,224,538.27
A3 Factory building				57,853,025.99		57,853,025.99
C7 Factory building				55,813,526.84		55,813,526.84
A2 Factory building				50,057,057.35		50,057,057.35
A1 Factory building				49,096,180.09		49,096,180.09
B1 Factory				35,916,877.46		35,916,877.46

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
building						
B6 Factory building				25,089,291.21		25,089,291.21
C6 Factory building				21,912,349.66		21,912,349.66
IT Room				4,079,579.43		4,079,579.43
<b>Total</b>	2,042,483,102.73		2,042,483,102.73	1,359,277,841.73		1,359,277,841.73

## (2) Increase or decrease of significant construction in progress in current period

Unit: RMB

Name of project	Budget amount	Opening balance	Increased amount in the current period	Amount transferred to fixed assets in current period	Other amount decreased in current period	Closing balance	Proportion of accumulated project input to budget	Project progress	Accumulated amount of interest capitalization	Including: Amount of interest capitalization in current period	Interest capitalization rate for current period	Source of funds
A9 Factory building	143,317,020.00		105,873,830.01		2,709,975.87	103,163,854.14	71.98%	80.00%				Other
Qingdao 2# Office building	556,059,000.00	32,737,064.37	59,053,075.51			91,790,139.88	16.51%	20.00%				Other
C1 Factory building	143,317,020.00		59,016,956.42		1,510,614.36	57,506,342.06	40.13%	50.00%				Other
<b>Total</b>	842,693,040.00	32,737,064.37	223,943,861.94		4,220,590.23	252,460,336.08						

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

None

## (4) Impairment testing of construction in progress

 Applicable  Not applicable

**(5) Construction materials**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Construction materials	19,562,229.35		19,562,229.35	38,139,057.93		38,139,057.93
Total	19,562,229.35		19,562,229.35	38,139,057.93		38,139,057.93

**16. Right-of-use assets****(1) Situation of right-of-use assets**

Unit: RMB

Item	Houses and buildings	Land-use right	Other	Total
I. Original carrying value				
1. Opening balance	1,235,150,783.44		229,830.81	1,235,380,614.25
2. Amount increased in current period	189,925,066.31	143,051,847.21		332,976,913.52
(1) New leases in the current period	199,176,538.08	143,051,847.21		342,228,385.29
(2) Effect of foreign currency translation difference	-9,251,471.77			-9,251,471.77
3. Amount decreased in current period	177,703,896.85		229,830.81	177,933,727.66
(1) Expiration or early termination	161,616,820.72		229,830.81	161,846,651.53
(2) Others	16,087,076.13			16,087,076.13
4. Closing balance	1,247,371,952.90	143,051,847.21		1,390,423,800.11
II. Accumulated depreciation				
1. Opening balance	404,232,287.77		40,145.07	404,272,432.84
2. Amount increased in current period	197,718,033.80	201,908.40	24,087.04	197,944,029.24
(1) Depreciation charge	203,147,441.96	201,908.40	24,087.04	203,373,437.40
(2) Effect of foreign currency translation difference	-5,429,408.16			-5,429,408.16
3. Amount decreased in current period	139,610,162.40		64,232.11	139,674,394.51
(1) Disposal				
(2) Expiration or early termination	130,246,354.89		64,232.11	130,310,587.00
(3) Others	9,363,807.51			9,363,807.51
4. Closing balance	462,340,159.17	201,908.40		462,542,067.57
III. Impairment provision				
1. Opening balance				
2. Amount increased in current period				

Item	Houses and buildings	Land-use right	Other	Total
(1) Provision				
3. Amount decreased in current period				
(1) Disposal				
4. Closing balance				
IV. Carrying value				
1. Closing carrying value	785,031,793.73	142,849,938.81		927,881,732.54
2. Opening carrying value	830,918,495.67		189,685.74	831,108,181.41

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

Applicable  Not applicable

## 17. Intangible assets

### (1) Overview of intangible assets

Unit: RMB

Item	Land-use right	Patent right	Non-patented technology	Software	Trade mark	Total
I. Original carrying value						
1. Opening balance	2,029,627,597.87	146,964,410.00	4,450,925,939.61	384,714,258.33	76,000,000.00	7,088,232,205.81
2. Amount increased in current period	607,282,748.68	2,630,000.00	316,306,355.51	31,331,803.86		957,550,908.05
(1) Purchase	654,270,598.32	2,630,000.00	370,000.00	31,276,348.39		688,546,946.71
(2) Internal R&D			315,936,355.51			315,936,355.51
(3) Increase in business combinations						
(4) Effect of foreign currency translation difference	-46,987,849.64			55,455.47		-46,932,394.17
3. Amount decreased in current period	62,026,800.00	138,000,000.00	262,505,269.78	13,659,540.68	76,000,000.00	552,191,610.46
(1) Disposal			262,505,269.78	4,008,898.62		266,514,168.40
(2) Others	62,026,800.00	138,000,000.00		9,650,642.06	76,000,000.00	285,677,442.06
4. Closing balance	2,574,883,546.55	11,594,410.00	4,504,727,025.34	402,386,521.51		7,493,591,503.40
II. Accumulated amortization						
1. Opening balance	285,563,208.23	26,885,195.69	3,450,953,820.06	256,973,603.34	16,466,666.67	4,036,842,493.99

Item	Land-use right	Patent right	Non-patented technology	Software	Trade mark	Total
2. Amount increased in current period	45,112,588.43	19,086,425.09	628,742,038.05	52,497,105.18	13,933,333.37	759,371,490.12
(1) Amortization charge	48,645,882.00	19,086,425.09	628,742,038.05	52,430,236.07	13,933,333.37	762,837,914.58
(2) Effect of foreign currency translation difference	-3,533,293.57			66,869.11		-3,466,424.46
3. Amount decreased in current period	2,705,683.75	39,428,571.40	262,505,269.78	4,931,423.95	30,400,000.04	339,970,948.92
(1) Disposal			262,505,269.78	1,436,466.01		263,941,735.79
(2) Others	2,705,683.75	39,428,571.40		3,494,957.94	30,400,000.04	76,029,213.13
4. Closing balance	327,970,112.91	6,543,049.38	3,817,190,588.33	304,539,284.57		4,456,243,035.19
III. Impairment provision						
1. Opening balance						
2. Amount increased in current period	28,507,224.25					28,507,224.25
(1) Provision	28,507,224.25					28,507,224.25
3. Amount decreased in current period	28,507,224.25					28,507,224.25
(1) Disposal						
(2) Others	28,507,224.25					28,507,224.25
4. Closing balance						
IV. Carrying value						
1. Closing carrying value	2,246,913,433.64	5,051,360.62	687,536,437.01	97,847,236.94		3,037,348,468.21
2. Opening carrying value	1,744,064,389.64	120,079,214.31	999,972,119.55	127,740,654.99	59,533,333.33	3,051,389,711.82

At the end of this period, the proportion of intangible assets created through internal research and development of the Company to the balance of intangible assets is 55.33%.

## (2) Data resources determined as intangible assets

Applicable  Not applicable

## (3) Overview of land-use right without certificates of title

Unit: RMB

Item	Carrying value	Reasons for not obtaining the certificate
------	----------------	---

		of title
Vietnam F1 Land	114,628,723.37	Property rights certificate under processing

#### (4) Impairment testing of intangible assets

Applicable  Not applicable

The recoverable amount is determined based on the net of fair value less disposal costs.

Applicable  Not applicable

Unit: RMB

Item	Carrying value	Recoverable amount	Impairment amount	Determination of fair value and disposal expenses	Key parameters	Basis for determining key parameters
Land-use right	59,321,116.25	30,813,892.00	28,507,224.25	Transaction price based on fair value	Market transaction price	Fair value
Total	59,321,116.25	30,813,892.00	28,507,224.25			

The recoverable amount is determined based on the present value of estimated future cash flow.

Applicable  Not applicable

#### 18. Development expenditure

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Internal development expenditure	Increase in business mergers	Recognized as intangible assets	Transferred to current profit or loss	
Self-developed technologies for electroacoustic products, etc.	170,050,760.76	370,081,909.12		315,936,355.51		224,196,314.37

#### 19. Goodwill

##### (1) Original carrying value of goodwill

Unit: RMB

Name of the investee or goodwill formation event	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Formed by business combinations	Other	Disposal of subsidiaries	Other	
Goertek Electronics, Inc.	1,743,540.56					1,743,540.56
Weifang Goertek Communication Technology Co., Ltd.	15,115,644.52					15,115,644.52
Goertek Europe ApS	8,831,473.29					8,831,473.29
Uphoton Technology (Shaoxing) Co., Ltd.	588,174,794.48			588,174,794.48		
Total	613,865,452.85			588,174,794.48		25,690,658.37

**(2) Impairment provision for goodwill**

Unit: RMB

Name of the investee or goodwill formation event	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Impairment charge	Other	Disposal of subsidiaries	Other	
Goertek Europe ApS	8,831,473.29					8,831,473.29
Uphoton Technology (Shaoxing) Co., Ltd.		226,370,164.47		226,370,164.47		
<b>Total</b>	<b>8,831,473.29</b>	<b>226,370,164.47</b>		<b>226,370,164.47</b>		<b>8,831,473.29</b>

**(3) Information about the asset group or combination of asset groups of goodwill**

The asset group remains consistent with the asset group or asset group combination determined at the acquisition date and in prior years' goodwill impairment tests, with no changes.

**(4) Specific methods for determining the recoverable amount**

As of December 31, 2025, the carrying amount of goodwill was RMB 16,859,185.08, of which RMB 15,115,644.52 was related to the acquisition of Weifang Goertek Communication Technology Co., Ltd. Based on the income forecast method, the recoverable amount of the related asset group is assessed to exceed its carrying amount (including the goodwill allocated to it; the forecast period covers 2026 to 2030, with a subsequent stable period. The revenue growth rate is approximately 0.00%–1.00%, and the discount rate is 13.83%). No impairment of goodwill occurred for the current period.

**(5) Performance commitment completion and corresponding goodwill impairment situation**

There is a performance commitment when goodwill is formed, and the reporting period or the previous period of the reporting period is within the performance commitment period.

Applicable  Not applicable

**20. Long-term prepaid expenses**

Unit: RMB

Item	Opening balance	Increased amount in the current period	Amortized amount in the current period	Other decreased amount	Closing balance
Leasehold improvement expenditures	320,289,146.21	46,669,494.88	83,843,601.14	12,174,621.79	270,940,418.16
IT project service fee	44,821,895.66	54,733,552.52	30,672,242.76	4,344,096.70	64,539,108.72
Financing guarantee fees	2,458,333.34		1,979,166.63	479,166.71	
Other	7,851.35	6,637,788.15	3,849,513.14	1,340.62	2,794,785.74
<b>Total</b>	<b>367,577,226.56</b>	<b>108,040,835.55</b>	<b>120,344,523.67</b>	<b>16,999,225.82</b>	<b>338,274,312.62</b>

**21. Deferred tax assets/liabilities****(1) Deferred tax assets not offset**

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Asset impairment provision	288,747,419.75	31,340,936.62	143,628,975.01	24,177,569.09
Unrealized profit from internal transactions	1,183,880,880.31	161,052,554.83	979,902,150.39	170,237,500.96
Deductible tax losses	5,602,845,257.59	898,237,508.35	8,037,120,227.11	1,257,849,925.00
Government grants	127,387,056.33	20,732,788.23	79,705,626.84	13,595,397.46
Changes in fair value of financial assets	41,688,684.68	7,127,630.26	599,094,647.11	98,845,541.48
Temporary differences of long-lived assets	156,886,032.67	25,985,995.77	35,034,933.57	5,255,240.04
Lease liabilities	989,001,822.14	188,545,640.24	538,997,523.83	117,320,296.73
Other	2,301,898.63	575,474.66	2,540,682.67	635,170.67
<b>Total</b>	<b>8,392,739,052.10</b>	<b>1,333,598,528.96</b>	<b>10,416,024,766.53</b>	<b>1,687,916,641.43</b>

**(2) Deferred tax liabilities not offset**

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Asset appreciation from business combination not under common control	3,491,769.84	872,942.46	214,282,338.95	35,836,053.80
Fair value changes of financial assets	255,147,359.27	40,946,952.99	608,870,728.24	96,352,054.51
Temporary differences of long-lived assets	1,631,469,786.65	279,564,506.56	2,510,836,299.47	446,327,317.74
Right-of-use assets	927,676,066.45	178,142,887.50	830,782,037.83	155,691,505.72
Other	5,490,235.30	1,372,558.83	5,836,382.08	1,459,095.52
<b>Total</b>	<b>2,823,275,217.51</b>	<b>500,899,848.34</b>	<b>4,170,607,786.57</b>	<b>735,666,027.29</b>

**(3) Deferred tax assets or liabilities presented in net amount after offsetting**

Unit: RMB

Item	Amount of deferred tax assets and liabilities offset at the end of the period	Closing balance of deferred tax assets or liabilities after offsetting	Amount of deferred tax assets and liabilities offset at the beginning of the period	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	46,266,371.01	1,287,332,157.95	14,299,328.51	1,673,617,312.92
Deferred tax liabilities	46,266,371.01	454,633,477.33	14,299,328.51	721,366,698.78

**(4) Details of unrecognized deferred tax assets**

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	3,635,975,838.43	3,295,202,247.21
Deductible tax losses	4,018,082,602.93	2,484,134,842.82
Total	7,654,058,441.36	5,779,337,090.03

**(5) Deductible tax losses of unrecognized deferred tax assets will expire in the following years**

Unit: RMB

Year	Closing balance	Opening balance	Notes
2025		38,992,037.06	
2026	43,268,530.65	92,712,000.00	
2027	35,616,305.65	124,300,130.51	
2028	79,178,023.98	211,774,431.14	
2029	375,341,105.90	570,656,537.68	
2030	1,310,647,084.07	40,430,198.27	
2031	33,727,365.38	33,727,365.38	
2032	140,813,040.22	145,949,988.44	
2033	821,470,961.90	57,317,581.45	
2034	748,984,503.58	1,167,772,882.66	
2035 and thereafter	429,035,681.60	501,690.23	
Total	4,018,082,602.93	2,484,134,842.82	

**22. Other non-current assets**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying value	Book balance	Impairment provision	Carrying value
Prepayment for long-term assets	238,642,489.95		238,642,489.95	195,782,708.85		195,782,708.85
Certificates of deposit issued by banks	2,562,842,469.18		2,562,842,469.18	1,737,898,965.71		1,737,898,965.71
Letter of guarantee deposit				30,000,000.00		30,000,000.00
Prepaid VAT expected to be deducted beyond one year	24,782,380.95		24,782,380.95			
The portion due within one year (Note VII. 9)	-218,209,999.99		-218,209,999.99	-388,821,194.44		-388,821,194.44
Total	2,608,057,340.09		2,608,057,340.09	1,574,860,480.12		1,574,860,480.12

**23. Assets with restricted ownership or right to use**

Unit: RMB

Item	End of the period				Beginning of the period			
	Book balance	Carrying value	Type of restriction	Restriction situations	Book balance	Carrying value	Type of restriction	Restriction situations
Cash and cash equivalents	3,542,873,480.51	3,542,873,480.51	Pledged	Deposits mainly placed for note business, guarantees and other similar business.	5,012,975,983.79	5,012,975,983.79	Pledged	Mainly deposits for handling bills, letters of guarantee, etc.
Notes receivable	300,000,000.00	298,000,000.00	Discount	Discounted notes receivable not derecognized.	113,923,842.73	113,923,842.73	Pledged	Bill pledges, discounted notes receivable not derecognized, etc.
Intangible assets					61,897,657.63	60,553,375.19	Mortgage	For mortgage loan
Non-current assets due within one year	163,466,249.99	163,466,249.99	Pledged	It is mainly the pledge of large certificates of deposit arising from bill business.	388,821,194.44	388,821,194.44	Pledged	Mainly for pledging large-denomination deposits, issuing financing guarantees, notes and so on
Other current assets	1,806,020,514.22	1,806,020,514.22	Pledged		592,758,666.66	592,758,666.66	Pledged	
Other non-current assets	520,584,337.93	520,584,337.93	Pledged		731,674,555.99	731,674,555.99	Pledged	
Total	6,332,944,582.65	6,330,944,582.65			6,902,051,901.24	6,900,707,618.80		

## 24. Short-term borrowings

### (1) Types of Short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Guaranteed borrowings	200,695,986.39	101,014,894.49
Credit borrowings	12,909,891,937.24	7,512,265,275.42
Discounted notes borrowings	300,000,000.00	100,000,000.00
Total	13,410,587,923.63	7,713,280,169.91

### (2) Short-term borrowings that are overdue and unrepaid

None

## 25. Financial liabilities held for trading

Unit: RMB

Item	Closing balance	Opening balance
Financial liabilities held for trading	51,768,106.35	604,980,242.99
Including:		
Derivative financial liabilities	51,768,106.35	604,980,242.99

Total	51,768,106.35	604,980,242.99
-------	---------------	----------------

## 26. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Commercial acceptance notes	160,000,000.00	70,000,000.00
Bank acceptance notes	4,640,003,804.85	3,766,921,742.97
Domestic letters of credit	287,506,320.56	123,344,349.30
Total	5,087,510,125.41	3,960,266,092.27

Note: The total amount of notes payable due and unpaid at the end of this period is RMB 0.00 (December 31, 2024: RMB 0.00).

## 27. Accounts payable

### (1) Presentation of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Material costs and others	19,116,623,570.15	20,606,964,237.50
Equipment payments	1,867,263,812.22	789,803,137.19
Construction payments	568,672,651.49	565,456,881.68
Total	21,552,560,033.86	21,962,224,256.37

### (2) Important accounts payable aged above 1 year or overdue

None

### (3) Whether there are overdue payments to SMEs

Whether it is a large enterprise

Yes No

Whether there are overdue payments to SMEs

Yes No

## 28. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Other payables	89,300,065.58	96,306,705.81
Total	89,300,065.58	96,306,705.81

### (1) Interest payable

None

### (2) Dividends payable

None

**(3) Other payables****1) Presentation of other payables by nature of payment**

Unit: RMB

Item	Closing balance	Opening balance
Current accounts payable	44,430,140.55	52,875,646.83
Amounts payable to employees	2,511,124.88	2,528,015.07
Margins and deposits payable	42,358,800.15	40,903,043.91
<b>Total</b>	<b>89,300,065.58</b>	<b>96,306,705.81</b>

**2) Other important payables aged above 1 year or overdue**

None

**29. Contract liabilities**

Unit: RMB

Item	Closing balance	Opening balance
Advance payment received for products	3,479,722,109.48	4,052,359,576.04
<b>Total</b>	<b>3,479,722,109.48</b>	<b>4,052,359,576.04</b>

**30. Employee benefits payable****(1) Presentation of employee benefits payable**

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term employee benefits	1,285,301,671.81	10,923,415,353.57	10,895,596,465.90	1,313,120,559.48
II. Post-employment benefits—defined contribution plans		832,276,621.16	832,276,621.16	
III. Termination benefits		16,367,296.88	16,367,296.88	
<b>Total</b>	<b>1,285,301,671.81</b>	<b>11,772,059,271.61</b>	<b>11,744,240,383.94</b>	<b>1,313,120,559.48</b>

**(2) Presentation of short-term employee benefits**

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Salaries, bonuses, allowances and subsidies	1,282,891,400.62	9,598,051,489.38	9,570,350,564.35	1,310,592,325.65
2. Employee welfare fee		625,181,490.46	625,181,490.46	
3. Social insurance contributions		350,676,993.91	350,676,993.91	
Incl.: Medical insurance contributions		328,462,721.02	328,462,721.02	
Work injury insurance contributions		21,183,638.68	21,183,638.68	
Maternity insurance		1,030,634.21	1,030,634.21	

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
contributions				
4. Housing provident fund	14,110.83	324,345,612.31	324,342,841.22	16,881.92
5. Trade union funds and employee education funds	2,396,160.36	25,159,767.51	25,044,575.96	2,511,351.91
Total	1,285,301,671.81	10,923,415,353.57	10,895,596,465.90	1,313,120,559.48

### (3) Presentation of defined contribution plans

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance contributions		796,032,646.34	796,032,646.34	
2. Unemployment insurance contributions		36,243,974.82	36,243,974.82	
Total		832,276,621.16	832,276,621.16	

Other explanations:

Post-employment benefits mainly consist of defined contribution plans, which include basic pension insurance contributions and unemployment insurance contributions. The Group participates in these mandatory plans established by government authorities. Under these plans, the Group makes monthly contributions at certain percentages of the social insurance contribution base for 2025. Except for the aforementioned monthly contributions, the Group has no further payment obligations. These contributions are recognized in the cost of relevant assets or current profit or loss when incurred.

### 31. Tax payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	22,643,224.73	16,078,207.99
Enterprise income tax	213,564,982.01	212,212,744.22
Personal income tax	24,541,482.33	74,590,634.96
City maintenance and construction tax	4,505,650.59	6,711,168.43
Education surcharge	1,557,450.07	2,401,322.71
Local education surcharge	1,038,300.04	1,677,581.81
Housing property tax	31,583,384.76	18,691,456.42
Land use tax	2,732,784.16	3,200,462.36
Stamp duty	12,627,441.98	18,914,484.44
Other taxes	1,743,139.51	1,099,386.81
Total	316,537,840.18	355,577,450.15

### 32. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	742,571,572.81	4,638,235,268.67
Lease liabilities due within one year	334,179,065.69	285,209,271.77

Item	Closing balance	Opening balance
Total	1,076,750,638.50	4,923,444,540.44

### 33. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Short-term bonds payable	1,009,017,610.06	
Output VAT to be recognized	4,455,211.34	3,214,059.97
Total	1,013,472,821.40	3,214,059.97

Changes in short-term payable bonds:

Unit: RMB

Bond Name	Face Value	Coupon Rate	Issue Date	Bond Term	Issue Amount	Opening Balance	Current Issuance	Interest Accrual at Face Value	Amortization of premium and discount	Repayment in current period	Closing balance	Default or not
Goertek Inc. 2025 First Tranche Sci-Tech Innovation Bond	1,000,000,000.00	1.70%	2025-6-18	270 days	1,000,000,000.00		1,000,000,000.00	9,066,666.69	49,056.63	-	1,009,017,610.06	No
Total					1,000,000,000.00		1,000,000,000.00	9,066,666.69	49,056.63	-	1,009,017,610.06	

### 34. Long-term borrowings

#### (1) Types of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Mortgage borrowings		106,119,838.88
Guaranteed borrowings	2,063,501,347.14	2,090,077,963.83
Credit borrowings	2,229,655,440.11	3,783,239,449.86
Long-term borrowings due within one year (Note VII, 32)	-742,571,572.81	-4,638,235,268.67
Total	3,550,585,214.44	1,341,201,983.90

Other explanations, including interest rate range:

The interest rate range for long-term borrowings is 1.95%-5.70% on December 31, 2025(2.20%-6.29% on December 31, 2024).

### 35. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease payments	1,145,121,654.93	1,040,151,234.91
Plus: Unrecognized financing fees	-87,109,090.75	-85,976,762.48
Lease liabilities due within one year (Note VII, 32)	-334,179,065.69	-285,209,271.77
<b>Total</b>	<b>723,833,498.49</b>	<b>668,965,200.66</b>

### 36. Deferred income

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason for formation
Government grants	517,913,990.19	138,079,666.82	155,735,541.40	500,258,115.61	See Note XI "Government Grants"
<b>Total</b>	<b>517,913,990.19</b>	<b>138,079,666.82</b>	<b>155,735,541.40</b>	<b>500,258,115.61</b>	<b>--</b>

### 37. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Equity of other partners of the fund company	644,194,678.86	452,293,738.43
Corporate income tax payable after one year	16,607,039.39	
<b>Total</b>	<b>660,801,718.25</b>	<b>452,293,738.43</b>

### 38. Share capital

Unit: RMB

	Opening balance	Increase/decrease during the period (+, -)					Closing balance
		New shares	Bonus shares	Transferred from reserves	Other	Sub-total	
Total shares	3,486,344,744	61,088,644				61,088,644	3,547,433,388

Other explanations:

The stock options under the Company's 2021 and 2023 Stock Option Incentive Plans are currently in the exercise period. Due to employees' exercise of stock options, the Company issued 61,088,644 A-share ordinary shares to the incentive participants.

### 39. Capital surplus

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (Share capital premium)	9,676,032,674.49	1,576,814,077.18	2,594,500.36	11,250,252,251.31
Other capital reserves	617,154,590.10	285,567,522.21	309,108,323.37	593,613,788.94
<b>Total</b>	<b>10,293,187,264.59</b>	<b>1,862,381,599.39</b>	<b>311,702,823.73</b>	<b>11,843,866,040.25</b>

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

① Capital reserve—share premium increased by RMB 1,576,814,077.18 in the current period, including: (i) the exercise of stock options increased the share premium by RMB 1,039,422,376.06; (ii) RMB 309,108,323.37 transferred from other capital reserves due to the unlocking of employee stock ownership plans and stock options; (iii) RMB 47,019,302.51 from the sale of shares corresponding to the difference between actual and target unlocked shares under the company's "Home No. 6" employee stock ownership plan due to individual performance or resignation; and (iv) RMB 181,264,075.24 from equity changes in the original subsidiary Goertek Optical Technology Co., Ltd.

② Capital reserve—share premium decreased by RMB 2,594,500.36 in the current period, due to equity changes in the subsidiary Qingdao Resonance I Venture Capital Fund LP.

③ Capital reserve—other capital reserves increased by RMB 285,567,522.21 in the current period, including: (i) RMB 277,734,909.15 from share-based payments; and (ii) the impact of changes in other shareholders' equity of the investee under the equity method increased by RMB 7,832,613.06.

④ Capital reserve—other capital reserves decreased by RMB 309,108,323.37 in the current period, due to the unlocking of employee stock ownership plans and stock options, with RMB 309,108,323.37 transferred from other capital reserves to share premium.

#### 40. Treasury stock

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Shares of the Company repurchased for employee stock ownership plans or equity incentive plans	674,818,183.40	950,161,414.11		1,624,979,597.51
Total	674,818,183.40	950,161,414.11		1,624,979,597.51

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

During the reporting period, the Company implemented a share repurchase plan, repurchasing 34,497,046 shares at a maximum transaction price of RMB 34.09 per share and a minimum transaction price of RMB 20.35 per share.

## 41. Other comprehensive income

Unit: RMB

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount incurred before income tax in the current period	Less: Recognized in other comprehensive income for the previous period and transferred to profit or loss for the current period	Less: Recognized in other comprehensive income for the previous period and transferred to retained earnings for the current period	Less: Income tax expenses	Amount after tax attributable to the parent company	Amount after tax attributable to minority shareholders	
I. Other comprehensive income that cannot be reclassified into profit or loss	-33,951,735.57	-158,844,464.85		55,308,903.17		-199,850,701.08	-14,302,666.94	-233,802,436.65
Including: Changes in the fair value of other equity instruments	-33,951,735.57	-158,844,464.85		55,308,903.17		-199,850,701.08	-14,302,666.94	-233,802,436.65
II. Other comprehensive income that will be reclassified into profit or loss	-411,269,258.43	-233,337,944.98	-126,461.79			-227,434,255.72	-5,777,227.47	-638,703,514.15
Including: other comprehensive income that can be reversed through profit or loss under the equity method	-12,213.99	-969,778.55				-969,778.55		-981,992.54
Difference from translation of financial statements in foreign currency	-411,257,044.44	-232,368,166.43	-126,461.79			-226,464,477.17	-5,777,227.47	-637,721,521.61
Total other comprehensive income	-445,220,994.00	-392,182,409.83	-126,461.79	55,308,903.17		-427,284,956.80	-20,079,894.41	-872,505,950.80

Other explanations, including the adjustment of the effective part of cash flow hedging gains and losses into the initially recognized amount of the hedged item:

- ① Other comprehensive income that cannot be reclassified into profit or loss: Under the item of changes in the fair value of other equity instruments, RMB -14,302,666.94 is attributable to minority shareholders after tax, of which RMB -12,772,990.55 is the equity of other partners of the fund company. This amount is presented under other non-current liabilities.
- ② Other comprehensive income that will be reclassified into profit or loss: Under the item of difference from translation of financial statements in foreign currency, RMB -5,777,227.47 is attributable to minority shareholders after tax, of which RMB -2,166,986.24 is the equity of other partners of the fund company. This amount is presented under other non-current liabilities.

#### 42. Specific reserve

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production expenses	3,012,357.93	9,757,686.52	8,068,649.32	4,701,395.13
Total	3,012,357.93	9,757,686.52	8,068,649.32	4,701,395.13

#### 43. Surplus reserve

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,805,496,771.01			1,805,496,771.01
Total	1,805,496,771.01			1,805,496,771.01

Explanation of surplus reserve, including the increase and decrease in the current period and explanation of reasons for changes:

According to *Company Law* and *Articles of Association*, the Company allocates 10% of net profits to the statutory surplus reserve. The Company does not need to allocate further amounts if the cumulative amount of the statutory surplus reserve reaches more than 50% of the registered capital.

#### 44. General risk reserve

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Reserve for risks in financing factoring business	6,081,200.00	567,483.32		6,648,683.32

Note: According to *Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Administration of Commercial Factoring Enterprises (YBJBF [2019] No. 205)*, the Group has set aside risk provisions at a rate of no less than 1% of the ending balance of financing factoring business.

#### 45. Retained earnings

Unit: RMB

Item	2025	2024
Retained earnings at the end of last period before adjustment	18,712,252,682.60	17,038,581,549.12
Retained earnings at the beginning of the	18,712,252,682.60	17,038,581,549.12

Item	2025	2024
period after adjustment		
Plus: net profit attributable to the owner of the parent company in the current period	3,940,313,461.54	2,665,044,826.06
Less: Withdrawal of statutory surplus reserve		140,430,167.05
Provision for general risk reserve	567,483.32	
Common stock dividends payable	1,036,200,213.45	850,462,393.45
Add: Disposal of investments in other equity instruments	75,585,403.54	-481,132.08
Retained earnings at the end of the period	21,691,383,850.91	18,712,252,682.60

Details of the adjustment of the retained earnings at the beginning of the period:

- 1).The undistributed profit affected by the retroactive adjustment in accordance with *Accounting Standards for Business Enterprises* and its related new regulations at the beginning of the period is RMB 0.00.
- 2).The undistributed profit affected by the change of accounting policy at the beginning of the period is RMB 0.00.
- 3).The undistributed profit affected by the correction of significant accounting errors at the beginning of the period is RMB 0.00.
- 4).The undistributed profit affected by the change in the scope of consolidation caused by business combination under common control at the beginning of the period is RMB 0.00.
- 5).The undistributed profit affected by other adjustments at the beginning of the period is RMB 0.00.

#### 46. Revenue and cost of sales

Unit: RMB

Item	2025		2024	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	94,724,744,409.34	83,496,950,536.81	98,545,585,814.34	87,572,307,509.64
Other business	1,825,425,205.92	1,658,398,799.58	2,408,262,341.74	2,187,079,259.28
Total	96,550,169,615.26	85,155,349,336.39	100,953,848,156.08	89,759,386,768.92

The lowest of the company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses during the reporting period was negative.

Yes  No

Breakdown of the revenue and cost of sales:

Unit: RMB

Classification of contracts	Segment 1		Total	
	Revenue	Cost of sales	Revenue	Cost of sales
Business Type				
Including:				
Electronic components	94,724,744,409.34	83,496,950,536.81	94,724,744,409.34	83,496,950,536.81
Other business income	1,825,425,205.92	1,658,398,799.58	1,825,425,205.92	1,658,398,799.58
As per Product Classification				
Including:				
Precision components	17,977,957,315.09	13,750,311,081.88	17,977,957,315.09	13,750,311,081.88
Smart audio device	22,978,234,115.31	22,093,096,063.96	22,978,234,115.31	22,093,096,063.96
Smart hardware	53,768,552,978.94	47,653,543,390.97	53,768,552,978.94	47,653,543,390.97
Other business income	1,825,425,205.92	1,658,398,799.58	1,825,425,205.92	1,658,398,799.58
Total	96,550,169,615.26	85,155,349,336.39	96,550,169,615.26	85,155,349,336.39

**47. Taxes and surcharges**

Unit: RMB

Item	2025	2024
City maintenance and construction tax	70,289,761.46	78,180,147.00
Education surcharge	26,315,632.68	27,507,986.59
Housing property tax	94,322,443.84	80,510,788.10
Land use tax	11,736,105.33	3,206,159.64
Vehicle and vessel tax	30,817.74	28,453.49
Stamp duty	51,437,460.77	68,080,467.43
Local education surcharge	17,925,557.28	21,068,467.00
Others	309,504.53	149,514.51
<b>Total</b>	<b>272,367,283.63</b>	<b>278,731,983.76</b>

Other explanations:

For the details on calculation and payment standards of taxes and surcharges, please refer to Note VI. Tax.

**48. General and administrative expenses**

Unit: RMB

Item	2025	2024
Employee compensation	1,424,027,492.74	1,214,180,410.70
Amortization of share-based payments	149,006,015.83	226,233,694.12
Office expenses	185,013,453.28	124,376,341.65
Consulting fees	105,478,669.06	139,157,208.02
Depreciation cost	155,048,009.84	121,760,834.33
Amortization of intangible assets	103,140,875.65	103,221,179.79
Recruitment and training fees	50,762,512.13	32,940,278.91
Rental	20,004,491.09	13,562,954.48
Entertainment expenses	42,873,248.56	39,931,530.17
Travel expenses	59,390,741.79	34,498,480.16
Service fees	55,740,284.63	38,746,591.02
Property insurance	13,521,420.54	11,374,008.26
Others	134,045,247.34	100,039,204.09
<b>Total</b>	<b>2,498,052,462.48</b>	<b>2,200,022,715.70</b>

**49. Selling expenses**

Unit: RMB

Item	2025	2024
Employee compensation	544,969,314.00	456,730,979.35
Amortization of share-based payments	9,629,849.18	23,908,479.89
Rental	2,053,472.22	1,510,770.81
Sales commissions	15,228,442.94	13,029,519.39
Insurance expenses	10,578,904.13	12,147,635.78
Entertainment expenses	33,620,347.03	30,107,643.14
Travel expenses	43,620,965.55	35,830,730.04
Office expenses	39,250,157.85	21,124,158.84
Depreciation cost	20,877,393.97	18,132,437.60
Others	16,083,974.19	7,312,126.83
<b>Total</b>	<b>735,912,821.06</b>	<b>619,834,481.67</b>

**50. Research and development expenses**

Unit: RMB

Item	2025	2024
Employee compensation	2,883,826,084.41	2,435,505,872.20
Direct input costs	1,126,834,667.81	999,319,580.06
Amortization of intangible assets	649,638,647.11	784,505,601.75
Depreciation cost	288,338,232.60	234,335,890.89
Amortization of share-based payments	91,037,378.06	84,752,120.36
Design fees	13,688,595.32	94,128,678.10
Others	249,804,271.35	249,564,744.16
<b>Total</b>	<b>5,303,167,876.66</b>	<b>4,882,112,487.52</b>

**51. Financial expenses**

Unit: RMB

Item	2025	2024
Interest expenses	615,731,512.79	572,194,609.11
Interest income	-376,619,288.43	-400,653,329.10
Exchange gains and losses	349,465,487.65	-115,270,882.48
Others	22,425,268.01	14,437,439.44
<b>Total</b>	<b>611,002,980.02</b>	<b>70,707,836.97</b>

**52. Other income**

Unit: RMB

Sources of other income	2025	2024
Government grants	169,600,659.90	196,876,242.50
Tax benefits included	29,211,301.76	53,573,394.07
Refund of individual income tax handling fees, etc.	4,800,995.24	5,671,131.37
<b>Total</b>	<b>203,612,956.90</b>	<b>256,120,767.94</b>

**53. Gains on changes in fair value**

Unit: RMB

Sources of gains on changes in fair value	2025	2024
Financial assets held for trading	-230,496,491.39	536,792,832.96
Including: Gains on changes in fair value of derivative financial instruments	-359,613,893.72	445,298,402.32
Financial liabilities held for trading	543,539,894.09	-486,709,669.91
Other non-current financial assets	2,430,807.87	-9,039,275.08
<b>Total</b>	<b>315,474,210.57</b>	<b>41,043,887.97</b>

**54. Investment income**

Unit: RMB

Item	2025	2024
Investment income from long-term equity investments measured	9,637,471.40	-26,835,728.84

Item	2025	2024
by the equity method		
Investment income from disposal of long-term equity investments	-7,572,892.90	
Investment income from disposal of financial assets held for trading	494,391,354.05	70,976,205.49
Gains from remeasuring the remaining equity interest at fair value upon loss of control	2,140,199,197.76	
Investment income from products such as large-denomination certificates of deposit	108,808,163.50	101,319,375.81
Gains on derecognition of financial assets measured at amortized cost	-43,832,356.46	-36,419,794.69
Total	2,701,630,937.35	109,040,057.77

### 55. Credit impairment losses

Unit: RMB

Item	2025	2024
Credit impairment losses on notes receivable	-2,000,825.20	
Credit impairment losses on accounts receivable	46,127,291.79	-57,765,579.02
Credit impairment losses on other receivables	-3,319,543.26	-649,448.67
Total	40,806,923.33	-58,415,027.69

### 56. Asset impairment losses

Unit: RMB

Item	2025	2024
I. Inventory write-down losses and impairment losses on contract fulfillment costs	-592,255,653.94	-401,190,754.77
II. Impairment losses on fixed assets	-194,207,497.84	-241,874,822.96
III. Impairment losses on intangible assets	-28,507,224.25	
IV. Impairment losses on goodwill	-226,370,164.47	
Total	-1,041,340,540.50	-643,065,577.73

### 57. Gains on disposal of assets

Unit: RMB

Sources of income from disposal of assets	2025	2024
Gains on disposal of fixed assets	31,493,901.93	-403,379.46
Gains on disposal of right-of-use assets	77,891.93	95,905.77
Total	31,571,793.86	-307,473.69

**58. Non-operating income**

Unit: RMB

Item	2025	2024	Amount recognized in current non-recurring profit or loss
Gains from damage and disposal of non-current assets	105.61		105.61
Government grants unrelated to the daily activities of enterprises		47,012.69	
Others	29,455,630.82	33,536,209.57	29,455,630.82
<b>Total</b>	<b>29,455,736.43</b>	<b>33,583,222.26</b>	<b>29,455,736.43</b>

Other explanations:

Non-operating income - other incomes that mainly consist of unsettled payables and liquidated damages received.

**59. Non-operating expenses**

Unit: RMB

Item	2025	2024	Amount recognized in current non-recurring profit or loss
Donations given	5,933,362.69	3,833,756.31	5,933,362.69
Losses from damage and disposal of non-current assets	256,538,610.74	85,692,278.90	256,538,610.74
Others	12,598,997.30	17,688,358.06	12,598,997.30
<b>Total</b>	<b>275,070,970.73</b>	<b>107,214,393.27</b>	<b>275,070,970.73</b>

**60. Income tax expenses****(1) Income tax expenses statement**

Unit: RMB

Item	2025	2024
Current income tax expenses	317,100,333.73	287,703,579.00
Deferred income tax expenses	-169,450,605.95	-100,155,359.30
<b>Total</b>	<b>147,649,727.78</b>	<b>187,548,219.70</b>

**(2) Reconciliation of accounting profit and income tax expenses**

Unit: RMB

Item	2025
Total profit	3,980,457,902.23
Income tax expenses calculated at statutory/applicable tax rate	597,068,685.33
Impact of different tax rates applied to subsidiaries	169,769,643.26
Impact of adjustment of income tax in previous periods	639,424.09
Impact of non-taxable income	-325,085,864.18
Impact of non-deductible costs, expenses and losses	48,194,374.22
Impact of utilization of deductible tax losses of unrecognized deferred tax assets in previous periods	-98,720,530.39

Impact of deductible temporary differences or deductible tax losses for which no deferred tax asset was recognized in the current period	252,646,486.22
Impact of additional tax deductions for research and development expenses	-353,317,254.42
Impact of share-based payment	-141,163,770.12
Others	-2,381,466.23
Income tax expenses	147,649,727.78

## 61. Other comprehensive income

Please refer to Note VII 41 for details.

## 62. Cash flow statement items

### (1) Cash relating to operating activities

Cash received relating to other operating activities

Unit: RMB

Item	2025	2024
Government grants	221,801,457.12	195,752,587.04
Interest income	376,619,288.43	400,621,921.85
Receivables, payables and others	2,102,297,312.59	1,471,108,554.08
Total	2,700,718,058.14	2,067,483,062.97

Note on cash received relating to other operating activities:

None

Cash paid relating to other operating activities

Unit: RMB

Item	2025	2024
Research and development expenses	1,382,875,472.28	1,334,160,699.49
Office expenses	224,263,611.13	145,500,500.49
Consulting fees	105,478,669.06	117,161,125.32
Travel expenses	103,011,707.34	70,329,210.20
Entertainment expenses	76,493,595.59	70,039,173.31
Receivables, payables and others	2,151,602,457.62	1,761,848,642.61
Total	4,043,725,513.02	3,499,039,351.42

Note on cash paid relating to other operating activities:

None

### (2) Cash relating to investing activities

Cash received relating to other investing activities

Unit: RMB

Item	2025	2024
Option premiums received	5,249,352.39	16,150,465.60
Recovery of margin for investment in foreign exchange derivative trading	5,969,768.22	12,000,000.00
Total	11,219,120.61	28,150,465.60

## Material cash received relating to investing activities

Unit: RMB

Item	2025	2024
Recovery of structured deposits upon maturity	30,334,149,607.56	10,573,715,076.99
Recovery of principal from time deposits upon maturity	7,196,432,100.58	2,229,768,495.62
<b>Total</b>	<b>37,530,581,708.14</b>	<b>12,803,483,572.61</b>

Note on cash received relating to other investing activities:

None

## Cash paid relating to other investing activities

Unit: RMB

Item	2025	2024
Payment of margin for investment in foreign exchange derivative trading	7,469,768.22	12,000,000.00
Net cash paid for disposal of subsidiaries and other business units	761,649,903.75	
<b>Total</b>	<b>769,119,671.97</b>	<b>12,000,000.00</b>

## Material cash paid relating to investing activities

Unit: RMB

Item	2025	2024
Cash paid for purchase of structured deposits	31,583,400,000.00	10,558,000,000.00
Principal deposited as time deposits	8,347,674,500.06	3,733,376,366.56
<b>Total</b>	<b>39,931,074,500.06</b>	<b>14,291,376,366.56</b>

Note on material cash paid relating to investing activities:

None

**(3) Cash relating to financing activities**

## Cash received relating to other financing activities

Unit: RMB

Item	2025	2024
Recovery of various margin deposits from other monetary funds	8,771,616,134.86	4,440,673,565.42
Contributions from other partners of the fund company	178,637,000.00	49,847,000.00
Others	227,019,302.51	105,321,018.64
<b>Total</b>	<b>9,177,272,437.37</b>	<b>4,595,841,584.06</b>

Note on cash received relating to other financing activities:

None

## Cash paid relating to other financing activities

Unit: RMB

Item	2025	2024
Payment of various margin deposits included in other monetary funds	7,855,752,259.05	7,011,225,625.91
Repurchase of treasury stock	950,161,414.11	497,162,992.63
Rental payment	203,482,961.99	131,360,091.14
Repayment of borrowings from non-financial institutions and interest, etc.	67,924,597.25	15,950,662.59
Listing expenses of Goermicro	3,606,535.35	3,794,789.25
<b>Total</b>	<b>9,080,927,767.75</b>	<b>7,659,494,161.52</b>

Note on cash paid relating to other financing activities:

None

Changes in various liabilities generated from financing activities

Applicable  Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	7,713,280,169.91	36,033,423,951.61	297,375,506.11	29,738,288,372.05	895,203,331.95	13,410,587,923.63
Other payables - dividends payable			1,036,200,213.45	1,036,200,213.45		
Long-term borrowings (including portion due within one year)	5,979,437,252.57	5,804,735,574.40	156,377,579.52	5,494,737,184.98	2,152,656,434.26	4,293,156,787.25
Lease liabilities (including portion due within one year)	954,174,472.43		347,438,784.99	203,482,961.99	40,117,731.25	1,058,012,564.18
Other current liabilities - short-term bonds payable		999,850,000.00	9,187,421.39		19,811.33	1,009,017,610.06
Other non-current liabilities - equity of other partners of the fund company	452,293,738.43	178,637,000.00	86,807,357.67	31,283,905.41	42,259,511.83	644,194,678.86
<b>Total</b>	<b>15,099,185,633.34</b>	<b>43,016,646,526.01</b>	<b>1,933,386,863.13</b>	<b>36,503,992,637.88</b>	<b>3,130,256,820.62</b>	<b>20,414,969,563.98</b>

#### (4) Notes to cash flow reported on a net basis

None

**(5) Significant activities and financial impacts that do not involve cash receipts or payments for the current period but may affect the Company's financial position or cash flow in the future**

None

**63. Supplementary information for cash flow statement**

**(1) Supplementary information for cash flow statement**

Unit: RMB

Supplementary information	Amount of current period	Amount in previous period
1. Reconciliation of net profit to cash flow from operating activities		
Net profit	3,832,808,174.45	2,586,289,125.40
Add: Asset impairment provision	1,041,340,540.50	643,065,577.73
Credit impairment losses	-40,806,923.33	58,415,027.69
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of bearer biological assets	3,008,969,810.39	2,876,162,266.47
Depreciation of right-of-use assets	202,676,269.07	192,954,092.19
Amortization of intangible assets	762,804,993.99	896,019,467.06
Amortization of long-term prepaid expenses	119,616,305.81	114,160,739.30
Losses on disposal of fixed assets, intangible assets and other long-term assets (Use "-" for gain)	2,499,606.42	307,473.69
Loss on retirement of fixed assets (Use "-" for gain)	256,538,505.13	85,692,278.90
Loss on changes in fair value (Use "-" for gain)	-315,474,210.57	-41,043,887.97
Financial expenses (Use "-" for gain)	702,597,857.14	452,782,389.67
Investment loss (Use "-" for gain)	-2,745,463,293.81	-145,459,852.46
Decrease in deferred tax assets (Use "-" for gain)	69,683,245.27	-64,262,210.19
Increase in deferred tax liabilities (Use "-" for decrease)	-238,670,026.68	-36,613,476.56
Decrease in inventory (Use "-" for increase)	-2,949,400,821.41	284,232,995.03
Decrease in operating receivables (Use "-" for increase)	3,471,641,445.07	-5,964,502,796.08
Increase in operating payables (Use "-" for decrease)	-618,923,640.03	3,909,499,681.99
Others	286,439,368.99 <sup>1</sup>	352,753,289.98
Net cash flow generated from operating activities	6,848,877,206.40	6,200,452,181.84
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Debts transferred to capital		
Convertible corporate bonds due within one year		
Fixed assets under finance lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	13,065,365,746.85	11,790,891,094.95
Less: Opening balance of cash	11,790,891,094.95	13,152,726,641.78
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net Increase in cash and cash equivalents	1,274,474,651.90	-1,361,835,546.83

Note 1: The others item amounting to RMB 286,439,368.99 represents the share-based payment amount recognized in profit or loss for the current period.

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

None

## (3) Net amount of cash received from disposal of subsidiaries in the current period

Unit: RMB

	Amount
Cash and cash equivalents received from the disposal of subsidiaries during the current period	54,250,000.00
Including:	
Goertek Optical Technology Co., Ltd.	
Qingdao Goerpixel Technology Co., Ltd.	46,000,000.00
Xi'an Goerpixel Technology Co., Ltd.	8,250,000.00
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	809,126,063.42
Including:	
Goertek Optical Technology Co., Ltd.	721,861,502.41
Qingdao Goerpixel Technology Co., Ltd.	85,788,401.34
Xi'an Goerpixel Technology Co., Ltd.	1,476,159.67
Net cash received from the disposal of subsidiaries	-754,876,063.42

## (4) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	13,065,365,746.85	11,790,891,094.95
Including: Cash on hand	188,339.26	104,171.55
Bank deposits available for payment at any time	13,001,632,394.73	11,645,703,672.76
Other monetary funds available for payment at any time	63,545,012.86	145,083,250.64
II. Cash and cash equivalents at the end of the period	13,065,365,746.85	11,790,891,094.95

## (5) Situations where the scope of use is restricted but still listed as cash and cash equivalents

None

## (6) Monetary funds that do not belong to cash and cash equivalents

Unit: RMB

Item	Amount of current period	Amount in previous period	Reasons for not being classified as cash and cash equivalents
Bank deposits	2,288,244,504.62	668,611,858.88	Mainly time deposits with maturities of more than three months and accrued interest

Item	Amount of current period	Amount in previous period	Reasons for not being classified as cash and cash equivalents
Other monetary funds	3,532,823,283.39	5,006,989,915.22	Usage restriction
Total	5,821,067,788.01	5,675,601,774.10	

### (7) Description of other significant activities

None

### 64. Notes on items in the Statement of Changes in Equity

Explanation of the names of "other" items for adjusting the closing balance of the previous year and adjustment amounts:

None

### 65. Foreign currency monetary items

#### (1) Foreign currency monetary items

Unit: RMB

Item	Closing foreign currency balance	Converted exchange rate	Closing converted RMB balance
Cash and cash equivalents			4,790,508,794.78
Including: USD	273,486,517.92	7.028800	1,922,282,037.16
EUR	136,842.87	8.235500	1,126,969.46
HKD	2,366,159,084.28	0.903220	2,137,162,208.10
JPY	654,234,041.00	0.044797	29,307,722.33
KRW	1,014,050,819.00	0.004860	4,928,286.98
TWD	25,604,174.00	0.224584	5,750,287.81
VND	2,560,858,675,577.00	0.000268	686,310,125.05
DKK	1,009,382.02	1.101807	1,112,144.18
MYR	370,211.62	1.731932	641,181.35
SGD	345,843.90	5.458600	1,887,823.51
CHF	1.00	8.851000	8.85
Accounts receivable			10,193,549,632.69
Including: USD	1,448,487,473.35	7.028800	10,181,128,752.68
EUR			
HKD			
JPY	40,986,758.00	0.044797	1,836,083.80
KRW	599,401,533.60	0.004860	2,913,091.45
VND	28,625,764,018.00	0.000268	7,671,704.76
Long-term borrowings			
Including: USD			
EUR			
HKD			
Other receivables			48,313,491.19
Including: USD	1,053,380.35	7.028800	7,403,999.80
EUR	950.40	8.235500	7,827.02
JPY	206,971,156.00	0.044797	9,271,686.88

Item	Closing foreign currency balance	Converted exchange rate	Closing converted RMB balance
KRW	325,698,520.00	0.004860	1,582,894.81
HKD	3,175,992.07	0.903220	2,868,619.56
TWD	1,975,478.00	0.224584	443,660.75
VND	99,035,064,355.52	0.000268	26,541,397.25
MYR	111,670.16	1.731932	193,405.12
Short-term borrowings			3,331,469,242.61
Including: USD	227,514,278.03	7.028800	1,599,152,357.42
VND	6,463,868,974,591.00	0.000268	1,732,316,885.19
Accounts payable			15,372,120,489.03
Including: USD	2,092,475,885.02	7.028800	14,707,594,500.63
EUR	674,217.78	8.235500	5,552,520.53
HKD	77,449.00	0.903220	69,953.49
JPY	516,981,693.12	0.044797	23,159,228.91
VND	2,371,201,561,919.70	0.000268	635,482,018.59
MYR	6,471.00	1.731932	11,207.33
GBP	14,000.00	9.434600	132,084.40
SGD	21,795.91	5.458600	118,975.15
Other payables			14,034,911.63
Including: USD	1,114,193.41	7.028800	7,831,442.64
JPY	31,299,839.00	0.044797	1,402,138.89
KRW	152,941,046.00	0.004860	743,293.48
TWD	4,650,644.00	0.224584	1,044,460.23
VND	9,915,974,562.31	0.000268	2,657,481.18
DKK	323,192.00	1.101807	356,095.21
Non-current liabilities due within one year			350,988,451.97
Including: USD	46,550,706.73	7.028800	327,195,607.46
JPY	130,455,715.82	0.044797	5,844,024.70
KRW	26,306,376.39	0.004860	127,848.99
HKD	3,725,916.86	0.903220	3,365,322.63
TWD	6,440,050.10	0.224584	1,446,332.21
SGD	344,897.24	5.458600	1,882,656.07
VND	41,517,387,734.67	0.000268	11,126,659.91
Lease liabilities			31,136,727.39
Including: JPY	199,757,345.65	0.044797	8,948,529.81
KRW	24,935,305.70	0.004860	121,185.59
HKD	6,649,424.74	0.903220	6,005,893.41
TWD	27,246,762.69	0.224584	6,119,186.95
VND	37,096,759,816.97	0.000268	9,941,931.63

**(2) Explanation of overseas operating entities, including the main overseas operating places, functional currencies and selection basis for important overseas operating entities, as well as reasons for any changes in functional currencies.**

Applicable  Not applicable

Name of the important overseas operating entity	Main location of business operation	Functional currency	Functional currency selection basis	Whether there is any change in the functional currency
Goertek Technology Vina Co., Ltd.	Vietnam	VND	Legal currency of the country where it is registered	No
Goertek (HongKong) Co., Limited	Hong Kong	USD	Currency adopted in business receipts and payments	No

Name of the important overseas operating entity	Main location of business operation	Functional currency	Functional currency selection basis	Whether there is any change in the functional currency
Goertek Electronics Vietnam Co., Ltd.	Vietnam	VND	Legal currency of the country where it is registered	No
Goertek Smart Technology Vina Co., Ltd.	Vietnam	VND	Legal currency of the country where it is registered	No

## 66. Lease

### (1) The Company acts as the lessee

Applicable  Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable  Not applicable

Rental expense for short-term leases or low-value asset leases accounted for using the simplified approach

Applicable  Not applicable

① For the information on right-of-use assets and lease liabilities, please refer to Note VII 16 and 35.

② Information on items recognized in current profit or loss and relevant asset costs

Unit: RMB

Item	Amount of current period	Amount in previous period
Short-term lease expense (simplified treatment applies)	109,293,913.65	66,361,239.17
Interest on lease liabilities included in financial expenses	33,304,022.73	31,948,563.01
Income from subleasing right-of-use assets		3,630,981.59

③ Cash outflow related to leases

Unit: RMB

Item	Category of cash flow	Amount of current period	Amount in previous period
Cash paid for repayment of principal and interest of lease liabilities	Cash outflow from financing activities	203,482,961.99	131,360,091.14
Cash paid for short-term leases and low-value asset leases (simplified treatment applies)	Cash outflow from operating activities	109,293,913.65	66,361,239.17
Total		312,776,875.64	197,721,330.31

Situations involving sale and leaseback transactions

None

### (2) The Company acts as the lessor

Operating lease as a lessor

Applicable  Not applicable

Unit: RMB

Item	Lease income	Including: Income related to variable lease payments not included in rental receipts
Other business income	251,989,850.16	
<b>Total</b>	<b>251,989,850.16</b>	

Finance lease as a lessor

Applicable  Not applicable

Undiscounted lease receipts for each of the next five years

Applicable  Not applicable

Reconciliation table of undiscounted lease receivables and net lease investments

None

### (3) Profit or loss on sales of finance leases recognized as a producer or distributor

Applicable  Not applicable

## 67. Others

None

## VIII. Research and Development Expenditure

Unit: RMB

Item	2025	2024
Employee compensation	3,089,285,425.24	2,622,012,895.11
Direct input costs	1,240,100,383.21	1,167,429,669.48
Amortization of intangible assets	649,671,567.70	786,230,183.44
Depreciation cost	298,452,060.97	278,706,582.13
Amortization of share-based payments	95,130,248.65	85,127,680.30
Design fees	33,050,389.50	104,854,459.01
Other expenses	267,559,710.51	307,589,471.43
<b>Total</b>	<b>5,673,249,785.78</b>	<b>5,351,950,940.90</b>
Including: Expensed R&D expenditure	5,303,167,876.66	4,882,112,487.52
Capitalized R&D expenditure	370,081,909.12	469,838,453.38

### 1. R&D projects eligible for capitalization

Unit: RMB

Item	Opening balance	Increased amount in the current period		Decreased amount in the current period		Closing balance
		Internal development expenditure	Other	Recognized as intangible assets	Transferred to current profit or loss	
Item 1		31,680,478.52				31,680,478.52
Item 2		29,890,502.61				29,890,502.61
Item 3		13,680,527.59				13,680,527.59
Item 4		7,666,442.48				7,666,442.48
Item 5		6,444,046.53				6,444,046.53
Others	170,050,760.76	280,719,911.39		315,936,355.51		134,834,316.64

Item	Opening balance	Increased amount in the current period		Decreased amount in the current period		Closing balance
		Internal development expenditure	Other	Recognized as intangible assets	Transferred to current profit or loss	
Total	170,050,760.76	370,081,909.12		315,936,355.51		224,196,314.37

Significant capitalized R&D projects

None

Development expenditure impairment provision

None

## 2. Significant outsourced R&D projects

None

## IX. Change in the Scope of Consolidation

### 1. Business combination not under common control

None

### 2. Business combination under common control

None

### 3. Reverse purchase

None

### 4. Disposal of subsidiaries

Whether there were any transactions or events involving loss of control over subsidiaries during the current period

Yes No

Unit: RMB

Subsidiary company name	Disposal consideration at the time of loss of control	Disposal ratio at the time of loss of control	Disposal method at the time of loss of control	The point in time when control is lost	Criteria for determining the timing of loss of control	The difference between the disposal consideration and the share of the subsidiary's net assets at the consolidated financial statements level corresponding to the disposed investment	Proportion of remaining equity on the date of loss of control	The carrying amount of the remaining equity in the consolidated financial statements on the date of loss of control	Fair value of remaining equity interest at the consolidated financial statements level on the date of loss of control	Gains or losses arising from remeasuring the remaining equity interest at fair value	Determination method and key assumptions for the fair value of remaining equity at the consolidated financial statement level on the date control is lost	Amount of other comprehensive income related to equity investments in subsidiaries transferred to investment gains/losses or retained earnings
Goertek Optical Technology Co., Ltd.		18.89%	Additional capital contribution by other shareholders	December 08, 2025	Equity delivery completed	-13,560,661.00	37.77%	16,501,445.65	2,156,700,643.41	2,140,199,197.76	Latest transaction price	-126,461.79
Qingdao Goerpixel Technology Co., Ltd.	46,000,000.00	100.00%	Equity transfer	September 20, 2025	Equity delivery completed	6,301,141.91						
Xi'an Goerpixel Technology Co., Ltd.	8,250,000.00	100.00%	Equity transfer	September 20, 2025	Equity delivery completed	-186,912.02						

## Additional Notes:

The data of Goertek Optical Technology Co., Ltd. is from its consolidated financial statement, with the consolidated scope of the following companies, including Goertek Optical Technology Co., Ltd., Goertek Optical Technology (Qingdao) Co., Ltd., Goertek Optical Technology (Shanghai) Co., Ltd., UPhoton Technology (Shaoxing) Co., Ltd., UPhoton Technology (Beijing) Co., Ltd., Jiaxing UPhoton Optoelectronics Technology Co., Ltd., Shaoxing UPhoton Precision Technology Co., Ltd., Hangzhou UPhoton Optoelectronics Technology Co., Ltd., Tianjin UPhoton Technology Co., Ltd., Nanjing UPhoton Technology Co., Ltd., Goertek Optical Technology (HongKong) Holdings Co., Limited, Goertek Optical Technology (HongKong) Co., Limited, Goertek Optoelectronics Technology (Qingdao) Co., Ltd. and GoerView Technology (HongKong) Co., Limited.

The Company originally held 56.6560% equity in Goertek Optics and included it in the consolidated scope. In the current period, Goertek Optics acquired 100% equity in Sunny Optical Aolite Micro-Nano Optics (Shanghai) Co., Ltd. and Sunny Optical Aolite Micro-Nano Optoelectronic Information Technology (Shanghai) Co., Ltd. held by Ningbo Sunny Optical Aolite Technology Co., Ltd. through a capital increase of RMB 529,511,488. After this transaction, the registered capital of Goertek Optics increased from RMB 1,059,022,976 to RMB 1,588,534,464, and the Company's shareholding ratio in Goertek Optics changed to 37.7707%. Based on the relevant shareholder's agreement and Goertek Optics' articles of association, the Company has lost control of Goertek Optics and the remaining investment in Goertek Optics is accounted for using the equity method.

Whether there is any circumstance of disposing investments in a subsidiary through multiple step-wise transactions resulting in loss of control during the current period

Yes  No

## 5. Change in the scope of consolidation for other reasons

Explain the changes in the combination scope caused by other reasons (such as newly established subsidiaries, liquidation subsidiaries, etc.) and relevant information:

In the current period, the Company newly established 12 subsidiaries, namely: Weifang Goertek Smart Technology Co., Ltd., Qingdao Goertek Starshine Smart Technology Co., Ltd., Hefei Goertek Technology Co., Ltd., Hangzhou Goertek Technology Co., Ltd., Dongguan Yili Technology Co., Ltd., Hainan Goertek Trading Co., Ltd., Shanghai Goertek IntelliReach Technology Co., Ltd., Goertek Optoelectronics Technology (Qingdao) Co., Ltd., GoerView Technology (HongKong) Co., Limited, Goertek Holdings (HongKong) Co., Limited, Yili Technology Vietnam Company Limited, Goertek Singapore Holdings Pte. Ltd.

## 6. Others

None

## X. Interests in Other Entities

### 1. Interests in subsidiaries

#### (1) Composition of the Group

Name of subsidiary	Registered capital	Main location of business operation	Registration place	Business nature	Shareholding ratio		Acquisition method
					Direct	Indirect	
Weifang Goertek Electronics Co., Ltd.	RMB 1,802,201,925	Weifang	Weifang	R&D, production & sales	77.99%	22.01%	Business combination under common control
Goertek Microelectronics Inc.	RMB 612,438,891	Qingdao	Qingdao	R&D, production & sales	83.40%		Establishment
Qingdao Goertek Microelectronics Research Institute Co., Ltd.	RMB 100,000,000	Qingdao	Qingdao	R&D, production & sales		83.40%	Establishment
Qingdao Goertek Intelligent Sensor Co., Ltd.	RMB 500,000,000	Qingdao	Qingdao	R&D, production & sales		83.40%	Establishment
Weifang Goertek Microelectronics Co., Ltd.	RMB 500,000,000	Weifang	Weifang	R&D, production & sales		83.40%	Business combination not under common control

Name of subsidiary	Registered capital	Main location of business operation	Registration place	Business nature	Shareholding ratio		Acquisition method
					Direct	Indirect	
Rongcheng Goertek Microelectronics Co., Ltd.	RMB 300,000,000	Rongcheng	Rongcheng	R&D, production & sales		83.40%	Establishment
Beijing Goertek Microelectronics Co., Ltd.	RMB 5,000,000	Beijing	Beijing	Sales		83.40%	Establishment
Shenzhen Goertek Microelectronics Co., Ltd.	RMB 5,000,000	Shenzhen	Shenzhen	R&D and sales		83.40%	Establishment
Wuxi Goertek Microelectronics Co., Ltd.	RMB 5,000,000	Wuxi	Wuxi	R&D		83.40%	Establishment
Shanghai Goertek Microelectronics Co., Ltd.	RMB 10,000,000	Shanghai	Shanghai	R&D		83.40%	Establishment
Goertek Microelectronics Holdings Co., Ltd.	USD 27,003,500	Hong Kong	Hong Kong	Investment		83.40%	Establishment
Goertek Microelectronics (HongKong) Co., Limited	USD 500,000	Hong Kong	Hong Kong	Trade		83.40%	Establishment
Goertek Microelectronics Corporation	USD 1,000,000	USA	USA	R&D and sales		83.40%	Establishment
Goertek Microelectronics Korea Co., Ltd.	KRW 300,000,000	Korea	Korea	R&D and sales		83.40%	Establishment
Goertek Microelectronics Vietnam Company Limited	VND 1,398,467,000,000	Vietnam	Vietnam	Production & sales		83.40%	Establishment
GMI Technology GmbH	EUR 50,000	Austria	Austria	R&D and sales		83.40%	Establishment
GMI Semiconductor Sdn. Bhd.	USD 21,000,000	Malaysia	Malaysia	Production & sales		83.40%	Establishment
Goermicro Technology Development Company Limited	USD 500,000	Hong Kong	Hong Kong	R&D and sales		83.40%	Establishment
Qingdao MicroSense Intelligent Technology Co., Ltd.	RMB 20,000,000	Qingdao	Qingdao	R&D, production & sales		83.40%	Establishment
Weifang Goertek Trading Co., Ltd.	RMB 50,000,000	Weifang	Weifang	Import and export trade	100.00%		Establishment
Yishui Goertek Electronics Co., Ltd.	RMB 30,000,000	Yishui	Yishui	Production & sales	100.00%		Establishment
Yili Precision Manufacturing Co., Ltd.	RMB 865,670,000	Weifang	Weifang	Production & sales	65.60%	34.40%	Establishment
Weifang Goertek Communication Technology Co., Ltd.	RMB 10,500,000	Weifang	Weifang	Production & sales		100.00%	Business combination not under common control
Dongguan Yili Precision Manufacturing Co., Ltd.	RMB 180,000,000	Dongguan	Dongguan	R&D, production & sales	100.00%		Establishment
Goertek Technology Co., Ltd.	RMB 950,000,000	Qingdao	Qingdao	R&D	100.00%		Establishment
Beijing Goertek Technology Co., Ltd.	RMB 10,000,000	Beijing	Beijing	R&D	100.00%		Business combination under common control
Qingdao Goertek Acoustics Technology Co., Ltd.	RMB 20,000,000	Qingdao	Qingdao	R&D and trading	100.00%		Establishment

Name of subsidiary	Registered capital	Main location of business operation	Registration place	Business nature	Shareholding ratio		Acquisition method
					Direct	Indirect	
Shenzhen Goertek Technology Co., Ltd.	RMB 50,000,000	Shenzhen	Shenzhen	R&D and design	100.00%		Business combination under common control
Shanghai Goertek Technology Co., Ltd.	RMB 10,000,000	Shanghai	Shanghai	R&D	100.00%		Establishment
Nanjing Goertek Technology Co., Ltd.	RMB 50,000,000	Nanjing	Nanjing	R&D	100.00%		Establishment
Weifang Lokomo Precision Industry Co., Ltd.	RMB 50,000,000	Weifang	Weifang	Production & sales	100.00%		Business combination under common control
Goertek Investment Co., Ltd.	RMB 100,000,000	Shanghai	Shanghai	Investment	100.00%		Establishment
Beijing Goertek Investment Management Co., Ltd.	RMB 50,000,000	Beijing	Beijing	Investment asset management		100.00%	Establishment
Olive Smart Hardware Investment Center LP	RMB 300,000,000	Qingdao	Qingdao	Investment		100.00%	Establishment
Goertek Intelligence Technology Co., Ltd.	RMB 350,000,000	Dongguan	Dongguan	R&D, production & sales	100.00%		Establishment
Rongcheng Goertek Technology Co., Ltd.	RMB 2,100,000,000	Rongcheng	Rongcheng	R&D, production & sales	100.00%		Establishment
Qingdao Goertek Commercial Factoring Co., Ltd.	RMB 100,000,000	Qingdao	Qingdao	Commercial factoring	100.00%		Establishment
Nanning Goertek Electronics Co., Ltd.	RMB 80,000,000	Nanning	Nanning	R&D, production & sales	100.00%		Establishment
Nanning Goertek Trading Co., Ltd.	RMB 10,000,000	Nanning	Nanning	Trade		100.00%	Establishment
Xi'an Goertek Electronic Technology Co., Ltd.	RMB 8,000,000	Xi'an	Xi'an	R&D	100.00%		Establishment
Yishui TECO Electronics Technology Co., Ltd.	RMB 145,000,000	Yishui	Yishui	R&D, production & sales		100.00%	Establishment
Qingdao Resonance I Venture Capital Fund LP	RMB 878,790,000	Qingdao	Qingdao	Investment	45.52%		Establishment
Weifang Goertek Electronic Technology Co., Ltd.	RMB 2,288,500,000	Weifang	Weifang	Production & sales		100.00%	Establishment
Qingdao Goertek Horizons Technology Co., Ltd.	RMB 100,000,000	Qingdao	Qingdao	Production & sales	100.00%		Establishment
Weifang High-tech Zone Goertek Education Center	RMB 300,000	Weifang	Weifang	Education and training	100.00%		Establishment
Chongqing Goertek Auto Technology Co., Ltd.	RMB 10,000,000	Chongqing	Chongqing	R&D, production & sales	100.00%		Establishment
Shanghai Goertek Technology Development Co., Ltd.	RMB 100,000,000	Shanghai	Shanghai	R&D and trading	100.00%		Establishment
Chengdu Goertek Technology Co., Ltd.	RMB 5,000,000	Chengdu	Chengdu	R&D and trading	100.00%		Establishment

Name of subsidiary	Registered capital	Main location of business operation	Registration place	Business nature	Shareholding ratio		Acquisition method
					Direct	Indirect	
Goertek Starshine (Qingdao) Inc.	RMB 20,000,000	Qingdao	Qingdao	R&D and trading	100.00%		Establishment
Weifang Goertek Smart Technology Co., Ltd.	RMB 70,000,000	Weifang	Weifang	R&D, production & sales		100.00%	Establishment
Qingdao Goertek Starshine Smart Technology Co., Ltd.	RMB 200,000,000	Qingdao	Qingdao	R&D, production & sales	100.00%		Establishment
Hefei Goertek Technology Co., Ltd.	RMB 5,000,000	Hefei	Hefei	R&D and trading	100.00%		Establishment
Hangzhou Goertek Technology Co., Ltd.	RMB 5,000,000	Hangzhou	Hangzhou	R&D and trading	100.00%		Establishment
Dongguan Yili Technology Co., Ltd.	RMB 10,000,000	Dongguan	Dongguan	R&D, production & sales	100.00%		Establishment
Hainan Goertek Trading Co., Ltd.	RMB 50,000,000	Hainan	Hainan	Import and export trade	100.00%		Establishment
Shanghai Goertek IntelliReach Technology Co., Ltd.	RMB 50,000,000	Shanghai	Shanghai	R&D, production & sales	100.00%		Establishment
Goertek Vina Co., Ltd.	USD 40,000,000	Vietnam	Vietnam	Production & sales	98.00%	2.00%	Establishment
Goertek (Korea) Technology Inc.	KRW 1,535,135,000	Korea	Korea	R&D and trading	100.00%		Establishment
Goertek (HongKong) Co., Limited	USD 1,000,000	Hong Kong	Hong Kong	Trade investment		100.00%	Establishment
Goertek Technology Vina Co., Ltd.	USD 120,000,000	Vietnam	Vietnam	Production & sales		100.00%	Establishment
Goertek Precision Industry Vietnam Co., Ltd.	USD 100,000,000	Vietnam	Vietnam	Production & sales		100.00%	Establishment
Goertek Smart Technology Vina Co., Ltd.	USD 130,000,000	Vietnam	Vietnam	Production & sales		100.00%	Establishment
Goertek Electronics Vietnam Co., Ltd.	USD 60,000,000	Vietnam	Vietnam	Production & sales		100.00%	Establishment
Goertek Europe ApS	DKK 1,000,000	Denmark	Denmark	Sales services		100.00%	Establishment
Goertek Seiki Technology Co., Ltd.	JPY 80,000,000	Japan	Japan	R&D, production & sales		100.00%	Establishment
Optimas Capital Partners Fund LP	USD 56,488,691.9	Hong Kong	Hong Kong	Investment		76.92%	Establishment
Goertek Singapore Pte. Ltd.	USD 10,000,000	Singapore	Singapore	R&D, investment, and trading		100.00%	Establishment
Goertek Electronics, Inc.	USD 100,000	USA	USA	R&D and trading	100.00%		Business combination not under common control
Goertek Technology Taiwan Co., Ltd.	TWD 28,899,000	Taiwan	Taiwan	Trade	100.00%		Establishment
Goertek Technology Japan Co., Ltd.	JPY 50,000,000	Japan	Japan	R&D and trading	100.00%		Establishment

Name of subsidiary	Registered capital	Main location of business operation	Registration place	Business nature	Shareholding ratio		Acquisition method
					Direct	Indirect	
Goertek Technology (HongKong) Co., Limited	USD 1,000,000	Hong Kong	Hong Kong	Trade investment		100.00%	Establishment
Goertek Holdings (HongKong) Co., Limited	USD 10,000,000	Hong Kong	Hong Kong	Investment		100.00%	Establishment
Yili Technology Vietnam Company Limited	USD 60,000,000	Vietnam	Vietnam	Production & sales		100.00%	Establishment
Goertek Singapore Holdings Pte. Ltd.	USD 10,000,000	Singapore	Singapore	Investment		100.00%	Establishment

Explanation of the shareholding ratio in subsidiaries different from the voting ratio:

None

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

From its establishment until mid-December 2024, Qingdao Resonance I Venture Capital Fund LP was held by the Company with a limited partnership share exceeding 50%. As of the end of the reporting period, the Company continues to hold 45.52% of the interest as the largest limited partner. After the comprehensive consideration of the above factors, Resonance Fund remains included in the Company's consolidated scope.

Basis for controlling significant structured entities included in the combination scope:

None

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

None

Other explanations:

None

## (2) Important non-wholly-owned subsidiary

None

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

None

## (4) Major restrictions on using the Group's assets and paying off the Group's debts

None

## (5) Financial support or other support provided to structured entities included in consolidated financial statements

None

## 2. Transactions in which the share of shareholders' equity in a subsidiary change, but control is retained

### (1) Explanation of changes in the share of shareholders' equity in subsidiaries

① In June 2025, the original subsidiary Goertek Optical Technology Co., Ltd. received a total capital increase of RMB 280.80 million from shareholders. After the capital increase, the Company's shareholding in Goertek Optical Technology Co., Ltd. changed from 61.10% to 56.6560%, with an increase in capital reserve of RMB 181,264,075.24.

② In July 2025, the Company acquired 100% equity of Dongguan Yili Precision Manufacturing Co., Ltd., a wholly-owned subsidiary of Goertek Optical Technology Co., Ltd. After the transaction, the Company's equity in Dongguan Yili Precision Manufacturing Co., Ltd. changed from 56.6560% to 100%.

③ In January 2025, the subsidiary Qingdao Resonance I Venture Capital Fund LP received a capital increase from shareholders, with

a total capital and a total paid-in capital both increase of RMB 298.637 million. After the capital increase, the Company's equity in Qingdao Resonance I Venture Capital Fund LP was 45.52%, with a decrease of the capital reserve by RMB 2,594,500.36.

## (2) The impact of transactions on minority shareholders' equity and the equity attributable to the parent company

Unit: RMB

	Goertek Optical Technology Co., Ltd.	Qingdao Resonance I Venture Capital Fund LP
Purchase cost/disposal consideration		
—Cash	280,800,000.00	120,000,000.00
—Fair value of non-cash assets		
Total purchase cost/disposal consideration	280,800,000.00	120,000,000.00
Less: The net asset share of a subsidiary calculated according to the proportion of the equity acquired/disposed	99,535,924.76	122,594,500.36
Difference	181,264,075.24	-2,594,500.36
Including: Adjustment to capital reserve	181,264,075.24	-2,594,500.36
Adjustment to surplus reserve		
Adjustment to retained earnings		

## 3. Rights and interests in joint venture arrangements and associates

### (1) Important joint ventures and associates

Name of joint venture or associated enterprise	Primary place of business	Place of registration	Nature of business	Shareholding ratio		Accounting treatment for investments in joint ventures or associates
				Direct	Indirect	
Goertek Optical Technology Co., Ltd.	Weifang	Weifang	Production and sales	38.57%		Equity method

The explanation for the difference between the shareholding ratio and voting rights ratio in joint ventures or associates:

None

Hold less than 20% voting rights but with significant influence, or hold 20% or more voting rights but without significant influence, based on:

None

### (2) Main financial information of important joint ventures

None

### (3) Main financial information of important associated enterprises

Unit: RMB

	Closing balance/amount for the current period	Opening balance/amount for the previous period
	Goertek Optical Technology Co., Ltd.	
Current assets	2,079,996,163.36	
Non-current assets	4,544,665,498.82	

	Closing balance/amount for the current period	Opening balance/amount for the previous period
	Goertek Optical Technology Co., Ltd.	
Total assets	6,624,661,662.18	
Current liabilities	2,275,716,443.73	
Non-current liabilities	2,753,885,094.32	
Total liabilities	5,029,601,538.05	
Minority interests		
Total equity attributable to shareholders of the parent company	1,595,060,124.13	
Equity share calculated based on shareholding ratio	615,235,425.66	
Adjustment items		
-- Goodwill	1,674,008,392.46	
-- Unrealized profit on intercompany transactions		
-- Other		
Carrying value of equity investments in associates	2,289,243,818.12	
Fair value of equity investments in associates with quoted prices		
Revenue	232,732,833.33	
Net Profit	-176,983,808.11	
Net profit from discontinued operations		
Other comprehensive income	-1,728,388.16	
Total comprehensive income	-178,712,196.27	
Dividends received from associates this year		

Additional notes:

The financial information above has been adjusted based on the fair value of the identifiable assets and liabilities of the investee at the time of the acquisition of investment.

#### (4) Summary of financial information of unimportant joint ventures and associates

Unit: RMB

	Closing balance/amount for the current period	Opening balance/amount for the previous period
Joint ventures:		
The total of the following items calculated according to the shareholding ratio		
Associated enterprises:		
Total carrying value of investments	2,167,550,548.17	734,411,641.50
The total of the following items calculated according to the shareholding ratio		

	Closing balance/amount for the current period	Opening balance/amount for the previous period
—Net profit	77,902,426.98	-26,835,728.84
—Other comprehensive income	-303,116.77	436.41
—Total comprehensive income	77,599,310.21	-26,835,292.43

**(5) Statement of important restrictions on the ability of joint ventures or associates to transfer capital to the Company**

None

**(6) Excess losses incurred by joint ventures or associated enterprises**

None

**(7) Unrecognized commitments related to the investment in joint ventures**

None

**(8) Contingent liabilities related to the investment in joint ventures or associates**

None

**4. Important joint operations**

None

**5. Rights and interests in structured entities not included in consolidated financial statements**

Explanation of structured entities not recognized in the consolidated financial statements:

None

**6. Others**

None

**XI. Government Grants**

**1. Government grants recognized based on receivable amounts at the end of the reporting period**

Applicable  Not applicable

Reasons for not receiving the expected amount of government subsidies at the anticipated time

Applicable  Not applicable

**2. Liability items involving government subsidies**

Applicable  Not applicable

Unit: RMB

Accounting items	Opening balance	Amount of new subsidies in current period	Amount included in non-operating income of the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Asset-related/income-related
Deferred	517,913,990.19	138,079,666.82		85,878,869.60	69,856,671.80	500,258,115.61	Asset-

Accounting items	Opening balance	Amount of new subsidies in current period	Amount included in non-operating income of the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Asset-related/income-related
income							related

### 3. Government subsidies included in current profit or loss

Applicable  Not applicable

Unit: RMB

Accounting items	2025	2024
Other income - directly recognized	83,721,790.30	112,016,349.35
Other income - Transferred from deferred income	85,878,869.60	84,859,893.15
Gains on disposal of assets	34,071,400.28	
Non-operating income		47,012.69
Total	203,672,060.18	196,923,255.19

## XII. Risks Related to Financial Instruments

### 1. Various risks arising from financial instruments

The major financial instruments of the Group include equity investments, accounts receivable, borrowings and accounts payable, etc. For details on the financial instruments, please refer to Note VII. Relevant Items. Risks related to the financial instruments and the Group's risk management policy used for reducing these risks are stated as follows. The Group's management manages and monitors these exposures to ensure that these risks are controlled within a limited scope.

The Group analyzes the impact of reasonably possible changes in risk variables on the current profit or loss or shareholders' equity using sensitivity analysis techniques. As risk variables rarely change in isolation, and the correlation between risk variables plays a significant role in determining the final impact of changes in a specific risk variable, the following disclosures are made assuming that each variable changes independently.

#### (I) Risk management goals and policies

The Group's risk management aims to reach an appropriate balance between risks and returns, to minimize the negative impact of risks on the Group's operating results, and to maximize the interests of shareholders and other equity investors. Based on these risk management goals, the Group's basic strategy for risk management is to identify and analyze various risks faced by the Group, establish appropriate risk tolerance thresholds, implement risk management measures, and supervise various risks in a timely and reliable manner to control the risks within a limited scope.

#### 1) Market risk

##### ① Exchange rate risk

Exchange risk refers to the risk of loss due to exchange rate changes. The Group's exposure to exchange rate risk is primarily related to USD. Except for the Company and several subsidiaries which make purchases and sales in USD, EUR, JPY, VND, DKK, HKD, TWD and KRW, other main business of the Group is measured and settled in RMB. As of December 31, 2025, the foreign currency monetary items of the Company are detailed in Note VII. 65. Apart from the assets or liabilities, certain trading financial assets, certain financial liabilities held for trading, some investments in other equity instruments, some other non-current financial assets, and some other non-current assets set out in that table which have foreign currency balances, the Group's assets and liabilities are mainly recognized in RMB. The exchange risks arising from the assets and liabilities denominated in foreign currencies may have an impact on the operating results of the Group.

The Group closely monitors the impact of exchange rate changes on the Group's exchange risks. The Company has a large volume of export sales, and also needs to import a portion of raw materials. Some equipment for research, development, production and testing of the Company also needs to be purchased from abroad. The Company's export sales and imported raw materials are mainly settled in USD. The depreciation of USD and the appreciation of RMB will reduce the procurement cost of imported raw materials, but adversely affect the competitiveness of the Company's products in overseas markets. Considering the import of raw materials and export of products, the appreciation of RMB against USD will to some extent affect the Company's profitability.

Exchange rate risk sensitivity analysis:

Assuming all other variables remain constant, the impact of reasonably possible changes in the US dollar exchange rate on profit or loss and shareholders' equity for the current period is as follows:

Item	Change in exchange rate	2025		2024	
		Impact on net profit (RMB)	Impact on equity attributable to owners of the parent company (RMB)	Impact on net profit (RMB)	Impact on equity attributable to owners of the parent company (RMB)
USD	3% appreciation against RMB	-114,173,391.79	-116,417,542.14	64,758,442.82	61,834,110.57
USD	3% depreciation against RMB	114,173,391.79	116,417,542.14	-64,758,442.82	-61,834,110.57

## ② Interest rate risk

The Group's interest rate risk arises primarily from long-term bank loans and other long-term interest-bearing debts. Floating-rate financial liabilities expose the Group to cash flow interest rate risk, while fixed-rate financial liabilities expose the Group to fair value interest rate risk. The Group determines the relative proportion of fixed-rate and floating-rate contracts based on the prevailing market conditions. As of December 31, 2025, the Group's long-term interest-bearing debts were mainly floating-rate contracts denominated in USD or RMB, including RMB 3,259,500,000 and USD 42,963,500 (as of December 31, 2024: 3,064,000,000 and USD 85,927,000).

The Group continuously monitors the interest rate levels. An increase in interest rates will raise the cost of newly incurred interest-bearing debts and the Group's outstanding interest expenses on floating-rate interest-bearing debts, significantly adversely affecting the Group's financial performance. Management will make timely adjustments based on the latest market conditions, which may include arrangements for interest rate swaps to reduce interest rate risk.

As of December 31, 2025, if the interest rate on floating-rate borrowings increases or decreases by 50 base points with other factors unchanged, the net profit of the Group will decrease or increase by about RMB 16,300,000 (December 31, 2024: Net profit will decrease or increase by approximately RMB 12,890,000).

## ③ Other price risks

None

## 2) Credit risk

As of December 31, 2025, the maximum credit risk exposure that may cause the Group's financial loss mainly arises from the loss on the Group's financial assets caused by the counterparty's failure to fulfill its contractual obligations.

In order to reduce credit risk, the Group established a team responsible for setting the credit limits, conducting credit approval, and implementing other monitoring procedures to ensure that necessary measures are taken to recover overdue receivables. Additionally, the Company cooperates with commercial insurance institutions to take out insurance coverage for high-risk customers, so as to reduce the risk of bad debt arising from credit sales. In addition, the Group reviews the recovery of each individual receivable at each balance sheet date to ensure that adequate bad debt provision is made for unrecoverable amounts. Therefore, the Group's management believes that the credit risk undertaken by the Group has been greatly reduced.

The Group has put in place necessary policies to ensure that all its customers have good credit records.

The Group's non-cash monetary funds are mainly deposited with financial institutions of good credit standing. Management assesses that there is no significant credit risk, and no material losses are expected to arise from counterparty defaults.

① There is no overdue but unimpaired amount in the Group's receivables;

② Analysis of financial assets with individual impairment, including the judgment on factors to be considered in the impairment of such financial assets

None

### 3) Liquidity risk

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

The Group uses bank borrowings and issuance of equity instruments as its main sources of funds. As of December 31, 2025, the unused bank credit line of the Group was RMB 59.877 billion (December 31, 2024: RMB 48.758 billion).

## (II) Transfer of financial assets

### 1) Derecognized financial assets that have not yet matured

Items	Transfer method	Amount derecognized (RMB)	Gains or losses related to derecognition (RMB)
Receivables financing	Notes endorsed, discount	131,863,156.25	-237,187.97
Accounts receivable	Buyout factoring	2,460,492,995.00	-15,100,227.39

### 2) Assets and liabilities formed by transferring financial assets with continuing involvement

Items	Transfer method of assets	The amount of assets formed by continuing involvement (RMB)	The amount of liabilities formed by continuing involvement (RMB)
Notes receivable	Notes discount	300,000,000.00	300,000,000.00

## 2. Hedging

### (1) The Company conducts hedging activities for risk management.

Applicable  Not applicable

Item	Corresponding risk management strategies and objectives	Qualitative and quantitative information on the hedged risks	Economic relationship between the hedged items and related hedging instruments	Effective achievement of expected risk management objectives	Impact of corresponding hedging activities on risk exposure.
Exchange rate risk	Locking in the exchange rate risk of foreign currency assets and foreign currency liabilities held by the Company	Exchange rate fluctuations lead to corresponding foreign exchange gains and losses on the foreign currency assets and liabilities held by the Company	There is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes the values of the hedging instruments and hedged items to change in opposite directions due to facing the same hedged risk.	The expected risk management objectives can be achieved.	Exchange rate risk

### (2) The Company conducts qualified hedging activities and applies hedge accounting.

None

**(3) The Company engages in hedging activities for risk management purposes and expects to achieve its risk management objectives, but has not applied hedge accounting.**

Applicable  Not applicable

Item	Reasons for not applying hedge accounting	Impact on financial statements
Exchange rate risk	The Company has not yet designated any hedging instruments or hedged items in light of the Company's current business situation and a comprehensive assessment of the costs and benefits.	Gains and losses on derivative financial instruments are recognized directly in the accounts of gains and losses on changes in fair value and investment income.

**3. Financial assets****(1) Classification of transfer method**

Applicable  Not applicable

Unit: RMB

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition situation	Basis for determining derecognition
Notes discount, endorsement	Receivables financing	131,863,156.25	Derecognition	Transfer of risks and rewards
Buyout factoring	Accounts receivable	2,460,492,995.00	Derecognition	Transfer of risks and rewards
Notes discount	Notes receivable	300,000,000.00	Not derecognized	
Total		2,892,356,151.25		

**(2) Financial assets derecognized due to transfer**

Applicable  Not applicable

Unit: RMB

Item	Transfer method of financial assets	Amount of derecognized financial assets	Gains or losses related to derecognition
Receivables financing	Notes discount, endorsement	131,863,156.25	-237,187.97
Accounts receivable	Buyout factoring	2,460,492,995.00	-15,100,227.39
Total		2,592,356,151.25	-15,337,415.36

**(3) Financial assets resulting from continuing involvement in asset transfers**

Applicable  Not applicable

Unit: RMB

Item	Transfer method of assets	The amount of assets formed by continuing involvement	The amount of liabilities formed by continuing involvement
Notes receivable	Notes discount	300,000,000.00	300,000,000.00
Total		300,000,000.00	300,000,000.00

**XIII. Disclosure of Fair Value****1. The closing fair value of assets and liabilities measured at fair value**

Unit: RMB

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(I) Financial assets held for trading		188,938,926.24	2,305,048,765.28	2,493,987,691.52
1. Financial assets at fair value through profit or loss		188,938,926.24	2,305,048,765.28	2,493,987,691.52
(1) Investments in debt instruments			1,301,414,089.05	1,301,414,089.05
(2) Investments in equity instruments			1,003,634,676.23	1,003,634,676.23
(3) Derivative financial assets		188,938,926.24		188,938,926.24
(II) Investments in other equity instruments	78,439,740.77		172,411,802.65	250,851,543.42
(III) Receivables financing			83,129,080.20	83,129,080.20
(IV) Other non-current financial assets			1,324,908,616.95	1,324,908,616.95
Total assets continuously measured at fair value	78,439,740.77	188,938,926.24	3,885,498,265.08	4,152,876,932.09
(V) Financial liabilities held for trading		51,768,106.35		51,768,106.35
including: Derivative financial liabilities		51,768,106.35		51,768,106.35
Total liabilities continuously measured at fair value		51,768,106.35		51,768,106.35
II. Non-continuous fair value measurement	--	--	--	--

## 2. Determination basis for the market price of continuous and non-continuous Level 1 fair value measurement items

The closing price at the end of the year is used as the basis for determining the market price of the shares of domestic and foreign listed companies held by the Company.

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

Directly or indirectly observable input values for the related assets or liabilities, other than Level 1 inputs.

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

The fair value is determined based on valuations using the income approach and the asset-based approach, as well as the net book asset value.

## 5. Adjustment information and sensitivity analysis of non-observable parameters between opening and closing carrying value for continuous Level 3 fair value measurement items

None

## 6. For items continuously measured at fair value, if there is conversion among different levels in the current period, reasons for conversion and the policy for determining conversion time points

None

## 7. Changes in valuation techniques during the current period and reasons for changes

None

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

The Group's financial assets and liabilities measured at amortized cost mainly include: cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, lease liabilities, etc. The carrying amounts of the aforementioned financial assets and liabilities not measured at fair value have little difference with their fair value.

## 9. Others

None

# XIV. Related Parties and Related Party Transactions

## 1. Information about the parent company of the Company

Parent company name	Registration place	Business nature	Registered capital	Shareholding ratio of the parent company in the Company	Proportion of voting rights of the parent company in the Company
Goertek Group Co., Ltd.	Weifang	Equity investment management, etc.	RMB 100,000,000	15.65%	15.65%

Explanation of the parent company of the Company

The Company's parent company and ultimate parent company are Goertek Group Co., Ltd.

The ultimate controllers of the Company are Jiang Bin and Hu Shuangmei.

## 2. Information about the subsidiaries of the Company

Please refer to Note X.1. "Interests in subsidiaries" for details of the subsidiaries of the Company.

## 3. Information on joint ventures and associated enterprises of the Company

Please refer to Note X.3. "Rights and interests in joint venture arrangements and associates" for details of the important joint ventures or associated enterprises of the Company.

Information about other joint ventures or associated enterprises that have related party transactions with the Company in the current period, or have a balance resulting from related party transactions with the Company in the previous period is as follows:

Name of joint ventures and associated enterprises	Relationship with the Company
Qingdao Virtual Reality Institute Co., Ltd.	Associate of the Company
SeeYA Technology Corp.	Associate of the Company
Goertek Optical Technology Co., Ltd.	Associate of the Company
Shanghai Conant Optical Co., Ltd.	Associate of the Company

Additional notes: The aforementioned associates include the entity and its subsidiaries.

#### 4. Information on other related parties

Name of other related parties	Relationship between other related parties and the Company
Jiang Bin	Actual controller and board chairman of the Company
Hu Shuangmei	Actual controller
Jiang Long	Person acting in concert with the actual controller, Vice Chairman and President of the company
Weifang Goer Farm Co., Ltd.	Business of the same actual controller
Goerlife Co., Ltd.	Business of the same actual controller
Weifang Goer Property Service Co., Ltd.	Business of the same actual controller
Wemake (Qingdao) Digital Creative Technology Co., Ltd.	Business of the same actual controller
Qingdao Dotcom Hotel Management Co., Ltd.	Business of the same actual controller
Weifang Dotcom Hotel Management Co., Ltd.	Business of the same actual controller
Weifang Goer Manor Food & Beverage Co., Ltd.	Business of the same actual controller
Weihai Goer Ecological Agriculture Co., Ltd.	Business of the same actual controller
Weifang Goer Health Management Co., Ltd.	Business of the same actual controller
Wemake (Weihai) Digital Creative Technology Co., Ltd.	Business of the same actual controller
Bei Ge (Weifang) Intelligent Technology Co., Ltd.	Business of the same actual controller
Weihai Dotcom Hotel Management Co., Ltd.	Business of the same actual controller
Shandong Goer Education Group Co., Ltd.	Business of the same actual controller
Qingdao Goerpixel Technology Co., Ltd.	Business of the same actual controller
Xi'an Goerpixel Technology Co., Ltd.	Business of the same actual controller
Wemake (Weifang) Digital Creative Technology Co., Ltd.	Business of the same actual controller
Goer Research & Education Service (Shandong) Co., Ltd.	Business of the same actual controller
Goertek Robotics Co., Ltd.	Business of the same actual controller
Wemake (Beijing) Digital Creative Technology Co., Ltd.	Business of the same actual controller
Jinan Goerpixel Technology Co., Ltd.	Business of the same actual controller
Shanghai Goerpixel Technology Co., Ltd.	Business of the same actual controller
Weifang High-Tech Zone Zhuohe Kindergarten	Business of the same actual controller
Weifang High-Tech Zone Goer Kindergarten	Business of the same actual controller
Weifang High-Tech Zone Yasong Linju Kindergarten	Business of the same actual controller
Weifang Goer Real Estate Co., Ltd.	Business of the same actual controller
Weifang Goer Innovation Technology Co., Ltd.	Business of the same actual controller
Qingdao Resonance Venture Capital Management Co., Ltd.	Enterprise controlled by an affiliated natural person
Weifang Goerdyna Technology Co., Ltd.	Enterprise controlled by an affiliated natural person
Little Bird Co., Ltd.	Enterprise controlled by an affiliated natural person
Weifang Dotcom Catering Management Co., Ltd.	Enterprise controlled by an affiliated natural person
Dotcom Investment Co., Ltd.	Enterprise controlled by an affiliated natural person
Qingdao Qiaoshi Catering Management Co., Ltd.	Enterprise controlled by an affiliated natural person
Dan Audio Trading Co., Ltd.	Enterprise controlled by an affiliated natural person
Qingdao Dotcom Catering Management Co., Ltd.	Enterprise controlled by an affiliated natural person
Beijing Dotcom Lab Co., Ltd.	Enterprise controlled by an affiliated natural person
Beijing Dotcom Creative Design Co., Ltd.	Enterprise controlled by an affiliated natural person
Dynaudio (Shanghai) Co., Ltd.	Enterprise controlled by an affiliated natural person
GoerDyna Technology Co., Ltd.	Enterprise controlled by an affiliated natural person
Shenzhen Goerdyna Technology Co., Ltd.	Enterprise controlled by an affiliated natural person
Beijing Dotcom Coffee Co., Ltd.	Enterprise controlled by an affiliated natural person
Dynaudio A/S	Enterprise controlled by an affiliated natural person
GravityXR Electronics and Technology Co., Ltd.	Enterprises with affiliated natural persons serving as directors
Jiaying Zeray New Material Technology Co., Ltd.	Enterprises with affiliated natural persons serving as directors

Other explanations:

Weifang Dotcom Hotel Management Co., Ltd. was deregistered on December 19, 2024.

## 5. Related party transactions

### (1) Related party transactions involving purchase and sale of goods, and rendering and receipt of services

Statement of purchasing goods/accepting labor services

Unit: RMB

Related parties	Related party transactions	2025	Approved trading limit	Exceed the trading limit or not	2024
Goerlife Co., Ltd.	Purchasing goods and services	48,921,706.26	120,000,000.00	Yes, but it does not exceed 0.5% of the latest audited net assets.	30,002,550.67
Weifang Goer Farm Co., Ltd.	Purchasing goods and services	34,228,982.36			37,320,556.67
Weifang Goer Property Service Co., Ltd.	Purchasing goods and services	12,761,520.14			12,830,388.87
Weifang Goer Health Management Co., Ltd.	Receiving labor service	11,392,968.00			1,830,334.17
Qingdao Dotcom Hotel Management Co., Ltd.	Purchasing goods and services	7,460,550.07			4,997,653.93
Weifang Goer Manor Food & Beverage Co., Ltd.	Purchasing goods	4,663,622.40			2,668,788.64
Wemake (Qingdao) Digital Creative Technology Co., Ltd.	Purchasing goods and services	4,036,536.96			5,443,242.50
Goer Research & Education Service (Shandong) Co., Ltd.	Purchasing goods and services	3,529,920.82			
Goertek Group Co., Ltd.	Purchasing goods and services	839,358.36			11,445,715.30
Weihai Goer Ecological Agriculture Co., Ltd.	Purchasing goods and services	610,189.57			2,032,066.46
Wemake (Weihai) Digital Creative Technology Co., Ltd.	Purchasing goods and services	546,699.91			74,191.66
Qingdao Goerpixel Technology Co., Ltd.	Purchasing goods and services	446,847.24			
Xi'an Goerpixel Technology Co., Ltd.	Receiving labor service	316,943.60			
Weihai Dotcom Hotel Management Co., Ltd.	Purchasing goods	109,986.00			13,178.00
Wemake (Weifang) Digital Creative Technology Co.,	Receiving labor service	90,018.59			

Related parties	Related party transactions	2025	Approved trading limit	Exceed the trading limit or not	2024
Ltd.					
Bei Ge (Weifang) Intelligent Technology Co., Ltd.	Purchasing goods and services	85,951.00			58,086.04
Weifang Dotcom Hotel Management Co., Ltd.	Purchasing goods and services				2,717,367.22
Weifang Goerdyna Technology Co., Ltd.	Purchasing goods and services	3,147,399.68	9,000,000.00	No	1,870,577.70
Little Bird Co., Ltd.	Purchasing goods	432,234.30			1,795,727.74
Dynaudio (Shanghai) Co., Ltd.	Purchasing goods	308,150.43			
Dan Audio Trading Co., Ltd.	Purchasing goods				66,703.80
Goertek Optical Technology (HongKong) Co., Limited	Purchasing goods	55,949,404.85			
Qingdao Resonance Venture Capital Management Co., Ltd.	Receiving labor service	21,939,480.00			16,622,559.13
Qingdao Virtual Reality Institute Co., Ltd.	Receiving labor service	14,476,187.48			5,720,943.39
Goertek Optical Technology Co., Ltd.	Purchasing goods and services	9,206,664.43			
SeeYA Technology Corp.	Purchasing goods and services	8,333,410.78			4,608,299.35
Qingdao Guochuang Virtual Reality Testing Co., Ltd.	Purchasing goods and services	4,382,301.91			459,254.72
Shanghai Konnet Optics Co., Ltd.	Purchasing goods	2,151,950.09			
Goertek Optoelectronics Technology (Qingdao) Co., Ltd.	Purchasing goods	1,900,801.34			
GravityXR Electronics and Technology Co., Ltd.	Receiving labor service	1,649,700.00			2,664,900.00
Beijing Dotcom Creative Design Co., Ltd.	Purchasing goods and services	1,537,465.63			
Jiaying Zeray New Material Technology Co.,	Purchasing goods and services	848,484.10			562,151.31

Related parties	Related party transactions	2025	Approved trading limit	Exceed the trading limit or not	2024
Ltd.					
Weifang Dotcom Catering Management Co., Ltd.	Purchasing goods and services	828,928.10			640,714.70
Beijing Dotcom Lab Co., Ltd.	Purchasing goods	369,739.37			10,446.00
Qingdao Qiaoshi Catering Management Co., Ltd.	Receiving labor service	144,214.00			258,491.00
Dotcom Investment Co., Ltd.	Purchasing goods	139,326.29			527,670.27
Qingdao Dotcom Catering Management Co., Ltd.	Purchasing goods and services	88,148.30			49,631.50

The approved transaction limits in the table above can be referenced in the Company's announcement titled *Announcement on the Forecast of Daily Related Party Transactions in 2025* disclosed on designated information disclosure media on March 27, 2025.

Statement of sales of goods/rendering of services

Unit: RMB

Related parties	Related party transactions	2025	2024
Weifang Goerdyna Technology Co., Ltd.	Sales of goods and services	22,398,276.50	129,119,994.92
Goertek Optical Technology Co., Ltd.	Sales of goods and services	13,830,901.73	
Qingdao Goerpixel Technology Co., Ltd.	Sales of goods and services	11,077,213.33	
Shanghai Goerpixel Technology Co., Ltd.	Sales of goods and services	10,649,294.99	
SeeYA Technology Corp.	Sales of goods and services	8,835,975.44	
Goertek Robotics Co., Ltd.	Sales of goods and services	6,877,733.19	388,545.79
Goerlife Co., Ltd.	Sales of goods and services	5,059,840.66	1,294,670.73
Qingdao Virtual Reality Institute Co., Ltd.	Sales of goods and services	3,874,798.81	4,205,778.83
Little Bird Co., Ltd.	Sales of goods and services	3,491,081.61	5,928,705.14
Goertek Optoelectronics Technology (Qingdao) Co., Ltd.	Sales of goods and services	3,382,491.00	
Goertek Optical Technology (HongKong) Co., Limited	Sales of goods	2,258,359.39	
Beijing Dotcom Coffee Co., Ltd.	Rendering of service	1,781,887.20	
Goertek Group Co., Ltd.	Sales of goods and services	1,545,565.73	1,067,608.65
Jinan Goerpixel Technology Co., Ltd.	Rendering of service	1,455,650.48	
Bei Ge (Weifang) Intelligent Technology Co., Ltd.	Sales of goods and services	1,403,666.15	657,711.13
Shenzhen Goerdyna Technology Co., Ltd.	Rendering of service	1,048,591.88	
Nanjing Uphoton Technology Co., Ltd.	Rendering of service	166,727.29	

Related parties	Related party transactions	2025	2024
Uphoton Technology (Beijing) Co., Ltd.	Rendering of service	142,380.00	
GoerDyna Technology Co., Ltd.	Rendering of service	122,036.81	1,899,104.88
Wemake (Weihai) Digital Creative Technology Co., Ltd.	Sales of goods and services	114,000.00	37,361.38
Shandong Goer Education Group Co., Ltd.	Sales of goods	84,955.20	55,752.21
Xi'an Goerpixel Technology Co., Ltd.	Rendering of service	65,188.86	
Weifang Goer Health Management Co., Ltd.	Rendering of service	50,968.00	
GravityXR Electronics and Technology Co., Ltd.	Sales of goods	30,851.26	803,381.24
Jiaxing Uphoton Optoelectronics Technology Co., Ltd.	Sales of goods and services	6,860.24	
Dan Audio Trading Co., Ltd.	Rendering of service	3,150.00	
Qingdao Dotcom Hotel Management Co., Ltd.	Rendering of service		150,943.40
Wemake (Qingdao) Digital Creative Technology Co., Ltd.	Rendering of service		30,171.00
Wemake (Beijing) Digital Creative Technology Co., Ltd.	Rendering of service		1,017.00
Wemake (Weifang) Digital Creative Technology Co., Ltd.	Rendering of service		1,017.00

## (2) Related entrusted management/contracting and entrusted management/outsourcing

None

## (3) Information of related parties lease

The Company acts as the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease income recognized in current period	Lease income recognized in last period
Weifang Goerdyna Technology Co., Ltd.	Building, vehicles	11,513,609.53	11,912,629.15
Goertek Optical Technology Co., Ltd.	Building	2,089,214.25	
Shenzhen Goerdyna Technology Co., Ltd.	Building	507,842.20	1,376,141.31
GoerDyna Technology Co., Ltd.	Building	356,036.70	
Shanghai Goerpixel Technology Co., Ltd.	Building	345,941.38	
Goertek Group Co., Ltd.	Building, vehicles	344,267.02	5,541.15
Uphoton Technology (Beijing) Co., Ltd.	Building	272,400.00	
Bei Ge (Weifang) Intelligent Technology Co., Ltd.	Building	201,630.00	265,628.00
Qingdao Dotcom Hotel Management Co., Ltd.	Building	132,110.09	
Wemake (Weifang) Digital Creative Technology Co., Ltd.	Building	37,431.19	
Weifang High-Tech Zone Zhuohe Kindergarten	Building	36,000.00	25,667.26
Shandong Goer Education Group Co., Ltd.	Building, vehicles	28,447.78	9,805.31
Dotcom Investment Co., Ltd.	Building	28,073.39	39,633.03
Qingdao Goerpixel Technology Co., Ltd.	Building	26,300.00	
Qingdao Resonance Venture Capital Management Co., Ltd.	Building	20,344.96	
Weifang Goer Innovation Technology Co., Ltd.	Building	13,466.67	
Goer Research & Education Service (Shandong) Co., Ltd.	vehicles	11,975.22	
Wemake (Qingdao) Digital Creative Technology Co., Ltd.	Building	10,172.48	
Weifang Goer Farm Co., Ltd.	Building	7,471.24	18,180.97
Weifang Goer Health Management Co., Ltd.	Building, vehicles	4,157.52	5,713.27

Name of lessee	Type of leased assets	Lease income recognized in current period	Lease income recognized in last period
Beijing Dotcom Creative Design Co., Ltd.	vehicles	3,083.19	
Goerlife Co., Ltd.	Building, vehicles	2,303.54	55,950.62
Weifang High-Tech Zone Yasong Linju Kindergarten	Building	1,025.22	
Weifang Goer Real Estate Co., Ltd.	vehicles	660.18	
Wemake (Weihai) Digital Creative Technology Co., Ltd.	Building		641,331.97
Weifang High-Tech Zone Goer Kindergarten	Building		778.76

The Company acts as the lessee:

Unit: RMB

Name of lessor	Type of leased assets	Rental charges for simplified treatment of short-term leases and low-value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expenses incurred on lease liabilities		Increased right-of-use assets	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Qingdao Virtual Reality Institute Co., Ltd.	Equipment	564,889.38	564,889.38			638,325.00	638,325.00				
Goertek Group Co., Ltd.	Building		406,260.00			442,823.40	320,428.26				
Dynaudio A/S	Building	64,970.22				64,970.22					
GoerDyna Technology Co., Ltd.	Building		313,850.26				342,096.77				

#### (4) Related parties guarantees

The Company acts as the guarantor

Unit: RMB

Guaranteed party	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed fully
Goertek Technology Vina Co., Ltd.	906,002,092.31	April 01, 2023	December 15, 2026	No <sup>1</sup>
Goertek Precision Industry Vietnam Co., Ltd.	675,576,457.69	April 01, 2023	June 30, 2025	Yes
Goertek (HongKong) Co., Limited	750,000,000.00	January 20, 2025	July 20, 2025	Yes
Goertek Technology Vina Co., Ltd.	64,169,000.00	July 19, 2024	July 18, 2025	Yes
Goertek Technology Vina Co., Ltd.	37,672,067.60	July 19, 2024	July 18, 2025	Yes
Goertek Technology Vina Co., Ltd.	210,877,140.00	July 19, 2024	July 18, 2025	Yes
Goertek Technology Vina Co., Ltd.	70,292,380.00	July 19, 2024	July 18, 2025	Yes
Goertek Technology Vina Co., Ltd.	30,545,000.00	July 19, 2024	July 18, 2025	Yes
Goertek Technology Vina Co., Ltd.	3,560,000.00	July 19, 2024	July 18, 2025	Yes
Goertek Technology Vina Co., Ltd.	20,546,860.53	July 19, 2024	July 18, 2025	Yes

Guaranteed party	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed fully
Goertek Technology Vina Co., Ltd.	105,438,570.00	July 19, 2024	July 18, 2025	Yes
Goertek Smart Technology Vina Co., Ltd.	4,010,905.84	July 19, 2024	July 18, 2025	Yes
Goertek Smart Technology Vina Co., Ltd.	21,088,424.59	July 19, 2024	July 18, 2025	Yes
Goertek Smart Technology Vina Co., Ltd.	5,024,187.08	July 19, 2024	July 18, 2025	Yes
Goertek Intelligence Technology Co., Ltd.	17,895,000.00	July 19, 2024	July 18, 2025	Yes
Goertek Intelligence Technology Co., Ltd.	625,000.00	July 19, 2024	July 18, 2025	Yes
Goertek (HongKong) Co., Limited	81,781,000.00	July 19, 2024	July 18, 2025	Yes
Goertek (HongKong) Co., Limited	17,540,000.00	July 19, 2024	July 18, 2025	Yes
Goertek (HongKong) Co., Limited	14,000,000.00	November 08, 2024	May 31, 2025	Yes
Goertek Optical Technology Co., Ltd.	10,000,000.00	June 17, 2025	September 11, 2025	Yes
Goertek Optical Technology Co., Ltd.	5,000,000.00	May 22, 2025	September 11, 2025	Yes
Goertek Smart Technology Vina Co., Ltd.	6,000,000.00	May 21, 2025	March 31, 2026	No
Goertek (HongKong) Co., Limited	49,201,600.00	May 30, 2025	May 31, 2026	No
Goertek (HongKong) Co., Limited	281,152,000.00	May 30, 2025	May 31, 2026	No
Goertek Technology Vina Co., Ltd.	4,217,542.80	May 31, 2025	May 31, 2026	No
Goertek (HongKong) Co., Limited	46,284,648.00	June 01, 2025	May 31, 2026	No
Goertek (HongKong) Co., Limited	60,447,680.00	June 01, 2025	May 31, 2026	No
Goertek Intelligence Technology Co., Ltd.	105,432,000.00	August 03, 2025	June 3, 2026	No
Goertek (HongKong) Co., Limited	70,288,000.00	August 03, 2025	June 3, 2026	No
Goertek (HongKong) Co., Limited	188,832,992.75	June 30, 2025	May 31, 2026	No
Goertek (HongKong) Co., Limited	83,451,192.23	August 17, 2025	June 17, 2026	No
Goertek (HongKong) Co., Limited	140,576,000.00	July 21, 2025	May 31, 2026	No
Goertek (HongKong) Co., Limited	215,954,559.20	July 31, 2025	July 31, 2026	No
Goertek (HongKong) Co., Limited	3,444,112.00	December 01, 2025	May 31, 2026	No
Goertek Intelligence Technology Co., Ltd.	11,246,080.00	December 01, 2025	May 31, 2026	No

Note 1: Subsidiary Goertek Technology Vina Co., Ltd. had a loan of USD 128,890,513.07, with USD 42,963,504.34 repaid in 2024. For the current period, repayments of USD 21,481,752.17 each are scheduled on June 15, 2025, and December 15, 2025, leaving a guaranteed loan balance of USD 42,963,504.39 at the end of the period.

The Company acts as the guaranteed party.

Unit: RMB

Guarantor	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed fully
Goertek Group Co., Ltd.	200,000,000.00	March 29, 2022	March 29, 2027	Yes <sup>1</sup>
Goertek Group Co., Ltd.	600,000,000.00	November 20, 2023	November 16, 2028	Yes <sup>2</sup>
Goertek Group Co., Ltd.	373,000,000.00	February 28, 2025	February 28, 2028	Yes <sup>2</sup>
Goertek Group Co., Ltd.	200,000,000.00	June 24, 2022	March 29, 2027	No <sup>3</sup>
Goertek Group Co., Ltd.	200,000,000.00	July 29, 2022	July 28, 2025	Yes
Goertek Group Co., Ltd.	500,000,000.00	September 19, 2022	September 19, 2025	Yes
Goertek Group Co., Ltd.	30,000,000.00	September 19, 2024	March 18, 2025	Yes
Goertek Group Co., Ltd.	50,000,000.00	December 18, 2024	June 18, 2025	Yes
Goertek Group Co., Ltd.	20,000,000.00	December 18, 2024	February 20, 2025	Yes
Goertek Group Co., Ltd.	30,000,000.00	January 2, 2025	August 13, 2025	Yes
Goertek Group Co., Ltd.	26,749,690.05	January 2, 2025	February 20, 2025	Yes
Goertek Group Co., Ltd.	18,000,000.00	January 22, 2025	May 30, 2025	Yes
Goertek Group Co., Ltd.	2,500,000.00	January 22, 2025	July 25, 2025	Yes
Goertek Group Co., Ltd.	4,500,000.00	January 22, 2025	August 15, 2025	Yes
Goertek Group Co., Ltd.	5,000,000.00	January 22, 2025	September 25, 2025	Yes
Goertek Group Co., Ltd.	10,000,000.00	January 26, 2025	July 25, 2025	Yes
Goertek Group Co., Ltd.	2,900,000.00	March 27, 2025	November 30, 2025	Yes

Guarantor	Guarantee amount	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed fully
Goertek Group Co., Ltd.	13,404,500.36	March 28, 2025	July 14, 2025	Yes
Goertek Group Co., Ltd.	5,800,000.00	March 28, 2025	July 14, 2025	Yes
Goertek Group Co., Ltd.	300,000,000.00	March 31, 2025	March 30, 2028	No
Goertek Group Co., Ltd.	5,400,000.00	March 31, 2025	July 14, 2025	Yes
Goertek Group Co., Ltd.	3,526,842.34	March 31, 2025	October 31, 2025	Yes
Goertek Group Co., Ltd.	10,000,000.00	April 16, 2025	August 15, 2025	Yes
Goertek Group Co., Ltd.	35,000,000.00	April 28, 2025	June 26, 2025	Yes
Goertek Group Co., Ltd.	700,000,000.00	May 29, 2025	May 28, 2028	No
Goertek Group Co., Ltd.	68,000,000.00	June 17, 2025	July 24, 2025	Yes
Goertek Group Co., Ltd.	100,000,000.00	June 24, 2025	July 28, 2025	Yes
Goertek Group Co., Ltd.	100,000,000.00	June 25, 2025	July 24, 2025	Yes
Goertek Group Co., Ltd.	40,000,000.00	August 8, 2025	September 25, 2025	Yes
Goertek Group Co., Ltd.	60,000,000.00	August 8, 2025	August 28, 2025	Yes
Goertek Group Co., Ltd.	600,000,000.00	August 28, 2025	August 27, 2028	No
Goertek Group Co., Ltd.	100,000,000.00	September 26, 2025	November 27, 2025	Yes
Goertek Group Co., Ltd.	100,000,000.00	September 26, 2025	November 27, 2025	Yes
Goertek Group Co., Ltd.	100,000,000.00	December 24, 2025	June 22, 2026	No
Goertek Group Co., Ltd.	100,000,000.00	December 24, 2025	January 29, 2026	No
Goertek Group Co., Ltd.	56,230,400.00	July 25, 2024	July 24, 2025	Yes
Goertek Group Co., Ltd.	50,000,000.00	July 25, 2024	July 24, 2025	Yes
Goertek Group Co., Ltd.	210,864,000.00	July 25, 2024	July 24, 2025	Yes
Goertek Group Co., Ltd.	572,872,229.56	July 25, 2024	July 24, 2025	Yes
Goertek Group Co., Ltd.	119,000,000.00	July 25, 2024	July 24, 2025	Yes
Goertek Group Co., Ltd.	70,000,000.00	November 19, 2024	January 23, 2025	Yes
Goertek Group Co., Ltd.	50,000,000.00	February 19, 2025	April 24, 2025	Yes
Goertek Group Co., Ltd.	120,000,000.00	June 26, 2025	July 24, 2025	Yes
Goertek Group Co., Ltd.	50,000,000.00	September 23, 2025	November 27, 2025	Yes
Goertek Group Co., Ltd.	100,000,000.00	December 26, 2025	February 25, 2026	No
Goertek Group Co., Ltd.	143,969,704.26	September 4, 2025	July 31, 2026	No
Goertek Group Co., Ltd.	21,086,400.00	September 4, 2025	July 31, 2026	No
Goertek Group Co., Ltd.	20,000,000.00	September 4, 2025	July 31, 2026	No
Goertek Group Co., Ltd.	35,144,000.00	September 4, 2025	July 31, 2026	No
Goertek Group Co., Ltd.	100,000,000.00	October 1, 2024	September 30, 2026	Yes <sup>4</sup>
Goertek Group Co., Ltd.	140,576,000.00	July 15, 2025	July 15, 2026	Yes <sup>5</sup>
Goertek Group Co., Ltd.	28,115,200.00	July 15, 2025	July 15, 2026	Yes <sup>5</sup>

Note 1: The Company had a loan of RMB 200,000,000.00, with an opening loan guarantee balance of RMB 70,000,000.00. Repayments of RMB 54,000,000.00 and RMB 16,000,000.00 were made on April 20, 2025, and October 20, 2025, respectively, resulting in a closing loan guarantee balance of RMB 0.00.

Note 2: This was a loan for the original subsidiary Goertek Optical Technology Co., Ltd. The Company disposed of this subsidiary on December 8, 2025.

Note 3: The Company had a loan of RMB 200,000,000.00, with a repayment of RMB 38,000,000.00 made on October 20, 2025, resulting in a closing loan guarantee balance of RMB 162,000,000.00.

Note 4: This was a payment guarantee for the original subsidiary Goertek Optical Technology Co., Ltd. The Company disposed of this subsidiary on December 8, 2025.

Note 5: This was a payment guarantee for the original subsidiary Qingdao Goerpixel Technology Co., Ltd. The Company disposed of this subsidiary on September 20, 2025.

## (5) Funds borrowed from related parties

Unit: RMB

Related parties	Borrowing amount	Starting date	Maturity date	Explanation
<b>Borrowing</b>				
Goertek Group Co., Ltd.	27,000,000.00	August 19, 2024	July 25, 2025	The annual interest rate is 2.8%, and the interest for this period is RMB 430,500.00.

**(6) Asset transfer and debt restructuring of related parties**

Unit: RMB

Related parties	Related party transactions	2025	2024
Weifang Goer Farm Co., Ltd.	Purchasing fixed assets, etc.	2,570,679.75	2,309,222.83
Bei Ge (Weifang) Intelligent Technology Co., Ltd.	Purchasing fixed assets, etc.	696,000.00	80,000.00
Goerlife Co., Ltd.	Purchasing fixed assets, etc.	623,053.10	
Wemake (Weihai) Digital Creative Technology Co., Ltd.	Purchasing fixed assets, etc.	190,861.02	156,747.89
Goertek Group Co., Ltd.	Purchasing fixed assets, etc.	65,981.37	144,786.52
Qingdao Goerpixel Technology Co., Ltd.	Purchasing fixed assets, etc.	4,366.31	
Jiaxing Uphoton Optoelectronics Technology Co., Ltd.	Purchasing fixed assets, etc.	3,865.59	
Hangzhou Uphoton Optoelectronics Technology Co., Ltd.	Purchasing fixed assets, etc.	355.52	
Weifang Dotcom Hotel Management Co., Ltd.	Purchasing fixed assets, etc.		727,674.09
Beijing Dotcom Lab Co., Ltd.	Purchasing fixed assets, etc.		249,096.00
Qingdao Dotcom Hotel Management Co., Ltd.	Purchasing fixed assets, etc.		899.80
Qingdao Goerpixel Technology Co., Ltd.	Disposal of fixed assets	1,726,029.09	
Weifang Goerdyna Technology Co., Ltd.	Disposal of fixed assets	590,627.96	13,190,653.76
Shanghai Goerpixel Technology Co., Ltd.	Disposal of fixed assets	72,258.42	
Goerlife Co., Ltd.	Disposal of fixed assets	34,917.52	126.55
Goertek Optical Technology Co., Ltd.	Disposal of fixed assets	10,985.12	
Weifang Goer Health Management Co., Ltd.	Disposal of fixed assets		93,569.29
Weifang Goer Manor Food & Beverage Co., Ltd.	Disposal of fixed assets		28,318.59

**(7) Remuneration of key managers**

Unit: RMB

Item	2025	2024
Remuneration of key managers	19,412,390.19	16,409,214.23

**(8) Other related party transactions**

Unit: RMB

Item	Related party transactions	Amount of current period	Amount in previous period
Goertek Group Co., Ltd.	Transfer of equity	54,250,000.00	
Goertek Group Co., Ltd.	Capital increase in subsidiaries	75,742,890.00	
Goertek Optical Technology Co., Ltd.	Capital increase	200,000,000.00	
Jiang Bin	Capital increase in subsidiaries	100,628,555.00	
Jiang Long	Capital increase in subsidiaries	100,628,555.00	
GravityXR Electronics and Technology Co., Ltd.	Capital increase	19,551.00	
SeeYA Technology Corp.	Government grant collection and		6,500,000.00

Item	Related party transactions	Amount of current period	Amount in previous period
	payment on behalf		

## 6. Receivables and payables of related parties

### (1) Accounts receivable

Unit: RMB

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Weifang Goerdyna Technology Co., Ltd.	29,648,416.17	269,000.37	27,878,139.85	278,781.40
Accounts receivable	Goertek Optical Technology Co., Ltd.	33,267,280.18	332,672.79		
Accounts receivable	Shanghai Goerpixel Technology Co., Ltd.	11,011,234.56	110,112.35		
Accounts receivable	Qingdao Goerpixel Technology Co., Ltd.	4,006,354.84	40,063.55		
Accounts receivable	Goertek Optoelectronics Technology (Qingdao) Co., Ltd.	3,834,867.17	38,348.67		
Accounts receivable	Goertek Robotics Co., Ltd.	3,099,425.23	30,994.25		
Accounts receivable	Goertek Optical Technology (HongKong)Co., Limited	2,243,326.85	22,433.27		
Accounts receivable	Jinan Goerpixel Technology Co., Ltd.	1,197,458.93	11,974.58		
Accounts receivable	Beijing Dotcom Coffee Co., Ltd.	962,417.90	9,624.18		
Accounts receivable	Goerlife Co., Ltd.	793,455.49	7,934.56		
Accounts receivable	Shenzhen Goerdyna Technology Co., Ltd.	553,548.00	5,535.48		
Accounts receivable	Uphoton Technology (Beijing) Co., Ltd.	447,838.80	4,478.39		
Accounts receivable	Goertek Group Co., Ltd.	372,673.60	3,726.74		
Accounts receivable	Nanjing Uphoton Technology Co., Ltd.	274,365.81	2,743.66		
Accounts receivable	Qingdao Dotcom Hotel Management Co., Ltd.	144,000.00	1,440.00		
Accounts receivable	Little Bird Co., Ltd.	55,716.15	557.16	975,911.46	9,759.11
Accounts receivable	GoerDyna Technology Co., Ltd.	55,367.30	553.67	6,761.00	67.61
Accounts receivable	Xi'an Goerpixel Technology Co., Ltd.	19,977.68	199.78		
Accounts receivable	Wemake (Qingdao) Digital Creative Technology Co., Ltd.	11,088.00	110.88		
Accounts receivable	Jiaxing Uphoton Optoelectronics Technology Co., Ltd.	7,892.02	78.92		
Accounts receivable	Goer Research & Education Service (Shandong) Co., Ltd.	4,544.00	45.44		
Accounts receivable	Shandong Goer Education Group Co., Ltd.	3,712.00	37.12	63,000.00	630.00

Name of project	Related parties	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Beijing Dotcom Creative Design Co., Ltd.	3,484.00	34.84		
Accounts receivable	Bei Ge (Weifang) Intelligent Technology Co., Ltd.	1,838.84	18.39		
Accounts receivable	Weifang High-Tech Zone Zhuohe Kindergarten			1,884.00	18.84
<b>Total</b>		<b>92,020,283.52</b>	<b>892,719.04</b>	<b>28,925,696.31</b>	<b>289,256.96</b>
Prepayment	Qingdao Resonance Venture Capital Management Co., Ltd.	10,545,480.00		9,454,560.00	
Prepayment	Weifang Goer Farm Co., Ltd.			4,000,000.00	
<b>Total</b>		<b>10,545,480.00</b>		<b>13,454,560.00</b>	

**(2) Accounts payable**

Unit: RMB

Name of project	Related parties	Closing book balance	Opening book balance
Accounts payable	Goertek Optical Technology (HongKong)Co., Limited	79,689,807.70	
Accounts payable	Goertek Optical Technology Co., Ltd.	37,739,753.29	
Accounts payable	Weifang Goer Farm Co., Ltd.	5,825,394.81	2,687,807.40
Accounts payable	Goertek Optoelectronics Technology (Qingdao) Co., Ltd.	2,025,229.37	
Accounts payable	Qingdao Virtual Reality Institute Co., Ltd.	1,980,142.50	1,980,142.50
Accounts payable	Goerlife Co., Ltd.	1,765,588.60	1,884,205.22
Accounts payable	Shanghai Konnet Optics Co., Ltd.	990,742.57	
Accounts payable	Wemake (Weihai) Digital Creative Technology Co., Ltd.	924,197.37	973,038.06
Accounts payable	Beijing Dotcom Creative Design Co., Ltd.	427,887.38	
Accounts payable	Dynaudio (Shanghai) Co., Ltd.	348,210.00	
Accounts payable	Xi'an Goerpixel Technology Co., Ltd.	248,562.42	
Accounts payable	Weifang Goerdyna Technology Co., Ltd.	228,819.99	
Accounts payable	Weifang Goer Property Service Co., Ltd.	206,560.75	
Accounts payable	Qingdao Goerpixel Technology Co., Ltd.	188,119.65	
Accounts payable	Weifang Goer Manor Food & Beverage Co., Ltd.	128,922.88	308,942.60
Accounts payable	Beijing Dotcom Lab Co., Ltd.	107,776.61	550.00
Accounts payable	Bei Ge (Weifang) Intelligent Technology Co., Ltd.	65,000.00	20,736.63
Accounts payable	Weifang Dotcom Catering Management Co.,	51,772.75	43,735.48

Name of project	Related parties	Closing book balance	Opening book balance
payable	Ltd.		
Accounts payable	Weihai Goer Ecological Agriculture Co., Ltd.	30,480.00	420,532.04
Accounts payable	Goertek Group Co., Ltd.	20,081.84	815,730.15
Accounts payable	Little Bird Co., Ltd.	4,621.31	82,506.59
Accounts payable	Jiaxing Uphoton Optoelectronics Technology Co., Ltd.	4,368.11	
Accounts payable	Hangzhou Uphoton Optoelectronics Technology Co., Ltd.	401.74	
Accounts payable	SeeYA Technology Corp.		3,301,711.73
Accounts payable	Wemake (Qingdao) Digital Creative Technology Co., Ltd.		95,044.30
Accounts payable	Qingdao Dotcom Hotel Management Co., Ltd.		26,016.77
<b>Total</b>		<b>133,002,441.64</b>	<b>12,640,699.47</b>
Contract liabilities	Goertek Group Co., Ltd.		8,114.95
Contract liabilities	Weifang Goer Health Management Co., Ltd.		568.14
<b>Total</b>			<b>8,683.09</b>
Other payables	Goertek Group Co., Ltd.		27,000,000.00
Other payables	Wemake (Weihai) Digital Creative Technology Co., Ltd.		302,302.36
<b>Total</b>			<b>27,302,302.36</b>

## 7. Commitment of related parties

None

## 8. Others

None

## XV. Share-based Payment

### 1. Overview of share-based payment

Applicable  Not applicable

Unit: RMB

Category of grant recipients	Granted in the current period		Exercised in the current period		Vested in the current period		Forfeited in the current period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Production staff	14,816,320	131,050,350.40	15,940,503	11,205,295.60	12,555,120	9,959,228.53	962,330	-767,774.99
Sales staff	2,420,800	21,411,976.00	4,829,069	13,448,680.16	4,366,778	13,179,787.37	2,399,322	-6,214,660.56
Management staff	9,443,160	83,524,750.20	28,741,396	125,533,907.84	33,029,710	127,987,992.05	6,501,816	-11,617,715.63
R&D staff	31,388,040	277,627,213.80	27,545,545	53,056,955.25	28,012,120	53,933,568.00	5,024,280	-11,947,078.73

Total	58,068,320	513,614,290.40	77,056,513	203,244,838.85	77,963,728	205,060,575.95	14,887,748	30,547,229.91
-------	------------	----------------	------------	----------------	------------	----------------	------------	---------------

Stock options and other equity instruments outstanding at the end of the period

Applicable  Not applicable

Category of grant recipients	Stock options outstanding at the end of the period		Other outstanding equity instruments at the end of the period	
	Range of exercise prices	Remaining contract terms	Range of exercise prices	Remaining duration of the contract
Production staff	RMB 14/share, RMB 17.82/share, RMB 22.06/share,	4 months, 6 months, 8 months, 10 months, 22 months		
Sales staff				
Management staff				
R&D staff				

Other explanations:

The exercise price for the initial grant under the 2023 Stock Option Incentive Plan is RMB 17.82 per share, with a remaining contract term of 8 months;

The exercise price of the reserved portion of the 2023 Stock Option Incentive Plan is RMB 17.82 per share, with a remaining contract term of 6 months;

The exercise price of the 2025 Stock Option Incentive Plan is RMB 22.06 per share, with remaining contract terms of 10 months and 22 months;

The exercise price for Goertek Microelectronics Inc.'s 2020 Stock Option Incentive Plan is RMB 14 per share, with a remaining contract term of 4 months.

## 2. Share-based payment settled with equity

Applicable  Not applicable

Unit: RMB

Determination method of the fair value of equity instruments at the date of grant	The Black-Scholes (BS) model is used for stock options, the employee stock ownership plan is based on the closing price on the date of grant, and the capital increase in equity is based on the appraised value.
Key parameters for the fair value of equity instruments at the grant date	Historical volatility, risk-free rate of return, dividend yield.
Basis for determining the quantity of equity instruments with vesting	Management's best estimate
Reason for significant difference in estimation in the current period and estimation in the last period	None
Accumulative amount of equity-settled share-based payment included in capital surplus	878,186,587.59
Total amount of share-based payment settled with equity in current period	290,532,239.58

Other explanations:

None

## 3. Share-based payment settled with cash

Applicable  Not applicable

**4. Expense of share-based payment in the current period**

Applicable  Not applicable

Unit: RMB

Category of grant recipients	Expense of equity-settled share-based payment	Expense of share-based payment settled in cash
Production staff	36,766,125.92	
Sales staff	9,629,849.18	
Management staff	149,006,015.83	
R&D staff	95,130,248.65	
Total	290,532,239.58	

**5. Modification and termination of share-based payment**

None

**6. Others**

None

**XVI. Commitments and Contingencies****1. Important commitments**

Important commitments as of the balance sheet date

None

**2. Contingencies****(1) Important contingencies on the balance sheet date**

1) Contingent liabilities arising from pending litigations and arbitrations and financial impacts therefrom

None

2) Contingent liabilities arising from guarantees of debts provided to other parties, and financial impacts therefrom

As of the reporting date, except that the debt guarantees provided by the Company to its subsidiaries Goertek Technology Vina Co., Ltd., Goertek Smart Technology Vina Co., Ltd., Goertek Intelligence Technology Co., Ltd., and Goertek (HongKong) Co., Limited which have not yet been discharged as specified in Note XIV-5, the Company has no other debt guarantees provided to other entities.

3) Contingent liabilities related to investments in joint ventures or associates

None

4) Other contingent liabilities and financial impacts therefrom

None

**(2) The Company shall make a statement even if there are no important contingencies to disclose**

The Company has no important contingencies to disclose.

**3. Others**

None

**XVII. Events after the Balance Sheet Date****1. Important non-adjustment matters**

None

**2. Profit distribution**

Dividend to be distributed per 10 shares (RMB)	2.00
Dividend shares to be distributed per 10 shares (shares)	0
Conversion of capital surplus into share capital per 10 shares (shares)	0
Profit distribution plan	Based on the total share capital registered on the record date of equity distribution minus the repurchased shares in the Company's specific securities repurchase account, and in accordance with the principle of maintaining the same distribution ratio, the Company will distribute the cash dividend of RMB 2.00 (tax inclusive) for every 10 shares to all shareholders; no bonus shares will be issued, and no capital surplus will be converted into share capital.

**3. Sales return**

None

**4. Explanation of other events after the balance sheet date**

None

**XVIII. Other Important Matters****1. Correction of early accounting errors**

None

**2. Debt restructuring**

None

**3. Asset replacement**

None

**4. Annuity plan**

None

**5. Discontinued operation**

None

**6. Segment information****(1) Basis for determining reporting segments and accounting policies**

None

**(2) Financial information of reporting segments**

None

**(3) If the Company has no reporting segments, or cannot disclose the total assets and liabilities of each reporting segment, the reasons shall be explained**

The Group determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system, and determines its reporting segments and discloses segment information on the basis of operating segments.

An operating segment is a component of the Group that meets all of the following conditions: (1) The component can generate income and expense in daily activities; (2) The management of the Group can regularly evaluate the operating results of such component so as to determine the allocation of resources to it and evaluate its performance; (3) The Group can obtain the accounting information of the component, such as the financial status, operating results, cash flow, etc. If two or more operating segments have similar economic characteristics and meet certain conditions, they will be combined into one operating segment.

Since over 90.00% of the Group's revenue and performance come from the electronic products business, segment information was not presented.

**(4) Other explanations**

None

**7. Other important transactions and matters that have an impact on investors' decisions**

None

**8. Others**

None

**XIX. Notes to Major Items in the Financial Statements of the Parent Company****1. Accounts receivable****(1) Disclosure by aging**

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	3,500,456,252.33	6,912,190,537.36
1 to 2 years		48,590.00
2 to 3 years		
Over 3 years		780,660.09
3 to 4 years		780,660.09
Total	3,500,456,252.33	6,913,019,787.45

**(2) Classification and disclosure by bad debt provision method**

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Account	3,500,456,252.33	100.00%	16,775,138.11	0.48%	3,483,681,114.22	6,913,019,787.45	100.00%	26,702,422.15	0.39%	6,886,317,365.30

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Accounts receivable with bad debt provision on a portfolio basis										
Including:										
Aging Group	1,677,513,811.33	47.92%	16,775,138.11	1.00%	1,660,738,673.22	2,591,547,759.02	37.49%	26,702,422.15	1.03%	2,564,845,336.87
Related party group	1,822,942,441.00	52.08%			1,822,942,441.00	4,321,472,028.43	62.51%			4,321,472,028.43
Total	3,500,456,252.33	100.00%	16,775,138.11	0.48%	3,483,681,114.22	6,913,019,787.45	100.00%	26,702,422.15	0.39%	6,886,317,365.30

Bad debt provision on a portfolio basis: Aging Group

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Within 1 year	1,677,513,811.33	16,775,138.11	1.00%
Total	1,677,513,811.33	16,775,138.11	

Description of the basis for determining such portfolios:

For further details, please refer to Note V. 11. "Impairment of financial assets"

Bad debt provision on a portfolio basis: related party group

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Within 1 year	1,822,942,441.00		
Total	1,822,942,441.00		

Description of the basis for determining such portfolios:

For further details, please refer to Note V. 11. "Impairment of financial assets"

If bad debt provision for accounts receivable is based on the general model of expected credit losses:

Applicable  Not applicable

### (3) Bad debt provision accrued, recovered or reversed during the period

Details of bad debt provision accrued during the period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Accrual	Recovery or reversal	Write-off	Other	
Accounts receivable with	26,702,422.15	-8,785,286.46		1,141,997.58		16,775,138.11

Category	Opening balance	Changes in the current period				Closing balance
		Accrual	Recovery or reversal	Write-off	Other	
bad debt provision on a portfolio basis						
<b>Total</b>	26,702,422.15	-8,785,286.46		1,141,997.58		16,775,138.11

Among which, the amounts of bad debt provisions recovered or reversed during the current period are significant:

None

#### (4) Accounts receivable actually written off in current period

Unit: RMB

Item	Write-off Amount
Accounts receivable actually written off	1,141,997.58

Among which, details of significant write-off of accounts receivable:

None

#### (5) Top five closing balances of accounts receivable and contract assets grouped by debtor

Unit: RMB

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets	Closing balance of allowance for bad debts on accounts receivable and impairment provision for contract assets
Company 1	647,960,529.44		647,960,529.44	18.51%	6,479,605.29
Company 2	591,102,662.84		591,102,662.84	16.89%	
Company 3	257,458,705.52		257,458,705.52	7.36%	
Company 4	199,408,090.28		199,408,090.28	5.70%	
Company 5	183,739,786.54		183,739,786.54	5.25%	
<b>Total</b>	1,879,669,774.62		1,879,669,774.62	53.71%	6,479,605.29

## 2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	8,666,543,923.15	4,119,484,430.97
<b>Total</b>	8,666,543,923.15	4,119,484,430.97

#### (1) Interest receivable

None

#### (2) Dividends receivable

None

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

Unit: RMB

Nature of payment	Closing book balance	Opening book balance
Current account	8,636,778,709.37	4,094,350,933.30
Deposits and guarantees	2,055,447.71	931,636.57
Social insurance and housing provident fund withheld and remitted	28,455,581.86	24,623,431.33
<b>Total</b>	<b>8,667,289,738.94</b>	<b>4,119,906,001.20</b>

**2) Disclosure by aging**

Unit: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	8,536,164,649.42	3,989,607,956.14
1 to 2 years	871,123.11	176,078.65
2 to 3 years	141,000.00	21,000.00
Over 3 years	130,112,966.41	130,100,966.41
3 to 4 years	12,000.00	130,100,000.00
4 to 5 years	130,100,000.00	966.41
Over 5 years	966.41	
<b>Total</b>	<b>8,667,289,738.94</b>	<b>4,119,906,001.20</b>

**3) Classification and disclosure by bad debt provision method**

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Bad debt provision on a portfolio basis	8,667,289,738.94	100.00%	745,815.79	0.01%	8,666,543,923.15	4,119,906,001.20	100.00%	421,570.23	0.01%	4,119,484,430.97
Including:										
Aging group	8,667,289,738.94	100.00%	745,815.79	0.01%	8,666,543,923.15	4,119,906,001.20	100.00%	421,570.23	0.01%	4,119,484,430.97
<b>Total</b>	<b>8,667,289,738.94</b>	<b>100.00%</b>	<b>745,815.79</b>	<b>0.01%</b>	<b>8,666,543,923.15</b>	<b>4,119,906,001.20</b>	<b>100.00%</b>	<b>421,570.23</b>	<b>0.01%</b>	<b>4,119,484,430.97</b>

Bad debt provision on a portfolio basis: Aging group

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision ratio
Aging group	8,667,289,738.94	745,815.79	0.01%
<b>Total</b>	<b>8,667,289,738.94</b>	<b>745,815.79</b>	

Description of the basis for determining such portfolios:

For further details, please refer to Note V. 11. "Impairment of financial assets"

Bad debt provision accrued according to the general model of expected credit losses:

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss over the next 12 months	Lifetime expected credit losses (not credit-impaired)	Lifetime expected credit losses (credit-impaired)	
Balance as of January 1, 2025:	421,570.23			421,570.23
Accrual in the current period	324,245.56			324,245.56
Balance as of December 31, 2025:	745,815.79			745,815.79

Criteria for dividing each stage and the bad debt provision calculation and provision ratio

For further details, please refer to Note V. 11. "Impairment of Financial Assets"

Significant changes in the carrying value of changes in the allowances for losses in the current period

Applicable  Not applicable

#### 4) Bad debt provision accrued, recovered or reversed during the period

Details of bad debt provision accrued during the period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Accrual	Recovery or reversal	Write-off	Other	
Aging Group	421,570.23	324,245.56				745,815.79
Total	421,570.23	324,245.56				745,815.79

For further details, please refer to Note V. 10. "Financial Instruments" and 11. "Impairment of Financial Assets"

Among them, significant amount in bad debt provision written back or withdrawn in the current period:

None

#### 5) Other receivables actually written off in the current period

None

#### 6) Top five closing balances of other receivables grouped by debtor

Unit: RMB

Company name	Nature of payment	Closing balance	Aging	Ratio in the total closing balance of other receivables	Closing balance of bad debt provision
Goertek (HongKong) Co., Limited	Current account	5,646,298,323.27	Within 1 year	65.14%	
Goertek Intelligence Technology Co., Ltd.	Current account	948,603,543.87	Within 1 year	10.94%	
Goertek Technology Co., Ltd.	Current account	841,708,000.00	Within 1 year	9.71%	
Yili Precision Manufacturing Co., Ltd.	Current account	776,518,361.06	Within 1 year	8.96%	
Qingdao Goertek Commercial Factoring Co., Ltd.	Current account	130,000,000.00	Over 3 years	1.50%	
Total		8,343,128,228.20		96.25%	

#### 7) Reported under other receivables due to centralized management of funds

None

### 3. Long-term equity investments

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment allowances	Carrying value	Book balance	Impairment allowances	Carrying value
Investment in subsidiaries	8,396,769,213.24		8,396,769,213.24	8,602,917,083.52		8,602,917,083.52
Investment in associated businesses and joint ventures	1,523,638,052.54		1,523,638,052.54	576,207,714.95		576,207,714.95
Total	9,920,407,265.78		9,920,407,265.78	9,179,124,798.47		9,179,124,798.47

#### (1) Investment in subsidiaries

Unit: RMB

Invested entity	Opening balance (carrying value)	Opening balance of impairment provision	Increase or decrease in the current period				Closing balance (carrying value)	Closing balance of impairment provision
			Investment addition	Investment reduction	Provision for impairment	Others		
Weifang Goertek Electronics Co., Ltd.	1,484,466,199.37		8,182,071.05				1,492,648,270.42	
Weifang Goertek Trading Co., Ltd.	51,133,865.81		310,748.45				51,444,614.26	
Yishui Goertek Electronics Co., Ltd.	30,000,000.00						30,000,000.00	
Yili Precision Manufacturing Co., Ltd.	338,582,920.72		2,595,003.36				341,177,924.08	
Goertek Optical Technology Co., Ltd.	604,737,095.72			604,737,095.72				
Goertek Technology Co., Ltd.	994,253,504.66		18,122,664.12				1,012,376,168.78	
Beijing Goertek Technology Co., Ltd.	56,301,629.47		4,325,152.23				60,626,781.70	
Qingdao Goertek Acoustics Technology Co., Ltd.	88,947,844.55		33,370.58				88,981,215.13	
Shenzhen Goertek Technology Co., Ltd.	81,303,513.45		4,398,563.75				85,702,077.20	
Shanghai Goertek Technology Co., Ltd.	32,013,147.99		-665,113.07				31,348,034.92	

Invested entity	Opening balance (carrying value)	Opening balance of impairment provision	Increase or decrease in the current period				Closing balance (carrying value)	Closing balance of impairment provision
			Investment addition	Investment reduction	Provision for impairment	Others		
Nanjing Goertek Technology Co., Ltd.	51,986,417.63		1,764,167.71				53,750,585.34	
Weifang Lokomo Precision Industry Co., Ltd.	52,449,218.61		552,113.72				53,001,332.33	
Goertek Investment Co., Ltd.	88,913,854.51		4,076,218.58				92,990,073.09	
Beijing Goertek Investment Management Co., Ltd.	5,121,933.89						5,121,933.89	
Dongguan Yili Precision Manufacturing Co., Ltd.			41,440,000.00				41,440,000.00	
Goertek Vina Co., Ltd.	247,634,379.61						247,634,379.61	
Goertek (Korea) Technology Inc.	66,743,212.77						66,743,212.77	
Goertek Electronics, Inc.	204,938,128.90						204,938,128.90	
Goertek Technology Taiwan Co., Ltd.	129,098,963.28						129,098,963.28	
Goertek Technology Japan Co., Ltd.	134,228,936.73						134,228,936.73	
Goertek Seiki Technology Co., Ltd.	1,024,111.56						1,024,111.56	
Goertek Intelligence Technology Co., Ltd.	355,827,423.66		3,159,670.45				358,987,094.11	
Goertek Microelectronics Inc.	842,719,493.75						842,719,493.75	
Beijing Goertek Microelectronics Co., Ltd.	5,053,458.52						5,053,458.52	
Qingdao Goertek Microelectronics Research Institute Co., Ltd.	460,436.04						460,436.04	
Qingdao Goertek Intelligent Sensor Co., Ltd.	842,096.78						842,096.78	
Rongcheng Goertek Microelectronics Co., Ltd.	524,895.84						524,895.84	
Shanghai Goertek Microelectronics Co., Ltd.	2,758,811.23						2,758,811.23	

Invested entity	Opening balance (carrying value)	Opening balance of impairment provision	Increase or decrease in the current period				Closing balance (carrying value)	Closing balance of impairment provision
			Investment addition	Investment reduction	Provision for impairment	Others		
Shenzhen Goertek Microelectronics Co., Ltd.	1,206,995.30						1,206,995.30	
Weifang Goertek Microelectronics Co., Ltd.	17,208,205.72						17,208,205.72	
Wuxi Goertek Microelectronics Co., Ltd.	940,460.62						940,460.62	
Qingdao Goertek Commercial Factoring Co., Ltd.	51,710,522.00		67,798.08				51,778,320.08	
Rongcheng Goertek Technology Co., Ltd.	2,106,107,370.59		2,836,051.61				2,108,943,422.20	
Nanning Goertek Electronics Co., Ltd.	80,219,009.56		92,331.20				80,311,340.76	
Xi'an Goertek Electronic Technology Co., Ltd.	9,292,059.65		2,169,311.18				11,461,370.83	
Weifang High-tech Zone Goertek Education Center	300,000.00						300,000.00	
Qingdao Resonance I Venture Capital Fund LP	280,000,000.00		120,000,000.00				400,000,000.00	
Qingdao Goertek Horizons Technology Co., Ltd.	30,921,338.33		73,833,193.96				104,754,532.29	
Chongqing Goertek Auto Technology Co., Ltd.	10,343,131.10		1,266,537.98				11,609,669.08	
Chengdu Goertek Technology Co., Ltd.	5,239,665.20		1,909,948.75				7,149,613.95	
Qingdao Goerpixel Technology Co., Ltd.	50,000,000.00		200,010,108.14	250,010,108.14				
Shanghai Goertek Technology Development Co., Ltd.	6,000,000.00		17,770,907.66				23,770,907.66	
Xi'an Goerpixel Technology Co., Ltd.	1,362,830.40		4,974,139.66	6,336,970.06				

Invested entity	Opening balance (carrying value)	Opening balance of impairment provision	Increase or decrease in the current period				Closing balance (carrying value)	Closing balance of impairment provision
			Investment addition	Investment reduction	Provision for impairment	Others		
Goertek Starshine (Qingdao) Inc.			24,164,129.49				24,164,129.49	
Dongguan Yili Technology Co., Ltd.			6,000,000.00				6,000,000.00	
Qingdao Goertek Starshine Smart Technology Co., Ltd.			111,000,000.00				111,000,000.00	
Hangzhou Goertek Technology Co., Ltd.			547,215.00				547,215.00	
<b>Total</b>	<b>8,602,917,083.52</b>		<b>654,936,303.64</b>	<b>861,084,173.92</b>			<b>8,396,769,213.24</b>	

## (2) Investment in associated businesses and joint ventures

Unit: RMB

Invested entity	Opening balance (carrying value)	Opening balance of impairment provision	Increase or decrease in the current period							Closing balance (carrying value)	Closing balance of impairment provision	
			Investment addition	Investment reduction	Recognized investment gain and loss under equity method	Other comprehensive income adjustments	Other changes in equity	Cash dividends or profits declared	Provision for impairment			Others
I. Joint Venture												
II. Associates												
Associates	576,207,714.95		200,000,000.00		-635,277,083.44	-741,042.70	261,389,829.65			1,122,058,634.08	1,523,638,052.54	
Sub-total	576,207,714.95		200,000,000.00		-635,277,083.44	-741,042.70	261,389,829.65			1,122,058,634.08	1,523,638,052.54	
<b>Total</b>	<b>576,207,714.95</b>		<b>200,000,000.00</b>		<b>-635,277,083.44</b>	<b>-741,042.70</b>	<b>261,389,829.65</b>			<b>1,122,058,634.08</b>	<b>1,523,638,052.54</b>	

Note: Recognized investment gain and loss under equity method was RMB-635,277,083.44, of which RMB -284,949,357.85 was recorded in profit or loss as investment income for the current period.

The recoverable amount is determined based on the net of fair value less disposal costs.

Applicable  Not applicable

The recoverable amount is determined based on the present value of estimated future cash flow.

Applicable  Not applicable

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

None

Reasons for significant discrepancies between the information used in the Company's previous years' impairment tests and the actual situation of the year

None

### (3) Other explanations

None

## 4. Operating revenue and cost of sales

Unit: RMB

Item	2025		2024	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	13,515,240,356.36	7,798,535,166.60	18,993,488,747.47	14,632,725,631.61
Other business	6,848,048,956.66	5,647,219,423.03	5,848,049,331.50	4,933,739,714.84
Total	20,363,289,313.02	13,445,754,589.63	24,841,538,078.97	19,566,465,346.45

## 5. Investment income

Unit: RMB

Item	2025	2024
Investment income from long-term equity investments measured by the equity method	-284,949,357.85	-14,691,875.13
Investment income from disposal of long-term equity investments	315,224,460.16	-74,786,971.88
Investment income from disposal of financial assets held for trading	241,656,192.60	26,973,005.40
Dividend income from long-term equity investments of subsidiaries	99,332,412.84	470,771,040.21
Investment income from products such as certificates of deposits	44,436,998.86	60,385,535.40
Total	415,700,706.61	468,650,734.00

## 6. Others

None

## XX. Supplementary Information

### 1. Statement of non-recurring gains and losses for the current period

Applicable  Not applicable

Unit: RMB

Item	Amount	Explanation
Gains or losses from disposal of non-current assets	-266,611,004.45	Mainly includes the loss on

Item	Amount	Explanation
		scrapping fixed assets
Government grants included in the current gains and losses (except for those that are closely related to the normal business operations of the Company, comply with national policy regulations, are enjoyed according to established standards, and have a continuous impact on the Company's gains and losses)	203,672,060.18	Mainly includes special funds for enterprise innovation and development and other government grants
Gains and losses from changes in the fair value of financial assets and liabilities, and from the disposal of financial assets and liabilities, held by non-financial enterprises, except for effective hedging businesses related to the normal operating business of the Company.	495,018,305.50	Mainly includes investment income from foreign exchange derivatives and fair value change income
Other non-operating income and expenditures other than those mentioned above	10,923,270.83	
Other profit or loss items that meet the definition of non-recurring profit or loss	2,142,078,695.49	Mainly includes gains from remeasuring the remaining equity of Goertek Optics at fair value due to losing control of Goertek Optics
Less: Impact of income tax	122,757,472.87	
Impact of minority interests (after tax)	1,801,336.62	
Total	2,460,522,518.06	--

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

Applicable  Not applicable

This item mainly includes gains from remeasuring the remaining equity of Goertek Optics at fair value due to losing control of Goertek Optics.

Note for the definition of non-recurring gains and losses set out in the *No. 1 Explanatory Announcement on Information Disclosure for Companies Issuance Their Securities to the Public - Non-recurring gains and losses*, as recurring gains and losses.

Applicable  Not applicable

## 2. Net assets income rate and earnings per share

Profit during the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB / share)	Diluted earnings per share (RMB / share)
Net profit attributable to ordinary shareholders of the Company	11.29%	1.14	1.13
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	4.24%	0.43	0.42

**3. Differences in accounting data under domestic and foreign accounting standards**

**(1) Differences in net profits and net assets in the financial reports disclosed pursuant to international financial reporting standards and Chinese accounting standards at the same time**

Applicable  Not applicable

**(2) Differences in net profits and net assets in the financial reports disclosed pursuant to foreign accounting standards and Chinese accounting standards at the same time**

Applicable  Not applicable

**(3) Explanation of reasons for differences in accounting data under domestic and foreign accounting standards; if the data audited by an overseas audit firm is adjusted for differences, the name of the overseas firm shall be indicated.**

**4. Others**

None

**Goertek Inc.**

**Legal Representative: Jiang Bin**

**April 23, 2026**