

# **PANDA** Electronics

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**Nanjing Panda Electronics Company Limited**

# **2024**

## **Annual Report**

(H Share Stock Code: 0 5 5 3)

(A Share Stock Code: 600775)

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DOCUMENTS AVAILABLE FOR INSPECTION	1. Original financial statements signed and sealed under the hand of the head of the Company, the chief accountant and the head of the accounting department (accounting supervisor) of the Company.
	2. Original copy of audit report sealed by the accounting firm, and signed and sealed under the hand of the certified public accountants.
	3. Original copies of all documents and announcements of the Company publicly disclosed on websites designated by the CSRC during the reporting period.
	4. This report is prepared in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

## IMPORTANT NOTICE

1. The board of directors, the supervisory committee and the directors, supervisors and senior management of the Company confirm that the information contained in this annual report is true, accurate and complete without any misrepresentation, misleading statements, or material omissions, and severally and jointly accept legal responsibility for the contents herein.
2. All directors of the Company attended the 4th meeting of the 11th session of the Board of the Company held on March 27, 2025.
3. WUYIGE Certified Public Accountants LLP issued an unqualified auditors' report for the Company. The Company's financial statements for the year were prepared in accordance with the PRC Accounting Standards for Business Enterprises, and complied with the Hong Kong Companies Ordinance and the disclosure requirements of the Hong Kong Stock Exchange Listing Rules.
4. Mr. Hu Huichun, the head of the Company, Mr. Hu Shoujun, the chief accountant, and Mr. Xue Gang, the head of the accounting department (accounting supervisor) of the Company, declared that they confirmed the truthfulness, accuracy and completeness of the financial report contained in this annual report.
5. Proposal of profit distribution or capitalization of capital reserves of the Company for the reporting period considered by the Board: After audit, the Company realized RMB188,854,556.25 of net loss attributable to shareholders of listed companies in 2024. According to relevant provisions of the Regulatory Guidelines for Listed Companies No. 3—Cash Dividend for Listed Companies, the Articles of Association and the Shareholder Return Plan (2025–2027), in order to ensure the Company's sustainable and stable operation and the long-term interests of all shareholders, the Board gave overall consideration to the Company's business plan and capital demand for 2025, and formulated the profit distribution plan for 2024 as follows: The Company would not make any profit distribution, capitalization of capital reserves or other forms of distribution.
6. Forward looking statements, including future plans and development strategies, contained in this annual report do not constitute a substantive commitment to investors by the Company. Investors are advised to pay attention to investment risks.
7. Neither the Company's controlling shareholder nor any of its related parties have misappropriated the Company's funds for non-operating purposes.
8. The Company did not provide external guarantees in violation of any specified decision-making procedures.
9. The situation where the majority of the directors cannot warrant the authenticity, accuracy and completeness of the information contained in the annual report does not exist.
10. Major risk warning: The Company has elaborated the potential risks in this annual report. For their details and the corresponding countermeasures, please refer to the paragraph headed "Potential risks" under Section III "Management Discussion and Analysis" in this annual report.

# Section I Definitions

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## I. Definitions

Unless the context otherwise requires, the following terms should have the following meanings in this report:

### Definitions of frequently-used terms

Company/Nanjing Panda	Nanjing Panda Electronics Company Limited
Group	Nanjing Panda Electronics Company Limited and its subsidiaries
PEGL	Panda Electronics Group Limited
PEGL Group	Panda Electronics Group Limited and its subsidiaries
NEIIC	Nanjing Electronics Information Industrial Corporation
NEIIC Group	Nanjing Electronics Information Industrial Corporation and its subsidiaries
CEC	China Electronics Corporation
CEC Group	China Electronics Corporation and its subsidiaries
Financial Company	China Electronics Financial Co., Ltd.
ENC	Nanjing Ericsson Panda Communication Co., Ltd.
LG-Panda	Nanjing LG-Panda Appliances Co., Ltd.
Shenzhen Jingwah	Shenzhen Jingwah Electronics Co., Ltd.
Electronics Equipment Company	Nanjing Panda Electronics Equipment Co., Ltd.
Information Industry Company	Nanjing Panda Information Industry Co., Ltd.
Electronic Manufacture Company	Nanjing Panda Electronic Manufacture Co., Ltd.
Communications Technology Company	Nanjing Panda Communications Technology Co., Ltd.
Technology Development Company	Nanjing Panda Electronic Technology Development Company Limited

## Section I Definitions (Continued)

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Chengdu Electronic Technology	Chengdu Panda Electronic Technology Co., Ltd.
Chengdu Display Technology	Chengdu BOE Display Technology Co., Ltd.
Huage Plastic	Nanjing Huage Appliance and Plastic Industrial Co., Ltd.
Panda Zhicheng	Nanjing Panda Zhicheng Technology Co., Ltd.
the Ministry of Finance	the Ministry of Finance of the People's Republic of China
CSRC	China Securities Regulatory Commission
SFC	Securities and Futures Commission of Hong Kong
Shanghai Stock Exchange	Shanghai Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
CSRC Jiangsu Bureau	Jiangsu Securities Regulatory Bureau of China Securities Regulatory Commission
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Articles of Association	Articles of Association of Nanjing Panda Electronics Company Limited
AFC	Auto Fare Collection
ACC	AFC Clearing Center
EMS	Electronic Manufacturing Services
MES	Manufacturing Execution System, a management system of information-based production aiming at execution on plant floors of manufacturers
SAP-ERP	SAP (System Applications and Products), a software company in Germany; SAP-ERP, generally referring to the ERP products under SAP
CNAS	China National Accreditation Service for Conformity Assessment

## Section II Company Profile and Major Financial Indicators

### I. Company Information

Chinese name of the Company	南京熊猫电子股份有限公司
Abbreviation of the Chinese name	南京熊猫
English name of the Company	Nanjing Panda Electronics Company Limited
Abbreviation of the English name	NPEC
Legal representative of the Company	Hu Huichun (Executive Director and General Manager)

### II. Contact Persons and Contact Information

	Secretary to the Board	Securities Affairs Representative
Name	Wang Dongdong	Wang Dongdong
Correspondence address	7 Jingtian Road, Nanjing, the People's Republic of China	7 Jingtian Road, Nanjing, the People's Republic of China
Telephone	(86 25) 84801144	(86 25) 84801144
Facsimile	(86 25) 84820729	(86 25) 84820729
Email	dms@panda.cn	dms@panda.cn

### III. Basic Information

Registered address	7 Jingtian Road, Nanjing, Jiangsu Province, the People's Republic of China
Historical changes of Registered address of the Company	In 2019, the Company's registered address was changed to Room 1701, 301 Zhongshan East Road, Xuanwu District, Nanjing, Jiangsu Province, the People's Republic of China; In 2021, the Company's registered address was changed to 7 Jingtian Road, Nanjing, Jiangsu Province, the People's Republic of China
Office address	7 Jingtian Road, Nanjing, Jiangsu Province, the People's Republic of China
Postal code of the office address	210033
Website of the Company	<a href="http://www.panda.cn">http://www.panda.cn</a>
Email	dms@panda.cn

## Section II Company Profile and Major Financial Indicators (Continued)

### IV. Places for Information Disclosure and Inspection

Designated media for information disclosure	Shanghai Securities News, China Securities Journal
International websites for the publication of the Company's annual report and information disclosure	Shanghai Stock Exchange: <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> Hong Kong Stock Exchange: <a href="http://www.hkex.com.hk">http://www.hkex.com.hk</a>
Place for inspection of the Company's annual report	Office of the Secretary to the Board, 7 Jingtian Road, Nanjing, the People's Republic of China

### V. Information of the Company's Shares

#### Overview of the Company's shares

Class of shares	Stock exchange on which the shares are listed	Stock abbreviation	Stock code	Stock abbreviation before change
A shares	Shanghai Stock Exchange	Nanjing Panda	600775	N/A
H shares	Hong Kong Stock Exchange	Nanjing Panda	00553	N/A

### VI. Other Relevant Information

Domestic auditors of the Company	Name Office address Name of signing accountants	WUYIGE Certified Public Accountants LLP Room 2206, 22/F, 1 Zhichun Road, Haidian District, Beijing Gong Ronghua, Han Shimin
Overseas auditors of the Company	Name Office address Name of signing accountants	N/A N/A N/A
Long-term domestic legal advisers	Name Office address	Grandall Law Firm (Nanjing) 7th-8th Floor, Building B, No.309 Hanzhong Gate Avenue, Nanjing
Long-term overseas legal advisers	Name Office address	Philip K. H. Wong, Kennedy Y. H. Wong & Co., Solicitors 23rd Floor, Admiralty Centre Tower II, 18 Harcourt Road, Queensway, Hong Kong
Share Registrars and Transfer Office (A shares)	Name Office address	China Securities Depository and Clearing Corporation Limited Shanghai Branch 188 South Yanggao Road, Pudong New Area, Shanghai
Share Registrars and Transfer Office (H shares)	Name Office address	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

## Section II Company Profile and Major Financial Indicators (Continued)

### VII. Major accounting data and financial indicators (prepared in accordance with the PRC Accounting Standards of Business Enterprises)

#### (I) Principle accounting data

Unit: Yuan Currency: RMB

Principle accounting data	2024	2023	Year-on-year increase/decrease (%)	2022 (Adjusted)	2021	2020
Operating revenue	<b>2,645,884,960.86</b>	2,912,311,480.01	-9.15	4,154,295,003.26	4,531,842,430.51	3,952,265,022.15
Operating revenue after deducting business revenues unrelated to the main business and revenues without commercial substance	<b>2,639,721,097.67</b>	2,906,890,141.38	-9.19	4,152,444,749.54		
Net profit attributable to shareholders of the Company	<b>-188,854,556.25</b>	-237,862,230.10	N/A	39,873,197.73	41,928,543.18	77,318,175.74
Net profit attributable to shareholders of the Company after extraordinary items	<b>-202,269,390.80</b>	-257,009,511.61	N/A	10,520,082.28	11,888,072.43	18,254,992.01
Net cash flows from operating activities	<b>-265,274,734.11</b>	-65,851,054.62	N/A	150,320,717.60	208,170,561.48	534,653,617.28

	As of the end of 2024	As of the end of 2023	Year-on-year increase/decrease (%)	As of the end of 2022 (Adjusted)	As of the end of 2021	As of the end of 2020
Net assets attributable to shareholders of the Company	<b>3,114,294,647.60</b>	3,303,235,992.24	-5.72	3,553,958,826.75	3,527,207,782.36	3,509,430,717.97
Total assets	<b>5,320,807,895.66</b>	5,540,955,892.33	-3.97	5,865,289,811.26	6,057,982,752.18	6,001,947,699.44

## Section II Company Profile and Major Financial Indicators (Continued)

### VII. Major accounting data and financial indicators (prepared in accordance with the PRC Accounting Standards of Business Enterprises) (Continued)

#### (II) Key financial indicators

Key financial indicators	2024	2023	Year-on-year increase/ decrease (%)	2022 (Adjusted))	2021	2020
Basic earnings per share (RMB/share)	<b>-0.2067</b>	-0.2603	N/A	0.0436	0.0459	0.0846
Diluted earnings per share (RMB/share)	<b>-0.2067</b>	-0.2603	N/A	0.0436	0.0459	0.0846
Basic earnings per share after extraordinary items (RMB/share)	<b>-0.2213</b>	-0.2812	N/A	0.0115	0.0130	0.0200
Weighted average return on net assets (%)	<b>-5.89</b>	-6.92	Increased by 1.03 percentage point	1.12	1.12	2.22
Weighted average return on net assets after extraordinary items (%)	<b>-6.30</b>	-7.48	Increased by 1.18 percentage point	0.3	0.32	0.52

Explanations on major accounting data and financial indicators of the Company as at the end of the reporting period:

The existing market competition in the Company's intelligent manufacturing business and power supply and communication business is fierce, resulting in a decline in operating revenue and gross profit in 2024. The net profit attributable to the shareholders of the listed company and the net profit attributable to the shareholders of the listed company after deducting non-recurring gains and losses have increased, mainly due to the provision of impairment of long-term equity investments of RMB230 million in the previous period. In order to respond to changes in market and customer needs, the Company maintains a high level of R&D investment, and the R&D expenses have increased during the reporting period. In addition, in accordance with the Accounting Standards for Enterprises and the Company's current operating situation and asset status, the Company has conducted a comprehensive impairment test on relevant assets, and has accrued credit impairment losses and asset impairment losses, which have a certain impact on the net profit attributable to the shareholders of the listed company. The decrease in net cash flows from operating activities was mainly due to the year-on-year decrease in cash received from sales of goods and rendering of services for the period.



## Section II Company Profile and Major Financial Indicators (Continued)

### VIII. Differences between accounting data prepared under overseas and domestic accounting standards

- (I) Differences in the net profit and net assets attributable to shareholders of the Company in the financial statements disclosed under the International Accounting Standards and the PRC GAAP: N/A
- (II) Difference in the net profit and net assets attributable to shareholders of the Company in the financial statements disclosed under the foreign accounting standards and the PRC GAAP: N/A
- (III) Explanations on differences under the foreign and domestic accounting standards: N/A

### IX. Major quarterly accounting data in 2024

Unit: Yuan    Currency: RMB

	Q1 (January to March)	Q2 (April to June)	Q3 (July to September)	Q4 (October to December)
Operating Revenue	484,002,973.06	766,343,539.03	577,952,040.59	817,586,408.18
Net profit attributable to shareholders of the Company	-45,922,679.29	-22,275,431.22	-30,729,551.66	-89,926,894.08
Net profit attributable to shareholders of the Company after extraordinary items	-50,083,775.74	-26,465,511.03	-35,310,494.85	-90,409,609.18
Net cash flows from operating activities	-22,987,313.49	-110,275,390.84	-124,750,689.95	-7,261,339.83

Explanation on the differences between quarterly data and disclosed regular reporting data: N/A

## Section II Company Profile and Major Financial Indicators (Continued)

### X. Extraordinary items and amounts

Unit: Yuan Currency: RMB

Extraordinary items	Amount for 2024	Amount for 2023	Amount for 2022
Gains and losses from disposal of non-current assets	525,842.12	421,029.87	800,968.84
Government grants (except for the grants which are closely related to the Company's business and have the standard amount and quantities in accordance with the national standard) included in gains and losses for the period	7,516,156.59	10,636,782.70	20,618,422.07
Gains and losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, and gains and losses from the disposal of financial assets and financial liabilities, except those arising from the effective hedging activities related to the Company's normal operation	11,113,067.02	8,076,838.96	11,205,051.48
Reversal of impairment provision for receivables subject to individual impairment test	240,809.22	918,680.62	2,379,008.00
Gains and losses on debt restructuring		322,743.00	
Other non-operating income and expenses other than the aforesaid items	-919,241.75	4,554,687.63	809,513.76
Other items of gain or loss in accordance with the definition of extraordinary profit and loss		267,350.61	283,131.80
Affected minority interests	2,858,981.51	1,366,908.17	2,019,731.37
Affected income tax amount	2,202,817.14	4,683,923.71	4,723,249.13
Total	13,414,834.55	19,147,281.51	29,353,115.45

## Section II Company Profile and Major Financial Indicators (Continued)

### XI. Items measured at fair value

Unit: Yuan Currency: RMB

Names	Opening balance	Closing balance	Changes in current period	Amounts that affect the profit of the current period
Financing receivables	25,415,043.86	<b>30,350,019.89</b>	4,934,976.03	
Financial assets held for trading	485,158,212.68	<b>491,594,758.95</b>	6,436,546.27	4,914,915.97
Total	<u>510,573,256.54</u>	<u><b>521,944,778.84</b></u>	<u>11,371,522.30</u>	<u>4,914,915.97</u>

## Section III Management Discussion and Analysis

### I. Discussion and analysis on the operation

In 2024, the Company closely adhered to the principle of high-quality development, focused on the development strategy of the “14th Five-Year Plan”, and vigorously promoted various tasks such as market expansion, scientific and technological innovation, deepening of reforms, and management improvement. All aspects of production and operation were carried out in an orderly manner. In accordance with the China Accounting Standards for Business Enterprises, the Company’s operating revenue in 2024 was RMB2.645885 billion, the total loss was RMB124.622 million, and the net loss was RMB141.4328 million.

In 2024, the Company’s market expansion achieved steady growth. In the field of intelligent transportation, the Company focused on the in-depth development of the AFC system for rail transit, achieving new breakthroughs in the Guangdong-Hong Kong-Macao Greater Bay Area, overseas markets, and road traffic. The Company won the bids and signed 40 projects with an amount exceeding RMB600 million. In the field of safe cities, the Company strived to create new business growth points, won the bids for 5 projects such as low-orbit satellite internet testing terminals, simulation terminals, and ground verification; throughout the year, the Company signed nearly 30 new orders in business areas such as satellite communication terminals, Beidou timekeeping and time service, and self-organizing network terminals, with an amount of nearly RMB100 million; the Company made efforts to stabilize and actively develop the customer base for special power supplies. In the field of bidirectional inverter new energy, the Company signed new orders of over RMB80 million throughout the year; the Company won the bids and signed 27 intelligent engineering projects, intelligent upgrading and transformation projects, and other intelligent system projects, with an amount of approximately RMB370 million. In the field of intelligent manufacturing, the Company concentrated its efforts on promoting intelligent warehousing and logistics solutions and core products, successfully expanding overseas market projects. In business areas such as glass production lines, new energy, and liquid flow battery energy storage, the Company signed 33 projects such as intelligent factories and intelligent warehousing throughout the year, with the contract amount exceeding RMB100 million. In the field of electronic manufacturing services, the Company accelerated the large-scale development of automotive electronics and white goods businesses. The automotive electronics business achieved sales of RMB280 million throughout the year, with a year-on-year increase of 71%; the white household appliances business achieved sales of RMB90 million throughout the year, with a year-on-year increase of 10%.

In 2024, the Company continued to increase R&D investment, steadily promoted key projects, and made a number of scientific and technological achievements. The Company’s investment in science and technology was approximately RMB260 million, and the R&D investment intensity reached 9.9%. Two special projects undertaken by the Company, namely the Intelligent Operation and Maintenance System for Key Industry Production Equipment Based on the Industrial Internet Platform under the Special Project of the Ministry of Industry and Information Technology’s Industrial Internet Innovation and Development Project and the Key Technologies for Intelligent Operation Decision-Making of Equipment Manufacturing Enterprises Supporting Dynamic Reconfiguration under the National Key R&D Program, passed the mid-term inspection in 2024. Six scientific and technological achievements of the Company passed the scientific and technological achievement appraisal organized by China Electronics, of which, one reaching the international advanced level and three reaching the leading level in China. In 2024, the Company applied for 92 patents throughout the year, including 64 invention patents; 68 patents were granted, including 36 invention patents; and 60 computer software copyrights were registered.

## Section III Management Discussion and Analysis (Continued)

### I. Discussion and analysis on the operation (Continued)

In 2024, the Company continued to promote the work of deepening reforms. With the goal of resource coordination and joint development, the Company launched the reform and restructuring of the communication technology company and the internal network energy company, formulated and revised the integration plan, which will be implemented in 2025. The Company fully implemented the work arrangements of the State-owned Assets Supervision and Administration Commission of the State Council regarding the action plan for deepening and upgrading reforms, continuously promoted the action plan for deepening and upgrading reforms, with a completion rate of 66 key reform tasks exceeding 80%.

In 2024, the Company actively carried out the action of improving management. It improved the level of information-based management, completed the upgrade of the new OA system and the optimization of the SAP-ERP system, further optimized the processes and improved efficiency. With the goal of strengthening personnel reuse, the Company promoted the construction of the financial shared service center and completed the preliminary research and project demonstration.

In 2024, under the leadership of the Board of Directors, the Company achieved certain results in its operations. However, during the industrial development process, the following prominent problems still exist: Firstly, there is a lack of significant achievements in building core technologies and transforming scientific and technological achievements, making it difficult to support breakthrough development in the industry; Secondly, the adjustment of the industrial structure and the transformation and development have not met the expected goals, and the achievements in the layout of new business areas are not yet significant; Thirdly, the construction of the talent team still needs to be significantly strengthened. There is a shortage of cadres who understand business operations and can achieve results, as well as leading talents in the industry, and the cultivation of young cadres is insufficient; Fourthly, there is insufficient effectiveness in the governance of loss-making enterprises. The Electronic Equipment Company and the Communication Technology Company have failed to achieve the goals of reducing losses and turning losses into profits.

### II. Situation of the industry where the Company operated during the reporting period

#### (I) Industry development

The industry to which the Company belongs to is computer, communication and other electronic equipment manufacturing.

The electronic information manufacturing industry is a strategic, fundamental and leading industry of the national economy, with a large total scale, a long industrial chain and a wide range of fields involved. It is an important field to stabilize industrial economic growth and maintain national political and economic security. In 2024, the effects of a series of national policies aimed at stabilizing growth and adjusting structures gradually became evident. Regions across the country tailored their efforts to accelerate the cultivation of new quality productivity, with semiconductors, energy electronics, highend components and other sectors emerging as key areas for tackling critical common technologies and important foundations for supporting technological innovation in various provinces and cities. Stimulated by the recovery of the global market and policy dividends, China's electronic information manufacturing industry experienced sustained and rapid growth.

## Section III Management Discussion and Analysis (Continued)

### II. Situation of the industry where the Company operated during the reporting period (Continued)

#### (I) Industry development (Continued)

In 2024, China's electronic information manufacturing industry saw rapid production growth, with exports continuing to rise, stable and improving profitability, significant investment momentum, and an overall positive development trend in the industry. In 2024, the added value of electronic information manufacturers above designated size increased by 11.8% year-on-year, which were 6 and 2.9 percentage points higher than that of industry and high-tech manufacturers in the same period, respectively. In 2024, the export delivery value of electronic information manufacturing industry above designated size increased by 2.2% year-on-year, 0.9 percentage point higher than that from January to November. In 2024, the operating income of electronic information manufacturers above designated size was RMB16.19 trillion, a year-on-year increase of 7.3%; the operating costs were RMB14.11 trillion, a year-on-year increase of 7.5%; the total profit was RMB640.8 billion, a year-on-year increase of 3.4%; and the profit margin of operating income was 4.0%, increasing 0.04 percentage point compared to the period from January to November. In 2024, the fixed asset investment of electronic information manufacturing industry grew 12% year on year, decreased by 0.6 percentage point compared to the period from January to November, 0.1 percentage point lower than that of industrial investment in the same period, but 5 percentage points higher than that of high-tech manufacturing investment in the same period.

In the field of smart urban rail, as of 2024, more than 50 cities in mainland China have launched urban rail transit systems, with a total operating mileage exceeding 12,000 kilometers, among which 53 operational lines/sections and 595 stations were newly added in 2024, reaching a mileage of 963.22 kilometers. Additionally, 15 construction lines and 187 stations were newly added, covering a mileage of 337.86 kilometers and requiring an investment of RMB282.059 billion. In some cities where rail transit systems have newly opened, certain medium and small cities such as Luoyang and Shaoxing have introduced metro or light rail systems for the first time, marking an expansion of urban rail transit into second and third-tier cities, and indicating significant development potential in the market with ample room for further expansion. In addition, according to statistics from China Rail Transit Network, urban rail transit in China has entered a new stage of development. The maintenance market, including daily maintenance and comprehensive renovation and upgrading of existing lines, is expected to witness unprecedented market prospects, and the market size will surpass RMB1 trillion over the next decade.

In the field of digital economy, the information infrastructure construction that drives the digitalization, networking, and intelligent development of manufacturing is becoming increasingly complete. Currently, China has established the world's largest and most advanced mobile communication and fiber-optic broadband network. By the end of 2024, a total of 4.25 million 5G base stations have been constructed and put into operation, with over 200 million users accessing gigabitspeed internet, achieving "gigabit connectivity in every county, and 5G coverage in every township". Through the continuous accumulation of 5G technology, China's share of essential patents in global 5G standards invention has reached 42%, providing robust support for the digital transformation of manufacturing and the development of the economy and society.

## Section III Management Discussion and Analysis (Continued)

### II. Situation of the industry where the Company operated during the reporting period (Continued)

#### (I) Industry development (Continued)

In terms of the scale of smart manufacturing application, China has achieved remarkable results in the intelligent transformation of manufacturing industry. Currently, 421 national-level intelligent manufacturing benchmark factories have been cultivated and established. They have formed over 10,000 provincial-level digital workshops and smart factory clusters, completed digital upgrades for nearly 10,000 small and medium-sized enterprises, and constructed more than 340 industry-leading industrial internet platforms. Through the deep integration of industrial internet and smart manufacturing, China's manufacturing industry has developed a digital transformation ecosystem covering the entire industry chain, achieving systematic improvements in R&D and production efficiency in the high-end equipment sector.

#### (II) Impact of the new policies on the industry

1. In 2024, seven departments such as the Ministry of Industry and Information Technology issued the "Implementation Opinions on Promoting the Innovative Development of Future Industries". The future manufacturing will develop smart manufacturing, biomanufacturing, nanomanufacturing, laser manufacturing, and circular manufacturing. Breakthroughs in key core technologies such as intelligent control, smart sensors, and simulation will be pursued, and flexible manufacturing and shared manufacturing models will be promoted and advocated to advance development such as industrial internet and the industrial metaverse. The future information will push for the industrial application of next generation mobile communications, satellite internet, and quantum information technologies, accelerate innovation breakthroughs in quantum and photon computing technologies, and rapidly foster deep empowerment through brain-like intelligence, swarm intelligence, and large models, thereby accelerating the cultivation of intelligent industries. For humanoid robots, breakthroughs will focus on core technologies such as high-torque-density servo motors, high-dynamic motion planning and control, biomimetic perception and cognition, intelligent dexterous hands, and electronic skin, and emphasis will be placed on advancing the research and application of products in the fields of intelligent manufacturing, home services, and operations in special environments.
2. In 2024, four departments such as the Ministry of Industry and Information Technology issued the "General Aviation Equipment Innovation Application Implementation Plan (2024–2030)", proposing to "accelerate the iterative upgrade of general aviation technology and equipment, establish a modern cluster for advanced manufacturing in general aviation, create a new development model for the Chinese general aviation industry, and provide strong support for nurturing new growth poles in the low-altitude economy". In August 2024, the General Office of the People's Government of Jiangsu Province issued the "Implementation Opinions on Accelerating the High-Quality Development of the Low-Altitude Economy", proposing key tasks such as promoting reforms in low-altitude airspace management, accelerating the construction of low-altitude infrastructure, enhancing innovation capabilities in the low-altitude industry, establishing hubs for low-altitude manufacturing industries, actively expanding applications for low-altitude flight scenarios, and improving comprehensive service support capabilities.

## Section III Management Discussion and Analysis (Continued)

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### II. Situation of the industry where the Company operated during the reporting period (Continued)

#### (II) Impact of the new policies on the industry (Continued)

3. In 2024, seven departments such as the Ministry of Industry and Information Technology jointly issued the "Implementation Plan for Promoting Industrial Equipment Upgrades", proposing that by 2027, investment in industrial equipment is expected to grow by over 25% compared to 2023, and the penetration rate of digital R&D and design tools and the numerical control rate of key processes in industrial enterprises above designated size will exceed 90% and 75%, respectively. Full coverage of digital transformation is targeted for industrial enterprises above designated size in large industrial provinces, major cities, and key industrial parks. In key industries, production capacities below energy efficiency benchmarks are expected to phase out, while the energy efficiency of major energy-consuming equipment should reach energy-saving levels. The intrinsic safety level will be significantly enhanced, the promotion and application of innovative products will be accelerated, and the proportion of advanced production capacity will continue to rise.
4. In 2025, eight departments such as the Ministry of Industry and Information Technology jointly issued the "Action Plan for the High-quality Development of the New Energy Storage Manufacturing Industry", proposing to promote the widespread application of new-generation information technologies such as blockchain, big data, artificial intelligence, and 5G in the new energy storage manufacturing industry; accelerate the construction of smart factories, encourage the digital transformation of key processes in the production and manufacturing of new energy storage products, and system integration, applying online inspection technologies such as machine vision, ultrasound, and infrared thermal imaging to optimize quality control systems; enhance the automation level of various aspects of new energy storage product material production and packaging; and provide support for manufacturing enterprises to extend their service chains and develop new service-oriented manufacturing models.
5. In 2024, twelve departments such as the Ministry of Industry and Information Technology issued the "5G Scale Application "Sailing" Action Upgrade Plan", proposing that by the end of 2027, a development landscape characterized by "universal capability, widespread application, and empowering inclusiveness" will be established, achieving comprehensive 5G scale application. It aims to enhance production and operation through 5G empowerment, creating an upgraded version of "5G + Industrial Internet" and promoting its high-quality development and scale application; focuses on deepening the construction of 5G factories in key industry sectors for large, medium, and small enterprises, promoting integrated and intensive solutions, and setting benchmarks for 5G factory construction; accelerates the R&D and promotion of key 5G+Industrial Internet products and speeds up the construction of new industrial networks; and advances the construction of dedicated 5G networks and explores innovative applications of 5G millimeter waves in manufacturing, mining, railways, and defense industries and other sectors.



## Section III Management Discussion and Analysis (Continued)

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### II. Situation of the industry where the Company operated during the reporting period (Continued)

#### (II) Impact of the new policies on the industry (Continued)

6. In 2024, four departments such as the Ministry of Industry and Information Technology issued the "Special Action Plan for Digitalized Empowerment of Small and Medium-sized Enterprises (2025–2027)", proposing to drive the digital transformation of small and medium-sized enterprises by combining it organically with large-scale equipment upgrades and implementing technology renovation and upgrade projects, use the digital transformation of small and medium-sized enterprises in pilot cities as the starting point to advance digital transformation by combining "point, line and plane" approach, accelerate the innovative applications and deep empowerment of artificial intelligence, fully activate the value of data elements, significantly improve the quality and efficiency of supply as well as service assurance levels, and implement special actions for the digital empowerment of small and medium-sized enterprises. By 2027, the "Hundred Cities" pilot program for the digital transformation of small and medium-sized enterprises will have achieved solid results, specialized and sophisticated small and medium-sized enterprises will undergo complete digital transformation, establishing a group of transformation benchmarks with digital levels reaching levels three and four; in the pilot provinces, the digital levels of small and medium-sized enterprises with specialized expertise and refined operation will reach level two and above, and the numerical control rate of key processes in small and medium-sized enterprises above designated size in the national industrial sector will reach 75%; and more than 40% of small and medium-sized enterprises will upload to the cloud.
7. The 2025 government work report proposes to stimulate the innovation vitality of the digital economy. It emphasizes the continuous advancement of the "AI+" initiative, aiming to better integrate digital technologies with manufacturing advantages and market strengths, support the extensive application of large models, and vigorously develop new-generation smart terminals such as intelligent connected new energy vehicles, AI smartphones and computers, smart robots, as well as intelligent manufacturing equipment. It advocates expanding the 5G large-scale application, accelerating the innovative development of industrial internet, optimizing the layout of national computing power resources, and creating digital industry clusters with international competitiveness. It also stresses the expedited improvement of data basic systems, the deepening of data resource development and utilization, and the promotion and regulation of cross-border data flows.

## Section III Management Discussion and Analysis (Continued)

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### III. Information on activities during the reporting period

#### (I) Principal activities

The Company takes smart transportation and safe city, industrial Internet and intelligent manufacturing, and green and service-oriented electronic manufacturing as its three main businesses.

In the field of smart transportation and safe city, the Company takes the construction of a modern digital city as its leading direction, comprehensively uses new-generation information technologies and data analysis means, focuses on the development of smart transportation and safe city business clusters, and further expands smart urban rail, safe city communications, digital park, high-tech electronics, energy storage power supply and other businesses.

In the field of industrial Internet and intelligent manufacturing, the Company applies new-generation information technologies to deeply integrate with advanced manufacturing technologies. Relying on product categories such as intelligent industrial control equipment, intelligent robots, intelligent logistics equipment, and other new types of intelligent manufacturing dedicated and general equipment, the Company integrates and applies independently developed industrial software platforms, focuses on the automation, informatization, digitization, and intelligent transformation and upgrading of manufacturing enterprises, and provides intelligent factory system solutions with independent intellectual property rights.

In the field of green and service-oriented electronic manufacturing, through intelligent, flexible and lean management, it provides domestic and foreign brand manufacturers with complete manufacturing services, such as R&D, process design, procurement management, manufacturing and warehousing of 3C, new display module components, core components of white appliances, automotive electronics, communication equipment and other electronic products.

#### (II) Operating model

##### 1. Management model

Guided by market and customer demands, the Company carries out in-depth reform and innovation, accelerates the promotion of market-oriented transformation, and makes every effort to forge core competitiveness. Collaborating on scientific and technological innovation, market expansion, team construction, deepening reform, quality upgrading and efficiency improvement, risk prevention and control and other aspects, by focusing on the main line of digital, intelligent and green development of manufacturing industry, and relying on the advantages of China's electronic computing system, the Company coordinates the integration of internal and external intelligent manufacturing resources, comprehensively promotes the construction of digital intelligent equipment industry system, improves the layout of the ecologic chain of the industry. Through providing industry-leading system solutions and services for major system engineering, the Company is committed to becoming an important support for national intelligent manufacturing field and assisting high-quality development of the manufacturing industry.

## Section III Management Discussion and Analysis (Continued)

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### III. Information on activities during the reporting period (Continued)

#### (II) Operating model (Continued)

##### 2. R&D model

The Company always adheres to self-dependent innovation and insists on “response + guiding”-based two-way driven R&D model. By carefully integrating the national strategic direction, fully studying the market and customer needs and practically implementing “three-tight” R&D strategy, the Company closely follows the national strategic direction, keeps up with the technological development trend, and keeps abreast of the market demand and orientation. Through this strategy, the Company ensures it maintains a leading position in technology research and development as well as product innovation, and continues to enhance its core competitiveness. Meanwhile, the Company places significant emphasis on industry-academia-research co-operation, integrates internal and external resources, promotes the transformation of technological achievements, provides customers with more forward-looking and practical solutions, and contributes to the progress and sustainable development of the industry.

##### 3. Production & service delivery model

Guided by market and customer demands, the Company organizes R&D and production, and devotes itself to the delivery of product and system overall solutions and system engineering projects. Meanwhile, the Company actively and quickly responds to the needs of customers and continuously promote technical update iteration. Through providing integrated services to customer, the Company deepens and broadens the cooperative relationship with customers, creates more value for them and ultimately achieves growth and development for both the Company and customers.

##### 4. Marketing model

The Company implements a full-staff marketing model, through the development of a series of training and incentive mechanisms, encourages all employees to break through the post limitations, actively participate in the Company’s marketing activities, vigorously expand new areas, attract new customers, and expand new categories, at the same time, the Company maximizes the potential of employees, integrates internal resources, and effectively promotes the enhancement of both the Company’s brand influence and performance.

## Section III Management Discussion and Analysis (Continued)

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### III. Information on activities during the reporting period (Continued)

#### (III) Overview of the development of principal activities

In the fields of intelligent transportation, safe city and digital park, the Company pools its resources and focuses its efforts to become an integrated software and hardware solution provider in the areas of urban rail transportation, dedicated emergency communication and digital park. In the intelligent rail transportation business segment, the Company strives to become a leader in the urban intelligent transportation industry and further enhance its core competitiveness and industrial scale. Through years of hard work, by continuously polishing and refinishing its own level in innovation technology system and design ideas, the Company has gained the trust of customers and reliability of the industry, and has gradually grown into the domestic premier provider to simultaneously provide urban rail transportation integrated command system, automatic ticketing system, ticketing clearing system and communication system and other related solutions, software services and core equipment, and has formed a brand effect. The ticketing system and equipment are in the first echelon among the domestic counterparts, and the general contracting business of the rail transportation communication system is also in the forefront of the industry. In the digital park segment, the Company integrates the use of Internet of Things, big data, intelligent sensing and other technologies to provide integrated digital park solutions, and its products and services are distributed in more than 10 provinces and municipalities, such as Jiangsu, Shanghai, Anhui, Shandong, Henan, Xinjiang, Liaoning, and other regions.

In the field of industrial internet and intelligent manufacturing, the Company, based on its strengths in the industry, vigorously develops intelligent manufacturing equipment and intelligent manufacturing industrial software business, constantly upgrading its intelligent manufacturing service capability and expanding its business clusters, so as to provide customers with complete intelligent manufacturing solutions. As one of the first local service providers of “Smart Reform and Digital Transformation”, the Company possesses system solutions with independent intellectual property rights in various application scenarios such as intelligent production, intelligent management and intelligent manufacturing services. The Company continues to plough into the LCD glass intelligent chemical plant market, while achieving breakthroughs in new energy, intelligent storage, instrumentation assembly lines and other sectors, striving to cultivate independent R&D and safe and control capabilities for key software technologies, enhance basic support capabilities and improve the standard of integrated applications, intelligent manufacturing digitization and information technology.

## Section III Management Discussion and Analysis (Continued)

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### III. Information on activities during the reporting period (Continued)

#### (III) Overview of the development of principal activities (Continued)

In the field of green manufacturing services, the Company is accelerating its compliance with the national “carbon” development policy by investing in a modern industrial chain infrastructure with first-class supply chain management capabilities, which enables the Company to provide intelligent, flexible and lean production and manufacturing of green electronic manufacturing services. The Company has a core competitive advantage in electronic product manufacturing services in terms of scale of development, production capacity and technological response and stands in a leading position in Eastern China. The Company has several electronic product manufacturing factories in Nanjing, Chengdu and Shenzhen, with SMT mounting capacity reaching 1 billion devices per month, annual production capacity exceeding 10 million units, and annual production and assembly exceeding 10 billion parts. Moreover, the Company is capable of providing efficient, high-quality and green electronic production and manufacturing services, realizing the in-depth integration of MES and SAP-ERP systems, and adopting fully automatic tracking, full-process closed-loop production management and process control in the production line, thus meeting the demands of aviation, aerospace, communications and other high-tech electronic businesses. Furthermore, the Company continues to increase investment to enhance the quality control capability of its product testing center, which has successfully passed the CNAS accreditation, forming a complete set of electronic manufacturing service industry chain and possessing a core competitive advantage in electronic product manufacturing service. At present, the Company has developed its scale and specialization in LCD panels, automotive electronics, white household appliances and other areas.

### IV. Analysis of core competitiveness during the reporting period

The Company has made outstanding achievements in the building of innovation capacities and effectively strengthened the foundation of scientific research positions day by day. The eight major subsidiaries of the Company have been recognized as high-tech enterprises, and the Company currently has 4 provincial-level specialized, refined, characteristic, and innovative enterprises. The Company has established 1 national engineering research center, 6 provincial-level engineering (technology) research centers, 4 provincial-level enterprise technology centers, 1 municipal-level enterprise technology center, and 2 municipal-level engineering research centers. Led by the Digital Intelligence Industry Research Institute, and relying on the core development path of key technology research and development, core product research and development, solution promotion, and industrial ecosystem co-construction, the Company improves the scientific and technological innovation system in the digital intelligence industry, lays out emerging industries, and aims to take a leading position in future market competition through unified planning, step-by-step construction, and progressive promotion.

## Section III Management Discussion and Analysis (Continued)

### IV. Analysis of core competitiveness during the reporting period (Continued)

The Company attached great importance to its R&D input and achieved remarkable results in scientific and technological innovation. In 2024, the Company's investment in science and technology was approximately RMB260 million, and the research and development investment intensity reached 9.9%. Six scientific research projects have passed the appraisal of scientific and technological achievements. Among them, the project "Research, Development and Application of the Digital Park Operating System Based on Trusted Data Space Technology" has been appraised to reach the domestic leading and international advanced level. The Company, in collaboration with Nanjing University, Southeast University, Sun Yat-sen University, etc., applied for and was approved for 1 major science and technology project in Jiangsu Province in 2024. In 2024, the Company won 1 third prize of the Science and Technology Award of the China Institute of Electronics, 1 first prize of the Science and Technology Award of the Jiangsu Provincial Comprehensive Transportation Society, 1 first prize of the Science and Technology Award of the Jiangsu Provincial Light Industry Association, and 1 second prize of the scientific and technological achievements of the Jiangsu Provincial Artificial Intelligence Society.

The Company achieved a rapid breakthrough in the application of intellectual property rights and made constant increase and improvement of patent pool in smart city and intelligent manufacturing segments. In 2024, a total of 68 national patents were granted, including 36 national invention patents; and 60 software copyright registrations were completed. As of the end of 2024, the Company had 561 valid patents, including 197 valid invention patents and 534 software copyrights.

The Company firmly adheres to the operational philosophy of quality-oriented and service-oriented, maintains the ISO9001 quality management system, ISO14001 environmental management system, ISO45001 occupational health and safety management system, ATF16949 automotive quality management system and other certification qualifications. The Company established a complete after-sales service system and maintained the five-star product after-sales service certification, IT service management system certification, information system construction and service capability evaluation CS4 level (excellent level), and so on. In 2024, the Company achieved remarkable results in quality management. The project Improving the R&D Speed and Quality of the Communication Software for the New Generation of Station Control System Equipment won the third prize in the annual Central Enterprise QC Team Achievement Presentation Competition, and the paper Quality Improvement and Research on a Software Automation Programming Technology Based on Structured Protocols won the second prize of the Nanjing Quality Management Thesis.

The Company has a collaborative innovation mechanism and vigorously promotes the "industry-university-research" cooperation mechanism. It has carried out scientific and technological innovation exchanges with many universities, including Nanjing University, Southeast University, Nanjing University of Aeronautics and Astronautics, Nanjing University of Science and Technology, and Nanjing University of Posts and Telecommunications. It conducts industry-university-research cooperation in the fields of intelligent manufacturing, robotics, digital twin, artificial intelligence, non-destructive testing, etc. In addition, the Company also cooperated with many domestic universities to undertake a number of national, provincial special projects and established a long-term stable and mutually beneficial cooperation relationship with them.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period

During the reporting period, the existing market for some of the Company's businesses was highly competitive, and the transition period for the transformation and upgrading of the business structure was relatively long. The expansion of new customers failed to meet expectations, which had a significant impact on the Company's operating performance. At the same time, in order to respond to changes in market and customer demands and accelerate the transformation and upgrading of the industry, the Company maintained a relatively high level of R&D investment, resulting in an increase in R&D expenses, which had a certain impact on the net profit. In addition, in accordance with the Accounting Standards for Business Enterprises, the Company made provisions for credit impairment losses and asset impairment losses, which also had a certain impact on the net profit.

#### (I) Analysis of principal operations

##### 1. Analysis of changes in related items in the income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the same period last year	Change (%)
Operating income	<b>2,645,884,960.86</b>	2,912,311,480.01	-9.15
Operating costs	<b>2,220,744,587.45</b>	2,398,000,168.52	-7.39
Costs of sales	<b>45,292,628.32</b>	40,939,857.79	10.63
Administrative expenses	<b>283,038,723.68</b>	263,667,430.75	7.35
Financial expenses	<b>-12,076,236.50</b>	-11,884,592.85	N/A
R&D expenses	<b>262,177,873.98</b>	211,187,548.93	24.14
Net cash flows from operating activities	<b>-265,274,734.11</b>	-65,851,054.62	N/A
Net cash flows from investing activities	<b>102,912,989.98</b>	-119,323,705.49	N/A
Net cash flows from financing activities	<b>30,274,303.43</b>	26,690,509.15	13.43
Investment income	<b>96,152,132.69</b>	61,249,200.92	56.99
Gain on changes in fair value	<b>4,914,915.97</b>	-1,624,939.93	-402.47
Credit impairment losses	<b>-27,310,416.22</b>	-7,702,894.86	N/A
Assets impairment losses	<b>-46,693,274.64</b>	-236,789,856.24	N/A
Gain from the disposal of assets	<b>8,373.69</b>	468,739.44	-98.21
Non-operating income	<b>987,777.94</b>	6,525,564.98	-84.86
Non-operating expenses	<b>1,389,551.26</b>	2,018,586.92	-31.16

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 1. Analysis of changes in related items in the income statement and cash flow statement (Continued)

*Notes:*

- (1) Reasons for changes in operating income: mainly due to the fierce competition in the existing markets for the intelligent manufacturing business and the power supply and communication business, resulting in a year-on-year decrease in operating income;
- (2) Reasons for changes in operating costs: mainly due to the fierce competition in the existing markets for the intelligent manufacturing business and the power supply and communication business, resulting in a year-on-year decrease in operating costs;
- (3) Reasons for changes in costs of sales: mainly due to the increase in employee compensation and advertising and exhibition expenses;
- (4) Reasons for changes in administrative expenses: mainly due to the increase in dismissal expenses and depreciation and amortization;
- (5) Reasons for changes in research and development expenses: mainly due to the increase in employee compensation and material costs;
- (6) Reasons for changes in net cash flows from operating activities: mainly due to the year-on-year decrease in cash received from the sale of goods and rendering of services for the period;
- (7) Reasons for changes in net cash flows from investing activities: mainly due to the increase in the payment for the principal of large CDs for the period;
- (8) Reasons for changes in net cash flows from financing activities: mainly due to the increase in the discount proceeds of bank acceptance bills that have been discounted but not yet derecognized received by the Company in this period compared with the previous period;
- (9) Reasons for changes in investment income: mainly due to the increase in investment income from associated enterprises;
- (10) Reasons for changes in gain on changes in fair value: mainly due to the increase in the fair value changes recognized for wealth management products in this period;
- (11) Reasons for changes in credit impairment losses: mainly due to the increase in the provision for bad debts on accounts receivable for the period as compared with the previous period;
- (12) Reasons for changes in assets impairment losses: mainly due to the provision for impairment of long-term equity investments for the period;
- (13) Reasons for changes in gain from the disposal of assets: mainly due to gain or loss on early derecognition of right-of-use assets in the previous period;
- (14) Reasons for changes in non-operating income: mainly due to the decrease in amounts not required to be paid;
- (15) Reasons for changes in non-operating expenses: mainly due to the decrease in litigation and compensation expense.



## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 2. Analysis of revenue and cost

##### (1) Principal operations by business sector, product, geographical regions and sales model

Unit: Yuan Currency: RMB

Principal operations by business sector						
By sector	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operation income from the same period last year (%)	Increase/decrease in operation cost from the same period last year (%)	Increase/decrease in gross profit margin from the same period last year (%)
Industrial Internet and intelligent manufacturing	156,530,506.63	182,879,860.12	-16.83	-17.93	-9.03	Decreased by 11.43 percentage points
Intelligent transportation and safe city	1,223,501,051.93	913,920,514.44	25.3	-7.59	-4.77	Decreased by 2.22 percentage points
Green and service-oriented electronic manufacturing industry	1,232,518,135.03	1,117,059,819.85	9.37	-9.92	-8.62	Decreased by 1.28 percentage points

Principal operations by products						
By product	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operation income from the same period last year (%)	Increase/decrease in operation cost from the same period last year (%)	Increase/decrease in gross profit margin from the same period last year (%)
Intelligent factories and systems	111,501,438.01	121,662,969.45	-9.11	-17.20	-2.95	Decreased by 16.01 percentage points
Core components of smart manufacturing	45,029,068.62	61,216,890.67	-35.95	-19.69	-19.09	Decreased by 1.01 percentage points
Intelligent transportation	575,160,951.13	431,393,931.49	25	7.90	10.12	Decreased by 1.51 percentage points
Digital park	404,488,505.77	276,170,546.55	31.72	-6.75	-9.78	Increased by 2.29 percentage points
Safe city	243,851,595.03	206,356,036.40	15.38	-31.74	-21.20	Decreased by 11.31 percentage points
Electronic manufacturing services	1,232,518,135.03	1,117,059,819.85	9.37	-9.92	-8.62	Decreased by 1.28 percentage points

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 2. Analysis of revenue and cost (Continued)

##### (1) Principal operations by business sector, product, geographical regions and sales model (Continued)

Principal operations by geographical regions						
By geographical region	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operation income from the same period last year (%)	Increase/decrease in operation cost from the same period last year (%)	Increase/decrease in gross profit margin from the same period last year (%)
Nanjing	1,810,043,563.59	1,563,644,662.97	13.61	-7.27	-3.84	Decreased by 3.08 percentage points
Chengdu	80,700,326.27	95,194,428.83	-17.96	-65.75	-57.13	Decreased by 23.72 percentage points
Shenzhen	721,805,803.73	555,021,102.61	23.11	3.79	3.75	Increased by 0.03 percentage point

Principal operations by sales model						
By sales model	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operation income from the same period last year (%)	Increase/decrease in operation cost from the same period last year (%)	Increase/decrease in gross profit margin from the same period last year (%)
Direct sales	2,612,549,693.59	2,213,860,194.41	15.26	-9.38	-7.11	Decreased by 2.08 percentage points

Description of principal operations by business sector, product, geographical regions and sales model:

The operating income of industrial Internet and intelligent manufacturing decreased by 17.93% compared with the same period of the previous year, mainly due to the relatively long transition period for product transformation and upgrading and the failure to meet the expected expansion of new customers. The operating income of intelligent transportation and safe cities decreased by 7.59% compared with the same period of the previous year, mainly due to the intensified competition in the existing market for some businesses in the safe city segment. The operating income of green service-oriented electronic manufacturing decreased by 9.92% compared with the same period of the previous year, mainly due to the reduction in the business volume of the liquid crystal display segment.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 2. Analysis of revenue and cost (Continued)

##### (2) Analysis of volume of production and sales

During the reporting period, volume of production and sales of the Company's principal products (other than engineering and project related businesses) are as follows:

Principal products	Unit	Production output	Sales volume	Stock	Increase/ decrease in production output from the same period last year (%)	Increase/ decrease in sales volume from the same period last year (%)	Increase/ decrease in stock from the same period last year (%)
Surface mounting	Points	8,161,601.00	8,212,448.00	70,852.00	-56.34	-56.23	-41.78
Intelligent transportation equipment and others	Set	2,657.00	2,911.00	38.00	33.58	58.38	-86.99
Information network	Set	988,862.00	995,739.00	40,792.00	2.06	1.11	-23.26

Explanation on the volume of production and sales:

The decrease in production and sales volume of surface mounting products compared with the same period last year was mainly due to the year-on-year decrease in business orders.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

#### 2. Analysis of revenue and cost (Continued)

#### (3) Cost analysis

Unit: Yuan Currency: RMB

By sector	Composition of cost	Amount for the period	By sector				Explanation
			As a percentage of total cost for the period (%)	Amount for the same period last year	Amount for the same period last year as a percentage of total cost (%)	Change in the amount for the period as compared with that of the same period last year (%)	
Industrial Internet and intelligent manufacturing	Material cost	110,548,882.94	60.45	122,135,325.72	60.76	-9.49	
	Labor cost	32,209,097.77	17.61	35,909,236.31	17.86	-10.30	
	Manufacturing costs	40,121,879.41	21.94	42,979,832.14	21.38	-6.65	
Intelligent transportation and safe city	Material cost	826,616,028.44	90.45	851,561,292.68	88.73	-2.93	
	Labor cost	27,847,200.77	3.05	38,753,864.95	4.04	-28.14	
	Manufacturing costs	59,457,285.24	6.51	69,413,773.92	7.23	-14.34	
Green and service-oriented electronic manufacturing	Material cost	783,089,392.56	70.10	865,301,174.07	70.79	-9.50	
	Labor cost	56,767,402.29	5.08	58,176,642.17	4.76	-2.42	
	Manufacturing costs	277,203,024.99	24.82	298,956,786.20	24.46	-7.28	

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 2. Analysis of revenue and cost (Continued)

##### (3) Cost analysis (Continued)

By product	Composition of cost	By product			Amount for the same period last year as a percentage of total cost (%)	Change in the amount for the period as compared with that of the same period last year (%)	Explanation
		Amount for the period	As a percentage of total cost for the period (%)	Amount for the same period last year			
Intelligent factories and systems	Material cost	74,903,728.98	61.57	74,454,337.36	59.39	0.60	
	Labor cost	16,345,074.35	13.43	18,927,552.41	15.10	-13.64	
	Manufacturing costs	30,414,166.12	25.00	31,984,233.89	25.51	-4.91	
Core components of smart manufacturing	Material cost	35,645,153.96	58.23	47,680,988.36	63.02	-25.24	
	Labor cost	15,864,023.42	25.91	16,981,683.90	22.45	-6.58	
	Manufacturing costs	9,707,713.29	15.86	10,995,598.25	14.53	-11.71	
Intelligent transportation	Material cost	415,217,114.92	96.25	374,972,504.62	95.72	10.73	
	Labor cost	6,535,633.44	1.52	8,598,324.53	2.19	-23.99	
	Manufacturing costs	9,641,183.13	2.23	8,177,670.59	2.09	17.90	
Digital parks	Material cost	230,691,078.68	83.53	245,341,037.92	80.15	-5.97	
	Labor cost	16,329,805.64	5.91	20,598,444.58	6.73	-20.72	
	Manufacturing costs	29,149,662.23	10.55	40,163,632.13	13.12	-27.42	
Safe city	Material cost	180,707,834.84	87.57	231,247,750.14	88.30	-21.86	
	Labor cost	4,981,761.69	2.41	9,557,095.84	3.65	-47.87	
	Manufacturing costs	20,666,439.88	10.01	21,072,471.20	8.05	-1.93	
Electronic manufacturing services	Material cost	783,089,392.56	70.10	865,301,174.07	70.79	-9.50	
	Labor cost	56,767,402.29	5.08	58,176,642.17	4.76	-2.42	
	Manufacturing costs	277,203,024.99	24.82	298,956,786.20	24.46	-7.28	

## Section III Management Discussion and Analysis (Continued)

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### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 2. Analysis of revenue and cost (Continued)

(4) Changes in the scope of consolidation due to changes in the equity of major subsidiaries during the reporting period: N/A

(5) Sales to major customers and purchases from major suppliers

##### A. Sales to major customers

During the reporting period, the Company's sales to the top five customers amounted to RMB691,937,600, representing 26.15% of the total sales in 2024, of which sales to connected parties amounted to RMB155,948,900, representing 5.89% of the total sales in 2024.

##### B. Purchases from major suppliers

During the reporting period, the aggregate amount of purchase from the top five suppliers of the Company amounted to RMB268,906,000, accounting for 12.48% of the total amount of purchase made by the Company in 2024. There were no connected parties in the top five suppliers.

##### 3. Expenses

During the reporting period, the costs of sales increased by 10.63%, mainly due to the increase in employee salaries and advertising and exhibition expenses; the administrative expenses increased by 7.35%, mainly due to the increase in termination expenses and depreciation and amortization.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 4. R&D Investment

##### (1) Particulars of R&D investment

Unit: Yuan Currency: RMB

R&D expenses for the period	262,177,873.98
Capitalized R&D expenses for the period	
Total R&D expenses	262,177,873.98
The percentage of total R&D expenses over operating income (%)	9.91
The percentage of capitalized R&D investment (%)	

##### (2) Particulars of R&D personnel

The number of R&D personnel of the Company	710
The percentage of R&D personnel over total number of staff of the Company (%)	27.16%

Educational structure of R&D personnel	
Category of educational structure	Number of educational structure
Doctoral candidate	6
Master degree candidate	195
Undergraduate	432
Junior college	77
High School and below	0

Age structure of R&D personnel	
Category of age structure	Number of age structure
Under 30 years old (excluding 30 years old)	217
30–40 years old (including 30 years old, excluding 40 years old)	314
40–50 years old (including 40 years old, excluding 50 years old)	115
50–60 years old (including 50 years old, excluding 60 years old)	64
60 years old and above	0

## Section III Management Discussion and Analysis (Continued)

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### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 4. R&D Investment (Continued)

###### (3) Description:

The Company adheres to the self-improvement of scientific and technological innovation, adheres to the strategic leading position of scientific and technological innovation, strives to build the source of original technology, strengthens key core technology research, promotes technology and product upgrading, and continues to enhance innovation driving capabilities. Relying on the development path of key technology research, core product research & development, solutions promotion, and industrial ecology co-construction, the Company has built a scientific and technological innovation system with the Digital Intelligence Industry Research Institute as the core, and built a collaborative model of the Digital Intelligence Industry Research Institute and the R&D centers of various industrial companies, to build the scientific research system's digital decision-making traction capabilities, digital R&D resource support capabilities, scientific research results transformation and operation management capabilities, scientific research project research and management capabilities, and digital intelligence industry business collaborative empowerment capabilities.



## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (I) Analysis of principal operations (Continued)

##### 4. R&D Investment (Continued)

###### (3) Description: (Continued)

The Company's R&D expenditure in 2024 reached RMB260 million, and the R&D investment intensity reached 9.9%. In 2024, a total of 66 R&D projects were promoted, among which the special project of MIIT Industrial Internet Innovation and Development Project "Intelligent Operation and Maintenance System of Production Equipment in Key Industries Based on Industrial Internet Platform", and the national key R&D plan "Key Technologies for Intelligent Operation Decision-Making of Equipment Manufacturing Enterprises Supporting Dynamic Reconstruction" passed the mid-term inspection; the special project of the provincial key R&D plan "Research and Development of Key Technologies for Multi-modal Human-machine Interaction System Integration Based on Brain-Computer Interface Technology" and "Key Technologies Research and Development of Digital Twin Emergency Early Warning System for Optical Cable Accurate Monitoring" were implemented in an orderly manner according to the schedule.

###### (4) Reasons for major changes in the composition of R&D personnel and its impact on the future development of the Company: N/A

##### 5. Cash flow

During the reporting period, the decrease in net cash flows from operating activities was mainly due to the year-on-year decrease in cash received from sales of goods and rendering of services for the period; the increase in net cash flows from investing activities was mainly due to the increase in the payment for the principal of large CDs for the period; the increase in net cash flows from financing activities was mainly due to the increase in the discount proceeds of bank acceptance bills that have been discounted but not yet derecognized received by the Company in this period compared with the previous period.

#### (II) Explanation on major changes in profit caused by non-main business: N/A

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (III) Analysis of assets and liabilities (Continued)

##### 1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of the total assets (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period (%)	Explanation
Contract assets	144,611,505.52	2.72	232,413,650.79	4.19	-37.78	Due to the change in settlement progress, the contract assets at the beginning of the period were transferred to accounts receivable
Non-current assets due within one year	730,582.81	0.01	26,864,239.67	0.48	-97.28	Mainly due to the transfer to accounts receivable due to expiration
Construction in progress	1,506,311.96	0.03	991,937.24	0.02	51.86	Mainly due to the increase in unfinished projects under construction in this period
Right-of-use assets	8,464,815.42	0.16	12,873,600.15	0.23	-34.25	Mainly due to the provision of depreciation and amortization
Other non-current assets	5,329,316.34	0.10	1,469,073.94	0.03	262.77	Mainly due to the increase in prepaid long-term asset purchases
Short-term borrowings	42,326,327.88	0.80	70,113,510.72	1.27	N/A	Mainly due to the amounts received from handling factoring business in the period, transferring a portion of accounts receivable, as well as discounts on note receivables not terminated for recognition as compared with the previous period

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (III) Analysis of assets and liabilities (Continued)

##### 1. Assets and liabilities (Continued)

Item	Amount at the end of the period	Amount at the end of the period as a percentage of the total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of the total assets (%)	Change in the amount at the end of the period as compared to the amount at the end of the previous period (%)	Explanation
Notes payable	110,289,431.12	2.07	79,035,160.29	1.43	39.54	Mainly due to the increase in bank acceptance bills payable at the end of the period
Advance receipts	468,971.75	0.01	201,635.72	0.00	132.58	Mainly due to prepaid rent
Non-current liabilities due within one year	5,848,681.83	0.11	4,088,888.95	0.07	43.04	Mainly due to the increase in product quality warranty due within one year
Other current liabilities	84,356,494.83	1.59	36,882,036.51	0.67	128.72	Mainly due to the increase in endorsed unexpired bills and supply chain financial bills
Lease liabilities	4,628,222.00	0.09	9,101,840.09	0.16	-49.15	Mainly due to the lease payments made this year
Estimated liabilities	1,800,000.00	0.03	512,434.50	0.01	251.26	Mainly due to the increase in product quality warranty

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (III) Analysis of assets and liabilities (Continued)

##### 2. Overseas assets

###### (1) Asset size

Including: Overseas assets in the amount of RMB92,263,357.82, accounting for 1.73% of the total assets.

##### 3. Main restrictions on assets as at the end of the reporting period:

Unit: Yuan Currency: RMB

Item	Closing carrying amount	Reason
Money and bank equivalents	91,121,024.74	Acceptance bill, performance, guarantee, letter of credit deposit
Notes receivable	78,959,746.42	Endorsed or discounted notes not due and not terminated for recognition
Accounts receivable	20,897,644.76	Factoring of endorsed supply chain bills and accounts receivable that have not been terminated
Total	190,978,415.92	

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (IV) Analysis of industry operational information

##### 1. Smart transportation

Smart city construction covers smart transportation, smart travel, safe city and other fields. Through the in-depth application of new generation information technology and artificial intelligence technology, the deep integration of digital economy and real economy is promoted, and a strong domestic market is formed. In the field of smart city rail transit, the development direction mainly focuses on the construction of networked intelligent transportation organization and scheduling, smart energy management, intelligent operation and maintenance and other systems to improve operational efficiency and service level. As an important part of infrastructure building, urban rail transit has important strategic significance. It is clearly stated in the national “14th Five-Year Plan” that the urban rail transit will shift from emphasis on construction to equal emphasis on construction and operation, and a target of 10,000 kilometers of urban rail transit operation mileage by 2025 is set, with an average of 680 kilometers added each year. Meanwhile, according to the national plan, 19 urban agglomerations are formed, among which the Beijing-Tianjin-Hebei, Yangtze River Delta, Greater Bay Area are expected to start construction mileage of 10,000 kilometers. The construction of intercity urban areas in urban agglomerations such as Chengyu and Shandong Peninsula is also accelerating, further expanding the development space of urban rail transit. In terms of the planning of “urban agglomerations” and “metropolitan areas”, the urban rail transit construction will present broad prospect in the future. As the core components of urban rail transit construction, the demand for automatic fare collection system (AFC) and AFC Clearing Center (ACC) will continue to grow. In addition, the intelligent system of rail transit plays a key role in promoting the intelligent, informatization and digital development of rail transit. The construction of smart urban rail will become an inevitable development trend in the future, bringing huge market opportunities for the AFC/ACC industry and becoming a new driving force for the growth of the industry scale. According to relevant information, it is expected that the total investment scale will exceed RMB5 trillion in the next five years, bringing huge development opportunities for industry enterprises. The rail transit industry will usher in a new round of rapid development. In the first- and second-tier cities, the subway network will be encrypted continuously, and the construction of rail transit will be started or expanded in the third- and fourth-tier cities. The demand for intelligent systems (such as AFC system, ACC system, and intelligent dispatching system) will increase significantly. Emerging fields such as smart stations, intelligent operation and maintenance, and smart energy management will become an important part of the incremental market. The construction of intercity railways and urban railways will be accelerated in urban agglomerations such as Beijing-Tianjin-Hebei, Yangtze River Delta, Greater Bay Area, Chengyu, to promote the integration of transportation within urban agglomerations. In the future, the new mileage of intercity railways and urban railways will exceed 5,000 kilometers. With the increase of operating mileage, the demand for intelligent operation and maintenance market will grow rapidly, expecting to exceed RMB50 billion. The automatic fare collection system (AFC) and AFC Clearing Center (ACC) are necessities of rail transportation, and the market size is expected to exceed RMB30 billion in the next 5 years. The application of technologies such as 5G communication, CBTC (communication-based train control) will promote the growth of the communication and signal system market.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (IV) Analysis of industry operational information (Continued)

##### 1. Smart transportation (Continued)

The Company has achieved remarkable results in the field of smart transportation. In 2024, the Company won bids for rail transit automatic fare collection system, smart customer service center project and communication system project in Nanjing, Suzhou, Anhui Ma'anshan, Guangdong-Hong Kong-Macao Greater Bay Area Shenzhen Metropolitan Area, Dongguan, Egypt and other cities at home and abroad. Meanwhile, it won bids for intelligent construction projects in Nanjing, Inner Mongolia and other provinces. At present, the Company's products have covered more than 60 cities and regions around the world, becoming one of the few domestic suppliers that can provide complete solutions for subway AFC terminal equipment manufacturing, AFC system, ACC system and Internet ticketing system at the same time, further consolidating its leading position in the field of smart transportation and safe city. In the future, the Company will continue to rely on technological innovation and industry experience, deeply participate in the construction of smart urban rail, promote the intelligent and digital development of urban rail transit, provide more efficient and intelligent solutions for the industry, and help the high-quality development of urban rail transit in China.

##### 2. Intelligent manufacturing

Intelligent manufacturing achieves the deep integration of new generation information technology (such as Internet of Things, artificial intelligence, big data, cloud computing, etc.) and manufacturing technology for intelligent, flexible, green and efficient manufacturing. It mainly covers smart factories, intelligent equipment, industrial software, industrial Internet, etc. At present, China's intelligent manufacturing is in the transition stage from "pilot demonstration" to "large-scale promotion", with strong policy support and strong market demand. According to relevant data, it is expected that by 2025, the global market size will exceed US\$400 billion, and China's manufacturing market of intelligent manufacturing will exceed US\$500 billion, with an average annual growth rate of more than 15%. Technological progress, policy support, market demand and global competition will become the main driving factors for the increase of intelligent manufacturing. China is one of the fastest growing markets for intelligent manufacturing in the world. Intelligent manufacturing is the main direction in "Made in China 2025", and it is proposed to achieve a significant improvement in the overall quality of the manufacturing industry by 2025, and the initial realization of intelligence in key areas. The "14th Five-Year Plan" further emphasizes the promotion of digital transformation and intelligent upgrading of the manufacturing industry. Local governments have simultaneously issued a number of special policies to support the development of intelligent manufacturing, such as providing special funds for intelligent manufacturing projects and building intelligent manufacturing demonstration zones. In the future, by 2030, the global intelligent manufacturing market size is expected to reach US\$600 billion to US\$800 billion, with an average annual growth rate of more than 10%. China's intelligent manufacturing market

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (IV) Analysis of industry operational information (Continued)

##### 2. Intelligent manufacturing (Continued)

size is expected to reach US\$800 billion to US\$1 trillion, becoming the world's largest intelligent manufacturing market. According to the incremental forecast of key areas, it is expected that by 2025, China's industrial robot market size will exceed US\$100 billion, with an average annual growth rate of more than 20%. The market size of the industrial Internet platform is expected to reach US\$150 billion by 2025, with an average annual growth rate of about 18%. The market size of intelligent equipment (such as intelligent machine tools and intelligent testing equipment) is expected to exceed US\$200 billion by 2025, with an average annual growth rate of about 15%. The market size of industrial software is expected to reach US\$50 billion by 2025, with an average annual growth rate of about 16%. Thus, intelligent manufacturing is the core direction of transformation and upgrading of China's manufacturing industry, with broad market prospects and strong policy support.

The Company gives full play to its own advantages, deeply cultivates the diverse needs of customers, and continues to iterate products and technological innovation. Through active participation and active exploration, significant progress has been made in many fields of the intelligent manufacturing business. The Company has successfully won bids or signed new contracts for multiple glass intelligent factory processing production lines, transmission lines, etc., demonstrating the Company's competitiveness in the field of high-end manufacturing. The Company continues to develop new businesses and improve its qualifications, laying a solid foundation for the expansion of new businesses. The Company has developed a number of benchmark self-research products in terms of the scenarios such as smart factories, smart environmental protection, and smart warehousing, which can provide customers with one-stop services from design to implementation. The "Instrument Intelligent Manufacturing System" project was listed as the local "first batch of excellent application scenarios and typical cases of artificial intelligence". The Company continues to improve its independently developed intelligent manufacturing system platform and promote the optimization and upgrading of industrial software systems. It currently has mature industrial software products and has been approved as a three-star cloud enterprise in Jiangsu Province in 2024. In terms of digital transformation, the Company has mastered core technologies and basically has high-level and professional supply capabilities. In the future, the Company will continue to deepen the layout of key areas, improve technology research and development capabilities, strengthen market expansion and brand building, and promote green manufacturing and sustainable development. In addition, it will strengthen the talent training and organizational optimization to seize the historical opportunity of intelligent manufacturing development and achieve leap-forward growth of business.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (IV) Analysis of industry operational information (Continued)

##### 3. Green and service-oriented electronic manufacturing

As an important part in the electronics industry chain, the electronic manufacturing service industry has broad market prospects in the future, but it also faces multiple challenges such as technological changes, environmental protection requirements, and global competition. The deep integration of the new-generation information technology and manufacturing industry has further promoted industrial changes, forming new production methods, industrial forms, business models, and economic growth points. Firstly, the industrial changes have brought about technological upgrades. With the development of emerging technologies such as artificial intelligence, Internet of Things, and 5G, the electronic manufacturing service industry will propose higher technical requirements and market demand. Secondly, the requirements for environmental protection and sustainable development have become increasingly prominent. As people's attention to environmental protection and sustainable development continues to increase, electronic manufacturing service enterprises need to raise their awareness of environmental protection and actively take environmental protection measures. In addition, electronic manufacturing service enterprises are also facing challenges such as the pressure of global competition and the instability of demand for electronic products. According to the forecast from market research institutions, the global electronic manufacturing service market size will maintain steady growth in the next few years, with an average annual growth rate expected to be between 5% and 7%. By 2030, the global EMS market size is expected to exceed US\$800 billion. As the world's largest electronics manufacturing base, China will continue to maintain its leading position in the future. With the rapid development of domestic consumption upgrades, 5G popularization, new energy vehicles and smart homes, China's electronics manufacturing service market is expected to expand at an average annual growth rate of 8%-10%. Recently, the National Development and Reform Commission, together with relevant departments and organizations, have jointly formulated several measures to promote the consumption of automobiles and electronic products, continuously stimulating the market potential, which will become a new growth engine for the automotive electronics and electronic products market. With the rapid development of new energy vehicles, the value share of automotive electronics in the whole vehicle continues to increase. It is expected that by 2030, the proportion of automotive electronics in the cost of the whole vehicle will increase from the current 30% to more than 50%. The popularization of technologies such as autonomous driving, Internet of Vehicles, and smart cockpits will promote the rapid growth of the automotive electronics market. Electronic manufacturing service enterprises need to have higher technical capabilities and quality control levels. In order to reduce costs and improve response speed, automotive electronics manufacturing will be more inclined to localized production, which provides huge opportunities for domestic electronic manufacturing service enterprises. The consumer electronics market will also grow steadily. Smart home devices and wearable devices will become an important growth point in the consumer electronics market. The popularity of teleworking and online education will continue to drive the demand for laptops and tablets. With the arrival of the peak period of home appliance scrapping, home appliance



## Section III Management Discussion and Analysis (Continued)

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### V. Principal operations during the reporting period (Continued)

#### (IV) Analysis of industry operational information (Continued)

##### 3. Green and service-oriented electronic manufacturing (Continued)

consumption upgrades will promote the growth of the white household appliance market, and electronic manufacturing service enterprises will usher in more orders. Environmental protection and sustainable development have become the core requirements. With the increasingly stringent global environmental regulations, electronic manufacturing service enterprises need to adopt more environmentally friendly materials and production processes to reduce carbon emissions and electronic waste. The recycling and reuse of waste electronic products will become an important development direction of the industry. Electronic manufacturing service enterprises need to establish a sound recycling system. More and more enterprises take carbon neutrality as a strategic goal. Electronic manufacturing service enterprises need to reduce energy consumption and environmental pollution through technological innovation and process optimization. To sum up, the future market prospect of the electronic manufacturing service industry is broad. Technology upgrades, new energy vehicles, consumer electronics, and environmental protection requirements will become the main driving forces.

The Company focused on new industries and developed ODM business while maintaining existing customers, achieving a significant increase in sales of white household appliances and automotive electronics throughout the year. By relying on the localization platform, the Company continued to make efforts in the fields of new display, artificial intelligence and industrial control, performed independent product design, and actively promoted the marketization process in these fields. In addition, the Company increased its development for domestic customers, especially in industries related to the dual-carbon economy, such as electric vehicles, new energy, energy storage, environmental protection, intelligent manufacturing and digital industries, and made positive progress. In 2024, the Company successfully opened up new customers for smart home. The product line covers high, medium and low series, and has achieved batch shipments. Meanwhile, the Company has also achieved initial results in the field of high-tech electronics, and achieved new breakthroughs in the market for digital products such as smart recording equipment and laptops. The Company will seize technological changes and market opportunities, enhance technical capabilities, optimize supply chain layout, and strengthen environmental protection measures to cope with global competition and market uncertainty, and strive to occupy a larger share in future market competition.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (V) Analysis of investment

##### 1. Overall analysis of external investment

In 2024, following the requirements of the board of directors, the Company prudently, standardly and orderly promoted the investment in fixed assets and related projects in strict accordance with the annual capital expenditure project budget and the actual business situation. To further optimize the asset structure, the Company completed the absorption and merger of Nanjing Panda Electronic Technology Development Co., Ltd. and its parent company, and the equity change of 18% of the shares of the Information Industry Company between the Company and its wholly-owned subsidiary Galant Limited, as well as the industrial and commercial registration of the same.

(1) Material equity investment: N/A

(2) Substantial non-equity investment: N/A

(3) Financial assets measured at fair value:

Unit: Yuan Currency: RMB

Asset Class	Opening Balance	Gains and losses from changes in fair value in the current period	Cumulative changes in fair value included in equity	Impairment accrued in the current period	Current purchase amount	Current sale/redemption amount	Other changes	Closing balance
Financial assets held for trading (derivative)	485,086,146.95	4,986,981.70			1,298,823,380.00	1,297,301,749.70		491,594,758.95
Financial assets held for trading (other)	72,065.73	-72,065.73						
Receivables financing	25,415,043.86				247,208,082.14	242,273,106.11		30,350,019.89
Total	510,573,256.54	4,914,915.97	-					521,944,778.84

#### (VI) Disposal of material assets and equity interest: N/A

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (VII) Analysis of major invested companies

##### 1. Analysis of major subsidiaries

In 2024, the Company focused on the development of its three main businesses, continued to optimise its industrial structure, and rationally allocated resources. The overview of the major subsidiaries is as follows:

Unit: 0'000 Currency: RMB

Subsidiary	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Electronics Equipment Company	Industrial automation equipment, sheet metal processing	19,000	32,033.61	-11,930.75	17,203.58	-12,345.53	-12,305.20
Information Industry Company	Railway transportation, system integration	21,681.4228	166,596.07	41,552.01	85,827.98	3,196.99	3,685.97
Electronic Manufacture Company	SMT processing, injection molding business	USD2,000	74,149.82	26,235.81	60,234.47	2,035.66	2,083.18
Communications Technology Company	Military-civilian integration communication products	10,000	26,916.31	11,491.49	9,360.02	-6,246.88	-6,892.62
Shenzhen Jingwah	Electronics industry, property leasing	11,507	58,899.09	43,857.01	72,262.03	9,042.93	7,551.95
Nanjing Panda Xinxing Industrial Co., Ltd.	Property, catering and other services	2,000	5,788.88	4,380.35	6,643.65	125.67	1.30
Chengdu Electronic Technology	SMT processing	5,000	13,929.68	10,051.68	8,082.68	-1,991.06	-2,002.99

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (VII) Analysis of major invested companies (Continued)

##### 1. Analysis of major subsidiaries (Continued)

Changes in net profit indicators of major subsidiaries are as follows:

Unit: 0'000 Currency: RMB

Subsidiary	Net profit 2024	2023	Change (%)
Electronics Equipment Company	-12,305.20	-5,643.30	N/A
Information Industry Company	3,685.97	5,753.61	-35.94%
Electronic Manufacture Company	2,083.18	1,648.42	26.37%
Communications Technology Company	-6,892.62	854.34	N/A
Shenzhen Jingwah	7,551.95	6,994.24	7.97%
Nanjing Panda Xinxing Industrial Co., Ltd.	1.30	17.5	-92.57%
Chengdu Electronic Technology	-2,002.99	627.05	N/A

Description of changes:

Electronics Equipment Company recorded a greater loss year-on-year due to the fact that some projects have not yet generated revenue. The net profit of the Information Industry Company decreased by 35.94% year-on-year, mainly due to the increase in credit impairment losses and asset impairment losses. The net profit of Electronic Manufacture Company increased by 26.37% year-on-year, mainly due to the improvement of the gross profit of the processing business. The net profit of Communications Technology Company decreased significantly year-on-year, mainly due to the decline in revenue caused by the slowdown in demand from some customers. The net profit of Nanjing Panda Xinxing Industrial Co., Ltd. decreased by 92.57% year-on-year, mainly due to the decrease in revenue from property projects. The net profit of Chengdu Panda Electronic Technology decreased significantly year-on-year, mainly due to the decline in revenue caused by the decrease in the business volume of the liquid crystal display segment.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (VII) Analysis of major invested companies (Continued)

##### 2. Analysis of major invested companies

###### (1) Nanjing Ericsson Panda Communication Co., Ltd.

ENC was set up on 15 September 1992 with a business term of 30 years, a total investment of USD40.88 million and a registered capital of USD20.9 million. ENC is held as to 27% by the Company, 51% by Ericsson (China) Company Limited, 20% by CETC Asset Management Co., Ltd., and 2% by Yung Shing Enterprise, Hong Kong. ENC mainly engages in production of mobile telecommunication system equipment and network communications system equipment, etc. ENC is now mainly in charge of the industrialization and mass production of the products that Ericsson Company Limited developed and provides delivery and shipment to customers worldwide. In August 2022, shareholders decided to extend the business term of ENC for three years, ending on 14 September 2025. On 1 September 2022, ENC applied for a new business license.

The Company made detailed explanations of the special tax adjustment matters and related situations of its equity-invested company Nanjing Ericsson Panda Communication Co., Ltd. (hereinafter referred to as the “**special tax adjustment matters**”) in the relevant announcements (Lin 2024-003, Lin 2024-004, Lin 2024-024) published on the website of the Shanghai Stock Exchange on 31 January, 1 March, 29 March, 27 April, 4 June, 28 August, and 30 October, 2024, as well as in the 2023 annual report, the first quarterly report of 2024, the interim report of 2024, and the third quarterly report of 2024. In addition, the Company disclosed the progress of the matters at different stages in each periodic report.

The Chinese shareholders of ENC and Ericsson, the shareholder of ENC, have conducted continuous communication and negotiation to determine the development direction of ENC and in view of the matter of special tax adjustment matters. In this regard, the Chinese shareholders of ENC, including the Company, recently received written information from Ericsson (hereinafter referred to as the “**Ericsson Information**”). In addition to other matters, it is confirmed that: Ericsson intends to purchase 49% of the equity of ENC held by the Company and other Chinese shareholders of ENC at a specific cash purchase consideration. This transaction is still subject to necessary approvals and depends on the results of discussions among the parties on the detailed terms of this transaction.

According to the Ericsson Information, the Company expects to recover an amount of no less than approximately RMB250 million. The actual amount will be subject to the amount determined after the special audit and evaluation of state-owned property rights and the listing transaction. In the 2023 financial statements, the Company fully provided for impairment of the long-term equity investment in ENC, with an amount of RMB230 million. If the equity disposal of ENC is completed, it is expected to have a positive impact for the Company in the year when the transaction is completed.

## Section III Management Discussion and Analysis (Continued)

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### V. Principal operations during the reporting period (Continued)

#### (VII) Analysis of major invested companies (Continued)

##### 2. Analysis of major invested companies (Continued)

###### (1) Nanjing Ericsson Panda Communication Co., Ltd. (Continued)

The achievement of the above objectives also requires that all parties reach an agreement on the detailed terms and complete the transaction before September 2025. The Company and other Chinese shareholders of ENC intend to dispose of the equity of ENC at a price that complies with the regulations on the management of state-owned assets through the listing procedure of state-owned property rights or other legal and feasible means. The subsequent implementation of the equity disposal still requires the Chinese shareholders of ENC and Ericsson to continue to negotiate relevant details and related matters, and all parties need to go through their respective decision-making processes and other conditions that are currently under negotiation. As mentioned above, the Company still needs to perform the relevant procedures for the management of state-owned assets, as well as other necessary processes and procedures. All the above matters may have an impact on the implementation and execution of the equity disposal. Therefore, there is still a certain degree of uncertainty.

The Company will actively promote the implementation and execution of the equity disposal, and make every effort to safeguard the legitimate rights and interests of the Company, other shareholders, and ENC. In the subsequent implementation process, the Company will continue to disclose the major progress of this matter and the possible major impact on the Company, and do a good job in disclosing information at different stages. Investors are advised to pay attention to the Company's subsequent announcements and be aware of the investment risks.

## Section III Management Discussion and Analysis (Continued)

### V. Principal operations during the reporting period (Continued)

#### (VII) Analysis of major invested companies (Continued)

##### 2. Analysis of major invested companies (Continued)

##### (2) Nanjing LG-Panda Appliances Co., Ltd.

Unit: 0'000 Currency: RMB

Invested Company	Operating Income	Net Profit	Shareholding of the Company	Investment income received by the Company
Nanjing LG-Panda Appliances Co., Ltd.	710,162.67	32,329.33	30%	8,312.26

LG-Panda was established on 21 December 1995 with a registered capital of USD35.7 million. LG-Panda is currently owned as to 30%, 50% and 20% by the Company, LG Electronics Co., Ltd., and LG Electronics (China) Co., Ltd., respectively. LG-Panda is mainly engaged in the development and production of fully automatic washing machines and related components.

In 2024, the operating income of LG-Panda was RMB7,101,626,700, increasing by 18% year on year; and the net profit of LG-Panda was RMB323,293,300, increasing by 91.96% year on year, mainly due to the increase in Company's product sales and year-on-year decrease in financial expenses resulting from exchange gains and losses.

##### (3) Other explanation

This refers to the Announcement of Nanjing Panda Electronics Co., Ltd. on the Completion of Registration Procedures for the Absorption and Merger of a Wholly-owned Subsidiary (Lin 2024-001) published by the Company on the website of the Shanghai Stock Exchange on 9 January 2024. The Company has completed the relevant registration procedures for the absorption and merger of its wholly-owned subsidiary, Nanjing Panda Electronics Technology Development Co., Ltd. The absorption and merger does not affect the net assets and current profits in the Company's consolidated financial statements. The absorption and merger does not involve any changes to the Company's basic information such as its name, registered address, registered capital, etc., nor does it involve any changes to the composition of the Company's board of directors, board of supervisors, and senior management.

In December 2023, the Company signed an equity transfer agreement with its wholly-owned subsidiary, Galant Limited. Galant Limited transferred 18% of the equity of Information Industry Company to the Company with no consideration. After the transfer, Information Industry Company became a wholly-owned subsidiary of the Company. The industrial and commercial record-filing registration for this equity change was completed on 2 April 2024.

## Section III Management Discussion and Analysis (Continued)

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### V. Principal operations during the reporting period (Continued)

#### (VIII) Structured entities controlled by the Company

During the reporting period, there were no structured entities that were controlled by the Company.

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

#### (I) Industrial landscape and trend

In 2024, driven by the global market recovery trend and the state's "package" of incremental policies, China's electronic information manufacturing industry achieved sustained and rapid growth. Looking ahead to 2025, the global political and economic risks and challenges continue to rise, and the pattern of the industrial chain and supply chain is being reconstructed at an accelerated pace. China's electronic information manufacturing industry still needs to continuously accelerate the transformation and upgrading process of its product structure and industrial structure, continuously improve innovation efficiency, focus on creating a coordinated development industrial ecosystem, ensure the smooth completion of the "14th Five-Year Plan" for the industry, and lay a solid foundation for starting the process of high-quality development of the industry during the "15th Five-Year Plan" period. With the accelerated emergence of new technologies and new hotspots, as a core industry of new quality productive forces, the electronic information manufacturing industry will exhibit an increasingly obvious trend of high-end and intelligent development. The optimization and upgrading of the industrial structure will drive the industrial chain to extend to higher value-added links, promote high-quality economic development, and contribute significantly to promoting the process of new industrialization and cultivating new quality productive forces. It is expected that the growth rate of the added value of China's electronic information manufacturing industry in 2025 will be in the range of 5% to 8%.

In the field of digital cities, the "Digital China" strategy has been proposed to promote the in-depth integration of the digital economy with the real economy and accelerate the construction of a digital society and a digital government. The 14th Five-Year Plan has made it clear that it is necessary to accelerate digital development and build smart cities and digital villages. Local governments have successively introduced smart city construction plans. For example, the Jiangsu Provincial Smart Transportation Development Action Plan proposes that by 2035, the digitization rate of transportation infrastructure will reach 95%. With the continuous increase in China's urbanization rate, the complexity of urban management has increased, and the demand for digital solutions has become increasingly urgent. The maturity of technologies such as 5G, artificial intelligence, and the Internet of Things has provided technical support for the construction of digital cities. It is estimated that by 2025, the market size of smart cities in China will reach RMB20 trillion, with an average annual growth rate of over 15%. Among them, the market size of smart transportation will exceed RMB1.5 trillion, the market size of intelligent security will reach RMB1 trillion, and the market size of smart parks will exceed RMB500 billion.



## Section III Management Discussion and Analysis (Continued)

### VI. Discussion and Analysis of the Company over the Company's Future Development (Continued)

#### (I) Industrial landscape and trend (Continued)

The Company has made remarkable deployments and achievements in the field of digital cities. As it possesses the core technologies such as mobile payment and emergency communication, a full set of solutions such as urban rail transit integrated command systems, automatic fare collection systems, ticketing clearing systems, and communication systems, can be provided. The Company's research and development achievements have been applied in more than 60 cities around the world, making it a domestic leading supplier of core equipment for urban rail transit. The Company provides multi-scenario integrated solutions for digital parks, covering areas such as smart park management, security monitoring, and intelligent buildings. In the future, the Company will further deepen the research, development, and application of the dedicated communication system technology for rail transit, promote the application of digital twin virtual-real interaction simulation technology, improve the intelligence level of the system, expand the terminal technology of the satellite internet, and provide broader communication support for smart cities. It will focus on increasing investment in the research and development of core technologies such as 5G, artificial intelligence, the Internet of Things, and digital twins, and enhance its independent innovation capabilities. Additionally, it will deeply cultivate the domestic market, especially in the fields of smart transportation and digital parks, and expand its market share; actively explore overseas markets, especially in countries and regions along the Belt and Road Initiative, to seek new cooperation opportunities; strengthen brand building and enhance brand influence by participating in industry exhibitions and releasing technical whitepapers, etc.

In the fields of industrial Internet and intelligent manufacturing, in 2025, artificial intelligence, as a key variable of the era, will be released at an accelerated pace. The digital empowerment characterized by "artificial intelligence +" will promote the deep integration of the real and the digital, driving the coordinated development of the industry towards high-end, intelligent, and green directions. Firstly, in the key industries with a relatively good digital foundation, such as electronic information, equipment manufacturing, consumer goods, and raw materials, "artificial intelligence +" initiative will be further promoted, focusing on key links such as research and development, production, quality inspection, and supply chain management, and developing new models and applications such as digital twin design, human-machine collaborative production, intelligent quality inspection, and precise and collaborated supply chains; secondly, leading enterprises in the industry and state-owned enterprises will collaborate with large model enterprises to carry out the research and development of vertical large models and the construction of industry data sets, and use the "large model + small model" approach to implement and build typical application scenarios, gradually promoting the transformation of business processes, operation models, and decision-making mechanisms driven by intelligence; thirdly, in the key carbon emission fields such as electricity, industry, transportation, and construction, the application model and path of "artificial intelligence +" will be explored actively to enhance the "intelligence content" and "green content" of the real and the digital integration.

## Section III Management Discussion and Analysis (Continued)

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### VI. Discussion and Analysis of the Company over the Company's Future Development (Continued)

#### (I) Industrial landscape and trend (Continued)

In the fields of industrial Internet and intelligent manufacturing, the Company relies on technologies such as the Internet, cloud computing, big data, and artificial intelligence; through the intelligent interconnection of people, machines, and things, it has achieved seamless transmission of information and data among various production links and production factors, thus helping enterprises reduce costs, increase efficiency, improve quality, and upgrade. The Company has established an industrial Internet platform with cloud computing, big data, and artificial intelligence as the core, which supports data collection, analysis, and intelligent decision-making. The intelligent manufacturing solutions has been implemented and applied in multiple industries, such as high-end equipment manufacturing, electronic information, and new energy. In the future, the Company's technology layout and core directions will involve mining the potential value in production data through big data analysis and governance, and optimizing production processes and resource allocation. By leveraging the high bandwidth and low latency characteristics of 5G networks and using artificial intelligence algorithms, the intelligent optimization and dynamic adjustment of production plans can be achieved; in combination with edge computing technology, real-time processing of production data and intelligent decision-making can be achieved. The Company will continue to invest in areas such as self-diagnosis and predictive technology for robot failures and remote control of high-end equipment, and promote the intelligent upgrading of industrial robots. In addition, the Company is committed to continuous investment in core technologies such as data mining and governance, 5G + edge computing, intelligent decision-making, and machine vision, striving to achieve technological breakthroughs. It will strive to explore a differentiated technological development route in line with the needs of industrial scenarios, and form unique technological advantages. By focusing on key industries such as high-end equipment manufacturing, electronic information, and new energy, the Company will provide customized intelligent manufacturing solutions.

#### (II) Development strategies of the Company

The Company seizes the development opportunities of the digital economy and new-generation information technologies, gives full play to its advantages in the field of digital and intelligent equipment, such as digital cities, rail transit, intelligent manufacturing, and communication equipment. By focusing on three major main businesses: smart transportation and safe cities, industrial Internet and intelligent manufacturing, and green service-oriented electronic manufacturing, guided by market applications and driven by technological innovation, the Company coordinates resources both inside and outside the group, increases investment in technology research and development, and continuously enhances the core competitiveness of the industry relying on the basic capabilities of China's electronic computing system. It is committed to becoming a first-class digital transformation service provider with strong capabilities in serving national strategies, value creation and technological innovation, and professional manufacturing and undertaking major system engineering projects, as well as a core force in the construction of Digital China.

## Section III Management Discussion and Analysis (Continued)

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### VI. Discussion and Analysis of the Company over the Company's Future Development (Continued)

#### (II) Development strategies of the Company (Continued)

In the field of intelligent transportation, the Company will consolidate the existing competitive advantages, expand into new projects in economically developed second-tier cities, strengthen breakthroughs in network-related projects, and accelerate the layout of overseas markets and brand internationalization. In terms of the digital park business, it will focus on the national information technology strategy, promote the upgrading of intelligent engineering to digital integration, and expand into the market of Party and government organs and classified projects. In terms of the safe city business, it will firmly grasp the implementation of orders, focus on products such as satellite communication terminals, Beidou time synchronization, and self-organizing network communication, strive to expand sales revenue, and simultaneously promote the extension of the military power supply market to the civilian energy storage field. In terms of intelligent manufacturing, with industrial robots and intelligent logistics equipment as the core, it will break through key technologies such as fault diagnosis and intelligent sorting, deeply cultivate the new energy and energy storage industries, and provide robot integrated workstations and intelligent logistics solutions. In terms of green service-oriented electronic manufacturing, it will focus on human-computer interaction and electronic control products for white goods, target key customers such as BSH and strive to achieve the goal of RMB120 million. In terms of automotive electronics, it will rely on platform-based collaboration to exceed the revenue target of RMB250 million. Meanwhile, it will increase investment in the research and development of flow batteries, expand energy storage customers, and leverage the manufacturing advantages to explore the markets of intelligent short-distance transportation and AI consumer electronics, and build a differentiated value-added service system covering the entire industrial chain.

The Company will strengthen scientific and technological innovation as a core for its overall development, focus on tackling key and core technologies in the field of digital and intelligent equipment, drive development through innovation, and spare no effort to achieve high-level self-reliance and strength in science and technology, providing reliable technical support for national strategic needs. By constructing a dual-track collaborative innovation system of "the research institute focusing on core technology breakthroughs + the industrial company focusing on the implementation of scenario applications", the Company establishes a close two-way demand docking and differentiated performance appraisal mechanism, and forms a deep linkage between research and development and industrialization. It implements the major special projects such as low-orbit satellite internet terminals, low-altitude intelligent networking platforms, intelligent operation and maintenance systems for industrial equipment, and scenario-based applications of large models in priority, leading the transformation and upgrading of the industry; breaks through the core technologies such as intelligent charging for cross-domain transportation, autonomous diagnosis of industrial robots, real-time edge computing processing, dynamic decision-making optimization, and digital twin visualization in a concentrated manner to tackle the "bottleneck" problems. Meanwhile, it deepens the cooperation among industry, university and research institutes, and establishes core laboratories and scenario verification platforms together with universities, to connect the entire chain from technology research and development to achievement transformation and then to market application, cultivate competitive flagship products in the international market, and comprehensively support the national strategy of independent development of the digital and intelligent equipment industry.

## Section III Management Discussion and Analysis (Continued)

### VI. Discussion and Analysis of the Company over the Company's Future Development (Continued)

#### (III) Business plan

##### 1. The progress of development strategies and business plan during the reporting period

In 2024, in the face of a severe development environment and various internal and external challenges, the Company adhered to the general principle of pursuing progress while maintaining stability. Focusing on the decision-making and deployment of the mid-term adjustment of the "14th Five-Year Plan", it coordinated and promoted the work of deepening reforms, transforming and upgrading, and preventing risks, striving to maintain the stable and orderly operation of the enterprise. However, during the Reporting Period, the existing market competition for some of the Company's businesses was fierce, the transition period for the transformation and upgrading of the business structure was relatively long, and the expansion of new customers did not meet expectations. Meanwhile, in order to respond to changes in market and customer demands and accelerate the transformation and upgrading of the industry, the Company maintained a high level of R&D investment, resulting in an increase in R&D expenses. In addition, in accordance with the Accounting Standards for Business Enterprises, the Company accrued credit impairment losses and asset impairment losses. Affected by the superposition of the above factors, the Company incurred losses in 2024.

The Company's operating targets for 2024 were to achieve an operating income of RMB3,600 million and total profit of RMB60 million. According to the audited financial report, the Company registered operating income of RMB2,645,885,000, total loss of RMB124,622,000, and net loss of RMB141,432,800 in 2024.

##### 2. 2025 operating plan

The operating targets of the Company for 2025 are to achieve an operating income of RMB2,800 million and total profit of RMB115 million. Based on the overall development situation of the macro economy, the board of directors has fully considered the development status of the industry and formulated the above operating targets in combination with the actual situation of the Company. During the actual operation process, there will be many uncertain factors. The Company will adhere to a practical work style, pursue progress while maintaining stability, and strive to achieve the operating targets.

## Section III Management Discussion and Analysis (Continued)

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### VI. Discussion and Analysis of the Company over the Company's Future Development (Continued)

#### (III) Business plan (Continued)

##### 2. 2025 operating plan (Continued)

In 2025, the Company will follow the strategic deployment of the board of directors, focus on its main responsibilities and core businesses, explore and identify new tracks, new models and new driving forces, and systematically implement strategic projects such as industrial upgrading, reform breakthroughs, quality improvement and efficiency enhancement, strengthening the enterprise through talents, and ensuring compliance. It will further promote its integrated development, continuously enhance its core functions and core competitiveness, and strive to win the tough battle in the year of reform breakthroughs, so as to make good plans and arrangements for the work during the 15th Five-Year Plan period. Firstly, it is necessary to systematically promote the optimization and upgrading of the industrial structure, consolidate and enhance the competitive advantages of pillar businesses, accelerate the cultivation of growth poles for emerging businesses, lay a solid foundation for strategic reserve businesses, optimize the value creation of collaborative businesses, orderly withdraw from inefficient and backward production capacities, further promote the iterative transformation of new and old driving forces, and build a balanced development mechanism of "current stability + future growth"; secondly, it is necessary to improve the scientific and technological innovation system, plan and implement a number of major special projects, break through a number of key core technologies, promote the transformation and application of scientific and technological achievements, strengthen the construction of the Digital Intelligence Industry Research Institute, and build a scientific and technological innovation system that combines unified management and separate implementation, with the research institute focusing on tackling key core technologies and industrial companies focusing on industrial expansion and application; thirdly, it is necessary to take market development as a sharp weapon to create growth poles for business value. While maintaining the competitive advantages of various business segments, the Company should actively expand the market and broaden its business scope.

## Section III Management Discussion and Analysis (Continued)

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### VI. Discussion and Analysis of the Company over the Company's Future Development (Continued)

#### (IV) Potential risks

##### 1. Technical risk

The Company's industrial development is influenced by factors such as changes in the external economic environment, the allocation of internal R&D resources, and the transformation of R&D achievements. There are deficiencies in building the Company's industrial innovation capabilities and core competitiveness. The Company will deeply understand market demands and changing trends, focus on the construction of the Digital Intelligence Industry Research Institute, improve the scientific research work system, strengthen the cultivation of scientific and technological talents, deepen the reform of the incentive mechanism, accelerate the research and breakthrough of key core technologies, and promote the continuous iterative upgrading of new technologies and products, so as to provide a strong driving force for the Company's high-quality development.

##### 2. Market risk

The Company's main business lies in a perfectly competitive market, with insufficient market expansion. In order to cope with market risks better, the Company will continue to optimize its market expansion strategy, integrate high-quality resources, and continuously promote industrial transformation and upgrading and the core competitiveness of products and services; keep up with the market dynamics, follow the industry trend, optimize business structure, and strive to find new growth points for the business; and actively explore and develop overseas business markets.

##### 3. Litigation risk

In recent years, the Company has followed an increasing trend in litigation and disputes in general. In order to do a good job in litigation management, the Company will make efforts in dealing with the pre-litigation risk prevention, in-litigation case handling, and post-litigation review and analysis. It will strengthen internal management to further improve the compliance work competence according to laws. By advancing industrial transformation and upgrading, it will improve the quality of products and services, and reduce commercial disputes.

### VII. Explanations on Facts not Disclosed in accordance with the Inapplicability of Standards or Special Reasons including state secrets or trade secrets: N/A

## Section III Management Discussion and Analysis (Continued)

### VIII. Other Disclosures

#### (I) Liquidity of Capital

In accordance with the Accounting Standards for Business Enterprises of China, the gearing ratio of the Company (the ratio between total liabilities and total assets), current liabilities, liquidity ratio and quick ratio were 36.30%, RMB1.883 billion, 1.98 and 1.71 respectively as at 31 December 2024 as shown in the consolidated financial statements of the Company.

Cash: bank balances and cash amounted to RMB758 million as at 31 December 2024 as shown in the consolidated financial statements of the Company.

Loans: short-term bank loans and other loans amounted to RMB42 million as at 31 December 2024 as shown in the consolidated financial statements of the Company.

As of 20 December 2024, the loan prime rates (LPRs) of the loan market were: the LPR for 1-year was 3.1%, and the LPR for more than 5-year was 3.6%; as of 20 March 2025, the loan prime rates (LPRs) of the loan market were: the LPR for 1-year was 3.1%, and the LPR for more than 5-year was 3.6%. The loan prime rate can be available for public inspection at websites of the National Interbank Funding Center and the People's Bank of China.

#### (II) Purchase, Sale or Redemption of the Company's Listed Securities

The Group had not purchased, sold or redeemed any of the Company's listed securities during the reporting period.

#### (III) Pre-emptive Rights

There is no provision for pre-emptive rights according to the relevant laws of the PRC and the Articles of Association of the Company.

#### (IV) Highest Paid Individuals

The five highest paid individuals of the Company during the year were operators of the Company's subsidiaries, details of which are provided in the notes to the financial statements prepared in accordance with the accounting standards of PRC enterprises.

#### (V) Arrangements for Purchase of Shares or Debentures by Directors, Supervisors and Senior Management Staff

At no time during the year had the Company become a party to any arrangements which enabled the Directors, Supervisors and senior management or any of their spouses or children under 18 to acquire benefits by means of the acquisition of shares or debentures of the Company or any other corporate bodies.

## Section III Management Discussion and Analysis (Continued)

### VIII. Other Disclosures (Continued)

#### (VI) Interests in Contracts of Directors, Supervisors and Senior Management Staff

At no time during the year had the Group entered into any contract of significance in which a Director, Supervisor or Senior Management Staff of the Company was materially interested. None of the Directors, Supervisors, and Senior Management Staff of the Company had engaged in the operating activities which compete with the business of the Group.

#### (VII) Service Agreements of Directors and Supervisors

The Company's Executive Directors were Xia Dechuan, and Hu Huichun, respectively, the Non-executive Directors were Liu Jianfeng, Hu Jin, Yi Guofu and Lv Song, respectively, and the Independent Non-executive Directors were Dai Keqin, Xiong Yanren, and Chu Wai Tsun, Baggio, respectively. The members of the Supervisory Committee were Fan Laiying, Fu Yuanyuan and Xue Yuheng, respectively. For the main work experience, remuneration and shareholding in the Company of the Directors and Supervisors of the Company, please refer to "Section IV Corporate Governance" in the report for details.

Each of the Directors and Supervisors has entered into service agreements with the Company for a term of three years. None of the Directors or Supervisors has entered into any contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

#### (VIII) Liability insurance for Directors, Supervisors and Senior management

During the reporting period, the Company purchased liability insurance for its Directors, Supervisors and senior management in compliance with the relevant regulations of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

#### (IX) Privileges of Directors, Supervisors and Senior management

During the reporting period, no privileges were enjoyed by the Directors, Supervisors and senior management of the Company.

#### (X) Interested Relations with Suppliers and Customers

Nanjing Panda Handa Technology Co., Ltd. is the connected legal person of the Company. It is listed as the top five customers of the Company in 2024.

Save as disclosed above, during the year, neither the Directors, Supervisors, nor their close associates or shareholders (which to the knowledge of the Directors own more than 5% of the issued share capital of the Company) had any interest in the five largest customers or suppliers of the Company.



## Section III Management Discussion and Analysis (Continued)

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### VIII. Other Disclosures (Continued)

#### (XI) Contracts of Significance

Particulars of the contracts of significance under paragraph 16 of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited between the Company or any of its subsidiaries and the controlling shareholder of the Company or any of its subsidiaries, or for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries, are set out in the paragraph headed “Material Connected Transactions” under Section VI “Significant Events” of this report.

#### (XII) Enter into Material Contracts

During the reporting period, the material contracts entered into by the Company were as follows:

During the reporting period, the material contracts entered into by the Company were to provide financing guarantees for its subsidiaries and carry out wealth management with its idle funds. The contracts for financing guarantee provided by the Company for its subsidiaries and wealth management with its idle funds were disclosed on China Securities Journal, Shanghai Securities News and the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

#### (XIII) Convertible Securities, Options, Warrants or Similar Rights

The Company had not issued any convertible securities, options, warrants or similar rights as at 31 December 2024.

#### (XIV) Reserves

As calculated in accordance with the applicable laws of the PRC where the Company is incorporated, the distributable reserves of the Company as at 31 December 2024 amounted to RMB113,823,520.85.

#### (XV) Pension Scheme

The Company participated in a pension scheme established by the government. In accordance with the terms of the scheme, the annual contributions made by the Company should be equivalent to around 16% of the salaries of its employees. According to the said scheme, the pension of present and retired employees of the Company is protected by Nanjing Human Resources and Social Security Bureau.

## Section III Management Discussion and Analysis (Continued)

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### VIII. Other Disclosures (Continued)

#### (XVI) Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the Company's business were entered into by the Company or existed during the year.

#### (XVII) Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2024 are set out in the notes to the financial statements prepared under the PRC accounting standards.

#### (XVIII) Changes in Owners' Equity

Particulars of changes in owners' equity of the Group during the year are set out in the statement of changes in owners' equity prepared under the PRC accounting standards.

#### (XIX) Fixed Assets

Details of the movements in the fixed assets of the Group during the year are set out in the notes to the financial statements prepared under the PRC accounting standards.

#### (XX) Subsidiaries

Information on the subsidiaries of the Company is set out in the notes to the financial statements prepared under the PRC accounting standards.

#### (XXI) The Company's Code of Corporate Governance and Model Code

During the reporting period, the Company has adopted and complied with the Corporate Governance Code as set out in Appendix 14 and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong.

## Section III Management Discussion and Analysis (Continued)

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### VIII. Other Disclosures (Continued)

#### (XXII) Confirmation by Independent Non-executive Directors on Connected Transactions

The Independent Non-executive Directors of the Company, within their scope of duties, have reviewed the “connected relationship and transactions” set out in the notes to the financial statements of the Company for 2024 prepared under the Accounting Standards for Business Enterprises of China, as well as the relevant letter of the auditors, and confirmed that:

1. Such transactions were entered into in the ordinary and usual course of business of the Group;
2. Such transactions were (1) on normal commercial terms or better or (2) on terms no less favorable to the Company than those available to or from independent third parties, if there were no applicable comparables;
3. Such transactions were carried out in accordance with relevant agreements governing such transactions, and the terms of such transactions were fair and reasonable and in the interests of the Company’s shareholders as a whole; and
4. Such transactions did not exceed the relevant caps disclosed previously.

For details of the connected transactions and continuing connected transactions of the Company, please refer to the sub-section headed “material connected transactions” under Section VI “Significant Events” of this report.

#### (XXIII) Contingencies

Details of contingent events of the Group during the year are set out in the notes to the financial statements prepared under the PRC accounting standards.

## Section III Management Discussion and Analysis (Continued)

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### VIII. Other Disclosures (Continued)

#### (XXIV) Environmental, Social and Governance Report

The Group is committed to supporting the sustainable development of the environment and is subject to various national laws and regulations in relation to environmental protection promulgated by the PRC. The Group has set up compliance procedures to ensure compliance with relevant laws, rules and regulations in relation to environmental protection. In addition, the employees and operating units concerned have paid attention to changes in relevant laws, rules and regulations from time to time. The Group has always been devoted to maintaining well-observed standards regarding environmental protection and the society and safeguarding the sustainable development of our business.

During the reporting period, in accordance with the requirements under the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules of the Hong Kong Stock Exchange, the Company has prepared the 2024 Environmental, Social and Governance (ESG) Report covering strategy and governance, social responsibility management, professional advantages to serve the needs of social development, the joint creation of consolidated value with stakeholders and other aspects. In the preparation of the report, the Company followed the reporting principles of materiality, quantitative, balance and consistency to the greatest possible extent. The report, which has been considered and approved by the 4th meeting of the 11th session of the Board, gives an account of the management approach, objectives, measures and results achieved in respect of environmental, social and governance areas of the Company and its subsidiaries during the period from 1 January 2024 to 31 December 2024. The report is also in compliance with the requirements of the “Guidelines for Self-regulation of Listed Companies in Shanghai Stock Exchange No.1– Standardized Operation” issued by Shanghai Stock Exchange. The “2024 Environmental, Social and Governance (ESG) Report” of the Company was published on the website of Shanghai Stock Exchange on 28 March 2025.

## Section III Management Discussion and Analysis (Continued)

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### VIII. Other Disclosures (Continued)

#### (XXV) Others

1. For the principal operations of the Group, please refer to “Section III Management Discussion and Analysis” in this report for details.
2. The Board of the Company considered and approved the profit distribution proposal to distribute cash dividend for 2024, the details of which are set out in “Section VI Corporate Governance” in this report.
3. Taxation policies applicable to the shareholders in respect of the cash dividend received for the shares held by them in the Company shall follow the laws and regulations as revised from time to time by the State, details in relation thereto will be otherwise announced by the Company.
4. As at the date of this report, based on the information announced by the Company and within the knowledge of the Directors, the Company has complied with the continuous requirements of Hong Kong Stock Exchange in relation to the sufficiency of public float.
5. During the year, the Company issued a total of RMB425,100 in love assistance funds, subsidies for difficulties and golden autumn scholarships throughout the year.

#### (XXVI) Annual General Meeting

The Board proposes to convene the 2024 annual general meeting of the Company before 30 June 2025, the announcement of which will be made separately.

By order of the Board  
**Xia Dechuan**  
*Chairman*

Nanjing, the PRC, March 27, 2025

## Section IV Corporate Governance

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### I. Explanation of Corporate Governance

During the reporting period, observing the Company Law, the Securities Law and other laws and regulations, and in accordance with the provisions of the CSRC and the SFC on corporate governance and standardized operation, as well as the requirements of the listing rules of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong, the Company has continued to refine its corporate governance structure, improve internal rules and systems, and strengthened the internal control and risk management to maintain sustainable and healthy development and safeguard the interests of all shareholders of the Company. There is no significant difference between the corporate governance of the Company and the provisions of the laws, administrative regulations and CSRC's regulations on the governance of listed companies. The Company is in compliance with and observes the provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, and the objectives, values and strategies of the Company as formulated are consistent with the corporate culture of the Company.

With respect to risk management and internal control, the Company established the risk management and internal control systems on the basis of the multi-layered management organization and corresponding management documents, and ameliorated and perfected it on a continuous basis in accordance with requirements of the regulatory authorities and the operation situation of the Company. Such systems were designed to manage rather than eliminate the risk of failure to achieve business objectives, and could only provide reasonable and not absolute assurance against material misstatement or loss. The Board is responsible for overseeing and reviewing the Group's risk management and internal control systems on an ongoing basis, and ensuring the Group to establish and maintain appropriate and effective risk management and internal control systems. The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems, ensuring strict compliance with relevant rules and regulations and reporting to the Board. The multi-layered management structure, mainly comprised of functional departments at the headquarters of the Company, the united council, Office of General Manager and the Board, undertook decision-making, management and supervising obligations according to relevant procedures. Their obligations concerned risk assessment and amelioration for material events, reviewing and execution of significant investment projects, overall budgeting management, appraisal of economic responsibilities, design of the remuneration system, financing guarantee, and other related work. According to their responsibilities and authority, the functional departments or joint deliberative bodies will submit the relevant topics to the meetings of the Office of General Manager for consideration. If such topics need to be submitted to the Board of Directors for decision-making, they shall be submitted to the Board meetings for consideration in the form of proposals.

The rule of law and risk control committee under the united council is mainly responsible for assessing and making recommendations for reducing and solving risks in relation to important operation practices and business procedures as well as material events, and analyzing and making improving recommendations for irregularities in internal operation.

## Section IV Corporate Governance (Continued)

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### I. Explanation of Corporate Governance (Continued)

The Company has set up an independent internal auditing department, which carries out monitoring and reviewing activities independently and objectively and pushes forward the realization of goals of the Company through reviewing and assessing the appropriateness, legitimacy and effectiveness of the business activities and internal control of various units. The Audit Department (performing internal audit function) consists of a number of professional auditors with expertise, technical titles, auditing experiences and competent capabilities. Such professionals attend continuing professional education and trainings held by competent authorities or associations of the occupation for a certain period each year. The Company will also organize business trainings relating to risk management and internal control based on practical demands. The Audit Department is directly accountable to the Board, receives instructions from the Audit Committee under the Board and reports to the Audit Committee on the internal auditing work for the year and the auditing and inspecting plan for the forthcoming year at the meeting of Audit Committee held periodically. The Audit Department reports to the Party Committee and the General Manager on a daily basis.

The Company has strengthened the construction of Party style and clean government and anti-corruption work. It has set up a discipline inspection department to carry out work independently, formulated the key points of annual Party style and clean government and anti-corruption work, and promoted the integrated implementation of the “three non-corruptions” with a systematic concept. The Company supervised and inspected major business decisions, major project investment decisions, major personnel appointments and dismissals, large-scale capital operations, performance of duties and exercise of power in key positions, and integrity and self-discipline, so as to strengthen the positive style, strict discipline and anti-corruption with a strict tone. The Company has formulated relevant systems and regulations such as Implementation Measures for the Supervision Work of Discipline Inspection Departments, and established and improved working mechanisms such as supervision and reminders, integrity risk prevention and control, coordination group for establishment of Party style and clean government construction and anti-corruption work, and promotion of reform and governance through cases, so as to effectively prevent employee corruption. The Company has organized education on Party spirit, Party style and Party discipline, strengthened the construction of integrity culture, vigorously carried forward the concept of integrity, and strived to promote the formation of a work style of pragmatism and commitment. In 2024, 286 anti-corruption and integrity trainings were carried out, covering 4,119 attendances.

The Company strengthened its risk management and internal monitoring system in light of its own production and operation situation. In accordance with the requirements of ensuring the lawfulness and compliance of business management, the security of assets, the truthfulness and completeness of financial reports and related information, improving the efficiency and effectiveness of operations, and promoting the realization of the enterprise’s development strategy, the Company formulated risk identification and evaluation criteria from both quantitative and qualitative aspects, which are also used as the identification criteria for internal control deficiencies. The Company regularly reviewed the effectiveness of the risk management and internal control systems and formed a complete workflow and procedures, and a mechanism to address significant risks or internal control deficiencies, and kept them updated in a real-time manner. In order to promote the ongoing perfection and amelioration of the risk management and internal control systems, the Company conducted self-assessment on internal control every year. Under the leadership of rule of law and risk control committee, the Audit Department organised the assessment panel (comprising the Audit Department and backbones of personnel in charge of internal control work from relevant business departments and the subsidiaries) and conducted the self-assessment. The Audit Department reports the self-assessment scheme on internal control to the independent Directors and the Audit Committee under the Board at the meeting of Audit Committee held at the end of each year. The Company prepares Internal Control Evaluation Report and submits it to the Board for consideration for

## Section IV Corporate Governance (Continued)

### I. Explanation of Corporate Governance (Continued)

each year. During the internal control self-assessment stage, the Company focused on high-risk areas, including but not limited to subsidiary management and control, business risk control, capital asset security management, contract management, major litigation progress, etc., established and improved the basic system, strictly implemented rectification, continuously improved the standardized operation of the Company and promoted the sustainable, stable and healthy development of the Company. During the reporting period, as reviewed by the Board, there was no significant deficiency in internal control in relation to financial reporting of the Company, nor was any significant deficiency in internal control in relation to non-financial reporting identified. WUYIGE Certified Public Accountants LLP has audited the effectiveness of the internal control relating to financial reporting of the Company, and issued an audit report with unqualified opinion. The Board has reviewed the effectiveness of the risk management and internal control systems and considered the system to be effective and sound.

The Company adopts a closed-loop management approach in identifying, assessing and managing significant risks and internal control. The internal control evaluation set asides a rectification phase. After the issuance of a report, the Audit Department will send the identification and rectification opinions of deficiencies to the relevant responsible units and departments, which will implement the rectification work of the internal control deficiencies. Subsequently, the Audit Department will track and check the implementation of the rectification and consolidate the results of the internal control evaluation. For major matters that have been reviewed or approved by Audit Committee under the Board of Directors or the rule of law and risk control committee, the relevant responsible departments shall be designated to implement the rectification and provide feedback on the completion of the matters. With regard to risk matters, it is required to timely take counter-measures, analyse the causes of such matters, formulate corrective action plans, follow up on the implementation of corrective action and improve business processes, and relevant personnel who fail to comply with internal control norms shall be held accountable in accordance with relevant regulations. The Company has formulated an emergency disposal plan for the business of deposits in the financial company to which the de facto controller belongs. During the reporting period, the Company did not identify any significant monitoring system defects or failures.

On 3 June 2024, the Company held the 26th meeting of the 10th session of the Board of Directors, and deliberated and approved the proposal to nominate candidates for directors of the 11th session of Board of Directors of the Company. The relevant candidates were elected and appointed at the Company's 2023 Annual General Meeting of Shareholders held on 21 June 2024, with a term of office of three years. On 3 June 2024, the Company held the 16th meeting of the 10th session of the Supervisory Committee, and deliberated and approved the proposal to nominate candidates for non-employee supervisors of the 11th session of the Supervisory Committee of the Company, and confirmed Mr. Xue Yuheng as an employee supervisor of the 11th session of the Supervisory Committee of the Company. The relevant candidates were elected and appointed at the Company's 2023 Annual General Meeting of Shareholders held on 21 June 2024, who together with Mr. Xue Yuheng, the employee supervisor, formed the 11th session of the Supervisory Committee of the Company, with a term of office of three years. On 21 June 2024, the Company convened the first meeting of the 11th session of the Board of Directors and the first meeting of the 11th session of the Supervisory Committee, elected the Company's chairman of the 11th session of the Board of Directors, the chairman of the Supervisory Committee, and members of relevant professional committees, and simultaneously appointed the Company's senior management. The election of the 11th session of the Board of Directors and the Supervisory Committee and the appointment of the senior management have further optimized the Company's corporate governance structure and ensured the Company's continuous and standardized operation.



## Section IV Corporate Governance (Continued)

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### I. Explanation of Corporate Governance (Continued)

In 2024, the Company thoroughly implemented the principle of “integrating the two aspects in a consistent manner” and the action plan for deepening and upgrading the reform of state-owned enterprises. It revised and improved the Independent Director System, formulated the Working System for Special Meetings of Independent Directors, System for Entrusted Wealth Management and Management Measures for Public Opinion Work, and continuously enhanced the scientific nature of the Company’s decision-making and the integrity of its procedures.

In 2024, the Company strengthened the training of key individuals, organized its directors, supervisors, and senior management personnel to participate in various training organized by the Jiangsu Securities Regulatory Bureau, the Shanghai Stock Exchange, and the Hong Kong Chartered Governance Institute, with 19 attendances in total, which further enhanced their ability to perform their duties. The Company sent regulatory newsletters to its directors, supervisors and senior management from time to time to inform them of the latest regulatory developments and typical cases, so as to effectively enhance the level of compliance operation and risk prevention awareness.

In 2024, the Company’s senior management personnel strictly performed their duties in accordance with all the Company’s management systems and loyally executed all the resolutions of the board of directors. In accordance with the provisions of the Administrative Measures for Remuneration and Assessment of Directors, Supervisors and Senior Management Personnel, the Remuneration and Assessment Committee conducted performance assessments on the senior management personnel.

Whether or not there is any significant difference between corporate governance of the Company and laws, administrative regulations and the provisions of the CSRC on the governance of listed companies:  
N/A

## Section IV Corporate Governance (Continued)

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### II. Specific Measures Taken by the Controlling Shareholder and De Facto Controller of the Company to Ensure the Independence of Assets, Staff, Finance, Organization and Business of the Company, and Solutions and Work Progress and Follow-up Work Plans Formulated to Ensure the Company's Independence:

The business, staff, asset, organization and finance of the Company are completely separated from those of its controlling shareholders, and the Company has its own independent and complete businesses and possesses the capabilities for independent operation.

1. Business: The Company has a highly independent and complete business and operation ability. The controlling shareholder and its associates have separately signed the "Letter of Undertaking on Avoidance of Horizontal Competition".
2. Staff: The staff of the Company is independent from its controlling shareholder. The Company has independent management in labour, personnel and wages, and established the relevant management systems. Senior management members such as general manager and deputy general manager receive salaries from the Company. Save for the position of director, they do not hold any other positions in the controlling shareholder entity.
3. Asset: The Company has its own supply, production and sale systems, ancillary production system and facilities. The Company holds intangible assets such as trademark ownership, industrial property right, and non-patent technology.
4. Organization structure: The Company established a sound organizational system in which the Board, Supervisory Committee and other internal departments each operate and function independently. The Company is not subordinate to its controlling shareholder in term of its duties and departmental functions.
5. Finance: The Company has set up its own finance department, accounting system, financial management system and its own bank accounts.

The scenario where the controlling shareholder, the de facto controller and other units controlled by them are engaged in the same or similar business as those of the Company, and the impact of peer competition or great changes in peer competition on the Company, the solutions taken, the progress of solutions and the subsequent solutions plan: N/A

## Section IV Corporate Governance (Continued)

### III. Profile of General Meeting of Shareholders

Session of the meeting	Convening date	Query index of the designated website where the resolutions were published	Disclosure date of the resolutions	Meeting resolutions
The first extraordinary general meeting in 2024	9 April 2024	www.sse.com.cn	10 April 2024	One proposal was reviewed and passed, and there was no veto of the proposal.
2023 annual general meeting	21 June 2024	www.sse.com.cn	22 June 2024	A total of 16 proposals were reviewed and passed, and there was no veto of the proposal.
The second extraordinary general meeting in 2024	27 December 2024	www.sse.com.cn	28 December 2024	A total of 2 proposals were reviewed and passed, and there was no veto of the proposal.

Explanation on General Meeting of Shareholders:

1. The Company held the First Extraordinary General Meeting of 2024 on 9 April 2024, at which the proposals on the Amendment of Certain Articles of the Company's Articles of Association and the specific matters of amending some articles of the Company's Articles of Association by the authorized company's management were deliberated and approved. One proposal was deliberated and approved at the meeting and there was no veto of the proposal. For details, please refer to the relevant announcement of the Company dated 10 April 2024 published in China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange.

## Section IV Corporate Governance (Continued)

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### III. Profile of General Meeting of Shareholders (Continued)

2. On 21 June 2024, the Company held the 2023 Annual General Meeting of Shareholders, and considered and approved the proposals on the 2023 Annual Work Report of the Board of Directors of the Company, 2023 Annual Work Report of the Supervisory Committee of the Company, the 2023 Financial Final Accounts Report, the 2024 Financial Budget Report, the Profit Distribution Plan for 2023, the Employment of the 2024 Audit Firm, the 2023 Annual Report and its Summary, the 2023 Report on Debriefing of Independent Directors, the Proposal on Purchasing Directors' Liability Insurance for 2024, and the proposal on the guarantee amount for relevant subsidiaries, election of director of the 11th session of the board of directors of the Company, election of non-employee representative supervisor of the eleventh session of the Supervisory Committee of the Company and other proposals. A total of 16 proposals were reviewed and passed at the meeting, and there was no veto of the proposals. For details, please refer to the relevant announcements of the Company published in China Securities Journal and Shanghai Securities News and on the website of the Shanghai Stock Exchange on 22 June 2024.
3. The Company held the Second Extraordinary General Meeting of 2024 on 27 December 2024, at which the Sales of Materials and Parts Agreement and the annual cap of transactions thereunder, the Financial Services Cooperation Agreement and the annual cap of the funds settlement balance thereunder were deliberated and approved, and the board of directors was authorized to take necessary measures to make the agreements effective. A total of 2 proposals were deliberated and approved at the meeting and there was no veto of the proposal. For details, please refer to the relevant announcement of the Company dated 28 December 2024 published in China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange.

The General Meeting is the source of authority of the Company. It exercises its functions and powers in accordance with the law and makes decisions over material matters of the Company. The Annual General Meeting or Extraordinary General Meeting serves as a channel for direct communications between the Board and the shareholders of the Company. The Company is in strict compliance with the requirements of Articles of Association and Rules of Procedure at General Meeting, standardizes the procedure of the convening, holding and voting of the general meetings and invites lawyers as witnesses and auditors to scrutinize the voting in order to ensure all shareholders (including minority investors) are treated fairly and could fully exercise their rights as shareholders.

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management

#### (I) Changes in Shareholdings in Current and the resigned Directors, supervisors and senior management during the reporting period and their remuneration

As of 31 December 2024, interests of the Directors, supervisors and senior management of the Company in the domestic shares of the Company which were recorded in the register required to be kept by the Company under Section 352 of the Securities and Futures Ordinance (Chapter 571) (“SFO”) or notified to the Company or Hong Kong Stock Exchange according to the “Model Code for Securities Transactions by Directors of Listed Issuers” under Appendix 10 to the Listing Rules are as follows (the nature of such interests is personal interest):

Name	Position	Gender	Age	Effective date of appointment	Expire date of appointment	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/decrease in the number of shares held in the year	Reason for the change	Total remuneration received from the Company during the reporting period (before tax) (RMB'000)	Remuneration received from the connected parties of the Company
Xia Dechuan	Chairman, Executive Director	M	55	2023-6-6	2027-6-29	0	0	0		0	Yes
Liu Jianfeng	Non-executive Director	M	48	2023-6-27	2027-6-29	0	0	0		0	Yes
Hu Jin	Non-executive Director	M	45	2024-6-21	2027-6-29	0	0	0		0	Yes
Hu Huichun	Executive Director, General Manager	M	52	2022-9-26	2027-6-29	0	0	0		94.32	No
Yi Guofu	Non-executive Director, Secretary of Party Committee	M	55	2021-12-28	2027-6-29	0	0	0		90.62	No
Lv Song	Non-executive Director	M	40	2023-12-15	2027-6-29	0	0	0		0	Yes
Dai Keqin	Independent Non-executive Director	M	67	2021-6-29	2027-6-29	0	0	0		12	No
Xiong Yanren	Independent Non-executive Director	F	53	2021-6-29	2027-6-29	0	0	0		12	No
Chu Wai Tsun, Baggio	Independent Non-executive Director	M	51	2021-6-29	2027-6-29	0	0	0		12	No

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (I) Changes in Shareholdings in Current and the resigned Directors, supervisors and senior management during the reporting period and their remuneration (Continued)

Name	Position	Gender	Age	Effective date of appointment	Expire date of appointment	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/decrease in the number of shares held in the year	Reason for the change	Total remuneration received from the Company during the reporting period (before tax) (RMB'000)	Remuneration received from the connected parties of the Company
Fan Laiying	Chairman of the Supervisory Committee	M	54	2023-6-27	2027-6-29	0	0	0		0	Yes
Fu Yuanyuan	Non-employee Representative Supervisor	F	53	2020-6-29	2027-6-29	0	0	0		0	Yes
Xue Yuheng	Employee Representative Supervisor	M	50	2024-6-21	2027-6-29	0	0	0		74.54	No
Hu Shoujun	Chief Accountant	M	50	2023-11-10	2027-6-29	0	0	0		39.54	No
Shao Bo	Deputy General Manager	M	45	2016-5-23	2027-6-29	0	0	0		65.26	No
Hu Dali	Deputy General Manager	M	47	2023-11-10	2027-6-29	0	0	0		72.25	No
Wang Dongdong	Secretary to the Board, Company Secretary	M	44	2019-8-12	2027-6-29	0	0	0		69.21	No
Wan Lei	Deputy General Manager	M	45	2023-1-3	2027-6-29	0	0	0		83.9	No
Lu Bin	Deputy General Manager	M	55	2022-6-24	2027-6-29	0	0	0		95.95	No
Deng Weiming	Former Non-executive Director	M	61	2010-5-28	2024-6-21	0	0	0		0	No
Zhou Yuxin	Former Employee Representative Supervisor	M	61	2008-10-28	2024-6-21	0	0	0		23.98	Yes
Total						0	0	0		745.57	

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (I) Changes in Shareholdings in Current and the resigned Directors, supervisors and senior management during the reporting period and their remuneration (Continued)

*Note:*

1. In 2024, the total remunerations of Directors, supervisors and senior management members were RMB7.4557 million. Of such total remunerations, RMB6.4705 million was for the Directors and senior management, and RMB985,200 was for the supervisors. The above remunerations did not include contributions to the pension scheme for the Directors, supervisors and senior management. The pension scheme applicable to relevant Directors and supervisors has been included in the scope of the pension scheme for employees of the Company, with no other special arrangement. Save as above, the Company did not pay any other remuneration, allowance or bonus to the Directors and supervisors, and each of the Directors and supervisors was remunerated within RMB960,000 for the year.
2. In 2024, Independent Non-executive Directors received remuneration from the Company up to RMB360,000. They did not receive remuneration from shareholder entities or other related entities, and did not involve equity-based remuneration and performance-related elements.

Save as disclosed above, as of 31 December 2024, none of the Directors, Supervisors and senior management of the Company or their associates had any interests and short positions in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (“SFO”)), (a) which were required to be notified to the Company or the Stock Exchange under Divisions 7 and 8 of Part XV of SFO (including interests or short positions which were regarded or deemed to have pursuant to such provisions of the SFO); or (b) which were required to be recorded in the register required to be kept by the Company under such provision of Section 352 of SFO; or (c) which were required to be separately notified to the Company or the Stock Exchange according to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) under Appendix 10 to the Listing Rules. None of the Directors or Supervisors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right.

Based on the information that is publicly available to the Company and as far as the Directors are aware, there are no relationships between the members of the Board (in particular between the chairman of the Board and the chief executive officer), including financial, business, family or other material or relevant relationships.

## Section IV Corporate Governance (Continued)

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### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (II) Major working experiences

##### 1. Executive Directors

**Mr. Xia Dechuan**, born in 1970, is a senior engineer at researcher level, graduated from Xidian University with a bachelor's degree in Electronic Mechanics and holds a master's degree in business administration from the Southeast University. Mr. Xia has served as Deputy Head and Head of the NFC Design Institute under PEG, a standing Deputy General Manager and General Manager of Nanjing Panda Information Industry Co, Ltd., the Deputy General Manager, General Manager, Executive Director, Legal Person, deputy secretary and secretary of the Party Committee of Nanjing Panda Electronics Company Limited. He currently serves as a Deputy General Manager of Nanjing Electronics Information Industrial Corporation, and concurrently serves as Chairman of Nanjing Panda Electronics Company Limited, and Chairman of Nanjing China Electronics PANDA Lighting Co., Ltd. Mr. Xia has long been engaged in the management of information technology industries, and has extensive professional knowledge and experience in operation and management.

**Mr. Hu Huichun**, born in 1973, graduated with a master's degree from the Party School of the Central Committee of CPC, majoring in economic management and is an economist. He successively served as the Deputy Head of the office of PEG and the General Manager of the production company of Nanjing Panda Electronic Manufacturing Group. He served as the Deputy General Manager of Nanjing Panda Electronics Company Limited from May 2016 to June 2022. He has been the General Manager of Nanjing Panda Electronic Manufacture Co., Ltd. concurrently from May 2016 to December 2019. He served as the General Manager of Nanjing Panda Information Industry Co., Ltd. from December 2019 to June 2022. He currently serves as the General Manager, the legal person and Deputy Secretary of the Party Committee of Nanjing Panda Electronics Company Limited. Mr. Hu has long been engaged in the management in the electronic information industry and has extensive experience in operation and management.



## Section IV Corporate Governance (Continued)

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### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (II) Major working experiences (Continued)

##### 2. Non-executive Directors

**Mr. Liu Jianfeng**, born in 1977, graduated from the School of Electro-Optics of Nanjing University of Science and Technology, majoring in communication and information system, with a doctoral degree in engineering, and is a senior engineer at researcher level. He successively served as a deputy chief engineer, deputy director of system department, assistant to the director of Science and Technology Committee, assistant to the general manager, and deputy general manager of Nanjing Panda Handa Technology Co., Ltd.. From March 2021 to May 2022, he served as a deputy chief engineer of Nanjing Electronics Information Industrial Corporation, deputy general manager and assistant to the director of Science and Technology Committee of Nanjing Panda Handa Technology Co., Ltd. (from June 2021 to April 2022, he was temporarily employed as the assistant to the director of military industry department and director of system department of China Electronics Corporation); from May 2022 to August 2022, he served as the assistant to general manager of Nanjing Electronics Information Industrial Corporation. From August 2022 to January 2024, he served as the deputy general manager of Nanjing Electronics Information Industrial Corporation and concurrently the deputy general manager of CEC Defense Technology Co., Ltd. From January 2024 to the present, he has been serving as executive director and Secretary of Party Committee of Nanjing Panda Handa Technology Co., Ltd., and concurrently the deputy general manager of CEC Defense Technology Co., Ltd.. Mr. Liu Jianfeng has long been engaged in the research and development and management of the electronic information technology and has extensive professional knowledge and management experience.

**Mr. Hu Jin**, born in 1980, graduated from Hefei University of Technology with a bachelor's degree in Industrial Automation. He successively served as a project leader, deputy director of the Investment and Development Department, and deputy director of the Planning and Investment Department of Nanjing Electronics Information Industrial Corporation. From December 2019 to September 2021, he served as the director of the Administrative and Legal Affairs Department and the director of the Legal Affairs Office of Nanjing Electronics Information Industrial Corporation. From September 2021 to May 2022, he served as the assistant to the general manager, director of the Planning and Technology Department, and deputy director of the Reform Office of Nanjing Electronics Information Industrial Corporation. Since May 2022, he served as the assistant to the general manager, director of the Planning and Technology Department, and director of the Reform Office of Nanjing Electronics Information Industrial Corporation.

## Section IV Corporate Governance (Continued)

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### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (II) Major working experiences (Continued)

##### 2. Non-executive Directors (Continued)

**Mr. Lv Song**, born in 1985, holds a Bachelor's degree in law from Nanjing University of Finance & Economics, and possesses qualification in legal profession and a company lawyer certificate. He successively served as a legal affairs officer of the legal affairs department in Panda Electronics Group Limited, a legal affairs officer in the office of Panda Electronics Group Limited, a legal affairs officer of the administration and legal affairs department, an executive secretary and a deputy director of the legal affairs office in Nanjing Electronics Information Industrial Corporation. From March 2017 to January 2019, he served as the deputy director (presiding) of the administration and legal affairs department and the director of the confidentiality office in Nanjing Panda Electronics Company Limited. From February 2019 to January 2020, he served as the director of the administration and legal affairs department and the director of the confidentiality office in Nanjing Panda Electronics Company Limited. From January 2020 to September 2021, he served as the general counsel, the director of the administration and legal affairs department and the director of the confidentiality office in Nanjing Panda Electronics Company Limited. From September 2021 to present, he has been the deputy director (presiding), director of the administration and legal affairs department and the office of the board of directors and supervisory committee, and the deputy director of the legal affairs office of Nanjing Electronics Information Industrial Corporation, and from May 2022 to the present, he has been the secretary to the board of directors of Nanjing Electronics Information Industrial Corporation. Mr. Lv Song has been long engaged in corporate administration and legal affairs management and has extensive expertise in legal profession and experiences in management.

**Mr. Yi Guofu**, born in 1970, holds a master's degree in business administration from Nanjing University and is a senior economist. Mr. Yi has served as the Head, Deputy Director, and Director of the personnel division, and the Head of the Human Resources Department of Nanjing Panda Electronics Company Limited. He served as the Deputy Secretary of the Party Committee and the Secretary of the Disciplinary Committee of Nanjing Panda Electronics Company Limited from November 2016 to September 2021. Mr. Yi Guofu is also currently serving as a director of Nanjing Panda Electronic Manufacture Co., Ltd. and a director of Shenzhen Jingwah Electronics Co., Ltd. Mr. Yi has long been engaged in human resources management and party affairs and has extensive professional knowledge and management experience.

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (II) Major working experiences (Continued)

##### 3. Independent non-executive Directors

**Mr. Dai Keqin**, born in 1958, is an on-job postgraduate, an economist at the highest level of seniority, and a lawyer. He once served as Deputy Director and Director of the General Manager Office, and Assistant General Manager of Jiangsu Zijin Electronics Information Industry Group, Director of President Office, Assistant President, Vice President, Administrative Director, General Counsel of Jiangsu Hongtu High-Tech Co., Ltd., deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Commission and Senior Legal Director of Sanpower Group Co., Ltd., Independent Director of Nanjing Huadong Technology Co., Ltd. and Nanjing Port Co., Ltd., Independent Director of Nanjing Public Utilities Co., Ltd., and Independent Director of Jiangsu Huahong Technology Co., Ltd. Mr. Dai is currently a lawyer at Jiangsu Jinding Yingjie Law Firm, a supervisor of Jiangsu Invention Association, an independent director of Nanjing Xinlian Electronics Co., Ltd., an independent director of Nanjing Chemical Fiber Co., Ltd., and an independent director of Nanjing Panda Electronics Company Limited, and serves as the perennial legal advisor of many enterprises.

**Ms. Xiong Yanren**, born in 1972, holds a Ph. D. in accounting and is a Masters Tutor of Nanjing University. From June 2018 to April 2024, she served as an Independent Director of Guodian NARI Technology Co., Ltd. Ms. Xiong is currently an Associate Professor of the Department of Accounting at Nanjing University Business School, an Independent Director and the director of Audit Committee of Liaoning Aoke Chemical Co., Ltd., and an Independent Director and the director of Audit Committee of Shanghai Yizhong Pharmaceutical Co., Ltd.

**Mr. Chu Wai Tsun, Baggio**, born in 1974, is a member of CPA Australia and holds a master's degree in finance after graduating from the University of New South Wales in 2002. He once served as the audit manager of PricewaterhouseCoopers, Hong Kong, and the senior audit manager of Baker Tilly Hong Kong Limited. From July 2010 to March 2020, he worked with Eternal (Far East) Co., Ltd. as the chief financial officer. From March 2020 to September 2021, he worked with Sipai Health Industry Investment Co., Ltd. as the senior financial director. From September 2021 to December 2022, he has worked with Shenzhou Medical Technology Co., Ltd. as the vice president of finance. Since May 2023, he has served as the chief financial officer of Eternal Optical & Perfumery (Far East) Ltd. Mr. Chu has long been engaged in auditing and financial and has rich experience in financial management.

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (II) Major working experiences (Continued)

##### 4. Supervisors

**Mr. Fan Laiying**, born in 1971, a university degree holder and an accountant. He once served as the head of finance department of Xianyang IRICO Thermoelectricity Co., Ltd., the head of finance department of Hefei IRICO Epilight Technology Co., Ltd, the financial controller of IRICO (Hefei) Photovoltaic Technology Company Limited and Hefei IRICO New Energy Co., Ltd., the financial controller of IRICO Display Devices Co., Ltd., the deputy chief economist and the deputy chief accountant of IRICO Group, the chief accountant of IRICO Group Company Limited, the chief accountant of Xianyang Zhongdian IRICO Group Holdings Ltd., the deputy director of the finance department of China Electronics Corporation, and has been the chief accountant of Nanjing Electronics Information Industrial Corporation since August 2022. Since July 2023, he has served as Chairman of the Supervisory Committee of TPV Technology Co., Ltd. Mr. Fan Laiying has been involved in corporate finance management for long and has extensive financial expertise and management experience.

**Ms. Fu Yuanyuan**, born in 1972, holds a bachelor's degree, is a PRC Certified Public Accountant, and an International Certified Internal Auditor. Ms. Fu has successively served as the Deputy Head of the Audit Department, the Chief Auditor and Deputy Head of the Supervision and Audit Department of Nanjing Panda Electronics Company Limited and Finance Manager of Nanjing Panda Electronic Manufacture Co., Ltd. She served as the Head of the Supervision and Audit Department of Nanjing Panda Electronics Company Limited from December 2010 to January 2015, the Head of the Audit Department of Nanjing Panda Electronics Company Limited from January 2015 to December 2019. She has served as the Chief Auditor of the Audit Department of Nanjing Electronics Information Industrial Corporation since December 2019. Having worked in the field of corporate internal auditing and financial management for a long period, Ms. Fu Yuanyuan has extensive experience in internal control and financial management.

**Mr. Xue Yuheng**, born in 1975, holds a bachelor's degree in mechanical design and manufacturing from Hefei University of Technology, a master's degree in business administration from Nanjing University, and is an economist. He has successively served as the supervisor, deputy director, director, and head of the Human Resources Department of Nanjing Electronics Information Industrial Corporation. From April 2019 to September 2021, he served as the head of the Human Resources Department and the director of the Retired Personnel Management Office of Nanjing Electronics Information Industrial Corporation. From September 2021 to February 2023, he served as the deputy secretary of the Party Committee and the secretary of the Discipline Inspection Commission of Nanjing Keruida Electronic Equipment Co., Ltd. Since February 2023, he serves as the deputy secretary of the Party Committee, the secretary of the Discipline Inspection Commission, the chairman of the labor union, and the secretary of the General Party Branch of Nanjing Panda Electronics Company Limited. Mr. Xue Yuheng is also currently a supervisor of Nanjing Panda Xinxing Industrial Co., Ltd.

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (II) Major working experiences (Continued)

##### 5. Senior management

**Mr. Hu Huichun**, born in 1973, graduated with a master's degree from the Party School of the Central Committee of CPC majoring in economic management and is an economist. He successively served as the Deputy Head of the office of PEGl and the General Manager of the production company of Panda Electronic Industry Group. He served as the Deputy General Manager of Nanjing Panda Electronics Company Limited from May 2016 to June 2022. He has been the General Manager of Nanjing Panda Electronic Manufacture Co., Ltd. concurrently from May 2016 to December 2019. He served as the General Manager of Nanjing Panda Information Industry Co., Ltd. from December 2019 to June 2022. He currently serves as the General Manager, the legal person and Deputy Secretary of the Party Committee of Nanjing Panda Electronics Company Limited. Mr. Hu has long been engaged in the management in the electronic information industry and has extensive experience in operation and management.

**Mr. Hu Shoujun**, born in 1975, graduated from the Party School of the Central Committee of CPC with a postgraduate degree in economic management, and is a certified public accountant. He successively served as an auditor of the Audit Department of Nanjing Panda Electronics Company Limited, manager, deputy director general and director general of the Financial Department of Nanjing Panda Information Industry Group Co., Ltd., and deputy head and head of the Planning and Finance Department of Nanjing CEC Panda LCD Technology Co., Ltd. He served as the deputy director of the Finance and Assets Department of Nanjing Electronics Information Industrial Corporation from September 2012 to January 2016, the director of the Finance and Assets Department of Nanjing Electronics Information Industrial Corporation from January 2016 to September 2018, and the director of the Financial Department of Nanjing Electronics Information Industrial Corporation from September 2018 to November 2023. Since November 2023, he has served as the chief accountant of Nanjing Panda Electronics Company Limited. Mr. Hu has long been engaged in corporate financial management and has profound professional knowledge in finance and extensive experience in operation and management.

**Mr. Shao Bo**, born in 1980, holds a bachelor's degree in finance from School of Finance of Shandong University of Finance and Economics and a master's degree and doctorate degree in politics and economics from Economics School of Jilin University. He is an economist. He successively served as the Head of Capital Operation Division of Asset Operation Department, the Deputy Head of Production and Operation Division of Production and Operation Department of China Electronics Corporation and Secretary of the Board of IRICO Group, etc. He served as Deputy Head of Production and Operation Division of Production and Operation Department of China Electronics Corporation from October 2013 to May 2016 and concurrently served as the Secretary of the Board of IRICO Group from December 2013 to March 2016. He has also been the Deputy General Manager of Nanjing Panda Electronics Company Limited since May 2016. Mr. Shao Bo has long been engaged in the management of asset operation and production and operation of state-owned enterprises with profound professional knowledge in finance and extensive experience in operation and management, mainly responsible for economic operation and information construction of the Company.

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (II) Major working experiences (Continued)

##### 5. Senior management (Continued)

**Mr. Hu Dali**, born in 1978, has a bachelor's degree in accounting from Nanjing University of Finance and Economics and is a senior accountant and Certified Management Accountant. He successively served as an Accountant and the Deputy Head of the Financial Management Department, the Deputy Head of the High-tech Electronic Equipment Department, and the Deputy Director of the Beijing Office of Nanjing Sanle Group Co., Ltd. From January 2013 to September 2013, he served as the Deputy Head of the Financial Management Department of Nanjing Sanle Group Co., Ltd.; from September 2013 to January 2014, he served as Deputy Head (executive) of the Financial Management Department of Nanjing Sanle Group Co., Ltd.; from January 2014 to March 2018, he served as the Head of the Financial Management Department of Nanjing Sanle Group Co., Ltd.; from April 2018 to April 2019, he served as Vice Chief Accountant and the Head of the Financial Management Department of Nanjing Sanle Group Co., Ltd. He has served as the Chief Accountant of Nanjing Panda Electronics Company Limited from May 2019 to November 2023, a general manager of Nanjing Panda Electronics Equipment Co., Ltd. from October 2022 to March 2025, and concurrently served as the legal person, Secretary of the Party Committee of Nanjing Panda Electronics Equipment Co., Ltd. since October 2022. Since November 2023, he has served as the deputy general manager of Nanjing Panda Electronics Company Limited. Mr. Hu has long been engaged in corporate financial management and has profound professional knowledge in finance and extensive experience in operation and management.

**Mr. Wang Dongdong**, born in 1981, holds a bachelor's degree in accounting from Nanjing Audit College (currently known as Nanjing Audit University) and a master's degree in accounting (MPAcc) from Nanjing University and is a senior accountant and an international certified internal auditor (CIA). He joined the Company in August 2004 and served as an Auditor and the Chief Auditor of the Audit Division and the Supervision and Audit Department of the Company. He has served as the Securities Affairs Representative of the Company since April 2011, the Deputy Director of the Board Secretary's Office of the Company from June 2013 to December 2016, and has been the Director of the Board Secretary's Office of the Company since January 2017. He has served as the Company Secretary since May 2019 and the Secretary to the Board of the Company since August 2019. Mr. Wang has long been engaged in securities affairs management and internal audit and has rich expertise and management experience.

## Section IV Corporate Governance (Continued)

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### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (II) Major working experiences (Continued)

##### 5. Senior management (Continued)

**Mr. Wan Lei**, born in 1980, graduated from Nanjing University with a bachelor's degree in applied physics and is an engineer. He successively served as the Deputy Director of the Manufacturing Department of Nanjing Huari LCD Co., Ltd., the Deputy Manager of the Office, Deputy Manager of the Party and Mass Work Department, Deputy Manager (presiding) of the Economic Operation Department of Nanjing Huadong Electronics Information & Technology Co., Ltd., the Deputy Manager of Operations and Management Department of Huadong Technology, Panda LCD and Panda Tablet, the Deputy Director (presiding) of New Display Business Management Department, Deputy Director (presiding) of Planning and Technology Department of Nanjing Electronics Information Industrial Corporation, the Deputy Secretary of Party Committee, Secretary of Disciplinary Committee and Chairman of Labor Union of Nanjing Panda Electronics Company Limited. He is currently the Deputy General Manager of Nanjing Panda Electronics Company Limited, and concurrently the General Manager and Secretary of the Party Committee of Nanjing Panda Electronic Manufacture Co., Ltd.. Mr. Wan has long been engaged in business management and Party affairs and has extensive professional knowledge and management experience.

**Mr. Lu Bin**, born in 1970, graduated from Nanjing University of Science and Technology with a postgraduate degree in measurement technology and instrumentation, and is a senior engineer at researcher level. He successively served as the Deputy Director of Urban Transportation Technology Development Center, Director of Smart City R&D Center, General Manager and Chief Engineer of Track 2 Department of Nanjing Panda Information Industry Co, Ltd. He is currently the Deputy General Manager of Nanjing Panda Electronics Company Limited, concurrently serves as Secretary of the Party Committee and the General Manager of Nanjing Panda Information Industry Co, Ltd.. Mr. Lu has long been engaged in technology research and development with extensive experience.

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (III) Positions of Current and Resigned Directors, Supervisors and senior management During the Reporting Period

##### 1. Positions in shareholder entities

Name	Name of shareholder entity	Position(s)	Effective date of appointment	Expire date of appointment
Xia Dechuan	NEIC	Deputy General Manager	August 2022	
Fan Laiying	NEIC	Chief Accountant	August 2022	
Hu Jin	NEIC	Assistant to General Manager	September 2021	
Fu Yuanyuan	NEIC	Head of the Audit Department	December 2019	
Lv Song	NEIC	Head of Administration and Legal Affairs Department	May 2023	
Explanations for positions in shareholder entities	N/A			



## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (III) Positions of Current and Resigned Directors, Supervisors and senior management During the Reporting Period (Continued)

##### 2. Positions in other entities

Name	Name of entity	Position(s)	Effective date of appointment	Expire date of appointment
Xia Dechuan	Nanjing China Electronics Panda Crystal Technology Corporation	Chairman	May 2022	May 2024
Hu Huichun	Nanjing CEC Panda Lighting Co., Ltd.	Chairman	June 2023	
	Nanjing Ericsson Panda Communications Co., Ltd.	Vice Chairman	June 2023	
	Nanjing LG-Panda Appliances Co., Ltd.	Vice Chairman	June 2023	
Liu Jianfeng	CEC Defense Technology Co., Ltd.	Deputy General Manager	August 2022	
	Nanjing Panda Handa Technology Co., Ltd.	Executive Director	January 2024	
Dai Keqin	Jiangsu Jinding Yingjie Law Firm	Lawyer	April 2018	
	Nanjing Xinlian Electronics Co., Ltd.	Independent Director	December 2019	
	Jiangsu Huahong Technology Co., Ltd.	Independent Director	May 2020	May 2024
	Nanjing Chemical Fiber Co., Ltd.	Independent Director	May 2021	
Xiong Yanren	Nanjing University Business School	Associate Professor	September 2000	
	Guodian NARI Technology Co., Ltd.	Independent Director	June 2018	May 2024
	Liaoning Aoke Chemical Co., Ltd.	Independent Director	September 2019	
	Shanghai Yizhong Pharmaceutical Co., Ltd.	Independent Director	March 2020	
Chu Wai Tsun, Baggio	Eternal Optical & Perfumery (Far East) Ltd	Chief Financial Officer	May 2023	
Fan Laiying	TPV Technology Co. Ltd	Chairman of the Supervisory Committee	July 2023	
	Nanjing Changjiang Electronics Group Co., Ltd.	Director	October 2023	
Fu Yuanyuan	Nanjing CEC Panda Lighting Co., Ltd.	Chairman of the Supervisory Committee	April 2020	
	Nanjing CEC Panda Home Appliances Co., Ltd.	Chairman of the Supervisory Committee	May 2020	
	Nanjing CEC Panda Trade Development Co., Ltd.	Chairman of the Supervisory Committee	May 2021	
	Chengdu BOE Display Technology Co., Ltd.	Director	February 2025	
Wan Lei	Nanjing Ericsson Panda Communication Co., Ltd.	Director	June 2023	

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (IV) Remuneration of Directors, Supervisors, and Senior Management

Decision making process of remuneration of Directors, Supervisors and Senior Management	According to relevant requirements of the Articles of Association and the Rules of Procedure of the Remuneration and Appraisal Committee, and based on the operating results, scope of work, main duties and other information, the Remuneration and Appraisal Committee shall appraise the actual performance of the Directors and senior management and submit the appraisal results to the Board for consideration. The remuneration of Directors and supervisors shall be determined by general meetings while that of senior management by the Board.
Whether or not directors recuse themselves from the Board of Directors when discussing their remuneration matters	Yes
Specific circumstances of the recommendations made by the Remuneration and Appraisal Committee or the Independent Director's Special Meeting on the remuneration of directors, supervisors, and senior management	The Remuneration and Appraisal Committee of the Company held its first meeting on 27 March 2025, and deliberated and approved the proposal of the 2024 Remuneration Plan for Directors and Senior Management of the Company. According to the adjusted remuneration policy of the directors of the 11th session of the Board of Directors, the supervisors of the 11th session of the Supervisory Committee and the senior management whose term of office is synchronised with that of the 11th session of the Board of Directors, and combined with the actual situation of the Company, the Remuneration and Appraisal Committee of the Board of Directors assessed the 2024 annual performance of the relevant directors and senior management of the Company. According to the assessment results, the Remuneration and Appraisal Committee confirmed the total amount of pre-tax remuneration received by the relevant directors and senior management from the Company in 2024 and approved and submitted to the Board of Directors for deliberation. Mr. Chu Wai Tsun, Baggio, Mr. Dai Kegin, and Ms. Xiong Yanren respectively recused themselves when discussing their remuneration matters. The remuneration disclosed by the Company's directors, supervisors and senior executives is in line with the Company's remuneration management system, and there is no violation of the Company's remuneration management system or inconsistency with the Company's remuneration management system.

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (IV) Remuneration of Directors, Supervisors, and Senior Management (Continued)

Basis for determination of remuneration of Directors, Supervisors and Senior Management	Basis for determination of remuneration mainly includes: achievement status of major financial indicators and operational targets of the Company, scope of work and main duties of senior management, completion of indicators contained in the position based on performance appraisal system for Directors and senior management, operational performance in respect of business innovation capability and profit making capability of Directors and senior management, and proposed remuneration distribution plan and distribution method based on the Company's performance.
Actual payment of remuneration of Directors, Supervisors and Senior Management	Since the 2024 annual performance appraisal for the senior management of the Company has not been completed yet, the performance payment for 2024 was excluded from the remuneration during the reporting period, whereas the annual performance payment for 2023 was included.
Total actual remuneration of Directors, Supervisors and Senior Management received at the end of the reporting period	During the reporting period, the total actual remuneration of all Directors, supervisors and senior management was RMB7,455,700 (before tax).

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (V) Change in Directors, Supervisors and Senior Management of the Company:

Name	Position	Changes	Reasons for change
Xia Dechuan	Board Chairman and Executive Director	Election	General election of Board of Directors
Liu Jianfeng	Non-executive Director	Election	General election of Board of Directors
Hu Jin	Non-executive Director	Election	General election of Board of Directors
Hu Huichun	Executive Director	Election	General election of Board of Directors
Yi Guofu	Non-executive Director	Election	General election of Board of Directors
Lv Song	Non-executive Director	Election	General election of Board of Directors
Dai Keqin	Independent Non-Executive Director	Election	General election of Board of Directors
Xiong Yanren	Independent Non-Executive Director	Election	General election of Board of Directors
Chu Wai Tsun, Baggio	Independent Non-Executive Director	Election	General election of Board of Directors
Fan Laiying	Chairman of the Supervisory Committee	Election	General election of the Supervisory Committee
Fu Yuanyuan	Non-employee Representative Supervisor	Election	General election of the Supervisory Committee
Xue Yuheng	Employee Representative Supervisor	Election	General election of the Supervisory Committee
Hu Huichun	General Manager	Employment	General election
Hu Shoujun	Chief Accountant	Employment	General election
Shao Bo	Deputy General Manager	Employment	General election
Hu Dali	Deputy General Manager	Employment	General election
Wang Dongdong	Board Secretary	Employment	General election
Wan Lei	Deputy General Manager	Employment	General election
Lu Bin	Deputy General Manager	Employment	General election
Deng Weiming	Former Non-executive Director	Dismissal	General election
Zhou Yuxin	Former Employee Representative Supervisor	Dismissal	General election

## Section IV Corporate Governance (Continued)

### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (V) Change in Directors, Supervisors and Senior Management of the Company (Continued)

Explanations on the changes in Directors, supervisors and senior management of the Company:

1. On 3 June 2024, the Company held the 26th meeting of the 10th session of Board of Directors, at which the nomination of Mr. Xia Dechuan and Mr. Hu Huichun as candidates for executive directors of the 11th Board of Directors of the Company, the nomination of Mr. Liu Jianfeng, Mr. Hu Jin, Mr. Yi Guofu and Mr. Lv Song as candidates for non-executive directors of the 11th Board of Directors of the Company, and the nomination of Mr. Dai Kebin, Ms. Xiong Yanren and Mr. Chu Wai Tsun, Baggio as candidates for independent non-executive directors of the 11th Board of Directors of the Company were considered and approved. These candidates were elected at the Company's 2023 Annual General Meeting held on 21 June 2024, and their term of office is three years.
2. On 3 June 2024, the Company held the 16th meeting of the 10th session of the Supervisory Committee, at which the nomination of Mr. Fan Laiying and Ms. Fu Yuanyuan as candidates for non-employee representative supervisors of the 11th session of the Supervisory Committee of the Company was considered and approved, and Mr. Xue Yuheng as the employee representative supervisor was confirmed. Mr. Fan Laiying and Ms. Fu Yuanyuan were elected at the Company's 2023 Annual General Meeting held on 21 June 2024. They, together with the employee representative supervisor Mr. Xue Yuheng, formed the 11th session of Supervisory Committee, with a term of office of three years.
3. On 21 June 2024, the Company held the first meeting of the 11th session of Board of Directors.
  - (1) Mr. Xia Dechuan was elected as the Chairman of the 11th session of Board of Directors of the Company.
  - (2) Mr. Xia Dechuan, the Chairman of the Board, Mr. Liu Jianfeng, a director, Mr. Hu Huichun, a director, Mr. Yi Guofu, a director, and Mr. Chu Wai Tsun, Baggio, an independent director, were elected as members of the Strategy Committee; Mr. Xia Dechuan, the Chairman of the Board, served as the Director of the Strategy Committee. Mr. Hu Jin, a director, Mr. Lv Song, a director, Mr. Dai Kebin, an independent director, Ms. Xiong Yanren, an independent director, and Mr. Chu Wai Tsun, Baggio, an independent director, were elected as members of the Audit Committee; Ms. Xiong Yanren served as the Director of the Audit Committee. Mr. Xia Dechuan, the Chairman of the Board, Mr. Hu Huichun, a director, Mr. Dai Kebin, an independent director, Ms. Xiong Yanren, an independent director, and Mr. Chu Wai Tsun, Baggio, an independent director, were elected as members of the Nomination Committee, and Mr. Dai Kebin was elected as the Director of the Nomination Committee. Mr. Xia Dechuan, the Chairman of the Board, Mr. Liu Jianfeng, a director, Mr. Dai Kebin, an independent director, Ms. Xiong Yanren, an independent director, and Mr. Chu Wai Tsun, Baggio, an independent director, were elected as members of the Remuneration and Appraisal Committee, and Mr. Chu Wai Tsun, Baggio was elected as the Director of the Remuneration and Appraisal Committee.

## Section IV Corporate Governance (Continued)

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### IV. Profiles of Directors, Supervisors and Senior Management (Continued)

#### (V) Change in Directors, Supervisors and Senior Management of the Company (Continued)

3. On 21 June 2024, the Company held the first meeting of the 11th session of Board of Directors. (Continued)
  - (3) Mr. Hu Huichun was appointed as the General Manager of the Company, and Mr. Shao Bo, Mr. Hu Dali, Mr. Wan Lei, and Mr. Lu Bin were appointed as Deputy General Managers of the Company. Mr. Hu Shoujun was appointed as the Chief Accountant of the Company, and Mr. Wang Dongdong was appointed as the Secretary of the Board of Directors of the Company. All of their terms of office are three years, which are synchronized with the term of the 11th session of Board of Directors of the Company.
4. On 21 June 2024, the Company held the first meeting of the 11th session of Supervisory Committee and elected Mr. Fan Laiying as the Chairman of the Supervisory Committee of the Company.

#### (VI) Punishment by Securities Regulatory Authorities in the Last Three Years

In January 2025, the Company received the Decision of Jiangsu Regulatory Bureau of the China Securities Regulatory Commission on Taking the Measure of Issuing a Warning Letter against Nanjing Panda Electronics Company Limited, Xia Dechuan, Hu Huichun, and Hu Shoujun ([2025] No. 6). For details, please refer to the Company's announcement (Announcement No.: Lin 2025-001) published on the website of the Shanghai Stock Exchange on 14 January 2025.

## Section IV Corporate Governance (Continued)

### V. Information on Board meetings convened during the reporting period

During the reporting period, the Company held 16 board meetings in total.

Session of the meeting	Date of the meeting	Meeting resolutions
Extraordinary meeting of the 10th session of the Board	2024-3-7	Consider and approve the proposal on the Company's 2024 Daily Related-party Transactions
The 24th meeting of the 10th session of the Board of Directors	2024-3-28	Consider and approve the following proposals: the Company's 2023 Annual Report of the Board of Directors, 2023 Annual Report of the General Manager, 2023 Annual Financial Settlement Report, 2024 Annual Financial Budget Report, 2023 Annual Profit Distribution Plan, Engagement of the Audit Institution for 2024, 2023 Annual Report and Its Summary, 2023 Annual Report of Independent Directors, 2023 Annual Report on the Performance of the Audit Committee, 2023 Annual Social Responsibility Report, 2023 Annual Internal Control Evaluation Report, Risk Assessment Report of China Electronics Financial Co., Ltd., Company's 2024 Annual Capital Expenditure Project Budget, Purchase of Directors' and Officers' Liability Insurance for 2024, as well as the proposal to held the Company's 2023 Annual General Meeting of Shareholders, etc.
The 25th meeting of the 10th session of the Board of Directors	2024-4-26	Consider and approve the Company's First Quarterly Report of 2024
Extraordinary meeting of the 10th session of the Board	2024-5-6	Consider and approve the proposal on Providing Guarantee Quota for Subsidiary Companies
The 26th meeting of the 10th session of the Board of Directors	2024-6-3	Consider and approve the proposal on Nominating Candidates for Directors of the Eleventh Session of Board of Directors of the Company
The first meeting of the 11th session of the Board of Directors	2024-6-21	Consider and approve the following proposals: Electing the Chairman of the Eleventh Session of Board of Directors of the Company, Electing Members and Chairmen of Various Professional Committees of the Eleventh Session of Board of Directors of the Company, etc
Extraordinary meeting of the 11th session of the Board	2024-7-25	Consider and approve the proposal on Performance Responsibility Statement of Senior Management of the Company for 2024

## Section IV Corporate Governance (Continued)

### V. Information on Board meetings convened during the reporting period (Continued)

During the reporting period, the Company held 16 board meetings in total. (Continued)

Session of the meeting	Date of the meeting	Meeting resolutions
Extraordinary meeting of the 11th session of the Board	2024-7-31	Consider and approve the proposal on Transferring the Share of Patent Rights of 21 Jointly-owned Patents to Related Parties
The second meeting of the 11th session of the Board of Directors	2024-8-27	Consider and approve the following proposals: The Interim Report of the Company for 2024 and Its Summary, Risk Assessment Report of China Electronics Financial Co., Ltd., etc
The third meeting of the 11th session of the Board of Directors	2024-10-29	Consider and approve the proposal on The Third Quarterly Report of the Company for 2024
Extraordinary meeting of the 11th session of the Board	2024-11-8	Consider and approve the Implementation Plan for the Company's Deepening and Upgrading Reform Action (2023–2025) (Revised Edition), and listen to the special report on the relevant situation of the Company's scientific and technological innovation
Extraordinary meeting of the 11th session of the Board	2024-11-22	Consider and approve the proposal on The Mid-term Adjustment Project Budget of Capital Expenditure of the Company for 2024
Extraordinary meeting of the 11th session of the Board	2024-11-22	Consider and approve the proposal on Continuous Related Party Transactions and Related Matters of the Company for the Period from 2025 to 2027
Extraordinary meeting of the 11th session of the Board	2024-12-17	Consider and approve the proposal on The Assessment Results of the Performance of Senior Management of the Company for 2023
Extraordinary meeting of the 11th session of the Board	2024-12-24	Consider and approve the proposal on Conducting Cash Management with Idle Funds
Extraordinary meeting of the 11th session of the Board	2024-12-30	Consider and approve the following proposals: Working System of Special Meetings of Independent Directors of the Company, Measures on Entrusted Financial Management of the Company, Administrative Measures on Public Opinions of the Company, etc



## Section IV Corporate Governance (Continued)

### VI. Performance of Duties by Directors

The 11th session of the Board of the Company was elected and established at the Company's 2023 annual general meeting held on 21 June 2024, with a term of three years. The tenth session of the Board now consists of nine directors, three of whom are Independent Non-executive Directors. The current Executive Directors of the eleventh session of the Board are Xia Dechuan and Hu Huichun, among whom, Xia Dechuan is Chairman. The Non-executive Directors are Liu Jianfeng, Hu Jin, Yi Guofu and Lv Song; and the Independent Non-executive Directors are Dai Keqin, Xiong Yanren and Chu Wai Tsun, Baggio, among whom, Xiong Yanren is a doctor of accounting. Please refer to the biographies of current Directors and other members of the Board set out in Section IV "Corporate Governance" of this report for details.

The Board is collectively responsible for the management of business and affairs of the Group with the objective of enhancing shareholders' value. The Board is accountable to the general meeting. Its duties mainly include: convening general meetings and reporting the work thereto; implementing resolutions passed at the general meeting; deciding on the operation plans and investment proposals of the Company; appointing and relieving General Manager and senior management of the Company (Details are set out in the Article 134 of Chapter 10 of the Articles of Association). During the reporting period, the Board strictly carried out the resolutions approved at the general meetings, and in line with the principle of integrity and diligence, will continue to earnestly work for the best interest of the Company and its shareholders.

The Board is responsible for performing the corporate governance functions set out in Article A.2.1 of Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange. During the reporting period, the Board reviewed the corporate governance policies and practices of the Company; monitored the training and continuous professional development of the Directors and senior management and regularly arranged for them to take part in training or follow-up training; reviewed and monitored the Company's policies and practices for compliance with the statutory and regulatory requirements; monitored the Directors' compliance with the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 of the Listing Rules of the Hong Kong Stock Exchange; and reviewed the Company's compliance with the Corporate Governance Code and disclosure requirements in the Corporate Governance Report.

During the reporting period, the Company adopted and applied the Model Code for Securities Transactions by Directors. Having made specific enquiry to all Directors of the Company, all Directors have expressed that they have complied with the Model Code stipulated by the Hong Kong Stock Exchange and all of them have confirmed that during the reporting period, they participated in continuous professional development to develop and refresh their knowledge and skills in relation to their contribution to the Board.

The Directors acknowledge their responsibility for the preparation of financial statements of the Company. The statement of the auditors of the Company about their responsibility of formulating and reporting financial statements of the Company is set out in the "Report of the Auditors" in this annual report.

## Section IV Corporate Governance (Continued)

### VI. Performance of Duties by Directors (Continued)

#### (I) Attendance of Board meetings and general meetings by Directors

Name	Independent director or not	Required attendance at Board meetings for the year	Attendance at Board meetings				Absence in person from the Board meetings for two consecutive times	Attendance at general meetings
			Attendance in person	Attendance by way of communication	Attendance by proxy	Absence		
Xia Dechuan	NO	16	16	0	0	0	NO	1
Liu Jianfeng	NO	16	16	0	0	0	NO	3
Hu Jin	NO	11	11	0	0	0	NO	2
Hu Huichun	NO	16	16	0	0	0	NO	3
Yi Guofu	NO	16	16	0	0	0	NO	3
Lv Song	NO	16	16	0	0	0	NO	3
Dai Keqin	YES	16	16	0	0	0	NO	3
Xiong Yanren	YES	16	16	0	0	0	NO	3
Chu Wai Tsun, Baggio	YES	16	16	0	0	0	NO	3
Deng Weiming (resigned)	NO	5	5	0	0	0	NO	1

Explanations on absence in person from the Board meetings for two consecutive times

☐ Applicable ☒ N/A

Number of Board meetings held in the year	16
Of which: Number of on-site meetings	2
Number of meetings held by way of communication	0
Number of on-site meetings combined with the communication means	14

## Section IV Corporate Governance (Continued)

### VI. Performance of Duties by Directors (Continued)

#### (II) Directors' Objection to the Relevant Matters of the Company: N/A

In 2024, the Independent Non-executive Directors of the Company did not raise any objection to the resolutions of the Board and other meetings.

In 2024, pursuant to the requirements of the Company Law, the Securities Law, other laws and regulation, and provisions under the Articles of Association and the System for the Independent Directors of the Company, the Independent Non-executive Directors of the Company diligently and faithfully performed their duties, proactively and carefully attended meetings, prudently and properly exercised their rights to express fair and objective opinions, and fully brought into play their experiences and expertise, devoting much to the improvement of corporate governance and major decisions of the Company, which practically safeguarded the interest of the Company and its shareholders as a whole. In compliance with regulatory requirement, the Independent Non-executive Directors prepared the 2024 Annual Report of the Performance of Independent Directors. For details of performance, please refer to the 2024 Annual Report of the Performance of Independent Directors of Nanjing Panda Electronics Company Limited published on the website of Shanghai Stock Exchange on 28 March 2025.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules of Hong Kong Stock Exchange. The Company believes all Independent Non-executive Directors fulfill the independence guidelines as set out in Rule 3.13 of the Listing Rules of Hong Kong Stock Exchange and accordingly are independent in accordance with the terms of the guidelines.

#### 1. The Company's view on independence

The Company maintains the view that a Director's independence is a question of fact. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned, including the ability to continually provide constructive challenge for management and other Directors and to express one's own views independent of management or other fellow Directors and the gravitas inside and outside the boardroom context. These attributes and desired behaviour have been demonstrated by the Company's Independent Non-executive Directors as circumstances require.

#### 2. Mechanisms for ensuring independent views and input

The Company has established channels through formal and informal means whereby Independent Non-executive Directors can express their views in an open and candid manner, and in a confidential manner, should circumstances require; these include periodic Board surveys and Board reviews, dedicated meeting sessions with the Chairman and interaction with management and other Board Members including the Chairman outside the boardroom. Taking into account all of the circumstances described in this section, the Company considers all of the Independent Non-executive Directors to be independent.

## Section IV Corporate Governance (Continued)

### VII. Special Committees of the Board

#### (I) Names and Responsibilities of Special Committees of the Board

Committees	Responsibilities
Audit Committee	Reviewing and supervising the financial reporting process and internal control system of the Group and providing advice and recommendation to the Board, including formulating whistleblowing policies and systems for employees and others who have dealings with the Company.
Nomination Committee	Reviewing the candidates, selection standards and procedure for the Company's directors and senior management members, and putting forward relevant proposals.
Remuneration and Appraisal Committee	Formulating and reviewing remuneration policies and plans for directors and senior management of the Company and developing evaluation standards for them and conducting such evaluation.
Strategy Committee	Studying the Company's long-term development strategies and major investment decisions and making recommendations.

The rules of procedure of the special committees of the Board have been published on the websites of the Company, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

#### (II) Members of the Special Committees of the Board

Type of Special Committees	Member names
Audit Committee	Xiong Yanren (Chairman), Dai Keqin, Chu Wai Tsun, Baggio, Hu Jin, Lv Song
Nomination Committee	Dai Keqin (Chairman), Xiong Yanren, Chu Wai Tsun, Baggio, Xia Dechuan, Hu Huichun
Remuneration and Appraisal Committee	Chu Wai Tsun, Baggio (Chairman), Dai Keqin, Xiong Yanren, Xia Dechuan, Liu Jianfeng
Strategy Committee	Xia Dechuan (Chairman), Liu Jianfeng, Hu Huichun, Yi Guofu, Chu Wai Tsun, Baggio

## Section IV Corporate Governance (Continued)

### VII. Special Committees of the Board (Continued)

#### (III) Operation of the Special Committees

- During the reporting period, the Company convened nine meetings of the Audit Committee that all members of the Audit Committee attended.

Convening date	Meeting content	Important opinions and suggestions	Other performance of duties
7 March 2024	Reviewing the proposal of The Company's 2024 Daily Related-party Transactions and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	/
28 March 2024	Reviewing seven proposals, including the 2023 Annual Financial Report, the daily related-party transactions in 2023, the 2023 Annual Internal Control Evaluation Report, the renewal of WUYIGE Certified Public Accountants LLP as the Company's audit institution for 2024, the report on the performance of supervision duties by the Audit Committee of the Board of Directors of the Company's directors regarding the accounting firm, the write-off of part of the accounts receivable and payable transactions, and the provision for asset impairment, and submitting them to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	/
26 April 2024	Reviewing the proposal of the Company's Financial Report for the First Quarter of 2024 and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	/
21 June 2024	Reviewing the proposal regarding the appointment of the Company's Chief Accountant and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	/

## Section IV Corporate Governance (Continued)

### VII. Special Committees of the Board (Continued)

#### (III) Operation of the Special Committees (Continued)

- During the reporting period, the Company convened nine meetings of the Audit Committee that all members of the Audit Committee attended. (Continued)

Convening date	Meeting content	Important opinions and suggestions	Other performance of duties
31 July 2024	Reviewing the matters of the Company's transfer of the share of the joint patent rights and interests to related parties and the receipt of technical management service fees related to the joint patent, and submitting them to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	/
27 August 2024	Reviewing the Company's 2024 Interim Financial Report, and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	/
29 October 2024	Reviewing the Company's Third Quarterly Report for 2024 and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	/
22 November 2024	Reviewing the Company's Continuing Connected Transactions and Related Matters for the 2025–2027 period and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	/
31 December 2024	Listening to the report on matters related to the Company's 2024 annual report work.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the matters including audit arrangements.	/

## Section IV Corporate Governance (Continued)

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### VII. Special Committees of the Board (Continued)

#### (III) Operation of the Special Committees (Continued)

1. During the reporting period, the Company convened nine meetings of the Audit Committee that all members of the Audit Committee attended. (Continued)

In addition, during the process of the Company's reply to the regulatory work letter from the Shanghai Stock Exchange regarding the 2023 annual performance forecast and annual report, the handling of the ENC matter, the release of the 2024 annual performance forecast, the preparation and disclosure of the Company's 2024 annual financial report, as well as the handling of subsequent events, the Audit Committee had multiple communications with the Company's management and the annual audit certified public accountants, listened to the reports from related parties, reviewed relevant reports and materials, discussed relevant issues and response plans, put forward clear opinions on the handling of subsequent events, and required relevant personnel to strictly implement all the latest regulations on annual report work issued by the China Securities Regulatory Commission and the stock exchange where the Company is listed, handle performance forecasts and related matters in a standardized manner, objectively reflect the Company's financial position and business operations, and earnestly do a good job in annual report-related work.

For details of the performance of duties by the Audit Committee in 2024 (including the convening of meetings), refer to the Report on the Performance of Duties by the Audit Committee of Nanjing Panda in 2024 published on the website of the Shanghai Stock Exchange on 28 March 2025.

## Section IV Corporate Governance (Continued)

### VII. Special Committees of the Board (Continued)

#### (III) Operation of the Special Committees (Continued)

2. During the reporting period, the Company convened three meetings of the Nomination Committee that all members of the Nomination Committee attended.

Convening date	Meeting content	Important opinions and suggestions	Other performance of duties
28 March 2024	1. Reviewing the structure, number and composition of the board of directors to ensure compliance with regulatory requirements and regulations; 2. The Company's independent non-executive directors meet the independence requirements of the China Securities Regulatory Commission, the Hong Kong Securities Regulatory Commission, the Shanghai Stock Exchange, the Hong Kong Stock Exchange Limited, etc.; 3. The Company's senior management has the professional skills required to perform their duties; and submitting them to the board of directors for deliberation.	The attending committee / members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	
3 June 2024	Reviewing the nomination of candidates for the directors of the Company's 11th session of the board of directors, and candidates for the independent directors of the Company's 11th session of board of directors, and submitting them to the board of directors for deliberation.	The attending committee / members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	
21 June 2024	Reviewing the nomination of candidates for the general manager, deputy general managers, chief accountant, and secretary of the board of directors, and submitting them to the board of directors for deliberation.	The attending committee / members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	



## Section IV Corporate Governance (Continued)

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### VII. Special Committees of the Board (Continued)

#### (III) Operation of the Special Committees (Continued)

2. During the reporting period, the Company convened three meetings of the Nomination Committee that all members of the Nomination Committee attended.  
(Continued)

##### (1) Board Diversity Policy

The Company adopted the board diversity policy in accordance with the requirement set out in the Corporate Governance Code. Such policy aims to set out the approach to achieve diversity on the Board, thereby the Company revised the terms of reference of the Nomination Committee and the revised Rules of Procedure of the Nomination Committee have been published on the websites of the Company, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

Through the implementation of the board diversity policy, the efficiency of duty performance of the Board will be further improved, thus facilitating the Board in making scientific decisions on the core business and strategy of the Company and its subsidiaries. The Company will consider the diversification of the Board members in multiple respects while determining the composition of the Board, including (but not limited to) gender, age, cultural and educational background, skills, knowledge and professional experience. The nomination and appointment of all members of the Board will be proposed upon full consideration of the abovementioned measurable objectives, in accordance with the development goal and strategic plan of the Company and in line with the interests of all shareholders. In order to ensure that the board diversity policy is in compliance with the listing rules and being effective, the Nomination Committee will review the policy every year, discuss any amendments if necessary, and propose such amendments to the Board for approval.

When determining the composition of the Board, the Company will consider the diversification of the Board members in multiple respects including (but not limited to) gender, age, cultural and educational background, race, professional experience, skills, knowledge and tenure of service, and any other factors the Board may from time to time deem relevant and applicable. The Company places great emphasis on ensuring that the Board members have a balanced mix of skills and experience to provide diverse perspectives, insights and questions to enable the Board to perform its duties effectively and to support its development.

## Section IV Corporate Governance (Continued)

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### VII. Special Committees of the Board (Continued)

#### (III) Operation of the Special Committees (Continued)

2. During the reporting period, the Company convened three meetings of the Nomination Committee that all members of the Nomination Committee attended.  
(Continued)

- (1) Board Diversity Policy (Continued)

The selection of directors will be conducted in accordance with the Company's nomination policy. The final decision will be made based on the strengths of the relevant candidates and the contributions they can make to the Board of the Company. In this process, the diversity of the board members and the needs of the Board will be considered, rather than focusing on a single level of diversity. The Board takes the selection of appropriate candidates for directors as an opportunity to gradually increase the proportion of female directors. The Board also seeks to reflect this policy by having an appropriate proportion of the portfolio of directors with direct experience in the core markets of the Group and diverse ethnic backgrounds.

At present, the members of the Board of the Company have diversified professional backgrounds, covering communications, electronics, information, economy, law, finance, etc., have extensive work experiences, covering manufacturing, education, accountants, lawyers firms and other intermediary institutions, and maintain the appropriate proportion of women and a certain geographical differences. The composition also gives consideration to the appeal of shareholders. For details of the role and duty of each member of the Board, please refer to the relevant contents as set out in this Section.

- (2) Nomination Policy

The Company attaches great attention to the knowledge, experience, profession and diversity of the Board to ensure that the Board is diligent and responsible and makes scientific decisions in line with the interests of the Company and all its shareholders.

The Nomination Committee shall study and prepare the election criteria and selection procedures and the term of office of Directors and senior management of the Company in accordance with relevant laws and regulations and the Articles of the Company while taking into consideration of the Company's actual circumstances, and the formulated resolutions shall be submitted to the Board for consideration, approval and implementation. For details of the procedure for appointing Directors and senior management, please refer to the Rules of Procedure of the Nomination Committee published on the websites of the Company, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

# Section IV Corporate Governance (Continued)

## VII. Special Committees of the Board (Continued)

### (III) Operation of the Special Committees (Continued)

3. During the reporting period, the Company convened three meetings of Remuneration and Appraisal Committee that all members of the Remuneration and Appraisal Committee attended.

Convening date	Meeting content	Important opinions and suggestions	Other performance of duties
28 March 2024	Reviewing the proposal regarding the compensation of relevant directors and senior management personnel of the Company for the year 2023, and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	
3 June 2024	Reviewing the remuneration policies for the directors of the 11th session of Board of Directors, the supervisors of the 11th session of Board of Supervisors, and the senior management personnel whose term of office is synchronized with that of the 11th session of Board of Directors of the Company, and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	
17 December 2024	Reviewing the proposal of the Assessment Results of the Company's Senior Management Personnel's Operating Performance in 2023, and submitting it to the Board of Directors for deliberation.	The attending committee members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	

## Section IV Corporate Governance (Continued)

### VII. Special Committees of the Board (Continued)

#### (III) Operation of the Special Committees (Continued)

4. During the reporting period, the Company convened one meeting of Strategy Committee and all members of the Strategy Committee attended the meeting.

Convening date	Meeting content	Important opinions and suggestions	Other performance of duties
28 March 2024	Deliberated and approved: 1. Implement the mid-term adjustment arrangements of the 14th Five-Year Plan, and accelerate the formation of core competitiveness; 2. Coordinate R&D institutions at all levels to accelerate the breakthrough of common key technologies, and strive to achieve standardization results; 3. Increase the efforts in introducing and cultivating leading talents, and promote the construction of the R&D talent team.	The attending committee / members carefully reviewed and discussed the proposal and the relevant materials, and unanimously approved the proposal.	

#### (IV) The Specific Circumstances of Objections: N/A

### VIII. Explanations for the risks identified by the Supervisory Committee: N/A

## Section IV Corporate Governance (Continued)

### IX. Details of Staff of the Company and Major Subsidiaries at the End of the Reporting Period

#### (I) Details of staff

Number of on-the-job employees of the Company	304
Number of on-the-job employees of major subsidiaries	2,310
Total number of on-the-job employees	2,614
Number of retired employees whose expenses the Company and major subsidiaries shall be responsible for	3,158

Composition of professions	
Type of profession	Number of persons
Production staff	1,180
Sales staff	115
Technical staff	948
Financial staff	91
Administrative staff	280
Total	2,614

Educational Background	
Education level	Number of persons
Masters or above	285
Bachelors	1,118
Associate degree	474
Other	737
Total	2,614

The Company adheres to diverse integration, strictly follows the relevant laws and regulations such as Labor Law, Employment Promotion Law, Law on the Protection of Disabled Persons, Social Security Law, Special Provisions on the Labor Protection of Female Workers in Jiangsu Province, and treats employees of different nationalities, ethnicities, races, genders, religious beliefs and cultural backgrounds equally. The Company has always been strictly abiding by the laws and regulations of the country. In the recruitment of personnel, the Company has always adhered to fairness, impartiality, openness, and equal treatment of applicants. It has never implemented any form of employment discrimination, and has not made special requirements in terms of ethnicity, race, gender, religious belief, etc. In 2024, the Company has 866 female employees, accounting for 33.13%, and 1,748 male employees, accounting for 66.87%.

## Section IV Corporate Governance (Continued)

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### IX. Details of Staff of the Company and Major Subsidiaries at the End of the Reporting Period (Continued)

#### (II) Remuneration policies

In order to effectively mobilize the enthusiasm, initiative and creativity of the staff, the Company formulated the Administrative Measures for Salary Distribution, definitely and clearly specifying the salary management and salary distribution. The Company implements a position-based remuneration determination policy and enforces varied remuneration systems based on positionbased performance salary and the nature of different positions. Specifically, an annual salary system is implemented for persons in charge of operating units; a position-based performance salary system for administrative and managerial staff; a combination of position-based performance salary and project-based salary system (distribution of allowances or royalties by project) for scientific research staff; base salary plus commission or position-based performance salary system for sales staff; and piece-rate salary or position-based performance salary system for production staff.

#### (III) Training plan

The Company formulated the Job Training Regulations for Staff providing that the Company shall organize surveys on the training demand on a yearly basis, and based on the survey result, formulate the training plan, which will be implemented upon approval by division leaders and will be targeted at all the staff with focus on the scientific research staff, key personnel in respect of operation, management and production.

#### (IV) Labor outsourcing

Total hours of labor outsourcing ( <i>Hour</i> )	2,444,408
Total remuneration paid to labor outsourcing ( <i>RMBO'000</i> )	6,111.02

## Section IV Corporate Governance (Continued)

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### X. Plan for Profit Distribution or Capitalization of Capital Reserve

#### (I) Formulation, implementation or adjustment of cash dividend distribution policy

Pursuant to the requirements of the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies promulgated by the CSRC and the Guidelines on Cash Dividends Distribution of Listed Companies promulgated by the Shanghai Stock Exchange, etc., proposals on the decision-making procedures and policy of profit distribution in the revised Articles of Association were considered and approved at the extraordinary meeting of the seventh session of the Board on 22 January 2014 and at the first extraordinary general meeting for 2014 on 12 March 2014, respectively. The amended profit distribution policy is in line with the requirements of the Articles of Association and the consideration procedures, so legitimate rights and interests of minority investors were adequately protected and independent directors expressed their consents. The profit distribution criteria and distribution ratios were clarified and conditions and procedures of adjustment or changes in profit distribution policy were in compliance with regulations and transparent.

On 27 March 2025, the “Shareholders’ Return Plan of Nanjing Panda Electronics Company Limited (2025–2027)” was considered and approved at the fourth meeting of the eleventh session of the Board of the Company. The revised Shareholders’ Return Plan maintains continuity and stability of the profit distribution policy. During the reporting period, the Company did not adjust the profit distribution policy for ordinary shares. The Company strictly performed the decision-making procedures for profit distribution and profit distribution policies in accordance with the relevant requirements of the CSRC and the Shanghai Stock Exchange and the relevant provisions under the Articles of Association.

On 27 March 2025, the Company held the 4th meeting of the 11th session of the Board of Directors and deliberated and approved the 2024 Annual Profit Distribution Plan of the Company. Upon the auditing, the Company’s net loss attributable to shareholders of the listed company in 2024 was RMB188,854,556.25. In accordance with the relevant provisions of the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies, the Articles of Association and the Shareholder Return Plan (2025–2027), in order to ensure the Company’s sustainable and stable operation and the long-term interests of all shareholders, and comprehensively taking into consideration of the Company’s 2025 business plan and capital needs, the proposed profit distribution plan for 2024 has been formulated as follows: there will be no distribution of profit and there will be no transfer of capital stock from capital reserves or other forms of distribution.

## Section IV Corporate Governance (Continued)

### X. Plan for Profit Distribution or Capitalization of Capital Reserve (Continued)

#### (II) Special explanation of cash dividend policy

Does it comply with the provisions of the Company's Articles of association or the requirements of the resolution of the shareholders' general meeting? ☒ Yes ☐ No

Are the dividend standards and ratios clear and definite? ☒ Yes ☐ No

Are the relevant decision-making procedures and mechanisms complete? ☒ Yes ☐ No

Have the independent directors fulfilled their responsibilities and played their due role? ☒ Yes ☐ No

Do minority shareholders have the opportunity to fully express their opinions and demands? Have their legitimate rights and interests been fully protected? ☒ Yes ☐ No

(III) Where the profit was achieved during the reporting period and the profit to shareholders of the parent company is positive, but no cash profit distribution plan has been proposed, the Company shall disclose the reasons in detail and the purpose and the plan on the application of the undistributed profits: N/A

#### (IV) Profit distribution and capital reserve conversion plan for the reporting period

Unit: Yuan Currency: RMB

Number of bonus shares distributed per 10 shares ( <i>share(s)</i> )	0
Amount of dividend distributed per 10 shares ( <i>RMB</i> ) (including tax)	0
Number of shares transferred as capital stock per 10 shares ( <i>share(s)</i> )	0
Amount of cash dividend distribution (including tax)	0
Net profit attributable to common shareholders of the listed company in the consolidated financial statements	-188,854,556.25
Ratio of the amount of cash dividend distribution to the net profit attributable to common shareholders of the listed company in the consolidated financial statements (%)	0
Amount of share repurchase in cash that is included in the cash dividend distribution	0
Total amount of dividend distribution (including tax)	0
Ratio of the total amount of dividend distribution to the net profit attributable to common shareholders of the listed company in the consolidated financial statements (%)	0



## Section IV Corporate Governance (Continued)

### X. Plan for Profit Distribution or Capitalization of Capital Reserve (Continued)

#### (V) Cash dividends in the last three fiscal years

Cumulative amount of cash dividends (including tax) in the last three fiscal years (1)	12,793,739.41
Cumulative amount of shares repurchased and cancelled in the last three fiscal years (2)	0
Cumulative amount of cash dividends and shares repurchased and cancelled in the last three fiscal years (3) = (1) + (2)	12,793,739.41
Average annual net profit amount in the last three fiscal years (4)	-84,986,696.30
Cash dividend ratio (%) in the last three fiscal years (5) = (3)/(4)	N/A
Net profit attributable to the common shareholders of the listed company in the consolidated financial statements of the most recent fiscal year	-188,854,556.25
Undistributed profit at the end of the fiscal year in the parent company's financial statements of the most recent fiscal year	113,823,520.85

### XI. Company's Share Incentive Scheme, Employee Shareholding Scheme and Other Employee Incentives and Their Impacts

(I) Where relevant incentive matters have been disclosed in ad hoc announcements and there is no progress or change in subsequent implementation: N/A

(II) The situations on incentives that have not been disclosed or have follow-up progress in ad hoc announcements: N/A

The situation of employee shareholding scheme: N/A

Other incentives: N/A

(III) Shareholding incentives granted to Directors and senior management during the reporting period: N/A

## Section IV Corporate Governance (Continued)

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### XI. Company's Share Incentive Scheme, Employee Shareholding Scheme and Other Employee Incentives and Their Impacts (Continued)

#### (IV) Establishment and implementation of appraisal and motivation mechanism for senior management during the reporting period

The Company conducted a comprehensive appraisal of the senior management based on their duties, positions and performance. Incentive rewards were granted according to the results of the appraisal. The Remuneration and Appraisal Committee is responsible for formulating and reviewing the remuneration policies and plans for the senior management of the Company, and setting up the evaluation criteria for the senior management of the Company and implementing the evaluation.

The Company formulated the Measures Regarding Remuneration Composition of Senior Management Officers of Nanjing Panda. The Measures defined the matters concerning the remuneration composition, basis for confirmation, contents for verification, calculation method and encashment procedures and others, encouraged senior management officers to take initiatives and facilitated the Company's development.

### XII. Establishment and Implementation of Internal Control Systems during the Reporting Period

The Company improved rules and systems continuously. In 2024, the Company implemented the compilation of management systems (14th edition) revised, covering all aspects of the management of the Company, such as corporate governance, Party building of the Party Committee, management committee, administrative management, legal risk, planning technology, operation management, financial management, human resources, internal control audit, discipline inspection and supervision, and informatisation, and the internal control operation was effective. The Company has carried out internal control evaluation in accordance with the requirements of its internal control rules and relevant regulations. The Company's existing internal control system can provide reasonable assurance for the Company's operation and management, asset security, the authenticity and fairness of financial reports and related information, and no major deficiencies in financial reports and non-financial reports were found during the reporting period. The Company will further improve various internal control management rules, maintain the continuous and effective operation of the internal control system, strengthen the supervision and inspection of the implementation of internal control, continue to optimize business processes and internal control environment, provide reasonable guarantee for the realisation of its economic benefits and strategic objectives, and promote its high-quality development.

According to the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Content and Format of Annual Reports (Revision 2021) promulgated by the CSRC and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Board of the Company has prepared the Self-assessment Report on the Internal Control of the Nanjing Panda for 2024, which was disclosed along with the 2024 annual report. For details, please refer to the relevant announcements of the Company published on the websites of the Shanghai Stock Exchange on 28 March 2025 and on the website of the Hong Kong Stock Exchange on 27 March 2025.

Explanation on significant deficiencies in internal control during the reporting period: N/A

## Section IV Corporate Governance (Continued)

### XIII. Management and Control of Subsidiaries during the Reporting Period

In accordance with the provisions of the internal standard system of the enterprise, the Company has established, improved and effectively implemented the internal control of the enterprise, and carried out effective management and control of the subsidiaries. In 2024, in accordance with the principle of “overall arrangement, graded self-assessment, and key supervision”, the Company implemented the evaluation work of internal control, realising a full coverage of all the subsidiaries.

The Company has formulated relevant management systems such as the Implementation Measures of the “Three Importance and One Major” Decision-making System and the Financial Management System, incorporating subsidiaries’ operation and investment decision-making management, financial management, personnel and information disclosure into a unified management system. The Company attended meetings of subsidiaries on major operation and management decision-makings to timely understand the operation of subsidiaries and make timely decisions. At the same time, the Company’s audit department regularly or irregularly conducted audit and supervision over the subsidiary’s economic and business activities in all links, and urges them to improve the construction and effective implementation of the internal control systems.

### XIV. Auditors’ Report on Internal Control

The Company appointed WUYIGE Certified Public Accountants LLP to audit the effectiveness of the internal control relating to the financial report of the Company, which issued the auditors’ report with unqualified audit opinions. The auditor’s report was disclosed along with the 2024 annual report. For details, please refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange on 28 March 2025.

Whether to disclose the auditors’ report on internal control: Yes

Opinion type of the auditors’ report on internal control: standard unqualified audit opinions

### XV. Rectification of Problems Found in the Self-inspection of Governance Special Action of the Listed Company

According to the Announcement on Launching Special Action on Corporate Governance of Listed Companies promulgated by the CSRC and the work arrangement of the Jiangsu Securities Regulatory Bureau of the CSRC on “Special Action on Corporate Governance”, the Company carried out special selfinspection on corporate governance at the beginning of 2021, and completed the filling of the Special Self-Inspection List of Governance of the Listed Companies, whose content covers seven aspects of the listed companies, such as the basic situation, the operation and decision-making of organizations, controlling shareholders, de facto controllers and connected parties, the construction of internal control standard system, information disclosure and transparency, institutions and overseas investors, and other issues. After self-inspection, there was no significant difference between the current situation of corporate governance of the Company and the normative documents on the governance of listed companies issued by the CSRC.

In accordance with the provisions of laws and regulations, the Company will further improve the governance level, strengthen the construction of internal control system and risk management, and continuously improve the development quality of the listed company.

## Section IV Corporate Governance (Continued)

### XVI. Others

#### (I) Chairman and Chief Executive Officer

The main duties of Chairman of the Board are to preside over the shareholders' meeting and convene the Board meetings, and to inspect the actual implementation of resolutions passed by the Board (Details are set out in Article 143 of Chapter 10 of the Articles of Association). The General Manager (Chief Executive Officer) is accountable to the Board. His principal duties include presiding over the production, operation and management of the Company, organizing the implementation of resolutions of the Board, and organizing the implementation of the annual operation plan and investment proposal (Details are set out in Article 161 of Chapter 12 of the Articles of Association).

#### (II) Auditors' remuneration

WUYIGE Certified Public Accountants LLP was engaged as the Company's international auditor, PRC auditor and internal control auditor for 2024. The remuneration paid by the Company for its audit services for the annual report (including the internal control audit service) was RMB2,480,000, among which RMB1,920,000 was paid to international and PRC auditors and RMB560,000 to the internal control auditor.

#### (III) Communications with shareholders and investor relations

The Board recognizes its accountability to shareholders for the performance and activities of the Company. The Board strives to maintain effective communication with shareholders. The Company has established different communication channels with its shareholders and investors:

1. The annual general meeting and extraordinary general meetings held during the reporting period provided a forum for shareholders to raise comments and exchange views with the Board;
2. The annual reports, interim reports and so forth have been sent to the shareholders and interested investors containing therein a full financial and operational review of the Company;
3. Fully perform obligations of information disclosure by disclosing financial results and various transactions in quarterly reports, various announcements and circulars (if applicable);
4. Set up multiple channels such as investor hotlines, site visiting by investors, stock analysts and fund managers, organize holding press conferences and road shows and etc.;
5. The Company further enhances the exchange and communication with investors, and delivers information of the Company to investors by way of the electronic platform of Shanghai Stock Exchange E-Interaction, online results presentation, and onsite meeting of general meeting, etc., and further improves the efficiency of the information disclosure of the Company by way of communication with investors and hearing their opinions.

The Company reviewed the implementation and effectiveness of the shareholder communication policy for the year ended 31 December 2024, and considered it to be effective.

## Section IV Corporate Governance (Continued)

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### XVI. Others (Continued)

#### (IV) Rights of shareholders

In accordance with Clause 76, Chapter VIII of Articles of Association, shareholders individually or collectively holding 10% or above of the Company's shares shall be entitled to propose to the Board the convening of the extraordinary general meeting, provided that such proposal shall be made in writing. The Board shall provide written feedbacks on agreeing or disagreeing to convene an extraordinary general meeting within 10 days after receiving such proposal according to the provisions of the applicable laws, administrative regulations and Articles of Associations.

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within 5 days after the resolution of Board is made. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.

In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days upon receipt of the said proposal, shareholders individually or collectively holding 10% or above of the Company's shares shall be entitled to propose to the Supervisory Committee the convening of the extraordinary general meeting, provided that such proposal shall be made in writing.

In the event that the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within 5 days after the said proposal. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.

The failure of the Supervisory Committee to issue the notice of the general meeting shall be deemed as failure of the Supervisory Committee to convene and preside over a general meeting, and shareholders individually or collectively holding 10% or above of the Company's shares for 90 consecutive days or above may convene and preside over the meeting on their own.

Shareholders may send their enquiries to the Board by addressing them to the Secretary of the Board. Contact details of the Secretary of the Board are set out on page 4 of this report.

## Section IV Corporate Governance (Continued)

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### XVI. Others (Continued)

#### (V) Dividend policy

The Company focuses on the long-term and sustainable development while taking into consideration the needs of its operation and shareholders. It made systemic arrangements for the Company's profit distribution to ensure the continuity and stability of its policy on profit distribution. For the Company's profit distribution policy and relevant details, please refer to the relevant part of this section as well as the Articles of Association of the Company published on the websites of the Company, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

#### (VI) Inside information management and the relevant situation

In order to further implement inside information management and prevention of insider trading, according to the requirements of the CSRC, the Insiders Management System of NPEC was formulated by the Company and considered and approved by the Board, which specifies the scope and confidentiality management of inside information, as well as the scope, registration and filing of the insiders. The Significant Information Internal Report System of NPEC was formulated by the Company and considered and approved by the Board, which specifies the reporting scope, division of responsibilities, procedures and formats, confidentiality obligations and legal liabilities in respect of the material information. Pursuant to the requirements, the Company delivered the controlling shareholder and the de facto controller the requirements of the Implementation of Strengthened Inside Information Management of State-owned and Controlled Listed Companies issued by relevant regulatory institutions. Moreover, the Company strictly followed the regulations on insider registration and management in respect of the preparation of regular reports, and other significant events in accordance with the requirements under the relevant administrative documents.

#### (VII) Establishment and implementation of the accountability system for major disclosure errors in annual report

In order to enhance the quality of information disclosure and ensure the truthfulness, accuracy and completeness of the information disclosed in the annual report, the Company established the Accountability System for Major Disclosure Errors in Annual Report. The Board of the Company will impose administrative or financial penalties on relevant responsible persons according to the seriousness of the matter, e.g. correction of major accounting errors and supplementation of omitted major information and correction of results prediction, occurred in the information disclosure in the annual report. There was no major error found in information disclosure in the 2024 annual report. During the reporting period, there was no correction of major accounting errors, supplementation of omitted major information and correction of results prediction.

# Section V Environmental and Social Responsibility

## I. Environmental Information

Whether a mechanism related to environmental protection is established	Yes
Environmental protection funds invested in the reporting period (Unit: 0'000)	72.6

(I) Statement on the environmental protection practice of companies and their major subsidiaries belonging to key pollutant discharging units published by national environmental protection authorities

1. Information on emission of pollutants

1. Waste water

One waste water outlet on the west side of Block 5# Plant, No. 1 Hengtong Avenue, Nanjing Economic and Technological Development Zone, which intermittently emitted COD, ammonia nitrogen, suspended matter and petroleum in compliance with the Grade III standard under the Comprehensive Wastewater Discharge Standards (GB8978-1996) (COD≤500mg/L, and ammonia nitrogen≤35mg/L, suspended matter≤400mg/L and petroleum≤20mg/L). With the total approved pollutant emission of 1.64 ton/year for COD, 0.083 ton/year for ammonia nitrogen, 0.69 ton/year of suspended matter and 0.05 ton/year of petroleum.

The actually measured average values were 14mg/L for COD, 0.143mg/L for ammonia nitrogen, 5mg/L for suspended matter, and zero for petroleum, respectively, and it had no excessive emission.

2. Exhaust gas

Eight exhaust gas outlets in Blocks 5# and 4# Plant and the wastewater room and hazardous waste storage around the plant, No. 1 Hengtong Avenue, Nanjing Economic and Technological Development Zone, which intermittently emitted toluene, xylene and nonmethane hydrocarbon in compliance with the limits in Table 1 of the Integrated Emission Standard of Air Pollutants of Jiangsu Province (DB32/4041-2021) (toluene≤10mg/m<sup>3</sup>, xylene≤10mg/m<sup>3</sup>, non-methane hydrocarbon≤60mg/m<sup>3</sup>, 200mg/m<sup>3</sup> for sulfur dioxide, 100mg/m<sup>3</sup> for nitrogen oxide and 20mg/m<sup>3</sup> for particulate matter). With the total approved pollutant emission of 0.15 ton/year for toluene, 0.254 ton/year for xylene, 2.575 tons/year for non-methane hydrocarbon, 0.673 ton/year for particulate matter, 0.096 ton/year for sulfur dioxide and 0.449 ton/year for nitrogen oxide.

The actually measured average values were: FQ-01 (paint coating): 5.98mg/m<sup>3</sup> for total non-methane hydrocarbons, 2.0mg/m<sup>3</sup> for particulate matter, benzene ≤0.144mg/m<sup>3</sup>, and the rest are not detected; FQ-02 (paint coating): not detected due to shut down of production; FQ-03 (wastewater room): 1.85mg/m<sup>3</sup> for total non-methane hydrocarbons, hydrogen sulphide is not detected; FQ-04 (hazardous waste storage): 0.75mg/m<sup>3</sup> for non-methane hydrocarbon; FQ-05 (precision injection workshop): 1.07mg/m<sup>3</sup> for non-methane hydrocarbon; FQ-06 (conventional injection workshop): 0.68mg/m<sup>3</sup> for non-methane hydrocarbon; FQ-07 (extrusion workshop): 1.47mg/m<sup>3</sup> for non-methane hydrocarbon; FQ-08 (exhaust gas outlet of the temporary wastewater storage): 1.34mg/m<sup>3</sup> for non-methane hydrocarbon, and no emission exceeded the standard.

## Section V Environmental and Social Responsibility (Continued)

### I. Environmental Information (Continued)

#### (I) Statement on the environmental protection practice of companies and their major subsidiaries belonging to key pollutant discharging units published by national environmental protection authorities (Continued)

##### 2. Construction and operation of pollution prevention and control facilities

Outlet name	Treatment facility
Painting exhaust gas outlet FQ-01 (Equipped with online monitoring devices and connected to the system of the environmental protection bureau)	RTO
Exhaust gas outlet of the mechanical arm painting line FQ-02 (Equipped with online monitoring devices and connected to the system of the environmental protection bureau)	RCO
Wastewater room and No.1 hazardous waste storage outlet FQ-03	Alkali spraying + activated carbon absorption
No.2 hazardous waste storage outlet FQ-04	Activated carbon absorption
Exhaust gas outlet of the precision injection workshop FQ-05	Secondary activated carbon absorption
Exhaust gas outlet of the conventional injection workshop FQ-06	Secondary activated carbon absorption
Exhaust gas outlet of the extrusion (powder injection) workshop FQ-07	Secondary activated carbon absorption
Exhaust gas outlet of the temporary wastewater storage FQ-08	Alkali spraying + activated carbon absorption
Main wastewater outlet WS-01	A/O

##### 3. Environmental impact assessment of construction projects and other administrative licenses of environmental protection

Project name: Precision Injection Molding and Mold Making Relocation and Reconstruction Project of Nanjing Huage Appliance and Plastic Industrial Co., Ltd.; document number and time for EIA approval: Ning Huan Biao Fu [2012] No. 006, 8 February 2012; acceptance time and number: 22 October 2012, and Ning Huan Yan [2012] No. 121.

Project name: Project of optimization of production lines and upgrading and renovation of supporting pollution control facilities; document number and time of EIA approval: Ning Kai Wei Xing Shen Xu Ke Zi [2018] No. 267, 29 August 2018; the project was subject to independent acceptance, and the date of acceptance was 24 September 2020.



## Section V Environmental and Social Responsibility (Continued)

### I. Environmental Information (Continued)

#### (I) Statement on the environmental protection practice of companies and their major subsidiaries belonging to key pollutant discharging units published by national environmental protection authorities (Continued)

##### 4. Emergency plan for emergency environmental incidents

Jiangsu Rainfine Environmental Science and Technology Co. (江蘇潤環境科技有限公司) has been engaged to complete the preparation of the report and organized relevant experts to review the report, and filing has been completed for the report with the number of 320113-2024-023-L.

##### 5. Environmental self-monitoring plan

The environmental self-monitoring plan has been prepared, filed with the environmental monitoring station of the development zone and published on the "one company, one file" management system platform of pollution sources in Jiangsu Province.

##### 6. Administrative penalties imposed due to environmental issues during the reporting

Period: N/A

##### 7. Other environmental information required to be disclosed: N/A

#### (II) Environmental protection by companies other than key pollutant-discharging units:n/a

#### (III) Information on practices conducive to protecting the ecology, preventing pollution and fulfilling environmental responsibility

The Company has always been committed to environmental protection and sustainable development, and has actively taken measures to reduce its impact on the ecological environment. It purchased green and low-emission raw and auxiliary materials to reduce pollutant emissions from the source. By selecting advanced environmental protection technologies and equipment, it ensures end-of-pipe treatment and guarantees that the waste generated during the production process is effectively processed. In addition, the Company has also strengthened the cultivation of employees' environmental awareness, regularly organized environmental protection training and publicity activities to improve employees' awareness and sense of responsibility for environmental protection. Nanjing Panda Electronic Manufacture Co., Ltd., a group subsidiary, successfully passed the energy management system certification in June 2024 and was listed as a green factory in Jiangsu Province. Through these efforts, we are not only fulfilling our own environmental responsibilities, but also making positive contributions to the protection of the ecological environment and the prevention and control of pollution.

## Section V Environmental and Social Responsibility (Continued)

### I. Environmental Information (Continued)

**(IV) Measures taken to reduce carbon emissions during the reporting period and the results thereof**

Whether any carbon reduction measures are taken	Yes
Emission reduction carbon dioxide equivalent ( <i>unit: ton</i> )	4,606
Types of carbon reduction measures (e.g. use of clean energy for power generation, use of carbon reduction technologies in production, research and development of new products that contribute to carbon reduction, etc.	Using clean energy to generate electricity

The Company actively seeks and gradually increases the proportion of clean energy applications. By installing photovoltaic modules on the Company's rooftops, it has constructed photovoltaic power generation facilities with a construction area of approximately 15,529 square meters. The expected annual power generation can reach 1.69 million kWh. In addition, combined with the previous Phase I photovoltaic project, it is expected that the annual grid-connected power generation can reach nearly 4.6 million kWh. In 2024, the Company absorbed approximately 4.65 million kWh of photovoltaic electricity throughout the year.

For details about fulfilling environmental responsibilities and reducing carbon emissions, etc., please refer to the Nanjing Panda Environmental, Social and Governance (ESG) Report in 2024 published in China Securities Journal and Shanghai Securities News and on the website of the Shanghai Stock Exchange on 28 March 2025.

### II. Overview of Social Responsibility

**(I) Whether social responsibility report, sustainability report or ESG report are disclosed separately**

The Company considered and approved the Environmental, Social and Governance (ESG) Report in 2024 of the Company at the 4th meeting of the eleventh session of the Board on 27 March 2025, the full text of which was published in China Securities Journal and Shanghai Securities News and on the website of the Shanghai Stock Exchange on 28 March 2028.

# Section V Environmental and Social Responsibility (Continued)

## II. Overview of Social Responsibility (Continued)

### (II) Details of social responsibility work

External donations and public welfare projects	Quantity/ Content	Description
Total investment: (10,000 yuan)	0.4	
Including: Capital (10,000 yuan)		
Materials converted into cash (10,000 yuan)	0.4	Community visits to lonely elderly people
Number of beneficiaries (persons)	50	

## III. Efforts in Consolidating Achievements in Poverty Alleviation and Promoting Rural Revitalization:

Poverty alleviation and rural revitalization projects	Quantity/Content	Description
Total investment: (10,000 yuan)	15	
Including: Capital (10,000 yuan)		
Materials converted into cash (10,000 yuan)	15	Participating in in the campaign themed "China Electronic Rural Revitalization Poverty Alleviation"
Number of beneficiaries (persons)		
Forms of assistance (such as poverty alleviation through industrial development, employment and education)	Purchasing products under the "Assisting Farmer" campaign	

# Section VI Significant Events

## I. Fulfilment of Commitments

### (I) Commitments of the ultimate controller, shareholders, connected parties, acquirers and the Company and other related parties during the Reporting Period or continued to the Reporting Period

Background of undertakings	Types of undertakings	Party making undertakings	Contents of undertakings	Time and term of undertakings	Any term of performance	Strictly performed in timely manner or not	Description of specific reasons if not performed timely	Description of plans in next steps if not performed timely
Undertakings made in acquisition reports or equity change reports	Avoidance of horizontal competition	CEC	Prior to this acquisition, CEC and its controlled enterprises had no projects or assets which constituted horizontal competition with the principal operations of the Company. Upon completion of this acquisition, CEC and its controlled enterprises would not be directly or indirectly engaged in business which constitutes horizontal competition with the principal operations of the Company, nor invest in enterprises or projects which have direct or indirect competition with the principal operations of the Company	Time: 25 April 2012; Term: effective for as long as CEC is the ultimate controller of the Company.	Yes	Yes	N/A	N/A
	Standardization and avoidance of connected transactions	CEC	<p>Upon completion of the acquisition, CEC undertook to take the following measures to standardize potential connected transactions:</p> <p>(1) try to avoid or reduce connected transactions with the Company and its subsidiaries;</p> <p>(2) as for those that cannot be avoided or exist for reasonable reasons, standard connected transaction agreements shall be entered into with the Company according to law, and approval procedures shall be performed in accordance with relevant laws, rules, regulations, other regulatory documents and the Articles of Association. The price of such connected transactions shall be determined on the pricing principle of "reference to the market price and no less than the price of non-connected transactions then", so as to ensure the fairness of connected transaction prices; undertake to perform information disclosure obligation in compliance with relevant requirements of laws, regulations and the Articles of Association;</p> <p>(3) undertake not to illegally transfer the capital or profit of the Company, or harm the interest of the Company and its non-connected shareholders through connected transactions</p>	Time: 25 April 2012; Term: effective for as long as CEC is the ultimate controller of the Company.	Yes	Yes	N/A	N/A
	Ensuring the Company's independence	CEC	Upon completion of the acquisition, CEC and the Company would maintain the independence of their respective staff, integrity of assets and financial independence; ensure the independent operation capability of the Company, the independence in respect of procurement, production, sales, and intellectual property rights, and protection of the interest of minority shareholders.	Time: 25 April 2012; Term: effective for as long as CEC is the ultimate controller of the Company.	Yes	Yes	N/A	N/A

## Section VI Significant Events (Continued)

### I. Fulfilment of Commitments (Continued)

#### (I) Commitments of the ultimate controller, shareholders, connected parties, acquirers and the Company and other related parties during the Reporting Period or continued to the Reporting Period (Continued)

Background of undertakings	Types of undertakings	Party making undertakings	Contents of undertakings	Time and term of undertakings	Any term of performance	Strictly performed in timely manner or not	Description of specific reasons if not performed timely	Description of plans in next steps if not performed timely
Undertakings relating to refinancing	Avoidance of horizontal competition	PEGL	<p>(1) PEGL and its subsidiaries have no projects or assets which constitute horizontal competition with the principal operations of the Company.</p> <p>(2) PEGL and its subsidiaries would not engage in the same or similar business as that of the Company and its subsidiaries in any form (including such forms as investment, acquisition, operation, merger and entrusted operation inside or outside the PRC).</p> <p>(3) In the event of business competition with the Company and its subsidiaries, the PEGL and its subsidiaries would terminate production and operation, or integrate such competing business into the Company, or transfer such competing business to unrelated third parties to avoid horizontal competition.</p> <p>(4) If any business opportunity is provided to PEGL and its subsidiaries by third parties or by PEGL and its subsidiaries to third parties, and such business directly or indirectly constitutes competition with the Company, or the Company is able to and intends to undertake such business, PEGL and its subsidiaries shall immediately inform the Company of such opportunity and facilitate the undertaking of such business by the Company on reasonable terms and conditions.</p> <p>(5) If the Company or the relevant regulatory authorities believe(s) there exists horizontal competition between the business of PEGL and its subsidiaries is engaging in or will engage in PEGL and its subsidiaries will timely transfer or terminate such business upon objection by the Company. If the Company further requests to acquire such business, PEGL and its subsidiaries will, unconditionally, transfer the aforesaid business and assets to the Company with priority based on the fair price as audited or appraised by agencies qualified to deal in securities and futures related business.</p> <p>(6) If this letter of commitment proves to be untrue or not observed, PEGL will indemnify the Company and its subsidiaries for all direct and indirect losses.</p> <p>(7) PEGL confirms that each commitment contained in this letter of commitment is independently executable, and any one commitment, if deemed invalid or terminated, shall not affect the validity of other commitments.</p> <p>(8) This letter of commitment is effective from the date of signing.</p>	Time: 30 November 2012; Term: effective from the date of signing.	Yes	Yes	N/A	N/A

## Section VI Significant Events (Continued)

### I. Fulfilment of Commitments (Continued)

#### (I) Commitments of the ultimate controller, shareholders, connected parties, acquirers and the Company and other related parties during the Reporting Period or continued to the Reporting Period (Continued)

Background of undertakings	Types of undertakings	Party making undertakings	Contents of undertakings	Time and term of undertakings	Any term of performance	Strictly performed in timely manner or not	Description of specific reasons if not performed timely	Description of plans in next steps if not performed timely
Avoidance of horizontal competition	NEIC		The same contents as that of PEGl for "avoidance of horizontal competition"	Time: 30 November 2012; Term: effective from the date of signing.	Yes	Yes	N/A	N/A
Standardization and avoidance of connected transactions	PEGL		<p>(1) As long as PEGl is a shareholder of the Company, PEGl and its subsidiaries shall try to reduce and standardize connected transactions with the Company.</p> <p>(2) As for the connected transactions that cannot be avoided, PEGl shall enter into agreements with the Company in compliance and in accordance with relevant laws, regulations, regulatory documents and the articles of association of the Company, perform relevant approval procedures and the information disclosure obligation in accordance with statutory procedures, and refrain or abstain from voting at board meetings and/or general meetings, so as to procure such connected transaction can be conducted in compliance with the principle of "fairness, justice and openness" and normal commercial terms and conditions, and ensure such connected transactions will not harm the legitimate interests and rights of the Company and other shareholders.</p>	Time: 30 November 2012; Term: effective from the date of signing.	Yes	Yes	N/A	N/A
Standardization and avoidance of connected transactions	NEIC		The same contents as that of PEGl for "standardization and avoidance of connected transactions"	Time: 30 November 2012; Term: effective from the date of signing.	Yes	Yes	N/A	N/A

## Section VI Significant Events (Continued)

### I. Fulfilment of Commitments (Continued)

#### (I) Commitments of the ultimate controller, shareholders, connected parties, acquirers and the Company and other related parties during the Reporting Period or continued to the Reporting Period (Continued)

Background of undertakings	Types of undertakings	Party making undertakings	Contents of undertakings	Time and term of undertakings	Any term of performance	Strictly performed in timely manner or not	Description of specific reasons if not performed timely	Description of plans in next steps if not performed timely
Other undertakings	Others	CEC	Due to the abnormal fluctuation of the domestic stock market, the Company received declaration documents from CEC as follows: (1) as a responsible shareholder, CEC will proactively take social responsibilities and will not decrease its shareholding in the listed company during the abnormal fluctuation period in stock markets. (2) CEC made commitment to actively explore and execute measures including repurchase, increasing shares, etc. within the permitted scope of law and regulations; to increase shareholding of shares in the listed company when the stock price considerably deviates from its share value, in order to protect the benefit of investors. (3) CEC will continue to improve the quality of the listed company through asset restructuring and capital injection, supporting the economic structural adjustment and industrial transformation and equip the listed company with an upgraded healthy and comprehensive long-term reward mechanism to achieve continuous improvement of the return level of investors.	Time: 9 July 2015; Term: effective from the date of signing.	Yes	Yes	N/A	N/A

As of the reporting date, CEC, NEIC and PEGE confirmed that undertakings had been strictly fulfilled by each of the parties.

#### (II) The Company has profit forecasts on assets or projects, and the Reporting Period was within the term of profit forecasts. The Company has to state whether such profit forecasts on assets or projects are fulfilled and the reasons therefor: N/A

#### (III) The fulfilment of result commitments and its impact on impairment test to goodwill: N/A

## Section VI Significant Events (Continued)

- II. Misappropriation of the Company's Funds by Controlling Shareholders and Other Related Parties for Non-operating Purposes during the Reporting Period: N/A
- III. Provision of Guarantee in Violation of Rules and Requirements: N/A
- IV. Explanations of the Company on the "Modified Audit Report" Issued by the Accounting Firm: N/A
- V. Analysis and Explanation of the Company on the Reasons and Impact of the Change in Accounting Policy, Accounting Estimation or the Correction to Material Accounting Errors
- (I) Analysis and Explanation of the Company on the Reasons and Impact of the Changes in Accounting Policy and Accounting Estimation: N/A
- (II) Analysis and Explanation of the Company on the Reasons and Impact of the Correction to Material Errors: N/A
- (III) Communication with the Previous Accounting Firm: N/A
- (IV) Other Explanations: N/A
- VI. Appointment and Dismissal of Accounting Firms

Unit: 0'000 Currency: RMB

Currently appointed	
Name of the domestic accounting firm	WUYIGE Certified Public Accountants LLP (Special General Partnership)
Remuneration for the domestic accounting firm	192
Audit years of the domestic accounting firm	2 years
Name of the CPA of the domestic accounting firm	Gong Ronghua, Han Shimin
Cumulative audit years of the CPA in the domestic accounting firm	2 years
Name of the overseas accounting firm	N/A
Remuneration for the overseas accounting firm	N/A
Audit years of the overseas accounting firm	N/A

Unit: 0'000 Currency: RMB

Name		Remuneration
Accounting firm for audit of internal control	BDO China Shu Lun Pan Certified Public Accountants LLP	56



## Section VI Significant Events (Continued)

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### VI. Appointment and Dismissal of Accounting Firms (Continued)

Explanation about the change of the accounting firm:

BDO China SHU LUN PAN Certified Public Accountants LLP (Special General Partnership) served as the Company's international auditor, domestic auditor and internal control auditor for the year 2022; WUYIGE Certified Public Accountants LLP (Special General Partnership) served as the Company's international auditor, domestic auditor and internal control auditor for the year 2023.

In 2024, the Proposal on the Appointment of the Accounting Firm for 2024 was deliberated and approved on the 24th meeting of the 10th session of the Board of Directors. It is recommended to reappoint WUYIGE Certified Public Accountants LLP (Special General Partnership) as the Company's international auditor, domestic auditor and internal control auditor for 2024, determine its remuneration within the limit of no more than RMB2.48 million, and agree to submit it to the annual general meeting of the Company in 2023 for deliberation. The Audit Committee of the Company's Board of Directors considered factors such as the experience of WUYIGE Certified Public Accountants LLP (Special General Partnership), its ability to provide sufficient time for audit-related work, staffing, professional knowledge and available resources, and believed that WUYIGE Certified Public Accountants LLP (Special General Partnership) is independent, competent and capable of carrying out high-quality audit work. The Company's annual general meeting in 2023 deliberated and approved the reappointment of WUYIGE Certified Public Accountants LLP (Special General Partnership) as the Company's international auditor, domestic auditor and internal control auditor for 2024, and determined its remuneration within the limit of no more than RMB2.48 million. For details, please refer to the relevant announcements published in China Securities Journal, Shanghai Securities News and on the website of the Shanghai Stock Exchange on 29 March 2024 and 22 June 2024, and on the website of the Hong Kong Stock Exchange on 28 March 2024 and 21 June 2024.

Explanation about changing the appointed accounting firm during the audit period: N/A

### VII. Exposure to Any Risk of Suspension of Listing: N/A

### VIII. Bankruptcy and Restructuring Related Matter: N/A

## Section VI Significant Events (Continued)

### IX. Material Litigation and Arbitration

(I) Litigation and Arbitration Disclosed in Interim Announcements with No Subsequent Developments: N/A

(II) Information on Litigation and Arbitration not Disclosed in the Interim Announcement or with Subsequent Events

Unit: 0'000 Currency: RMB

During the Reporting Period

Prosecutor (Applicant)	Respondent	Party bearing joint and several liability	Type of litigation (arbitration)	Basic information about litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) results in estimated liabilities and amount	Progress of litigation (arbitration)	Trial results and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Nanjing Panda Electronics Equipment Co., Ltd.	Jiangsu Jinmao Robot Technology Co., Ltd.	N/A	Litigation	The lawsuit: From July 2017 to November 2018, Electronics Equipment Company and Jiangsu Jinmao Robot Technology Co., Ltd. (hereinafter referred to as "Jinmao Company") has successively signed four purchase and sale contracts. Jinmao Company has been in arrears of RMB22,593,150 under the four contracts. After repeated urges for payment failed, in January 2022, Electronics Equipment Company filed a lawsuit with the Qixia District People's Court in Nanjing, demanding Jinmao Company to pay all the arrears.	Amount involved in the litigation: RMB22,593,200 Amount involved in the counterclaim: RMB123 million (amount involved in the counterclaim accepted by the court: RMB44,749,300)	N/A	In January 2022, Electronics Equipment Company filed a lawsuit with Qixia District People's Court.  In February 2022, Qixia Court accepted the case.  In the court trial, both parties put forward their own litigation opinions. After that, Jinmao Company applied for judicial expertise on the grounds of equipment quality problems, and the court started the judicial expertise procedure in January 2023.  The appraisal institution conducted on-site inspection in September and October 2023, and issued the Appraisal Opinion and relevant letters on 31 January 2024.  On 21 February 2024, Jinmao Company filed a counterclaim.  On 23 February 2024, Qixia Court accepted the part of the counterclaim related to the lawsuit and tried it together with the lawsuit.	Appeal in progress	Appeal in progress

# Section VI Significant Events (Continued)

## IX. Material Litigation and Arbitration (Continued)

### (II) Information on Litigation and Arbitration not Disclosed in the Interim Announcement or with Subsequent Events (Continued)

Prosecutor (Applicant)	Respondent	Party bearing joint and several liability	Type of litigation (arbitration)	Basic information about litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) results in estimated liabilities and amount	Progress of litigation (arbitration)	Trial results and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
				Counterclaim: On 21 February 2024, during the trial of the lawsuit, Jinmao Company filed a counterclaim, demanding the cancellation of relevant contracts signed between the two parties (including the four contracts under the lawsuit), return of all the purchased equipment and RMB59 million of payment for goods and compensation of RMB64 million for the loss.			On 5 March 2024, Electronics Equipment Company received the written judgment made by the court on 29 February 2024, which ruled that Jinmao Company should pay RMB128,000, the unpaid price under a purchase and sales contract, and corresponding liquidated damages to Electronics Equipment Company, and cancel the other three purchase and sales contracts; Electronics Equipment Company should return RMB44,749,300 to Jinmao Company and pay corresponding interest, and Jinmao Company should return the goods delivered under the three purchase and sales contracts cancelled by Electronics Equipment Company.		

## Section VI Significant Events (Continued)

### IX. Material Litigation and Arbitration (Continued)

#### (II) Information on Litigation and Arbitration not Disclosed in the Interim Announcement or with Subsequent Events (Continued)

Prosecutor (Applicant)	Respondent	Party bearing joint and several liability	Type of litigation (arbitration)	Basic information about litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) results in estimated liabilities and amount	Progress of litigation (arbitration)	Trial results and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
							On 18 March 2024, Electronics Equipment Company filed an appeal, demanding that all counterclaims of Jinmao Company be rejected and all demands of Electronics Equipment Company be supported.		
							On 20 March 2024, Electronics Equipment Company received the appeal petition from Jinmao Company served by the court.		
							On 17 April 2024, Electronics Equipment Company received a notice from the Nanjing Intermediate People's Court that the second instance case had been accepted.		
							On 7 June 2024, both parties participated in the first court session of the second instance at the Nanjing Intermediate People's Court.		
							On 19 March 2025, both parties participated in the second court session of the second instance at the Nanjing Intermediate People's Court.		
							The court hasn't made a decision on the case so far.		

## Section VI Significant Events (Continued)

### IX. Material Litigation and Arbitration (Continued)

#### (II) Information on Litigation and Arbitration not Disclosed in the Interim Announcement or with Subsequent Events (Continued)

Prosecutor (Applicant)	Respondent	Party bearing joint and several liability	Type of litigation (arbitration)	Basic information about litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) results in estimated liabilities and amount	Progress of litigation (arbitration)	Trial results and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Nanjing Panda Information Industry Co., Ltd.	Xuzhou Suning Estate Co., Ltd.	N/A	Litigation	On 18 June 2012, Nanjing Panda Information Industry Co., Ltd. won the bid for the "automated control system project for the buildings of Xuzhou Suning Plaza", and then signed the Contract on the Automated Control System of Buildings. The party issuing the contract still owes Nanjing Panda Information Industry Co., Ltd. RMB6,611,200 of project fund so far.	Principal and interest: N/A RMB6,611,200		On 30 May 2022, Nanjing Panda Information Industry Co., Ltd. filed a lawsuit with Gulou District Court, Xuzhou, and the case was later transferred to Nanjing Intermediate People's Court for centralized jurisdiction.  On 4 November 2022, the case was heard at Nanjing Intermediate People's Court. After that, both parties communicated with each other on how to settle the case, but failed to reach a consensus.  On 16 February 2023, the case was heard at Nanjing Intermediate People's Court.	The court's judgment supported the claims of the Information Industry Company	If Xuzhou Suning Company fails to comply with the court's judgment, the Information Industry Company will apply to the court for compulsory enforcement.

## Section VI Significant Events (Continued)

### IX. Material Litigation and Arbitration (Continued)

#### (II) Information on Litigation and Arbitration not Disclosed in the Interim Announcement or with Subsequent Events (Continued)

Prosecutor (Applicant)	Respondent	Party bearing joint and several liability	Type of litigation (arbitration)	Basic information about litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) results in estimated liabilities and amount	Progress of litigation (arbitration)	Trial results and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
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On 23 August 2024, the Intermediate People's Court of Nanjing rendered a first-instance judgment, ruling as follows: ① Xuzhou Suning Real Estate Co., Ltd. shall, within ten days as of the effective date of this judgment, pay the project payment of RMB6,611,197.07 and the overdue liquidated damages to Information Industry Company; ② Information Industry Company shall enjoy the priority right to be compensated for the construction project price within the scope of the project payment of RMB6,611,197.07 that is owed by Xuzhou Suning Estate Co., Ltd.

On 19 September 2024, Information Industry Company received the appeal petition from Xuzhou Suning Estate Co., Ltd., and the appeal request was to change the judgment of the first instance regarding the overdue liquidated damages calculated at 2 times the LPR to be calculated at 1 time the LPR.

On 4 March 2025, both parties participated in the hearing organized by the Higher People's Court of Jiangsu Province.

On 18 March 2025, Information Industry Company received the second-instance judgment of the Higher People's Court of Jiangsu Province, which upheld the original judgment of the first instance.

## Section VI Significant Events (Continued)

### IX. Material Litigation and Arbitration (Continued)

#### (II) Information on Litigation and Arbitration not Disclosed in the Interim Announcement or with Subsequent Events (Continued)

Prosecutor (Applicant)	Respondent	Party bearing joint and several liability	Type of litigation (arbitration)	Basic information about litigation (arbitration)	Amount involved in litigation (arbitration)	Whether litigation (arbitration) results in estimated liabilities and amount	Progress of litigation (arbitration)	Trial results and influence of litigation (arbitration)	Execution of litigation (arbitration) judgment
Suzhou RS Tech Co., Ltd.	Nanjing Panda Electronics Equipment Co., Ltd.	N/A	Litigation	From 2016 to 2020, Suzhou RS Tech Co., Ltd. signed several procurement contracts and purchase and sales contracts with Electronics Equipment Company, Suzhou RS Tech Co., Ltd. considered Electronics Equipment Company owed it RMB8,688,200 of principal and interest, and filed a lawsuit with the court, demanding the payment of the arrears.	Principal and interest: RMB8,688,200	RMB10,010,400	<p>The case was heard at the court on 16 February 2023.</p> <p>On 17 July 2023, Electronics Equipment Company received the paper of civil judgment electronically delivered by Qixia Court, which ruled that Electronics Equipment Company should pay RMB8,688,200 in principal and interest, and Electronics Equipment Company filed an appeal.</p> <p>On 27 November 2023, Nanjing Intermediate People's Court ruled that the original judgment was upheld.</p> <p>In December 2023, Electronics Equipment Company fulfilled its payment obligation as ruled.</p> <p>On 24 May 2024, Electronics Equipment Company filed an application for retrial with the Higher People's Court of Jiangsu Province.</p> <p>On 3 March 2025, Electronics Equipment Company received a civil ruling from the Higher People's Court of Jiangsu Province, ruling to reject the Company's application for retrial.</p>	Concluded	Executed in accordance with the judgment of the second instance

## Section VI Significant Events (Continued)

### X. Punishment and Rectification to the Listed Company, Its Directors, Supervisors, Senior Management, Controlling Shareholder, Ultimate Controller due to Violations of Laws and Regulations: N/A

For details, please refer to Section IV “Corporate Governance”, Part 4, Section (VI) “Punishment by Securities Regulatory Authorities in the Last Three Years” of this report.

### XI. Explanation on Credibility Status of the Company, Its Controlling Shareholder and Ultimate Controller during the Reporting Period: N/A

### XII. Material Connected Transactions

#### (I) Connected transactions relating to day-to-day operation

1. Matters disclosed in interim announcements with no progress or change in the follow-up implementation

Overview	Search index
(1) The Company and its related subsidiaries sell materials and parts & components and provide subcontracting services to Nanjing Ericsson Panda Communications Co., Ltd and Nanjing LG-Panda Appliances Co., Ltd. with annual amounts not exceeding RMB27.50 million and RMB2.5 million, respectively (inclusive).	For details, please refer to relevant announcements published in China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange on 8 March 2024.
(2) The Company held an extraordinary meeting of the 11th session of the Board on 22 November 2024. The Group's continuing connected transactions and annual caps for the period from 2025 to 2027 with CEC, NEIC and their respective connected persons were deliberated and approved in the meeting, with the term from 1 January 2025 to 31 December 2027. The Group's renewal of the continuing connected transactions and annual caps with the finance company were also approved, which shall take effect upon the approval by the independent shareholders at an extraordinary general meeting and shall have a term of three years. The Company authorized its directors or senior management personnel to sign a number of framework agreements for continuing connected transactions related to such continuing connected transactions, including the Agreement on Provision of Subcontracting Services and Comprehensive Services, Agreement on Acceptance of Subcontracting Services and Comprehensive Services, Agreement on Sale of Goods and Spare Parts, Agreement on Procurement of Goods and Spare Parts, Agreement on Provision of Leasing Services, Agreement on Acceptance of Leasing Services, Trademark License Agreement and the Financial Services Cooperation Agreement. The Company held the Second Extraordinary General Meeting for 2024 on 27 December 2024. In the meeting, Agreement on Sale of Goods and Spare Parts and the annual cap for the transactions thereunder, as well as the Financial Services Cooperation Agreement and the annual cap for the balance of fund settlement thereunder were deliberated and approved, and the Board of Directors was authorized to take necessary actions to ensure the effectiveness of the agreements.	For details, please refer to relevant announcements published in China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange on 25 November and 28 December 2024, and on the website of the Hong Kong Stock Exchange on 24 November and 27 December 2024, and the H-share circular sent on 11 December 2024.



## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

2. Matters disclosed in interim announcements with progress or change in the follow-up implementation

On 22 November 2024, the renewing of the existing continuing connected transactions and the cap between the Group and Financial Company was considered and approved at the extraordinary meeting of the 11th session of the Board, at which the directors or senior management of the Company were authorised to enter into the Financial Services Cooperation Agreement. It was stipulated that the cap for the fund settlement balance (Receipt and payment of transaction funds, deposit taking and handling of time deposits, call deposits and agreement deposits, the same below) of the Group with Financial Company be maintained at RMB700,000,000, the cap for the comprehensive credit balance (loans in local and foreign currencies, external guarantees, acceptance and discount of commercial acceptance bills, letters of guarantee, etc., the same below) provided by Financial Company to the Group be maintained at RMB800,000,000, and the annual cap for other financial services (fund management, discount of commercial acceptance bills, non-financing guarantee, principal agency, issuance of fund certificates, loan commitment, bank acceptance bill discount, etc., the same below) provided by Financial Company to the Group be maintained at RMB2,000,000. The agreement was effective from obtaining approval of independent shareholders at the extraordinary general meeting for a term of three years.

The entering into of the Financial Services Cooperation Agreement was in compliance with relevant state and industry regulations and on the principle of openness, fairness and justice, without prejudice to the interest of the Company and minority shareholders of the Company. Additionally, the Company has made the Emergency Risk Management Plan for the Deposits placed with Financial Company which guaranteed the safety and liquidity of the funds. The connected directors have abstained from voting; and non-connected directors, independent non-executive directors and the Audit Committee approved such continuing connected transaction, considering that such continuing connected transaction was in the interests of the Company and its shareholders as a whole. Wherein, the continuing related transaction corresponding to the fund settlement balance of the Group with Finance Company was considered and approved at the 2024 second extraordinary general meeting of the Company on 27 December 2024. For details, please refer to the relevant announcements of the Company published in China Securities Journal and Shanghai Securities News and on the website of the Shanghai Stock Exchange respectively on 25 November and 28 December 2024 and H share circular dispatched on 11 December 2024.

## Section VI Significant Events (Continued)

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### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

2. Matters disclosed in interim announcements with progress or change in the follow-up implementation (Continued)

The second meeting of the 11th session of the Board and the fourth meeting of the 11th session of the Board held respectively on 27 August 2024 and 27 March 2025 reviewed and approved the proposals on the risk assessment report of China Electronics Financial Co., Ltd. (“Financial Company”), and assessed the risk associated with the funds deposited in Financial Company. After the review, no major defects were found in Financial Company’s risk management systems for funds, credit, investment, audit and information management related to financial statements as of 30 June 2024 and 31 December 2024. For details, please refer to relevant announcements published on the website of Shanghai Stock Exchange on 28 August 2024 and 27 March 2025.

As of 31 December 2024, the fund settlement balance of the Group with Financial Company was RMB606.1314 million, the comprehensive credit balance provided by Financial Company to the Group was RMB1.7488 million, and the transaction expense of other financial services provided by the Finance Company to the Group was RMB8,000. As of 26 March 2025, the fund settlement balance of the Group with Financial Company was RMB232.2123 million; the balance of comprehensive credit provided by Financial Company to the Group was RMB7.54 million, and an amount of RMB3,800 incurred in the other financial services provided by Financial Company to the Group.

The connected transactions between the Group and Financial Company were also confirmed by the independent non-executive Directors that the fund settlement balance, the comprehensive credit balance and the amount incurred from other financial service business did not exceed the approved annual caps.

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements

Unit: 0'000 Currency: RMB

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
Nanjing Rainbow New Energy Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				298.92	0.16			
Shenzhen SED Wireless Communication Technology Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				184.88	0.10			
Nanjing Zhenhua Packaging Material Factory	Subsidiary owned by shareholders	Purchase of goods				164.21	0.09			
TPV Audio and Visual Technology (Shenzhen) Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				160.78	0.09			
China Electronics Rainbow Smart Lighting Technology Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				161.94	0.09			
Chengdu Sino Electronics Technology Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				62.80	0.03			
Hunan Great Wall Galaxy Technology Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				58.41	0.03			
Nanjing China Electronics Panda Crystal Technology Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				43.85	0.02			
Shenzhen Zhenhuafu Electronics Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				30.69	0.02			
CEAC International Ltd.	Subsidiary owned by shareholders	Purchase of goods				25.54	0.01			
Nanjing Panda Dasheng Electronic Technology Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				24.57	0.01			
China Zhenhua Group Yongguang Electronics Co., Ltd. (State-owned Factory No. 873)	Subsidiary owned by shareholders	Purchase of goods				15.62	0.01			
China Zhenhua Group Yunke Electronics Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				7.85	0.00			

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
Guizhou Zhenhua Hualian Electronics Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				7.73	0.00			
Langfang Zhenhua Crystal Technology Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				1.79	0.00			
Panda Electronics Group Limited	Controlling Shareholder	Purchase of goods				0.87	0.00			
Liyang Panda Bamboo Garden Hotel Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				0.84	0.00			
Guizhou Zhenhua Qunying Electric Appliance Co., Ltd. (State-owned No. 891 Factory)	Subsidiary owned by shareholders	Purchase of goods				0.34	0.00			
Nanjing Panda Medical Services Co., Ltd.	Other related party	Purchase of goods				0.34	0.00			
Guizhou Zhenhua Fengguang Semiconductor Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				0.31	0.00			
China Zhenhua (Group) Xinyun Electronic Components Co., Ltd. (State-owned No. 4326 Factory)	Subsidiary owned by shareholders	Purchase of goods				0.08	0.00			
Wuhan Zhongyuan Changjiang Technology Development Co., Ltd.	Subsidiary owned by shareholders	Purchase of goods				0.02	0.00			
Nanjing Panda Transport Co., Ltd.	Subsidiary owned by shareholders	Receipt of services				694.56	2.40			
Nanjing Panda Medical Services Co., Ltd.	Other related party	Receipt of services				118.74	0.41			
Shenzhen Jingwah Intelligent Technology Co., Ltd.	Other related party	Receipt of services				63.78	0.22			
Liyang Panda Bamboo Garden Hotel Co., Ltd.	Subsidiary owned by shareholders	Receipt of services				36.50	0.13			
Nanjing Huadong Electronics Group Co., Ltd.	Subsidiary owned by shareholders	Receipt of services				34.43	0.12			

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
Panda Electronics Group Limited	Controlling shareholder	Receipt of services				23.16	0.08			
Nanjing China Electronics PANDA Lighting Co., Ltd	Subsidiary owned by shareholders	Receipt of services				19.88	0.07			
Nanjing Panda Handa Technology Co., Ltd.	Subsidiary owned by shareholders	Receipt of services				18.92	0.07			
China Electronics Business (Beijing) Co., Ltd.	Subsidiary owned by shareholders	Receipt of services				10.22	0.04			
Nanjing Panda Dasheng Electronic Technology Co., Ltd.	Subsidiary owned by shareholders	Receipt of services				9.43	0.03			
Nanjing China Electronics Panda Property Management Co., Ltd.	Subsidiary owned by shareholders	Receipt of services				4.56	0.02			
Nanjing Panda Handa Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				13,159.91	6.33			
Xianyang China Electric Rainbow Group Holdings Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				1,619.47	0.78			
Guizhou Zhenhua New Materials Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				1,440.71	0.69			
Rainbow (Hefei) Liquid Crystal Glass Co., Ltd.	Other related party	Sale of goods				1,303.17	0.63			
Nanjing Ericsson Panda Communications Co., Ltd.	Associate	Sale of goods				389.38	0.19			
Shenzhen Jingwah Network Marketing Co., Ltd.	Associate	Sale of goods				383.76	0.18			
Nanjing Electronics Information Industrial Corporation	Indirect controlling shareholder	Sale of goods				174.61	0.08			
Great Wall Power Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				123.27	0.06			

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
China Electronics Defense Technology Co., Ltd. (formerly China Electronics Defense Technology Co., Ltd.)	Subsidiary owned by shareholders	Sale of goods				107.07	0.05			
Panda Electronics Group Limited	Controlling shareholder	Sale of goods				68.01	0.03			
Nanjing Sanle Group Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				58.95	0.03			
Shenzhen China Electric Power Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				22.65	0.01			
Nanjing CEC Panda LCD Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				11.88	0.01			
Nanjing Sanle Microwave Technology Development Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				11.04	0.01			
Nanjing Panda Transport Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				10.73	0.01			
Nanjing China Electronics Panda Magnetic Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				8.20	0.00			
Nanjing Panda Dasheng Electronic Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				2.26	0.00			
Nanjing Panda Medical Services Co., Ltd.	Other related party	Sale of goods				1.77	0.00			
China Electronics Industrial Internet Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				1.67	0.00			
Nanjing LG-Panda Appliances Co., Ltd.	Associate	Sale of goods				1.56	0.00			
Nanjing Panda Zhicheng Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				1.40	0.00			

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
Nanjing Panda Investment Development Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				1.39	0.00			
Gansu Changfeng Electronic Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				0.58	0.00			
Nanjing Kerida Electronic Equipment Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				0.46	0.00			
Nanjing Changjiang Science Park Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				0.25	0.00			
Nanjing Rainbow New Energy Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				0.02	0.00			
Nanjing Huaruichuan Electronic Technology Co., Ltd.	Subsidiary owned by shareholders	Sale of goods				0.01	0.00			
Nanjing Jingye Home Appliances Co., Ltd. (formerly Nanjing China Electronics Panda Home Appliances Co., Ltd.)	Subsidiary owned by shareholders	Sale of goods				0.00	0.00			
Nanjing Panda Handa Technology Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				2,434.98	5.42			
Panda Electronics Group Limited	Controlling shareholder	Rendering of services				505.27	1.12			
China Electronics Defense Technology Co., Ltd. (formerly China Electronics Defense Technology Co., Ltd.)	Subsidiary owned by shareholders	Rendering of services				211.70	0.47			
Nanjing Huadong Electronics Group Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				106.15	0.24			
Liyang Panda Bamboo Garden Hotel Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				43.67	0.10			

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
Xianyang Rainbow Optoelectronics Technology Co., Ltd.	Other related party	Rendering of services				37.61	0.08			
Nanjing Panda Zhicheng Technology Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				29.62	0.07			
Nanjing LG-Panda Appliances Co., Ltd.	Associate	Rendering of services				8.71	0.02			
Nanjing CEC Panda LCD Technology Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				8.61	0.02			
Nanjing Panda Transport Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				6.03	0.01			
Nanjing Electronics Information Industrial Corporation	Indirect controlling shareholder	Rendering of services				5.49	0.01			
Dongguan China Electronics Panda Technology Development Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				2.61	0.01			
Nanjing Huaruichuan Electronic Technology Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				2.04	0.00			
Nanjing Ericsson Panda Communications Co., Ltd.	Associate	Rendering of services				1.88	0.00			
Nanjing CEC Panda Liquid Crystal Material Technology Co., Ltd.	Subsidiary owned by shareholders	Rendering of services				0.83	0.00			
Nanjing Jingye Home Appliances Co., Ltd. (formerly Nanjing China Electronics Panda Home Appliances Co., Ltd.)	Subsidiary owned by shareholders	Rendering of services				0.33	0.00			
Shenzhen Jingwah Intelligent Technology Co., Ltd.	Other related party	Rendering of services				0.20	0.00			
Shenzhen Jingwah Network Marketing Co., Ltd.	Associate	Rendering of services				0.13	0.00			



## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
Shenzhen Chebao Information Technology Co., Ltd.	Associate	Rendering of services				0.05	0.00			
Nanjing Panda Transport Co., Ltd.	Subsidiary owned by shareholders	Asset lease				17.69	0.15			
Nanjing Jingye Home Appliances Co., Ltd. (formerly Nanjing China Electronics Panda Home Appliances Co., Ltd.)	Subsidiary owned by shareholders	Asset lease				4.40	0.04			
Shenzhen Jingwah Intelligent Technology Co., Ltd.	Other related party	Asset lease				3.12	0.03			
Nanjing Panda Zhicheng Technology Co., Ltd.	Subsidiary owned by shareholders	Asset lease				30.44	0.26			
Shenzhen Chebao Information Technology Co., Ltd.	Associate	Asset lease				0.41	0.00			
Shenzhen Jingwah Network Marketing Co., Ltd.	Associate	Asset lease				0.67	0.01			
Nanjing Panda Transport Co., Ltd.	Subsidiary owned by shareholders	Asset lease				5.09	0.04			
Panda Electronics Group Limited	Controlling shareholder	Asset lease				1.37	0.01			

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
Liyang Panda Bamboo Garden Hotel Co., Ltd.	Subsidiary owned by shareholders	Asset lease				1.33	0.01			
Rainbow (Hefei) Liquid Crystal Glass Co., Ltd.	Other related party	Asset leased				1.30	0.17			
Nanjing Panda Zhicheng Technology Co., Ltd.	Subsidiary owned by shareholders	Trademark licensing				1.90	1.80			
Nanjing Panda Handa Technology Co., Ltd.	Subsidiary owned by shareholders	Patent transfer				239.24	100.00			
China Electronics Huirong Commercial Factoring (Shenzhen) Co., Ltd.	Subsidiary owned by shareholders	Accounts receivable factoring				261.48	100.00			
China Electronics Huirong Commercial Factoring (Shenzhen) Co., Ltd.	Subsidiary owned by shareholders	Interest expense				0.81	100.00			
China Electronics Huirong Commercial Factoring (Shenzhen) Co., Ltd.	Subsidiary owned by shareholders	Handling fee				0.05	100.00			
Total				/	/	25,165.90				

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
Details on return of bulk sales				N/A						
Explanation on connected transactions			<p>The continuing connected transactions the Group conducted with CEC (including Financial Company) and Zhongdian Panda Group (continuing connected transactions under normal commercial conditions in the general business process) were reviewed and approved by the Company's extraordinary meeting of the 10th session of the Board, and some of the continuing connected transactions that can only be implemented with the approval of independent shareholders were approved by independent shareholders at the Company's 2nd extraordinary general meeting in 2021, with the procedures in compliance with relevant regulations. The proposal to increase the connected transaction limit for the subcontracting services and comprehensive services provided by the Group to CEC in 2023 and 2024 to RMB170 million was reviewed and approved by the Company's extraordinary meeting of the 10th session of the Board, with the procedures in compliance with relevant regulations. For details, please refer to the relevant announcements of the Company published in China Securities Journal and Shanghai Securities News and on the website of the Shanghai Stock Exchange respectively on 16 November and 29 December 2021, and 31 October 2023, and H share circular dispatched on 13 December 2021. In addition, the Company entered into the Trademark Licensing Contracts with Panda Zhicheng based on the Trademark Licensing Agreement (2022-2024) between the Company and NEIC with a total trademark licensing fee of no more than RMB500,000 per year.</p> <p>The daily related-party transactions in 2024 conducted by the Company and its relevant subsidiaries with LG- Panda and ENC respectively were deliberated and approved at the Extraordinary Meeting of the 10th Session of the Board. For details, please refer to the relevant announcements of the Company published in China Securities Journal, Shanghai Securities News and on the website of the Shanghai Stock Exchange on 8 March 2024.</p> <p>On 31 July 2024, the Company held an Extraordinary Meeting of the 11th Session of the Board, at which the proposal on Regarding the Transfer of the Share of Patent Rights of 21 Jointly-owned Patents to Related Parties was deliberated and approved. The Board agreed to the transfer of the share of rights and interests of the jointly-owned patents and the collection of the technical management service fees related to the jointly-owned patents, and agreed to the Patent (Application) Right Transfer Contract and the Intellectual Property (Patent) Technical Management Service Contract signed by the Company and the relevant related parties. According to the agreement, the Company, its subsidiary Communication Technology and Panda Group will transfer all the share of patent rights of the jointly-owned patents to China Electronics Defense or Panda Handa, involving a total of 21 patents, and a transfer fee of RMB2.5359 million. In addition, the Company will charge China Electronics Defense and Panda Group a technical management service fee of RMB0.8571 million and RMB0.7644 million respectively. As of this related-party transaction, within the past 12 months, all the related-party transactions between the Company and Panda Group, China Electronics Defense and Panda Handa were daily operating related-party transactions, and the Company did not have any transactions related to the category of this related-party transaction.</p>							

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

Connected party	Connected relationship	Type of the connected transaction	Particulars of the connected transaction	Pricing principle of the connected transaction	Trading price of the connected transaction	Amount of the connected transaction	Proportion in the amount of transactions of the same type (%)	Settlement method of the connected transaction	Market Price	Reason for the difference between trading price and market price
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The subsidiary of the Company had sales business with the Company's related parties Beijing Zhongruan Wanwei Network Technology Co., Ltd. and China Electronics Digital Technology Co., Ltd. The above related parties issued supply chain finance bills on the supply chain finance platform of the subsidiary of the Company for payment. The amounts of the bills were RMB2 million and RMB614,800 respectively, and the due dates were 5 August 2024 and 10 March 2025, respectively. The subsidiary discounted the two supply chain finance bills on the supply chain finance platform, and the discount fees were RMB1,100 and RMB7,500, respectively. This supply chain finance platform was jointly built by China Electronics Corporation, the actual controller of the Company, and Ping An Bank Co., Ltd., and is operated by China Electronics Huirong Commercial Factoring (Shenzhen) Co., Ltd., a subsidiary of China Electronics Corporation. The supply chain finance bills issued on this supply chain finance platform are forward accounts receivable vouchers issued by suppliers and promised to be redeemed upon maturity.

The above connected transactions were confirmed by the independent non-executive Directors that these continuing connected transactions were conducive to the stability of the Group's production and operation. In addition, the terms of these connected transactions were fair and reasonable with fair pricing and had performed approval procedures in accordance with relevant requirements and these continuing connected transactions were conducted in the usual course of business and on normal commercial terms, were in the benefit of the Company and the shareholders as a whole and did not affect the Company's independence.

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

For details of the continuing connected transactions between the Group and CEC Group (including Financial Company), NEIC Group (including Panda Zhicheng) during the Reporting Period, please refer to the section headed “Related party relationship and transactions” in the notes to the financial statements of the 2024 annual report of the Company, summaries of which are as follows:

Unit: 0'000 Currency: RMB

Serial No.	Categories of the Continuing Connected Transaction	Pricing Principle	Amount incurred
(A)	Provision of sub-contracting services and composite services by the Group to CEC Group	Market price, Government guidance rate	3,357
(B)	Provision of sub-contracting services and composite services by CEC Group to the Group	Market price, Government guidance rate	852
(C)	Sale of materials, components and parts by the Group to CEC Group	Market price, Cost plus pricing	16,825
(D)	Purchase of materials, components and parts by the Group from CEC Group	Market price	1,252
(E)	Lease of premises and relevant equipment by the Group to NEIC Group	Market price	60
(F)	Licensing of Trademark by the Group to NEIC Group	Market price	2
(G)	The fund settlement balance of the Group with Financial Company (receipt and payment of transaction amount, deposits taking, and handling time deposits, call deposits, agreement deposit, etc.)	Market price	60,613
(H)	Provision of comprehensive credit balance by Financial Company to the Group (loans in local and foreign currencies, external guarantees, acceptance and discount of commercial acceptance bills, letter of guarantee, etc.)	Market price	175
(I)	Provision of other financial services (fund management, discount of bank acceptance bills, principal agency, issuance of fund certificates, loan commitment, general planning consultation and special financial consultancy, etc.) by Financial Company to the Group	Market price	1

Note:

(G), (H) and (I) are the fund settlement balance and comprehensive credit balance of the Group with Financial Company under CEC on 31 December 2024, and the amounts of other financial services businesses in 2024. During the reporting period, the Group's fund settlement balance, comprehensive credit balance and the amounts of other financial businesses with Financial Company did not exceed the approved annual limits.

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

For such continuing connected transactions, the Company has signed agreements with CEC, NEIIC, Financial Company and Panda Zhicheng respectively in accordance with relevant laws and regulations and the relevant provisions of the Company's Articles of Association, and has fulfilled the relevant approval procedures and information disclosure obligations according to law. PEG, NEIIC, and their related parties have waived their voting rights at the Company's board meetings and general meetings, so as to ensure that such continuing connected transactions comply with the principles of "fairness, impartiality and openness" and normal commercial transaction rules, and to ensure that such continuing connected transactions will not harm the legitimate rights and interests of the Company and other shareholders. Therefore, such continuing connected transactions will not have any impact on the Company's independence.

Related Party Transactions: During the reporting year, the Group entered into several transactions with persons regarded as "related parties" in accordance with the applicable accounting principles.

Except for the "Related Party Relationships and Their Transactions" set out in the notes to the financial statements and the related party transactions disclosed below, which constitute connected transactions and/or continuing connected transactions under Chapter 14A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, none of the other transactions constitute "connected transactions" or "continuing connected transactions" as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. The Company has complied with the relevant provisions of Chapter 14A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

- (a) Material related party transactions entered into between the Group and intermediate holding companies, between the Group and direct holding companies, and between the Group and fellow subsidiaries; and
- (b) As at 31 December 2024, the Group had placed a deposit of RMB606,131,400 with a fellow subsidiary of the Company. The balance of loans and other credit facilities provided by such fellow subsidiary to the Group was RMB1,748,800, and the transaction fees for other financial services provided by Financial Company to the Group were RMB8,000. Such fellow subsidiary is a financial institution established in China.

## Section VI Significant Events (Continued)

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### XII. Material Connected Transactions (Continued)

#### (I) Connected transactions relating to day-to-day operation (Continued)

##### 3. Matters not disclosed in interim announcements (Continued)

The Company's auditor has been appointed to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (HKSAE 3000) Other than Audits or Reviews of Historical Financial Information issued by the Hong Kong Institute of Certified Public Accountants and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions Required by the Hong Kong Listing Rules".

The auditor has issued a letter containing the results of work on the above continuing connected transactions in accordance with Rule 14A.56 of the Main Board Listing Rules and has provided a copy of the letter to the Hong Kong Stock Exchange.

In addition, in accordance with the relevant provisions of Paragraph (3) of Article 6.3.3 on related legal persons of the Listing Rules of the Shanghai Stock Exchange, during 2024, the Company's sales of goods, spare parts and provision of subcontracting services to Nanjing Ericsson Panda Communication Co., Ltd. and Nanjing LG-Panda Appliances Co., Ltd. constituted related party transactions of the Company. The annual caps set by the Company for the above two companies were RMB27.5 million and RMB2.5 million respectively, and the actual transaction amounts during 2024 were RMB3,912,600 and RMB102,700 respectively, which did not exceed the annual caps.

#### (II) Connected transactions in respect of asset or equity acquisition or disposal: N/A

#### (III) During the Reporting Period, the Company had no material connected transactions in respect of joint external investment.

## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (IV) Transactions Relating to Creditor's Rights and Debts

##### 1. Matters not disclosed in interim announcements

Unit: Yuan Currency: RMB

Connected Parties	Connected Relationship	Provision of Funds to Connected Parties			Provision of Funds to the Company by Connected Parties		
		Opening Balance	Amount of the Transaction	Closing Balance	Opening Balance	Amount of the Transaction	Closing Balance
Nanjing Electronics Information Industrial Corporation	Indirect controlling shareholder				9,790,000.00	-	9,790,000.00
Panda Electronics Group Limited	Controlling shareholder				2,996,933.40	768,077.91	3,765,011.31
Nanjing Panda Transport Co., Ltd.	Subsidiary owned by shareholders					214,625.00	214,625.00
Nanjing Panda Science and Technology Park Development Co., Ltd.	Subsidiary owned by shareholders				20,000.00		20,000.00
Nanjing CEC Panda Real Estate Co., Ltd.	Subsidiary owned by shareholders				5,000.00	-5,000.00	0
Nanjing CEC Panda Lighting Co., Ltd.	Other related party				5,000.00	5,000.00	10,000.00
Total					12,816,933.40	982,702.91	13,799,636.31
Causes of the Claims and Debts							N/A
Influence of Creditor's Rights and Debts to the Company							N/A



## Section VI Significant Events (Continued)

### XII. Material Connected Transactions (Continued)

#### (V) Transaction relating to Financial Services between the Company and Financial Company, Financial Holding Company, and Other Connected Parties

##### 1. Deposit services

Unit: Yuan Currency: RMB

Connected Parties	Connected Relationship	Maximum Daily Deposit Balance	Interest Rate Range	Opening Balance	Transaction Amount		Closing Balance
					Total amount of deposit in the current period	Total amount of withdrawal in the current period	
China Electronics Financial Co., Ltd.	Subsidiary owned by shareholders	700,000,000.00	0.10%-1.65%	494,051,390.28	2,372,825,313.70	2,260,745,341.83	606,131,362.15
Total	/	/	/	494,051,390.28	2,372,825,313.70	2,260,745,341.83	606,131,362.15

##### 2. Loan services: N/A

##### 3. Credit granting or other financial services

Unit: Yuan Currency: RMB

Connected Parties	Connected Relationship	Type of Services	Total	Amount Incurred
China Electronics Financial Co., Ltd.	Subsidiary owned by shareholders	Issuing bank acceptances and performance bonds	800,000,000.00	1,748,815.76

## Section VI Significant Events (Continued)

### XIII. Material Contracts and Performance Thereof

#### (I) Matters relating to trust, contract and lease:

Unit: 0'000 Currency: RMB

Lessor	Lessee	Leased Assets	Amount of the Leased Assets	Start Date	End Date	Rental Income	Basis for Determining Rental Income	Effect of Rental Income on Company	Connected Transaction or Not	Connected Relationship
Nanjing Panda Electronics Company Limited	Nanjing Gusheng Enterprise Management Co., Ltd.	The 1st to 4th floors (including 1 mezzanine floor) and 14th to 17th floors of Panda Building, No.301 Zhongshan Road East, Nanjing and the ancillary equipment and facilities thereof, with an aggregate area of 27502.165 square meters	The net value of the leased assets at the end of December 2024 was RMB177,130,000. The total guaranteed rent is RMB266,513,200	1 December 2020	30 September 2031	The total guaranteed rent during the lease term is RMB286,216,800. If the annual rent receivable by the lessee in terms of the entire building to which the leased properties situated (the leased area other than the parking space(s)) is in excess of RMB107,398,200, the lessee shall pay 10.65% of the excess to the Company as the turnover rent. The estimated rent for 2024 was RMB22.0666 million.	Lease contract	The expected effect on the Company's profit or loss for 2024 amounts to RMB15.40 million	No	No

## Section VI Significant Events (Continued)

### XIII. Material Contracts and Performance Thereof (Continued)

#### (II) Guarantees

Unit: 0'000 Currency: RMB

The Company's external guarantee (excluding guarantee provided for subsidiaries)														
Guarantor	Relationship between Guarantor and the Listed Company	Secured Party	Guaranteed Amount	Effective Date of Guarantee (agreement execution date)	Commencement Date	Expiry Date	Type of Guarantee	Collateral (if any)	Whether the Guarantee has been Fulfilled	Whether Overdue	Overdue Amount	Counter Guarantee	Guarantee Provided to the Related Parties	Connected Relationship
Total amount of guarantees during the Reporting Period (excluding those in favour of subsidiaries)														0.00
Total balance of the amount of guarantees at the end of the Reporting Period (A) (excluding those provided for subsidiaries)														0.00
Guarantees in favour of subsidiaries provided by the Company and its subsidiaries														
Total amount of guarantees provided for subsidiaries during the Reporting Period														5000.00
Total balance of the amount of guarantees provided for subsidiaries at the end of the Reporting Period (B)														235.88
Total amount of guarantees made by the Company (including those provided for subsidiaries)														
Total amount of guarantees (A+B)														235.88
Percentage of total guarantee amount in net assets of the Company (%)														0.00
Including:														
Amount of guarantees provided for shareholders, de facto controller and their related parties (C)														0.00
Amount of guarantees provided directly or indirectly for parties with a gearing ratio of over 70% (D)														61.00
Amount by which the total guarantee exceeds 50% of the net assets (E)														0.00
Total amount of the above three items (C+D+E)														61.00
Statement on the contingent joint and several liability in connection with unexpired guarantee														
Statement on guarantee														

## Section VI Significant Events (Continued)

### XIII. Material Contracts and Performance Thereof (Continued)

#### (II) Guarantees (Continued)

The gearing ratio of all subsidiaries receiving guarantees was below 70%. The Company did not provide any guarantee to any independent third parties other than its subsidiaries, nor to its controlling shareholder, de facto controller or their connected parties. For details about the guarantees provided by the Company to its subsidiaries, please refer to “Related-party guarantees” in notes to the financial statements of 2024.

At the 2022 annual general meeting of the Company held on 27 June 2023, it was approved that the Company could provide guarantees for an aggregate financing amount of no more than RMB368,000,000 for the relevant subsidiaries, during the period from the date immediately after the conclusion of the 2022 annual general meeting to the date of the 2023 annual general meeting, and the general manager of the Company was authorized to handle the matters relating to the provision of guarantees for the financing of the subsidiaries during the period.

At the 2023 annual general meeting of the Company held on 21 June 2024, it was approved that the Company could provide guarantees for an aggregate financing amount of no more than RMB95,000,000 for the relevant subsidiaries, during the period from the date immediately after the conclusion of the 2023 annual general meeting to the date of the 2024 annual general meeting, and the general manager of the Company was authorized to handle the matters relating to the provision of guarantees for the financing of the subsidiaries during the period.

The independent Directors of the Company have expressed their independent opinions on the above external guarantees as follows: all the above-mentioned guarantees had been considered and approved by the Board and approved by shareholders at general meetings, and relevant procedures were in compliance with applicable rules. Other than its subsidiaries, the Company and its subsidiaries did not provide any guarantee to any independent third parties nor to its controlling shareholder, de facto controller or their connected parties. All guarantee receivers were subsidiaries of the Company, over which the Company has actual control and thus the risk of guarantee is under control. The Company can strictly control the external guarantee risks. Providing guarantees for the financing of subsidiaries will not affect the Company’s ability to continue as a going concern or damage the interests of minority shareholders. Providing guarantees for the financing of related subsidiaries is conducive to promoting their business expansion and undertaking various engineering projects, and in the interests of the Company and the shareholders as a whole. The guaranteed amounts match their production and operation and capital requirements. And thereby the Company is agreed to provide guarantees for the financing of related subsidiaries. The Company is required to carefully study the external guarantee requirements for listed companies of the CSRC, the Shanghai Stock Exchange and the Hong Kong Stock Exchange to ensure that the procedures of external guarantees stay in compliance with applicable rules and that sufficient information and risk disclosures are made.

## Section VI Significant Events (Continued)

### XIII. Material Contracts and Performance Thereof (Continued)

#### (III) Entrusted cash assets management

##### 1. Entrusted wealth management

##### (1) Overall condition of entrusted wealth management

Unit: 0'000 Currency: RMB

Type	Source of Funds	Amount Incurred	Balance Not yet Due	Amount Overdue but yet to Recovery
Wealth management products of banks	Internal Fund	178,180	48,783	0

Other conditions:

At the extraordinary meeting of the tenth session of the Board of the Company convened on 4 December 2023, the resolution concerning the Use of Temporarily Idle Fund for Cash Management was considered and approved. It was agreed that the internal periodically idle fund of no more than RMB900,000,000 (inclusive) could be used to invest in low-risk wealth management products with principal guaranteed terms for a term not exceeding 12 months. The resolution would remain effective for one year from the date of approval by the Board. During the effective term of the resolution, the aforesaid amount can be used for investment on cyclic and rolling basis. The General Manager shall be authorized to deal with relevant matters within the amount limit and during the effective term of the resolution. For details, please refer to the Announcement on Use of Internal fund for Cash Management of Nanjing Panda Electronics Company Limited (Lin 2023-046) published on China Securities Journal, Shanghai Securities News and the website of the Shanghai Stock Exchange on 5 December 2023.

## Section VI Significant Events (Continued)

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### XIII. Material Contracts and Performance Thereof (Continued)

#### (III) Entrusted cash assets management (Continued)

##### 1. Entrusted wealth management (Continued)

###### (1) Overall condition of entrusted wealth management (Continued)

At the extraordinary meeting of the eleventh session of the Board of the Company convened on 24 December 2024, the resolution concerning the Use of Temporarily Idle Fund for Cash Management was considered and approved. It was agreed that the internal periodically idle fund of no more than RMB900,000,000 (inclusive) could be used to invest in low-risk wealth management products with principal guaranteed terms for a term not exceeding 12 months. The resolution would remain effective for one year from the date of approval by the Board. During the effective term of the resolution, the aforesaid amount can be used for investment on cyclic and rolling basis. The General Manager shall be authorized to deal with relevant matters within the amount limit and during the effective term of the resolution. For details, please refer to the Announcement on Use of Internal fund for Cash Management of Nanjing Panda Electronics Company Limited (Lin 2024-037) published on China Securities Journal, Shanghai Securities News and the website of the Shanghai Stock Exchange on 25 December 2024.

During the Reporting Period, the balance used to purchase the wealth management products of banks with internal temporarily idle fund of the Group was within the limit approved by the Board. As of 31 December 2024, the balance used to purchase wealth management products with internal temporarily idle fund by the Group amounted to RMB487,820,000 and as of 27 March 2025, the balance thereof amounted to RMB447,820,000.

## Section VI Significant Events (Continued)

### XIII. Material Contracts and Performance Thereof (Continued)

#### (III) Entrusted cash assets management (Continued)

##### 1. Entrusted wealth management (Continued)

##### (2) Single entrusted wealth management

Unit: 0'000 Currency: RMB

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Source of Funding	Committed investment project	Method to determine return	Annual rate of return	Expected return (if any)	Actual income or loss	Actual amount recovered	Through a legal procedure or not	Have an entrusted wealth management plan or not	Amount of provision for the impairment (if any)
Industrial and Commercial Bank of China Limited	Principal guaranteed with floating returns	8,000	2023.4.12	2024.4.11	Internal fund			1.5%-3.4%		244.02	8,000	Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	5,000	2023.11.10	2024.2.20	Internal fund			1.85%-2.5%		34.93	5,000	Yes	No	
Bank of Communications Co., Ltd.	Principal guaranteed with floating returns	2,500	2023.12.4	2024.3.4	Internal fund			1.6% or 2.7% or 2.9%		16.83	2,500	Yes	No	
Bank of Communications Co., Ltd.	Principal guaranteed with floating returns	10,000	2023.12.4	2024.3.4	Internal fund			1.6% or 2.7% or 2.9%		67.32	10,000	Yes	No	
Bank of China (Hong Kong) Limited	Principal guaranteed	2,797	2023.11.16	2024.5.16	Internal fund			4.70%		65.81	2,797	Yes	No	
China Everbright Bank Company Limited	Principal guaranteed with floating returns	10,000	2023.12.29	2024.1.29	Internal fund			1.1% or 2.95% or 3.05%		25.42	10,000	Yes	No	
China Everbright Bank Company Limited	Principal guaranteed with floating returns	10,000	2023.12.29	2024.1.29	Internal fund			1.1% or 2.95% or 3.05%		25.42	10,000	Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	1,000	2024.1.12	2024.4.12	Internal fund			1.85% or 2.50%		6.23	1,000	Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	600	2024.1.12	2024.4.12	Internal fund			1.85% or 2.50%		3.74	600	Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	5,000	2024.2.28	2024.5.28	Internal fund			1.85% or 2.50%		30.82	5,000	Yes	No	
Bank of Communications Co., Ltd.	Principal guaranteed with floating returns	2,500	2024.3.13	2024.6.13	Internal fund			1.65% or 2.58% or 2.78%		17.52	2,500	Yes	No	
Bank of Communications Co., Ltd.	Principal guaranteed with floating returns	10,000	2024.3.13	2024.6.13	Internal fund			1.65% or 2.58% or 2.78%		70.07	10,000	Yes	No	

## Section VI Significant Events (Continued)

### XIII. Material Contracts and Performance Thereof (Continued)

#### (III) Entrusted cash assets management (Continued)

##### 1. Entrusted wealth management (Continued)

##### (2) Single entrusted wealth management (Continued)

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Source of Funding	Committed investment project	Method to determine return	Annual rate of return	Expected return (if any)	Actual income or loss	Actual amount recovered	Through a legal procedure or not	Have an entrusted wealth management plan or not	Amount of provision for the impairment (if any)
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	5,000	2024.4.1	2024.6.28	Internal fund			1.56% or 3%		36.16	5,000	Yes	No	
Bank of Communications Co., Ltd.	Principal guaranteed with floating returns	10,000	2024.5.13	2024.11.13	Internal fund			1.85% or 2.61% or 2.81%		131.57	10,000	Yes	No	
Industrial Bank Co., Ltd.	Principal guaranteed with floating returns	7,000	2024.5.17	2024.8.19	Internal fund			1.5% or 2.65%		47.77	7,000	Yes	No	
Industrial and Commercial Bank of China Limited	Principal guaranteed with floating returns	1,800	2024.5.20	2025.5.20	Internal fund			1.5%-2.59%				Yes	No	
Industrial and Commercial Bank of China Limited	Principal guaranteed with floating returns	8,200	2024.5.20	2025.5.20	Internal fund			1.5%-2.59%				Yes	No	
Bank of Ningbo Co., Ltd.	Principal guaranteed with floating returns	5,000	2024.5.28	2024.6.28	Internal fund			1.5%-2.75%		11.68	5,000	Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	600	2024.6.14	2024.9.12	Internal fund			1.65% or 2.3%		3.40	600	Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	3,400	2024.6.14	2024.9.12	Internal fund			1.65% or 2.3%		19.28	3,400	Yes	No	
Bank of Communications Co., Ltd.	Principal guaranteed with floating returns	10,000	2024.6.26	2024.9.27	Internal fund			1.65% or 2.7% or 2.9%		42.04	10,000	Yes	No	
Bank of Beijing Co., Ltd.	Principal guaranteed with floating returns	5,000	2024.6.25	2024.9.25	Internal fund			1.3% or 2.7%		34.03	5,000	Yes	No	
Industrial Bank Co., Ltd.	Principal guaranteed with floating returns	5,000	2024.7.4	2024.10.8	Internal fund			1.5% or 2.67%		35.11	5,000	Yes	No	
Industrial and Commercial Bank of China Limited	Principal guaranteed with floating returns	3,000	2024.7.9	2025.7.9	Internal fund			1.5%-2.59%				Yes	No	
Bank of Ningbo Co., Ltd.	Principal guaranteed with floating returns	5,000	2024.7.12	2024.10.9	Internal fund			1%-2.75%		33.53	5,000	Yes	No	



## Section VI Significant Events (Continued)

### XIII. Material Contracts and Performance Thereof (Continued)

#### (III) Entrusted cash assets management (Continued)

##### 1. Entrusted wealth management (Continued)

##### (2) Single entrusted wealth management (Continued)

Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Source of Funding	Committed investment project	Method to determine return	Annual rate of return	Expected return (if any)	Actual income or loss	Actual amount recovered	Through a legal procedure or not	Have an entrusted wealth management plan or not	Amount of provision for the impairment (if any)
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	2,000	2024.7.15	2024.10.15	Internal fund			1.65% or 2.25%		11.34	2,000	Yes	No	
Bank of China Limited	Principal guaranteed with floating returns	2,782	2024.7.10	2025.6.10	Internal fund			4.2% or 4.3%				Yes	No	
Bank of Communications Co., Ltd.	Principal guaranteed with floating returns	7,000	2024.8.30	2025.3.7	Internal fund			1.75% or 2.5% or 2.7%				Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	600	2024.9.19	2024.12.18	Internal fund			1.55% or 2.2%		3.25	600	Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	3,400	2024.9.19	2024.12.18	Internal fund			1.55% or 2.2%		18.44	3,400	Yes	No	
Bank of Beijing Co., Ltd.	Principal guaranteed with floating returns	20,000	2024.10.17	2025.1.20	Internal fund			1.3% or 2.54%				Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	2,000	2024.10.18	2025.1.20	Internal fund			1.55% or 2.10%				Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	600	2024.12.24	2025.3.24	Internal fund			1.3% or 2.0%				Yes	No	
China Merchants Bank Co., Ltd.	Principal guaranteed with floating returns	3,400	2024.12.24	2025.3.24	Internal fund			1.3% or 2.0%				Yes	No	
Total		178,180								1,035.73	129,397			

## Section VI Significant Events (Continued)

### XIII. Material Contracts and Performance Thereof (Continued)

#### (III) Entrusted cash assets management (Continued)

##### 1. Entrusted wealth management (Continued)

##### (2) Single entrusted wealth management (Continued)

Other conditions:

The purchases of wealth management products by the Group from banks had been considered and approved by the Board of the Company and did not involve litigation, and there was no failure of recovery of principal when due. As of 31 December 2024, save for the wealth management products not yet due, the Company recovered the internal funds that were used to purchase wealth management products and the respective return thereof as scheduled. For the wealth management products which remain to be due, principal and returns were recovered as scheduled on the due dates.

##### (3) Provision for the impairment of entrusted wealth management: N/A

##### 2. Entrusted loans: N/A

#### (IV) Other material contracts

Save as in the ordinary course of business, details of the material contracts entered into by the Company during the Reporting Period are set out in Section III “Enter into Material Contracts” in this Report.

### XIV. Description of Other Material Events with a Significant Impact on the Value Judgement and Investment Decisions Made by Investors

#### (I) Tax policies

On 31 December 2024, details of the tax preferences of the Company and its subsidiaries are set out in the notes to the financial statements prepared in accordance with the accounting standards of PRC enterprises. The tax preference for subsidiaries registered in Hong Kong is subject to local laws and regulations.

#### (II) Basic medical insurance for employees

The Company has implemented the Interim Provisions on the Basic Medical Insurance for Urban Employees in Nanjing since 1 January 2001, and has implemented the basic medical insurance for employees in accordance with the provisions thereof. In 2023, according to the Notice on Reducing the Unit Contribution Rate of Basic Medical Insurance for Employees (NING YI FA [2023] No.40), the unit contribution rate of medical insurance for employees was lowered from 8.8% (including the maternity insurance contribution rate of 0.8%) to 7.8% from 1 January 2023. The individual contribution rate remained unchanged.

## Section VII Changes in Shares and Information of Shareholders

### I. Changes in Share Capital

#### (I) Table for changes in shares

##### 1. Table for changes in shares

During the Reporting Period, there was no change in total shares or shareholding structure of the Company.

As of 27 March 2025, the latest practicable and recent date prior to the date of announcement of the annual report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with the requirements of the Hong Kong Stock Exchange in relation to sufficiency of public float.

##### 2. Explanations on changes in shares: N/A

##### 3. Impact of share changes on financial indicators such as earnings per share and net assets per share in the most recent year and the most recent period (if any): N/A

##### 4. Other contents that the Company deems necessary and the securities regulatory agencies require to disclose: N/A

#### (II) Changes in shares subject to trading moratorium: N/A

### II. Securities Issue and Listings

#### (I) Issue of securities during the Reporting Period

During the Reporting Period, the Company did not issue any ordinary shares, convertible bonds, bonds with warrants, bonds and other derivatives.

#### (II) Changes in the total number of shares and shareholding structure of the Company and changes in the structure of assets and liabilities of the Company: N/A

#### (III) Existing internal employee's shares: N/A

### III. Shareholders and Actual Controller

#### (I) Total number of shareholders

Total number of shareholders as of the end of the Reporting Period ( <i>shareholder</i> )	74,662 shareholders (including 74,635 A shareholders and 27 H shareholders)
Total number of shareholders at the end of last month prior to the disclosure of this annual report ( <i>shareholder</i> )	68,001 shareholders (including 67,975 A shareholders and 26 H shareholders)

## Section VII Changes in Shares and Information of Shareholders (Continued)

### III. Shareholders and Actual Controller (Continued)

#### (II) Shareholdings of top 10 shareholders and top 10 holders of circulating shares (or shares not subject to trading moratorium) as at the end of the Reporting Period

Unit: share

##### Shareholdings of top ten shareholders of the Company

Name of Shareholder	Increase/ Decrease during the Reporting Period	Number of Shares Held at the End of the Reporting Period	Percentage of Shareholding (%)	Number of Shares Held Subject to Trading Moratorium	Pledged or Frozen Shares		
					State of Shares	Number of Shares	Nature of shareholders
HKSCC (Nominees) Limited	-185,963	243,109,712	26.60	0	Unknown		Overseas legal person
Panda Electronics Group Limited	0	210,661,444	23.05	0	Pledge	105,091,430	State-owned legal person
Nanjing Electronics Information Industrial Corporation	0	35,888,611	3.93	0	Unknown		State-owned legal person
Lv Ping	663,000	9,809,010	1.07	0	Unknown		Domestic natural person
China Merchants Bank Co., Ltd.—Nanfang CSI 1000 Trading Open-Ended Index Securities Investment Fund (招商銀行股份有限公司—南方中證1000交易型開放式指數證券投資基金)	3,340,200	3,896,200	0.43	0	Unknown		Other
Industrial and Commercial Bank of China Limited—Fuguo Military Industry Theme Mixed Securities Investment Fund	3,181,500	3,181,500	0.35	0	Unknown		Other
China Merchants Bank Co., Ltd.—Huaxia CSI 1000 Trading Open-Ended Index Securities Investment Fund (招商銀行股份有限公司—華夏中證1000交易型開放式指數證券投資基金)	1,556,500	2,081,855	0.23	0	Unknown		Other
Chen Jianhua (陳建華)	1,940,400	1,940,400	0.21	0	Unknown		Domestic natural person
Du Yongkang (杜永康)	1,684,000	1,684,000	0.18	0	Unknown		Domestic natural person
Industrial and Commercial Bank of China Limited—GF CSI 1000 Trading Open-Ended Index Securities Investment Fund	1,038,600	1,623,900	0.18	0	Unknown		Other

## Section VII Changes in Shares and Information of Shareholders (Continued)

### III. Shareholders and Actual Controller (Continued)

#### (II) Shareholdings of top 10 shareholders and top 10 holders of circulating shares (or shares not subject to trading moratorium) as at the end of the Reporting Period (Continued)

##### Shareholdings of the top 10 holders of shares not subject to trading moratorium

Name of Shareholder	Number of shares held not subject to trading moratorium	Class and Number of Shares	
		Class	Number
HKSCC (Nominees) Limited	243,109,712	Overseas listed foreign shares	241,683,340
		RMB ordinary shares	1,426,372
Panda Electronics Group Limited ("PEGL")	210,661,444	RMB ordinary shares	210,661,444
Nanjing Electronics Information Industrial Corporation ("NEIIC")	35,888,611	RMB ordinary shares	22,120,611
		Overseas listed foreign shares	13,768,000
Lv Ping	9,809,010	RMB ordinary shares	9,809,010
China Merchants Bank Co., Ltd. — Nanfang CSI 1000 Trading Open-Ended Index Securities Investment Fund	3,896,200	RMB ordinary shares	3,896,200
Industrial and Commercial Bank of China Limited — Fuguo Military Industry Theme Mixed Securities Investment Fund	3,181,500	RMB ordinary shares	3,181,500
China Merchants Bank Co., Ltd. — Huaxia CSI 1000 Trading Open-Ended Index Securities Investment Fund	2,081,855	RMB ordinary shares	2,081,855
Chen Jianhua	1,940,400	RMB ordinary shares	1,940,400
Du Yongkang	1,684,000	RMB ordinary shares	1,684,000
Industrial and Commercial Bank of China Limited — GF CSI 1000 Trading Open-Ended Index Securities Investment Fund	1,623,900	RMB ordinary shares	1,623,900

## Section VII Changes in Shares and Information of Shareholders (Continued)

### III. Shareholders and Actual Controller (Continued)

#### (II) Shareholdings of top 10 shareholders and top 10 holders of circulating shares (or shares not subject to trading moratorium) as at the end of the Reporting Period (Continued)

**Explanation about the repurchase accounts among the top 10 shareholders: N/A**

**Explanation about the above shareholders' entrusting voting rights, being entrusted with voting rights or waiving voting rights: N/A**

Explanation about the connections or actions in concert among the above shareholders:

NEIIC holds 100% stake in PEG, the controlling shareholder of the Company. NEIIC holds 22,120,611 A-shares and 13,768,000 H-shares of the Company directly or through the asset management scheme, accounting for 3.93% of the Company's total shares, and holds 210,661,444 A-shares of the Company indirectly through PEG, accounting for 23.05% of the Company's total shares. Collectively, it holds 26.98% of the Company's shares. CEIEC (H.K.) Limited, a wholly-owned subsidiary of CEC, holds 27,414,000 H-shares of the Company, accounting for 3% of the Company's total shares, and the shares are held by HKSCC (Nominees) Limited on its behalf. To sum up, CEC, the de facto controller of the Company, holds 29.98% of the Company's shares through its subsidiaries. Apart from the above, the Company is not aware whether other shareholders are related or acting in concert.

## Section VII Changes in Shares and Information of Shareholders (Continued)

### III. Shareholders and Actual Controller (Continued)

#### (II) Shareholdings of top 10 shareholders and top 10 holders of circulating shares (or shares not subject to trading moratorium) as at the end of the Reporting Period (Continued)

**Participation in the Securities Lending Business under the Securities Lending through the Securities Finance Company by Shareholders Holding 5% or More of the Shares, the Top Ten Shareholders, and the Top Ten Shareholders of Unrestricted Circulating Shares**

☒ Applicable ☐ Not Applicable

Unit: share

Participation in the Securities Lending Business under the Securities Lending through the Securities Finance Company by Shareholders Holding 5% or More of the Shares, the Top Ten Shareholders, and the Top Ten Shareholders of Unrestricted Circulating Shares								
Shareholder Name (Full Name)	Shares held in ordinary accounts and credit accounts at the beginning of the period		Shares lent through refinancing at the beginning of the period and not yet returned		Shares held in ordinary accounts and credit accounts at the end of the period		Shares lent through refinancing at the end of the period and not yet returned	
	Total quantity	Ratio (%)	Total quantity	Ratio (%)	Total quantity	Ratio (%)	Total quantity	Ratio (%)
China Merchants Bank Co., Ltd.—Nanfang CSI 1000 Trading Open-Ended Index Securities Investment Fund	556,000	0.06	146,300	0.016	3,896,200	0.43	0	0
China Merchants Bank Co., Ltd.—Huaxia CSI 1000 Trading Open-Ended Index Securities Investment Fund	525,355	0.057	52,400	0.006	2,081,855	0.23	0	0
Industrial and Commercial Bank of China Limited—GF CSI 1000 Trading Open- Ended Index Securities Investment Fund	585,300	0.064	59,200	0.006	1,623,900	0.18	0	0

The top ten shareholders and the top ten shareholders of unrestricted tradable shares have changed compared with the previous period due to lending/repayment of refinancing

☐ Applicable ☒ Not Applicable

## Section VII Changes in Shares and Information of Shareholders (Continued)

### III. Shareholders and Actual Controller (Continued)

#### (II) Shareholdings of top 10 shareholders and top 10 holders of circulating shares (or shares not subject to trading moratorium) as at the end of the Reporting Period (Continued)

**Shareholdings of the top ten shareholders subject to trading moratorium and the condition of trading moratorium: N/A**

*Notes:*

1. HKSCC (Nominees) Limited held 243,109,712 shares (in particular: 241,683,340 H shares, 1,426,372 A shares) of the Company on behalf of many clients, representing 26.60% of the issued share capital of the Company, including 13,768,000 H shares held by NEILC in the Company, and 27,414,000 H shares held by CEIEC (H. K.) Limited, a wholly-owned subsidiary of CEC as at the end of the Reporting Period. Save as disclosed above, the Company is not aware of any individual client holding more than 5% of the issued share capital of the Company.
2. The Company received a notice from its controlling shareholder PEGE on 19 April 2024, stating that part of the Company's shares held by it had been pledged. PEGE pledged 105,091,430 shares of the Company this time, accounting for 49.89% of the total number of shares held by it and 11.50% of the Company's total share capital. For details, please refer to the relevant announcements of the Company published in China Securities Journal, Shanghai Securities News and on the website of the Shanghai Stock Exchange on 20 April 2024.

#### (III) Strategic investors or general legal persons becoming the top ten shareholders because of placing of new shares: N/A

### IV. Controlling Shareholders and the de facto Controllers of the Company

#### (I) De facto controllers

##### 1. Legal person

Name	Panda Electronics Group Limited
The person in charge of the entity or legal representative	Xu Guozhong
Date of establishment	5 December 1990
Principal business	Approved items: Accommodation service (For items subject to approval according to laws, business activities may not be carried out until they are approved by relevant authorities, and specific business items are subject to approval results).



## Section VII Changes in Shares and Information of Shareholders (Continued)

### IV. Controlling Shareholders and the de facto Controllers of the Company (Continued)

#### (I) De facto controllers (Continued)

##### 1. Legal person (Continued)

General items: Manufacturing of electronic special equipment; sales of electronic special equipment; manufacturing of communication equipment; sales of communication equipment; professional repair of communication transmission equipment; manufacturing of electronic components; wholesale of electronic components; retail of electronic components; manufacturing of special equipment for electrical machinery; manufacturing of instruments and meters; sales of instruments and meters; manufacturing of computer software, hardware and peripheral equipment; wholesale of computer software, hardware and auxiliary equipment; retail of computer software, hardware and auxiliary equipment; software development; information system integration services; manufacturing of household appliances; sales of household appliances; manufacturing of radio and television equipment (excluding radio and television transmission equipment); sales of radio, film and television equipment; sales of home audio-visual equipment; manufacturing of cultural and office equipment; property management; Parking lot services; general goods warehousing services (excluding items requiring license approval such as hazardous chemicals); loading and unloading; Operation of road freight transport stations (except for items subject to approval in accordance with the law, operating activities independently in accordance with the law with a business license).

Equities of other domestic and overseas listed companies in which the Company holds controlling shares or shares during the Reporting Period

N/A

Other explanations

N/A

## Section VII Changes in Shares and Information of Shareholders (Continued)

### IV. Controlling Shareholders and the de facto Controllers of the Company (Continued)

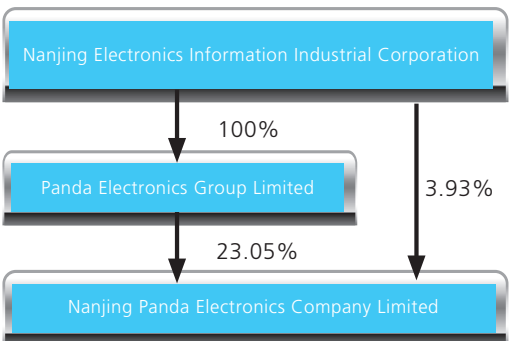
#### (I) De facto controllers (Continued)

1. Legal person (Continued)

As at the end of the Reporting Period, NEIC held 100% of PEG's share capital, which is the controlling shareholder of the Company. NEIC held 3.93% of the Company's total share capital directly and through the asset management plan and indirectly held 23.05% of the Company's total share capital through PEG, collectively held 26.98% of the Company's total share capital. Main information of NEIC is as follows:

Name	Nanjing Electronics Information Industrial Corporation ("NEIC")
The person in charge of the entity or legal representative	Zhou Guixiang
Date of establishment	11 May 2007
Principal business	Research and development, services and transfer of electronic information technology; research and development, manufacture, sales and related services of electronic products; design, construction and related services in electronic engineering; real estate investment; property management; industrial investment and asset management services. (For items subject to approval according to laws, business activities may not be carried out until they are approved by relevant authorities)
Equities of other domestic and overseas listed companies in which the Company holds controlling shares or shares during the Reporting Period	As of 31 December 2024, other than its equity interests in the Company, NEIC held 28.13% equity interests of TPV Technology (000727).

2. Diagram of property rights and controlling relationship between the Company and its controlling shareholders



## Section VII Changes in Shares and Information of Shareholders (Continued)

### IV. Controlling Shareholders and the de facto Controllers of the Company (Continued)

#### (II) De facto controllers

##### 1. Legal person

Name	China Electronics Corporation Limited
The person in charge of the entity or legal representative	Zeng Yi
Date of establishment	26 May 1989
Principal business	Research, development, design, and manufacture of electronic raw materials, electronic devices and components, electronic instruments and meters, complete sets of electronic products, electronic application products and systems, special electronic equipment, auxiliary products and software as well as sales of complete sets of relevant products; general contracting, organization and management of electronic application system projects, communication projects, and water treatment projects; development, promotion and application of environment protection and energy saving technologies; development and operation of real estate; sales of automobiles, auto parts, hardware and electrical equipment, photographic apparatus, construction materials, decorative materials and apparel; exhibition management; house repairing business; consulting services, technical services and transfer; maintenance and sales of home appliances.

Equities of other domestic and overseas listed companies in which the Company holds controlling shares or shares during the Reporting Period Please refer to the chart below for details.

## Section VII Changes in Shares and Information of Shareholders (Continued)

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### IV. Controlling Shareholders and the de facto Controllers of the Company (Continued)

#### (II) De facto controllers (Continued)

##### 1. Legal person (Continued)

###### Other explanations

To the best knowledge of the Company having made all reasonable enquiries, CEC confirmed that as of the date of this Report, CEC held 232,782,055 A shares and 41,182,000 H shares in the Company through its subsidiaries, with 273,964,055 shares in aggregate, representing 29.98% of the total share capital of the Company. In particular, it held 22,120,611 A shares and 13,768,000 H shares in the Company through its controlling subsidiary, NEIC, representing 3.93% in aggregate of the total issued capital of the Company; held 210,661,444 A shares in the Company through PEG, a wholly-owned subsidiary of NEIC, representing 23.05% of the total issued capital of the Company; and held 27,414,000 H shares in the Company through its overseas wholly-owned subsidiary, CEIEC (H. K.) Limited, representing 3.00% of the total issued capital of the Company.

## Section VII Changes in Shares and Information of Shareholders (Continued)

### IV. Controlling Shareholders and the de facto Controllers of the Company (Continued)

#### (II) De facto controllers (Continued)

##### 1. Legal person (Continued)

As at 31 December 2024, equities of other domestic and overseas listed companies (other than the Company) in which the de facto controller held controlling shares or shares were as follows:

No.	Abbreviation of Listed Company	Securities Code	Percentage of CEC's Shareholding <sup>Note</sup>
1.	IRICO New Energy	00438HK	74.90%
2.	China Electronics Huada Technology	00085HK	59.42%
3.	Shenzhen SED A	000032	47.23%
4.	China Great Wall	000066	40.32%
5.	Kaifa	000021	34.51%
6.	China Electronics Optics Valley	00798HK	33.94%
7.	China Software	600536	36.17%
8.	Zhenhua Science & Technology	000733	30.60%
9.	Solomon Systech	02878HK	28.29%
10.	TPV Technology	000727	28.13%
11.	Shanghai Beiling	600171	25.14%
12.	IRICO Display	600707	21.06%
13.	QI-ANXIN-U	688561	23.10%
14.	Montage Technology	688008	5.70%
15.	Zhenhua New Materials-U	688707	31.40%
16.	Anlu Technology	688107	29.11%
17.	Empyrean	301269	34.06%
18.	Zhenhua Fengguang	688439	43.04%
19.	Centec	688702	30.14%
20.	CECport	001287	35.65%
21.	Chengdu Sino Microelectronics	688709	65.18%
22.	Dameng Database	688692	23.00%
23.	IntelliFusion	688343	3.24%

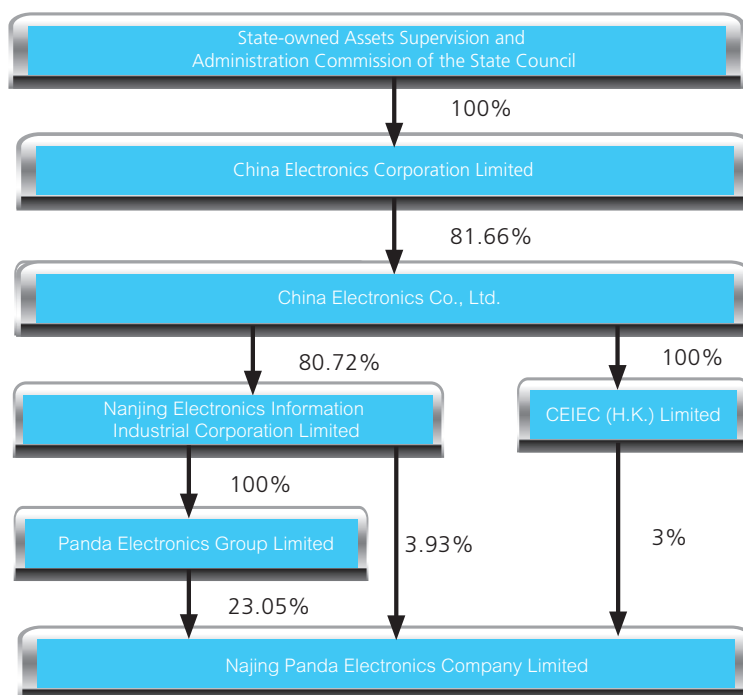
*Note:* Percentage of CEC's shareholding represents the aggregate of the shareholdings held through relevant connected parties or party acting in concert among the shareholders of listed companies.

## Section VII Changes in Shares and Information of Shareholders (Continued)

### IV. Controlling Shareholders and the de facto Controllers of the Company (Continued)

#### (II) De facto controllers (Continued)

2. Diagram of property rights and controlling relationship between the Company and its de facto controllers



3. Control over the Company via trust or other assets management methods by the de facto controller: N/A

### V. The Cumulative Number of Shares Pledged by the Controlling Shareholder or the Largest Shareholder of the Company and Its Concert Parties Accounting for More than 80% of the Number of Shares Held in the Company: N/A

### VI. Other Legal Person Shareholders Holding 10% or More of Shares of the Company

As of the end of the reporting period, HKSCC (Nominees) Limited held 243,109,712 shares of the Company (including 241,683,340 H shares and 1,426,372 A shares), representing 26.60% of the issued share capital of the Company, on behalf of several clients, including 13,768,000 H shares held by NEIIC, and 27,414,000 H shares held by CEIEC (H. K.) Limited, a wholly-owned subsidiary of CEC. Save as disclosed above, the Company is not aware of any individual client holding more than 5% of the issued share capital of the Company. Besides, as of 31 December 2024, there is no other legal person shareholders holding 10% or more of shares of the Company.

## Section VII Changes in Shares and Information of Shareholders (Continued)

### VII. Limitation on the Reduction of Shareholding: N/A

### VIII. Specific Implementation of Share Repurchases During the Reporting Period: N/A

### IX. Substantial Shareholders' Interests and Short Positions in the Shares or Underlying Shares of the Company

As at 31 December 2024, so far as the Directors, Supervisors and senior management staff of the Company were aware, and having made all reasonable enquiries, interests or short positions in shares and underlying shares of the Company held by substantial shareholders (exclusive of Directors, Supervisors and senior management staff of the Company) which were required to be recorded in the register pursuant to section 336 of the Securities and Futures Ordinance (“SFO”) of the Hong Kong Stock Exchange were as follows: (1) PEGL held 210,661,444 domestic shares, accounting for approximately 31.36% of domestic shares in issue and approximately 23.05% of the total shares in issue. The nature of interests in such shares was corporate interest which was held in the capacity of beneficial owner. (2) NEIC held 22,120,611 domestic shares, accounting for approximately 3.29% of domestic shares in issue and approximately 2.42% of the total shares in issue and held 13,768,000 H shares, accounting for approximately 5.69% of H shares in issue and approximately 1.51% of the total shares in issue. The nature of interests in such shares was corporate interest which was held in the capacity of beneficial owner. NEIC held 100% equity interests in PEGL and in total held 246,550,055 shares in the Company which was held in the capacity of controlled corporation and beneficial owner, accounting for approximately 26.98% of the total shares in issue. (3) CEIEC (H. K.) Limited held 27,414,000 H shares, accounting for approximately 11.33% of H shares in issue and approximately 3.00% of the total shares in issue. The nature of interests in such shares was corporate interest which was held in the capacity of beneficial owner. (4) CEC held 80.72% equity interests in NEIC and 100% equity interests in CEIEC (H. K.) Limited. NEIC held 100% equity interests in PEGL, and CEC held 273,964,055 shares in the Company in total which was held in the capacity of controlled corporation, accounting for approximately 29.98% of the total shares in issue. (5) China State Shipbuilding Corporation held 16,998,000 H shares, accounting for approximately 7.02% of H shares in issue and approximately 1.86% of the total shares in issue. The nature of interests in such shares was corporate interest which was held in the capacity of controlled corporation.

Pursuant to Section 336 of the SFO, the Shareholders of the Company are required to file disclosure of interests forms when certain criteria are fulfilled. When a Shareholder's shareholding in the Company changes, it is not necessary for the Shareholder to notify the Company and the Hong Kong Stock Exchange unless certain criteria are fulfilled, therefore substantial Shareholders' latest shareholding in the Company may be different to the shareholding filed with the Hong Kong Stock Exchange.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2024.

## Section VIII Information on Preferred Shares

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N/A



## Section IX Information on Corporate Bonds

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N/A

## Section X Financial Report

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WUYIGE Certified Public Accountants LLP audited the financial report of the Company for the year 2024 in accordance with the Accounting Standards for Business Enterprises of China and issued an unqualified auditors' report for the Company.

# Auditor's Report

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DAXIN SHEN ZI [2025] No.14-00008

**To the Shareholders of Nanjing Panda Electronics Co., Ltd:**

## **I. Opinion**

We have audited the financial statements of Nanjing Panda Electronics Co., Ltd ("the Company"), which comprise the consolidated and company's balance sheets as at December 31, 2024, 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 for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the consolidated and company financial position of the Company as at December 31, 2024, and of its consolidated and company financial performance and its consolidated and company cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

## **II. Basis for Opinion**

We conducted our audit in accordance with the China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Auditor's Report (Continued)

## III. Key Audit Matters

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

Key audit matters identified in our audit are as follows:

### 1. Operating income and Operating Cost

#### 1.1. Key audit matter

We identified operating income and operating cost as key audit matters because the revenue of the Company recognized for the year ended 31 December 2024 is RMB2,646 million, decreasing by RMB266 million compared to that of the Company in year 2023, which was of significance to the Company's business performance.

#### 1.2. How the matter was addressed in our audit

Our audit procedures to evaluate operating income and operating cost included the following:

- Evaluate the reasonableness and effectiveness of the key internal controls over the recognition, measurement and disclosure in regards to revenue and cost of sales.
- Perform substantive analytical procedures, including monthly gross profit margin analysis, gross profit margin analysis by customers, and that by products, as well as other analytical procedures, to guide the execution of further audit procedures.
- Examine the client's terms of revenue recognition in sales contracts, and evaluate the progress of performance obligations fulfilled.
- Verify the direct evidence for revenue recognition of key customers, perform detail tests and completeness check procedure, and review the authenticity and completeness of the business.
- Reconcile whether the amount of revenue matches the export customs declaration data and invoice amount.
- Perform confirmation procedures by sending confirmation letters to key customers and suppliers.

# Auditor's Report (Continued)

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## III. Key Audit Matters (Continued)

### 1. Operating income and Operating Cost (Continued)

#### 1.2. How the matter was addressed in our audit (Continued)

- Understand the inventory valuation method, check the product cost calculation, and perform pricing tests on raw materials and finished goods.
- Review the goods returned by customers and the revenue written off after the reporting period end.
- Evaluate the authenticity of accounts receivable by reviewing post-year end payments from customers.
- Other necessary procedures.

### 2. Accounts receivable and Expected credit losses of accounts receivable

#### 2.1. Key audit matter

As of December 31, 2024, the Company's closing balance of accounts receivable was RMB1.517 billion, and that of bad debt allowance was RMB0.11 billion. The carrying amount of accounts receivable was RMB1.407 billion, which accounted for 26.44% of total assets at the end of the period, having significant impact on the company's asset status and operating results.

#### 2.2. How the matter was addressed in our audit

Our audit procedures to review accounts receivable included the following:

- Assess the design, implementation and operating effectiveness of key internal controls over the sales collection business
- Cross-check actual receivables listing to sub-ledger and to general ledger to confirm their accuracy; Also, check if the allowance for doubtful accounts is in conformity with the figures in the financial statements.
- Calculate the accounts receivable turnover ratio, the days sales outstanding and other key indicators of the reporting period, and then compare these indicators with those of previous years to check for any material abnormalities.
- Review the accuracy of the classification of accounts receivable portfolios

# Auditor's Report (Continued)

## III. Key Audit Matters (Continued)

### 2. Accounts receivable and Expected credit losses of accounts receivable (Continued)

#### 2.2. How the matter was addressed in our audit (Continued)

- Perform confirmation procedures on accounts receivable, and ensure the confirmation process is properly controlled and safeguarded, as well as keep professional skepticism over the reliability of confirmation responses.
- Perform alternative procedures, scrutinizing relevant supporting documents, to verify the existence of the accounts receivable.
- Check the mathematical accuracy of the Company's allowance for doubtful accounts, and assess the accounting policies, supporting documentation, assumptions, and methods applied for the provision of bad debts;
- Scrutinize bank statements, confirmation letters, and other relevant documents to assess whether accounts receivable have been pledged or sold
- Perform the test of subsequent collections.
- Evaluate whether the accounts receivable in the financial statements is properly disclosed in consistent with Accounting Standards for Business Enterprises or other relevant financial reporting basis.

## IV. Other Information

The Company's management is responsible for the other information. The other information comprises all the information included in 2024 annual report other than the financial statements and our auditor's report thereon.

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

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

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

## Auditor's Report (Continued)

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### V. Responsibilities of management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## Auditor's Report (Continued)

### VI. Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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.

**WUYIGE CERTIFIED  
PUBLIC ACCOUNTANTS LLP.**

Beijing, China

Certified Public Accountant of China  
(Engagement partner)

Certified Public Accountant of China

March 27, 2025



# Consolidated Balance Sheet

31 December 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

(Unit: RMB)

Items	Closing balance	Open balance
<b>Current assets:</b>		
Cash and cash equivalents	<b>757,643,131.44</b>	877,143,940.40
Financial assets held for trading	<b>491,594,758.95</b>	485,158,212.68
Derivative financial assets		
Notes receivable	<b>98,477,213.49</b>	131,647,314.14
Accounts receivable	<b>1,407,009,242.46</b>	1,169,980,610.79
Receivables financing	<b>30,350,019.89</b>	25,415,043.86
Advance to suppliers	<b>27,410,781.74</b>	35,470,548.75
Other receivables	<b>36,680,080.03</b>	31,490,701.86
Including: Interest receivable		
Dividend receivable		
Inventories	<b>487,807,239.73</b>	570,780,863.80
Including: data resource		
Contract assets	<b>144,611,505.52</b>	232,413,650.79
Held-for-sale assets		
Non-current assets due within one year	<b>730,582.81</b>	26,864,239.67
Other current assets	<b>248,086,578.12</b>	318,086,623.04
<b>Total current assets</b>	<b>3,730,401,134.18</b>	3,904,451,749.78

# Consolidated Balance Sheet (Continued)

31 December 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Closing balance	Open balance
<b>Non-current assets:</b>		
Loans and advances to customers		
Debenture investments		
Other debenture investments		
Long-term receivables		
Long-term equity investments	492,989,930.44	469,854,173.02
Other equity instruments investments		
Other non-current financial assets		
Investment properties	182,988,535.58	189,381,629.96
Fixed assets	764,716,893.66	809,758,804.57
Construction in progress	1,506,311.96	991,937.24
Biological assets for production		
Fuel assets		
Right-of-use assets	8,464,815.42	12,873,600.15
Intangible assets	98,469,809.17	112,250,461.87
Including: data resource		
Development expenses		
Including: data resource		
Goodwill		
Long-term expenses to be amortised	16,398,879.07	18,654,129.54
Deferred income tax assets	19,542,269.84	21,270,332.26
Other non-current assets	5,329,316.34	1,469,073.94
<b>Total non-current assets</b>	<b>1,590,406,761.48</b>	<b>1,636,504,142.55</b>
<b>Total assets</b>	<b>5,320,807,895.66</b>	<b>5,540,955,892.33</b>

## Consolidated Balance Sheet (Continued)

31 December 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Closing balance	Open balance
<b>Current liabilities:</b>		
Short-term borrowings	<b>42,326,327.88</b>	70,113,510.72
Borrowings from central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Note payables	<b>110,289,431.12</b>	79,035,160.29
Accounts payable	<b>1,328,218,690.98</b>	1,438,956,161.93
Advance receipts from customers	<b>468,971.75</b>	201,635.72
Contract liabilities	<b>108,769,990.54</b>	90,217,009.26
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Security trading of agency		
Securities underwriting		
Staff salaries payable	<b>59,341,157.51</b>	52,328,572.83
Taxes payable	<b>39,829,425.41</b>	32,725,506.34
Other payables	<b>103,658,239.63</b>	97,124,968.36
Including: Interest payable		
Dividends payable	<b>13,111,074.34</b>	5,297,799.54
Bank charges and commissions due		
Reinsurers due		
Liabilities held for sale		
Non-current liabilities due within one year	<b>5,848,681.83</b>	4,088,888.95
Other current liabilities	<b>84,356,494.83</b>	36,882,036.51
<b>Total current liabilities</b>	<b>1,883,107,411.48</b>	1,901,673,450.91

## Consolidated Balance Sheet (Continued)

31 December 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Closing balance	Open balance
<b>Non-current liabilities:</b>		
Insurance contract reserves		
Long-term payables		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	4,628,222.00	9,101,840.09
Long-term payables		
Long-term staff salaries payables	4,200,641.03	5,934,601.09
Estimated liabilities	1,800,000.00	512,434.50
Deferred income	32,419,676.43	40,343,225.17
Deferred income tax liabilities	5,032,799.89	6,353,834.23
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>48,081,339.35</b>	<b>62,245,935.08</b>
<b>Total liabilities</b>	<b>1,931,188,750.83</b>	<b>1,963,919,385.99</b>

# Consolidated Balance Sheet (Continued)

31 December 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Closing balance	Open balance
<b>Owners' equity:</b>		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,470,691,800.13	1,470,691,800.13
Less: Treasury shares		
Other comprehensive income		
Special reserve	275,607.10	362,395.49
Surplus reserve	309,500,586.70	309,500,586.70
General preparation		
Undistributed profit	419,988,124.67	608,842,680.92
Total equity attributable to the shareholders of the parent company	3,114,294,647.60	3,303,235,992.24
Minority interests	275,324,497.23	273,800,514.10
<b>Total owners' equity</b>	<b>3,389,619,144.83</b>	<b>3,577,036,506.34</b>
<b>Total liabilities and owners' equity</b>	<b>5,320,807,895.66</b>	<b>5,540,955,892.33</b>

Legal representative:  
Hu Huichun

Chief Accountant:  
Hu Shoujun

Head of the Accounting Department:  
Xue Gang

# Parent Company Balance Sheet

31 December 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Closing balance	Open balance
<b>Current assets:</b>		
Cash and cash equivalents	64,793,248.82	101,558,320.19
Financial assets held for trading	200,541,369.86	125,077,197.49
Derivative financial assets		
Notes receivables	2,590,000.00	42,381,374.05
Accounts receivable	138,188,127.19	129,453,241.78
Financing receivables		
Prepayments	4,353,935.87	5,882,210.43
Other receivables	692,726,057.21	694,373,358.80
Including: Interest receivable		
Dividend receivable	377,960,335.78	421,960,335.78
Inventories	26,990,640.02	34,630,399.64
Including: data resource		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	32,642,794.52	
<b>Total current assets</b>	<b>1,162,826,173.49</b>	<b>1,133,356,102.38</b>
<b>Non-current assets:</b>		
Debenture investments		
Other debenture investments		
Long-term receivables		
Long-term equity investments	1,106,475,911.13	1,233,582,803.06
Other equity instruments investments		
Other non-current financial assets		
Investment properties	492,600,160.79	552,152,625.45
Fixed assets	239,179,849.73	214,522,666.20
Construction in progress	746,173.91	194,185.98
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	66,640,489.07	69,062,325.08
Including: data resource		
Development expenses		
Including: data resource		
Goodwill		
Long-term deferred expense	14,483,614.99	17,048,756.12
Deferred tax assets		
Other non-current assets		
<b>Total non-current assets</b>	<b>1,920,126,199.62</b>	<b>2,086,563,361.89</b>
<b>Total assets</b>	<b>3,082,952,373.11</b>	<b>3,219,919,464.27</b>

# Parent Company Balance Sheet (Continued)

31 December 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Closing balance	Open balance
<b>Current liabilities:</b>		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Note payables	24,619,303.68	9,488,517.75
Accounts payable	32,835,566.90	52,711,076.19
Advance receipts from customers	414,114.61	
Contract liabilities	168,817.60	1,298,382.38
Staff salaries payable	1,800,302.98	1,150,698.49
Taxes payable	10,954,216.58	12,314,604.05
Other payables	193,360,406.83	134,375,321.26
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	6,389,314.73	5,033,246.76
<b>Total current liabilities</b>	<b>270,542,043.91</b>	<b>216,371,846.88</b>
<b>Non-current liabilities:</b>		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term staff salaries payable	606,390.93	861,981.02
Accrued liabilities		512,434.50
Deferred income		
Deferred income tax liabilities		19,299.38
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>606,390.93</b>	<b>1,393,714.90</b>
<b>Total liabilities</b>	<b>271,148,434.84</b>	<b>217,765,561.78</b>

## Parent Company Balance Sheet (Continued)

31 December 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Closing balance	Open balance
<b>Owners' equity:</b>		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,474,641,301.72	1,434,870,834.28
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	309,500,586.70	309,500,586.70
Undistributed profits	113,823,520.85	343,943,952.51
<b>Total owners' equity</b>	<b>2,811,803,938.27</b>	<b>3,002,153,902.49</b>
<b>Total liabilities and owners' equity</b>	<b>3,082,952,373.11</b>	<b>3,219,919,464.27</b>

Legal representative:  
Hu Huichun

Chief Accountant:  
Hu Shoujun

Head of the Accounting Department:  
Xue Gang



# Consolidated Income Statement

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

(Unit: RMB)

Items	Amount for the current period	Amount for the previous period
<b>1. Total revenue</b>	<b>2,645,884,960.86</b>	2,912,311,480.01
Including: Operating income	<b>2,645,884,960.86</b>	2,912,311,480.01
Interest income		
Premiums earned		
Fee and commission income		
<b>2. Total operating cost</b>	<b>2,822,054,026.19</b>	2,927,690,848.95
Including: Operating costs	<b>2,220,744,587.45</b>	2,398,000,168.52
Interest expenses		
Fee and commission expense		
Surrenders		
Net payment from indemnity		
Net provisions for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Tax and surcharges	<b>22,876,449.26</b>	25,780,435.81
Selling expenses	<b>45,292,628.32</b>	40,939,857.79
Administrative expenses	<b>283,038,723.68</b>	263,667,430.75
R&D costs	<b>262,177,873.98</b>	211,187,548.93
Financial expenses	<b>-12,076,236.50</b>	-11,884,592.85
Including: Interest expense	<b>506,758.31</b>	656,417.03
Interest income	<b>11,139,368.49</b>	14,778,550.23
Add: Other gains	<b>24,877,109.00</b>	21,527,057.56
Investment income (losses are represented by "-")	<b>96,152,132.69</b>	61,249,200.92
Including: Investment income of associates and joint ventures	<b>83,013,136.15</b>	42,723,633.71
Gains arising from derecognition of financial assets at amortised cost		
Exchange gain (losses are represented by "-")		
Income on hedging the net exposure (losses are represented by "-")		
Gains arising from changes in fair value (losses are represented by "-")	<b>4,914,915.97</b>	-1,624,939.93
Credit impairment loss (losses are represented by "-")	<b>-27,310,416.22</b>	-7,702,894.86
Asset impairment loss (losses are represented by "-")	<b>-46,693,274.64</b>	-236,789,856.24
Gains on disposal of assets (losses are represented by "-")	<b>8,373.69</b>	468,739.44
<b>3. Operating profit (losses are represented by "-")</b>	<b>-124,220,224.84</b>	-178,252,062.05
Add: Non-operating income	<b>987,777.94</b>	6,525,564.98
Less: Non-operating expenses	<b>1,389,551.26</b>	2,018,586.92
<b>4. Total profit (total losses are represented by "-")</b>	<b>-124,621,998.16</b>	-173,745,083.99
Less: Income tax expense	<b>16,810,838.46</b>	20,527,647.56

# Consolidated Income Statement (Continued)

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Amount for the current period	Amount for the previous period
<b>5. Net profit (net losses are represented by "-")</b>	<b>-141,432,836.62</b>	-194,272,731.55
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by "-")	<b>-141,432,836.62</b>	-194,272,731.55
2. Net profit for discontinued operation (net losses are represented by "-")		
(2) Classified by the attribution of the ownership		
1. Net profit attributable to the equity shareholders of the parent company (net losses are represented by "-")	<b>-188,854,556.25</b>	-237,862,230.10
2. Minority interests (net losses are represented by "-")	<b>47,421,719.63</b>	43,589,498.55
<b>6. Net other comprehensive income after tax</b>		
(I) Net other comprehensive income after tax attributable to shareholders of the parent company		
i. Other comprehensive income which will not be reclassified subsequently to profit and loss		
(1) Changes as a result of remeasurement of defined benefit plan		
(2) Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss		
(3) Changes in fair value of other equity instruments investment		
(4) Changes in fair value of the enterprise's own credit risk		
ii. Other comprehensive income which will be reclassified to profit and loss		
(1) Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
(2) Changes in fair value of other equity instruments investment		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Provision for credit impairment of other bonds investment		
(5) Cash flow hedging reserve (effective portion of cash flow hedge gains and losses)		
(6) Translation difference of financial statements in foreign currencies		
(7) Others		
(II) Net other comprehensive income after tax attributable to minority shareholders		

## Consolidated Income Statement (Continued)

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Amount for the current period	Amount for the previous period
<b>7. Total comprehensive income</b>	<b>-141,432,836.62</b>	-194,272,731.55
(1) Total comprehensive income attributable to the equity shareholders of the parent company	<b>-188,854,556.25</b>	-237,862,230.10
(2) Total comprehensive income attributable to minority shareholders	<b>47,421,719.63</b>	43,589,498.55
<b>8. Earnings per share</b>		
(1) Basic earnings per share (RMB/share)	<b>-0.2067</b>	-0.2603
(2) Diluted earnings per share (RMB/share)	<b>-0.2067</b>	-0.2603
Legal representative: <b>Hu Huichun</b>	Chief Accountant: <b>Hu Shoujun</b>	Head of the Accounting Department: <b>Xue Gang</b>

# Parent Company Income Statement

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

(Unit: RMB)

Items	Amount for the current period	Amount for the previous period
<b>1. Operating income</b>	<b>138,659,789.00</b>	165,930,452.41
Less: Operating costs	<b>82,612,299.17</b>	112,411,565.67
Business taxes and surcharge	<b>12,068,608.50</b>	6,447,431.66
Selling expenses	<b>4,239,244.64</b>	4,682,477.90
Administrative expenses	<b>129,759,853.15</b>	109,790,822.18
R&D costs	<b>57,505,257.94</b>	31,529,129.01
Financial expenses	<b>-1,844,362.87</b>	-3,385,701.48
Including: Interest expense		
Interest income	<b>930,713.39</b>	2,310,058.25
Add: Other incomes	<b>322,281.69</b>	128,832.90
Investment income (losses are represented by "-")	<b>108,835,256.81</b>	559,888,504.20
Including: Investment income of associates and joint ventures	<b>83,122,640.63</b>	42,302,868.92
Gains arising from derecognition of financial assets at amortised cost		
Income on hedging the net exposure (losses are represented by "-")		
Income from change in fair value (losses are represented by "-")	<b>1,756,972.61</b>	-924,514.84
Credit impairment loss (losses are represented by "-")	<b>-3,289,243.53</b>	-1,756,374.23
Assets impairment loss (losses are represented by "-")	<b>-192,118,179.69</b>	-231,730,796.12
Gains on disposal of assets (losses are represented by "-")	<b>-13,197.01</b>	
<b>2. Operating profit (losses are represented by "-")</b>	<b>-230,187,220.65</b>	230,060,379.38
Add: Non-operating income	<b>72,506.05</b>	1,301,488.53
Less: Non-operating expenses	<b>25,016.44</b>	516,162.32
<b>3. Total profit (total losses are represented by "-")</b>	<b>-230,139,731.04</b>	230,845,705.59
Less: Income tax expense	<b>-19,299.38</b>	-231,128.70
<b>4. Net profit (net losses are represented by "-")</b>	<b>-230,120,431.66</b>	231,076,834.29
(1) Net profit for going concern (net losses are represented by "-")	<b>-230,120,431.66</b>	231,076,834.29
(2) Net profit for discontinued operation (net losses are represented by "-")		

# Parent Company Income Statement (Continued)

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Amount for the current period	Amount for the previous period
<b>5. Net other comprehensive income after tax</b>		
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss		
1. Changes as a result of remeasurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss		
3. Changes in fair value of other equity instruments investment		
4. Changes in fair value of the enterprise's own credit risk		
(2) Other comprehensive income which will be reclassified to profit and loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Changes in fair value of other debt investment		
3. Amount of financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investment		
5. Cash flow hedging reserve (effective portion of cash flow hedge gains and losses)		
6. Translation difference of financial statements in foreign currencies		
7. Others		
<b>6. Total comprehensive income</b>	<b>-230,120,431.66</b>	<b>231,076,834.29</b>
<b>7. Earnings per share</b>		
(1) Basic earnings per share (RMB/share)		
(2) Diluted earnings per share (RMB/share)		

Legal representative:  
**Hu Huichun**

Chief Accountant:  
**Hu Shoujun**

Head of the Accounting Department:  
**Xue Gang**

# Consolidated Cash Flow Statement

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

(Unit: RMB)

Items	Amount for the current period	Amount for the previous period
<b>1. Cash flows from operating activities</b>		
Cash received from the sale of goods and rendering of services	<b>2,616,144,085.49</b>	3,024,847,870.15
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in deposits and placements from financial institutions		
Cash received from premiums of original insurance contract		
Net amount of reinsurance business		
Net increase in deposits of the insured and investment		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Net cash received from securities brokerage		
Refunds of taxes	<b>42,241,798.52</b>	27,325,262.07
Cash received relating to other operating activities	<b>118,386,346.90</b>	120,642,530.40
Sub-total of cash inflows from operating activities	<b>2,776,772,230.91</b>	3,172,815,662.62
Cash paid on purchase of goods and services received	<b>2,115,721,742.07</b>	2,326,681,710.71
Net increase in loans and advances		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Net increase in placements with banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	<b>649,219,453.53</b>	645,095,021.58
Cash paid for all types of taxes	<b>103,357,352.36</b>	142,521,180.53
Cash paid relating to other operating activities	<b>173,748,417.06</b>	124,368,804.42
Sub-total of cash outflows from operating activities	<b>3,042,046,965.02</b>	3,238,666,717.24
<b>Net cash flows generated from operating activities</b>	<b>-265,274,734.11</b>	-65,851,054.62

# Consolidated Cash Flow Statement (Continued)

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Amount for the current period	Amount for the previous period
<b>2. Cash flows from investing activities</b>		
Cash received from return on investments		2,023,290.93
Cash received from income from investments	<b>73,363,087.37</b>	74,770,135.63
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	<b>921,967.06</b>	177,655.11
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	<b>1,521,697,800.00</b>	1,160,000,000.00
Sub-total of cash inflows from investing activities	<b>1,595,982,854.43</b>	1,236,971,081.67
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	<b>37,814,435.53</b>	13,822,427.16
Cash paid for investments		
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid relating to other investing activities	<b>1,455,255,428.92</b>	1,342,472,360.00
Sub-total of cash outflows from investing activities	<b>1,493,069,864.45</b>	1,356,294,787.16
<b>Net cash flows generated from investing activities</b>	<b>102,912,989.98</b>	-119,323,705.49
<b>3. Cash flows generated from financing activities</b>		
Cash received from investment		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		
Cash received relating to other financing activities	<b>73,431,628.73</b>	70,113,510.72
Sub-total of cash inflows from financing activities	<b>73,431,628.73</b>	70,113,510.72
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interest expenses	<b>38,084,461.70</b>	38,871,928.60
Including: bonus and profit paid to minority shareholders by subsidiaries	<b>38,084,461.70</b>	26,078,189.20
Cash paid relating to other financing activities	<b>5,072,863.60</b>	4,551,072.97
Sub-total of cash outflows from financing activities	<b>43,157,325.30</b>	43,423,001.57
<b>Net cash flows generated from financing activities</b>	<b>30,274,303.43</b>	26,690,509.15
<b>4. Effect of fluctuations in exchange rate on cash and cash equivalents</b>	<b>189,794.31</b>	2,359,714.20
<b>5. Net increase in cash and cash equivalents</b>	<b>-131,897,646.39</b>	-156,124,536.76
Add: balance of cash and cash equivalents at the beginning of the period	<b>798,419,753.09</b>	954,544,289.85
<b>6. Balance of cash and cash equivalents at the end of the period</b>	<b>666,522,106.70</b>	798,419,753.09

Legal representative:  
Hu Huichun

Chief Accountant:  
Hu Shoujun

Head of the Accounting Department:  
Xue Gang

# Parent Company Cash Flow Statement

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

(Unit: RMB)

Items	Amount for the current period	Amount for the previous period
<b>1. Cash flows from operating activities</b>		
Cash received from the sale of goods and rendering of services	163,142,185.25	118,240,256.27
Refunds of taxes	1,900,790.70	1,746,232.37
Cash received relating to other operating activities	25,334,190.70	49,331,383.92
Sub-total of cash inflows from operating activities	190,377,166.65	169,317,872.56
Cash paid on purchase of goods and services received	68,279,483.06	71,419,955.70
Cash paid to and on behalf of employees	108,105,120.86	104,904,876.30
Cash paid for all types of taxes	17,788,519.21	8,537,751.52
Cash paid relating to other operating activities	56,361,501.29	52,948,102.06
Sub-total of cash outflows from operating activities	250,534,624.42	237,810,685.58
<b>Net cash flows generated from operating activities</b>	<b>-60,157,457.77</b>	<b>-68,492,813.02</b>
<b>2. Cash flows from investing activities</b>		
Cash received from disposal and returns of investments		2,023,290.93
Cash received from return on investments	130,745,298.17	155,935,887.42
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	8,000.00	
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investing activities	421,000,000.00	607,000,000.00
Sub-total of cash inflows from investing activities	551,753,298.17	764,959,178.35
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	11,180,573.33	11,256,839.97
Cash paid for investments		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid relating to other investing activities	571,282,671.23	659,000,000.00
Sub-total of cash outflows from investing activities	582,463,244.56	670,256,839.97
<b>Net cash flows generated from operating activities</b>	<b>-30,709,946.39</b>	<b>94,702,338.38</b>



# Parent Company Cash Flow Statement (Continued)

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Amount for the current period	Amount for the previous period
<b>3. Cash flows from financing activities</b>		
Cash received from investment		
Cash received from borrowings		
Cash received relating to other financing activities	414,000,000.00	418,500,000.00
Sub-total of cash inflows from financing activities	414,000,000.00	418,500,000.00
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends or profits, or interests expenses		12,793,739.40
Cash paid on other financing activities	364,000,000.00	450,000,000.00
Sub-total of cash outflows from financing activities	364,000,000.00	462,793,739.40
<b>Net cash flows from financing activities</b>	<b>50,000,000.00</b>	<b>-44,293,739.40</b>
<b>4. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	<b>96.88</b>	<b>93.01</b>
<b>5. Net increase in cash and cash equivalents</b>	<b>-40,867,307.28</b>	<b>-18,084,121.03</b>
Add: balance of cash and cash equivalents at the beginning of the period	101,341,164.10	119,425,285.13
<b>6. Balance of cash and cash equivalents at the end of the period</b>	<b>60,473,856.82</b>	<b>101,341,164.10</b>
Legal representative: Hu Huichun	Chief Accountant: Hu Shoujun	Head of the Accounting Department: Xue Gang

# Consolidated Statement of Changes in Shareholders' Equity

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

(Unit: RMB)

Items	Current period														
	Equity attributable to the owners of parent company														
	Share capital	Preference shares	Perpetual bonds	Other equity instrument	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal	Minority interests	Total owners' equity
I.	Balance at the end of prior year	913,838,523.00			1,470,691,800.13			362,395.49	309,500,586.70		608,842,680.92		3,303,235,992.24	273,800,514.10	3,577,036,506.34
	Add: Changes in accounting policies														
	Error correction of previous period														
	Others														
II.	Balance at the beginning of current year	913,838,523.00			1,470,691,800.13			362,395.49	309,500,586.70		608,842,680.92		3,303,235,992.24	273,800,514.10	3,577,036,506.34
III.	Changes of current year (decreases are represented by "-")														
	(I) Total comprehensive income														
	(II) Share capital contributed or withdrew by owners														
	1. Share capital contributed by owners														
	2. Capital contributed by holders of other equity instruments							-86,788.39			-188,854,556.25		-188,941,344.64	1,523,983.13	-187,417,361.51
	3. Amount of share-based payment included in owner's equity										-188,854,556.25		-188,854,556.25	47,421,719.63	-141,432,836.62
	4. Others														
	(III) Profit distribution														
	1. Appropriation of surplus reserve														
	2. Appropriation of general risk reserve														
	3. Appropriation of profit to owners														
	4. Others													-45,897,736.50	-45,897,736.50
	(IV) Internal carry-over within equity														
	1. Transfer of capital reserve to capital														
	2. Transfer of surplus reserve to capital														
	3. Surplus reserve to cover losses														
	4. Change in defined benefit plan carried over to retained earnings														
	5. Other comprehensive income carried over to retained earnings														
	6. Others														
	(V) Special reserve														
	1. Appropriation for the current period							-86,788.39					-86,788.39		-86,788.39
	2. Application for the current period							436,760.65					436,760.65		436,760.65
	(VI) Others							523,549.04					523,549.04		523,549.04
IV.	Balance at the end of current period	913,838,523.00			1,470,691,800.13			275,607.10	309,500,586.70		419,988,124.67		3,114,294,647.60	275,234,497.23	3,389,619,144.83

# Consolidated Statement of Changes in Shareholders' Equity (Continued)

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Previous period													
	Equity attributable to the owners of parent company													
	Other equity instrument			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal	Minority interests	Total owners' equity
Share capital	Preference shares	Perpetual bonds												
I.														
Balance at the end of prior year	913,838,529.00			1,470,691,800.13		-948,055.10		286,530,634.83		883,845,917.89		3,553,958,826.75	256,289,204.75	3,810,248,031.50
Add: Changes in accounting policies														
Error correction of previous period														
Others														
II.														
Balance at the beginning of current year	913,838,529.00			1,470,691,800.13		-948,055.10		286,530,634.83		883,845,917.89		3,553,958,826.75	256,289,204.75	3,810,248,031.50
III.														
Changes of current year (decreases are represented by "-")														
(I) Total comprehensive income														
(II) Share capital contributed or withdrew by owners														
1. Share capital contributed by owners								21,969,951.87		-275,003,236.97		-250,722,834.51	17,511,209.35	-233,211,525.16
2. Capital contributed by holders of other equity instruments										-237,862,230.10		-337,862,230.10	48,589,498.55	-194,272,731.55
3. Amount of share-based payment included in owner's equity														
4. Others														
(III) Profit distribution														
1. Appropriation of surplus reserve								23,107,683.43		-35,901,422.83		-12,793,739.40	-26,078,189.20	-38,871,928.60
2. Appropriation of general risk reserve								23,107,683.43		-23,107,683.43				
3. Appropriation of profit to owners														
4. Others														
(IV) Internal carry-over within equity														
1. Transfer of capital reserve to capital														
2. Transfer of surplus reserve to capital														
3. Surplus reserve to cover losses														
4. Change in defined benefit plan carried over to retained earnings														
5. Other comprehensive income carried over to retained earnings														
6. Others														
(V) Special reserve														
1. Appropriation for the current period								362,395.49				362,395.49		362,395.49
2. Application for the current period								1,483,824.66				1,483,824.66		1,483,824.66
Others								1,121,429.17				1,121,429.17		1,121,429.17
(VI) Others														
								-42,926.05		-386,334.45		-429,260.50		-429,260.50
IV.														
Balance at the end of current period	913,838,529.00			1,470,691,800.13				309,500,586.70		608,842,680.92		3,303,235,992.24	275,800,514.10	3,577,036,506.34

Legal representative:  
Hu Huichun

Chief Accountant:  
Hu Shoujun

Head of the Accounting Department:  
Xue Gang

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Current Period						
	Share capital	Other equity instrument			Less: treasury shares	Other comprehensive income	Special reserve
		Preference shares	Perpetual bonds	Others			
I. Balance at the end of prior year	913,838,529.00			1,434,870,834.28			309,500,586.70
Add: Changes in accounting policies							
Error correction of previous period							
Others							
II. Balance at the beginning of current year	913,838,529.00			1,434,870,834.28			309,500,586.70
III. Changes of current year (decreases are represented by "-")							
(I) Total comprehensive income							
(II) Share capital contributed or withdrew by owners							
1. Share capital contributed by owners							
2. Capital contributed by holders of other equity instruments							
3. Amount of share-based payment included in owner's equity							
4. Others							
(III) Profit distribution							
1. Appropriation of surplus reserve							
2. Appropriation to owners							
3. Others							
(IV) Internal carry-over within equity							
1. Transfer of capital reserve to capital							
2. Transfer of surplus reserve to capital							
3. Surplus reserve to cover losses							
4. Change in defined benefit plan carried over to retained earnings							
5. Other comprehensive income carried over to retained earnings							
6. Others							
(V) Special reserve							
1. Appropriation for the current period							
2. Application for the current period							
(VI) Others							
IV. Balance at the end of current period	913,838,529.00			1,474,641,301.72			309,500,586.70
				39,770,467.44			39,770,467.44
							113,823,520.85
							2,811,803,938.27

# Parent Company Statement of Changes in Shareholders' Equity (Continued)

The Year 2024 (All amounts in Chinese Renminbi Yuan unless otherwise stated)

Items	Previous period						
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income
							Special reserve
							Surplus reserve
							Undistributed profit
							Total owners' equity
I. Balance at the end of prior year	913,838,529.00				1,434,870,834.28		286,530,634.83
Add: Changes in accounting policies							
Error correction of previous period							
Others							
II. Balance at the beginning of current year	913,838,529.00				1,434,870,834.28		286,530,634.83
III. Changes of current year (decreases are represented by "-")							
(I) Total comprehensive income							
(II) Share capital contributed or withdrew by owners							
1. Share capital contributed by owners							
2. Capital contributed by holders of other equity instruments							
3. Amount of share-based payment included in owner's equity							
4. Others							
(III) Profit distribution							
1. Appropriation of surplus reserve							
2. Appropriation to owners							
3. Others							
(IV) Internal carry-over within equity							
1. Transfer of capital reserve to capital							
2. Transfer of surplus reserve to capital							
3. Surplus reserve to cover losses							
4. Change in defined benefit plan carried over to retained earnings							
5. Other comprehensive income carried over to retained earnings							
6. Others							
(V) Special reserve							
1. Appropriation for the current period							
2. Application for the current period							
(VI) Others							
IV. Balance at the end of current year	913,838,529.00				1,434,870,834.28		309,500,586.70

Head of the Accounting Department:  
Xue Gang

Chief Accountant:  
Hu Shoujun

Legal representative:  
Hu Huichun

# Notes to the Financial Statements

*For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)*

## 1. Company profile

### 1.1. Company Status

Nanjing Panda Electronics Co., Ltd. (the “Company”) was established on 27 April 1992, in accordance with the “approval of the Nanjing Economic System Reform Commission [1992] No.034”, and was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in May and November 1996 respectively.

As of December 31, 2024, the total shares of the Company are 913,838,529, and the registered capital is RMB913,838,529. Unified social credit code: 91320100134974572K; Registered address: No. 7, Jingtian Road, Nanjing Economic and Technological Development Zone; The legal representative is Hu Huichun. Headquarters address: No. 7, Jingtian Road, Nanjing Economic and Technological Development Zone.

The parent of the Company is Panda Electronics Group Co., Ltd. (the “Panda Group” or “the Group”), and the Company’s ultimate holding company is China Electronics Corporation Limited.

### 1.2. Business scope and principal activities

The Company is a public company limited by shares (Taiwan, Hongkong, Macao and mainland of China), principally engaged in the computer, communication and other electronic equipment manufacturing industry. The principal activities of the Company are intelligent transportation and safe city projects, industrial Internet and intelligent manufacturing installation, green service-oriented electronic manufacturing products sales and others, with business term from October 5, 1996 to no fixed term.

The business scope: development, manufacturing and sales of wireless radio and television transmission equipment, and engaged in the after-sales and technical services of the above business; development, manufacturing and sales of communication equipment, computers and other electronic equipment; instrumentation and cultural and office machinery; electrical machinery and equipment; plastic products; fans, scales, packaging equipment and other general equipment; chemical, wood, non-metallic processing equipment; power transmission and distribution and control equipment; environmental protection, social public safety and other equipment; finance, Tax control equipment, power products, molds, computer services, software, system integration, property management, and engaged in after-sales and technical services of the above business operations. (For projects subject to approval in accordance with the law, business activities can only be carried out after approval by relevant departments) General projects: technology import and export, import and export of goods (except for projects subject to approval in accordance with the law, independently carry out business activities according to law with a business license).

### 1.3. Approval of the financial statements

The financial statements were authorized by all directors (the Board of Directors) of the Company on March 27, 2025.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 2. Basis of preparation for the financial statements

### 2.1. Basis of preparation

The financial statements have been prepared in accordance with “*Accounting Standards for Business Enterprises*” issued by the Ministry of Finance of the People’s Republic of China, which collective term includes Accounting Standards for Business Enterprises – basic Standards, concrete accounting standard, Application Guide of the Accounting Standards for Business Enterprises, Interpretation of the Accounting Standards and other relevant regulations, and the disclosure provisions of “*Regulation on the Preparation of Information Disclosure by Companies That Publicly Issue Securities, No. 15: General Provisions for Financial Reports*” as revised by the China Securities Regulatory Commission (“CSRC”). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the disclosure requirements of the Hong Kong Companies Ordinance.

### 2.2. Going concern

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

## 3. Significant accounting policies and accounting estimates

The following disclosures have covered the specific accounting policies and accounting estimates that are significant to the Company’s business and operation. For details, please refer to “notes 3.12: Determination and accounting treatment of expected credit losses” and “notes 3.28: Revenue”.

### 3.1. Statement of compliance

The financial statements have been prepared in compliance with “*Accounting Standards for Business Enterprises*”. The financial statements present truly and completely the Company’s financial position as of 31 December 2024 and its financial performance, cash flows and other relevant information for the year ended 31 December 2024.

### 3.2. Accounting period

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

# Notes to the Financial Statements (Continued)

*For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)*

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.3. Operating cycle

The Company takes 12 months in each calendar year as an operating cycle, and classifies the assets and liabilities' liquidity by operating cycle.

### 3.4. Functional currency

The Company's functional currency is Renminbi ("RMB"), and the financial statements are presented in Renminbi.

### 3.5. Materiality determination

#### 3.5.1 Materiality of items in the financial statements

The Company determines the materiality of the financial statements' items based on whether their omission, misstatement or obscurity could reasonably be expected to influence decisions made by users of the financial statements. The Company makes the materiality judgement by considering quantitative and qualitative factors. For quantitative considerations, the Company adopt the approach of applying a percentage (3%-5%) to a selected benchmark, including total assets, total liabilities, total shareholders' equity, operating income and net profit. For qualitative considerations, items' materiality in the financial reports are based on whether they have significant impact on the financial position and operating results, including:

- whether they arise from daily business activities,
- the capacity of misstatements to turn net losses into profits
- whether misstatements enable the Company to comply with regulatory requirements



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.5. Materiality determination (Continued)

#### 3.5.2 Materiality of detailed items in the Notes to financial statements

The Company determines the materiality of detailed items in the Notes to financial statements on the basis of the materiality of items in the financial statements, which considers the percentage of the detailed item to the item in the financial statements, along with its value, and its qualitative influence.

If an item is immaterial in the financial statements, but considered material in the Notes, it is required to be disclosed separately in the Notes.

The materiality benchmarks for the Notes to the financial statements are as follow:

Item	Materiality Thresholds
Significant individual bad debt provision for accounts receivable	The amount of individual item that accounts for more than 5% of the receivables or bad debt provisions, and the amount exceeds RMB1 million, or the current provision for bad debts that significantly impacts the profit and loss
Significant recovery or reversal of allowance for credit losses	The amount of individual item accounts for more than 5% of the recovery or reversal of the allowance for credit losses, and the amount exceeds RMB1 million, or the amount significantly impacts the profit and loss
Significant accounts receivable written-off	An individual amount constitutes more than 5% of the receivables or bad debt provisions, and exceeds RMB1 million
Significant changes in the carrying value of receipt in advance and contract assets	The change in the reporting period exceeds 20%
Significant debt investments	The amount of individual item accounts for more than 5% of the total debt investments, and the amount exceeds RMB1 million
Significant construction in process	The investment budget accounts for more than 5% of the fixed assets amount, and the current period's occurrence accounts for more than 10% of the total current period's construction in progress (or the ending balance accounts for more than 10%), and the amount exceeds RMB1 million
Significant capitalized Research & Development (R&D) projects	The R&D project budget accounts for more than 5% of the total budget for ongoing research project, and the amount capitalized in the current period accounts for more than 10% of the total capitalization of the R&D project (or the closing balance accounts for more than 10%), with the amount exceeding RMB1 million
Significant acquired in-progress R&D projects	A single externally acquired in-progress research project accounts for more than 5% of the total R&D investment with the amount exceeding RMB1 million
Significant accounts payable over a year	The amount of individual item accounts for more than 5% of total accounts payable, and the amount exceeds RMB1 million
Significant other payables over one year	The amount of individual item accounts for more than 5% of other payables, and the amount exceeds RMB1 million

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.5. Materiality determination (Continued)

#### 3.5.2 Materiality of detailed items in the Notes to financial statements (Continued)

Item	Materiality Thresholds
Significant estimated liabilities	The amount of an individual type of estimated liability accounts for more than 10% of the total estimated liabilities, and the amount exceeds RMB1 million
Significant investment activities	A individual investment accounts for more than 10% of the total cash inflows or outflows from investing activities and the amount exceeds RMB1 million
Significant subsidiaries with minority shareholders	Minority shareholders hold more than 5% of the equity, and any one of the subsidiary's total assets, net assets, operating revenue, and net profit accounts for more than 10% of the corresponding items in the consolidated financial statements.
Significant joint ventures or associates	An individual investment accounts for more than 10% of the carrying value of the long-term equity investment and the amount exceeds RMB1 million, or the investment income (loss calculated in absolute amount) from the joint venture or associated enterprise accounts for more than 10% of the net profit of the consolidated financial statements.
Significant debt restructuring	The total assets or liabilities account for more than 10% of the consolidated financial statements, and the absolute amount exceeds RMB10 million, or the impact on net profit exceeds 10%
Significant asset swaps, asset transfers and disposals	Any one of the total assets, net assets, operating income and net profit accounts for more than 10% of the corresponding items in the consolidated financial statements, and the absolute amount exceeds RMB10 million (the absolute amount of net profit exceeds RMB1 million)
Significant contingencies	The amount exceeds RMB10 million, and accounts for more than 10% of the absolute value of the net assets in the consolidated financial statements

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.6. Accounting treatments for business combinations involving entities under common control and not under common control

#### 3.6.1 Business combinations involving entities under common control

The assets acquired and liabilities assumed, including the goodwill formed by the acquisition of the merged party by the ultimate controller, are measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the consideration paid for the combination (or the total par value of the issued shares) shall be adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

#### 3.6.2 Business combinations involving entities not under common control

The combination costs, are the aggregate of the fair values of the assets transferred, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree at the acquisition date. If the acquirer's combination cost is greater than the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference shall be recognized as goodwill. Where the combination cost is less than the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference shall be recognized in profit or loss for the current period. In a business combination, the acquirer shall measure the acquiree's identifiable assets, the liabilities assumed, and contingent liabilities, at their acquisition-date fair values, if the recognition criteria are met.

The acquisition-related costs shall be expensed in the periods in which the costs are incurred and the services are received, with one exception. The costs of issuing equity or debt securities as consideration for the acquisition shall be included in the carrying amounts of the equity or debt securities upon initial recognition.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.7. Method of Preparing the Consolidated Financial Statements

#### 3.7.1 The criteria for determining control

The scope of consolidated financial statements shall be determined on a control basis. Control exists when the Company has all of the following: power over the investee; exposure, or rights to variable returns from the Company's involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns.

#### 3.7.2 Scope of consolidation

The scope of consolidated financial statements shall be determined on a control basis, and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the Company has all of the following: power over the investee; exposure, or rights to variable returns from the Company's involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns.

#### 3.7.3 Procedures of consolidation

When preparing consolidated financial statements, the Company shall consider the entire group as an accounting entity, and adopt uniform accounting policies to reflect the overall financial position, operating results and cash flows of the group. Intra-group balances and transactions, and any unrealized profit or loss arising from intra-group transactions, are offset. If internal transactions indicate that the related assets have occurred impairment losses, the full amount of such loss shall be recognized. If the accounting policies or accounting periods adopted by the subsidiaries are inconsistent with those of the Company, necessary adjustments shall be made to the financial statements of the subsidiary in accordance with those of the Company, when preparing the consolidated financial statements.

Non-controlling interests are presented separately within shareholders' equity in the consolidated balance sheet, as net profit or loss attributable to non-controlling shareholders presented separately in the consolidated income statement below the net profit line item, and total comprehensive income attributable to non-controlling shareholders presented separately in the consolidated income statement below the total comprehensive income line item. If loss attributed to the minority shareholders of a subsidiary in current period exceeds the proportion of non-controlling interest in this subsidiary at the beginning of the period, the excess is still offset against the minority shareholders' equity.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.7. Method of Preparing the Consolidated Financial Statements (Continued)

#### 3.7.2 Procedures of consolidation (Continued)

##### (1) Acquisition of subsidiaries or business

If a subsidiary or business is acquired during the reporting period, through a business combinations involving entities under common control, the financial statements of the subsidiary, which based on the carrying value of assets and liabilities in the financial statement of the ultimate controlling party, shall be included in the consolidated financial statements, as if the combined reporting entity had existed at the date when the ultimate controlling party initially obtained control. And the opening balances and the comparative figures of the consolidated financial statements shall also be restated.

If the acquiring entity holds equity investment in the acquired entity prior to the combination date and the equity investment is accounted for under the equity method, related profit or loss, other comprehensive income and other changes in equity which have been recognized during the period from the later of the date of the Company obtaining original equity interest and the date of both the acquirer and the acquiree under common control of the same ultimate controlling party to the combination date should be offset against the opening balance of retained earnings at the comparative financial statements period respectively.

Where a subsidiary or business was acquired during the reporting period, through a business combinations involving entities not under common control, the identifiable assets, liabilities and contingent liabilities of the subsidiary, which measured at fair value on the acquisition date, shall be included into the consolidated financial statements.

Where the acquirer obtains control of an acquiree under uncommon control in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value, and any difference between the fair value and carrying amount shall be recognized in profit or loss. The other comprehensive income recognized in prior reporting periods, that can be reclassified into profit or loss and changes in value of owners' equity under the equity method, shall be recognized in the current period's investment income as of the acquisition date.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.7. Method of Preparing the Consolidated Financial Statements (Continued)

#### 3.7.2 Procedures of consolidation (Continued)

##### (2) Disposal of subsidiaries

###### ① General principles

If the Company loses control in an investee through partial disposal of the equity investment, the retained equity interest should be re-measured at fair value at the date of loss of control. The difference between i) the fair value of consideration received from the disposal plus non-controlling interest retained; ii) share of the former subsidiary's net assets cumulatively calculated from the acquisition date or combination date according to the original proportion of equity interest plus the goodwill, shall be recognized in current investment income when control is lost. Other comprehensive income related to the equity investment in the former subsidiary, that can be reclassified into profit or loss and other changes in owner's equity under the equity method, shall be converted into current investment income when the control is lost.

###### ② Disposal in stages

When the Company loses control of a subsidiary in multiple transactions by disposing its long-term equity investment in the subsidiary in stages, in considering of the terms and conditions of the transactions as well as their economic impact, the presence of one or more of the following indicators may lead to account for multiple transactions as a bundled transaction:

- The transactions are entered into simultaneously or in contemplation of one another.
- The transactions work together to achieve an overall commercial effect.
- The occurrence of one transaction depends on the occurrence of at least one other transaction.
- One transaction, considered on its own merits, is not economically justified, but it is economically justified when considered together with other transactions.

If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.7. Method of Preparing the Consolidated Financial Statements (Continued)

#### 3.7.2 Procedures of consolidation (Continued)

##### (2) Disposal of subsidiaries (Continued)

###### ② Disposal in stages (Continued)

For each transaction prior of the date of loss of control, the difference between consideration received and the carrying amount of long-term equity investment corresponding to the equity interest disposed should be recognized as other comprehensive income in the consolidated financial statements, and transferred to profit or loss as a whole when control is lost.

If these transactions are not part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained, and accounted for as disposal of subsidiaries when control is lost.

##### (3) Purchase of minority stake in subsidiary

Where, the Company purchases non-controlling interests of its subsidiary, the difference between the cost of the long-term equity investment newly obtained in purchasing non-controlling interests and share of the subsidiary's net assets from the acquisition date or combination date continuingly calculated pursuant to the newly acquired shareholding proportion shall be adjusted into capital reserve (share premium) in the consolidated financial statements, with any excess offsetting retained earnings.

##### (4) Partial disposal of equity investment in subsidiaries without loss of control

For partial disposal of the long-term equity investment in the subsidiaries without a loss of control, the difference between consideration received from the disposal and the corresponding share of subsidiary's net assets cumulatively calculated from the acquisition date or combination date shall be adjusted into capital reserve (share premium). If the capital reserve is insufficient to absorb the difference, any excess shall be offset against retained earnings.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.8. Classification of joint arrangements and Accounting for joint ventures

Joint arrangements include joint operations and joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company shall recognize the following items in relation to shared interest in joint operations:

- (1) its assets, including its share of any assets held jointly;
- (2) its liabilities, including its share of any liabilities incurred jointly;
- (3) its revenue from the sale of its share of the output arising from the joint operation;
- (4) its share of the revenue from the sale of the output by the joint operation; and
- (5) its expenses, including its share of any expenses incurred jointly.

The Company accounts for the joint venture under equity method, refer to “Note. 3.15 Long-term Equity Investment”.

### 3.9. Cash and cash equivalents

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

### 3.10. Foreign currency transactions and translation of foreign currency financial statements

#### 3.10.1 Foreign currency transaction

Foreign currency transactions are translated into the functional currency (Renminbi) at the spot exchange rates prevailing at the dates of transactions.

Monetary items denominated in foreign currency are translated to Renminbi using spot exchange rate prevailing at the balance date. The resulting foreign exchange differences are generally recognized in profit or loss, except the differences arising from the re-translation of the principal and interest of specific borrowings for the acquisition and construction of qualifying assets.

#### 3.10.2 Translation of foreign currency financial statements

The assets and liabilities of foreign operations, when translating the financial statements of a foreign operation, are translated to Renminbi at the spot exchange rate at the balance sheet date; Equity items, are translated at the spot exchange rate at the time of occurrence, except retained earnings that is translated at historical exchange rate. The income and expenses of foreign operation are translated to Renminbi using the spot exchange rate on the date of the transaction.

Where the foreign operation is disposed, the resulting translation differences accumulated in shareholders' equity of that foreign operation are transferred to profit or loss in the period.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.11. Financial instruments

A financial asset or a financial liability should be recognized in the statement of financial position when, and only when, an entity becomes party to the contractual provisions of the instrument.

#### 3.11.1 Classification of financial instruments

At initial recognition, the Company classified its financial assets based on both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset: financial asset at amortized cost, financial asset at fair value through profit or loss (FVTPL) and financial asset at fair value through other comprehensive income (FVOCI).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset (a debt instrument) is measured at FVOCI when it meets both of the following conditions and is not designated as at FVTPL:

- it is held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

The Company may irrevocably designate an equity investment that is not held for trading as PVOIC (equity instrument) on initial recognition. This designation is made on investment-by investment basis, and the underlying investment meets the definition of an equity instrument from the issuer's perspective.

At initial recognition, the Company may make an irrevocable decision to designate part of equity instrument investments, which meet the requirements to be measured at amortized cost or FVOCI, as measured through FVTPL, in order to eliminate or significantly reduce accounting mismatches.

Financial liabilities are classified as measured at fair value through profit or loss (FVTPL) or amortized cost at initial recognition.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.11. Financial instruments (Continued)

#### 3.11.1 Classification of financial instruments (Continued)

A financial liability can be designated as at FVTPL if it meets any of the following conditions:

- (1) The designation can eliminate or significantly reduce accounting mismatches.
- (2) In accordance with the enterprise risk management or investment strategy set forth in a formal written document, the financial liabilities portfolio or the portfolio of financial assets and financial liabilities is managed and performance evaluated on a fair value basis, and reports are made to key management personnel within the enterprise on this basis.
- (3) The financial liability contains embedded derivatives that need to be separately split.

#### 3.11.2 Recognition basis and measurement method of financial instruments

- (1) Financial assets at amortized cost

Financial assets measured at amortized cost including notes receivable, accounts receivable, other receivables, long-term receivables, debt investments and others, are initially measured at fair value of the financial assets, and the related transaction costs are included in the initial recognition amount. Accounts receivable that does not include a material financing component and accounts receivable for which the Company decides not to consider a financing component of no more than one year will be initially measured at the contract transaction price.

During the holding period, the interest using the effective interest rate method is included in the profit or loss for the current period.

When the financial asset is recovered or disposed, the difference between the price obtained and the carrying amount of the financial asset is recognized in the current profit or loss.

- (2) Financial assets (debt instruments) at fair value through other comprehensive income (FVOCI)

Financial assets (debt instruments) measured at FVOCI, including receivables financing and other debt investments, are initially measured at fair value, and the relevant transaction costs are included in the initial recognition amount. The financial assets are subsequently measured at fair value. All changes in fair value are recognized in other comprehensive income, except for interest income calculated using the effective interest method, impairment and foreign exchange gains and losses, which should be recognized in profit or loss.

At derecognition, cumulative gains or losses in other comprehensive income are reclassified to profit or loss.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.11. Financial instruments (Continued)

#### 3.11.2 Recognition basis and measurement method of financial instruments (Continued)

- (3) Financial assets (equity instruments) at fair value through other comprehensive income (FVOCI)

Financial assets (equity instruments) measured at FVOCI, including investments in other equity instruments, are measured at fair value on initial recognition, and the relevant transaction costs are included in the initial recognition amount. The financial assets are subsequently measured at fair value. Net gains and losses are recognized in other comprehensive income, except for dividends recognized as income in profit or loss. At derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

- (4) Financial assets at fair value through profit or loss (FVTPL)

Financial assets measured at FVTPL, including trading financial assets, derivative financial assets, other non-current financial assets and others, are initially measured at fair value, and the relevant transaction costs are recognized in profit or loss. The financial asset is subsequently measured at fair value, and the change in fair value is included in profit or loss for the current period.

- (5) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities measured at FVTPL, including trading financial liabilities and derivative financial liabilities, are initially measured at fair value, and the relevant transaction costs are included in profit or loss for the current period. The financial liability at FVTPL is subsequently measured at fair value, and the change in fair value is recognized in the current profit or loss.

On derecognition, the difference between its carrying amount and the consideration paid is recognized in profit or loss.

- (6) Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables. These financial liabilities are initially measured at fair value, and the relevant transaction costs are included in the initial recognition amount.

During the holding period, the interest calculated using the effective interest rate method is included in the profit or loss for the current period.

When derecognized, the difference between the consideration paid and the carrying amount of the financial liability is recognized in profit or loss.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.11. Financial instruments (Continued)

#### 3.11.3 Derecognition of financial assets and transfer of financial assets

A financial asset is derecognized when one of the following conditions is met:

- The contractual right to receive the cash flow of the financial asset is terminated;
- The financial asset has been transferred, the Company transfers almost all the risks and rewards of ownership of the financial asset to the transferee;
- The financial asset has been transferred, the Company does not retain control over the financial asset, although it neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset.

In the event of a transfer of financial assets, if almost all of the risks and rewards in the ownership of the financial assets are retained, the financial assets shall not be terminated.

When determining whether the transfer of financial assets meets the above-mentioned derecognition criteria for financial assets, the principle of substance over form is adopted. The Company distinguishes between the overall transfer and partial transfer of financial assets.

If the transfer of financial asset qualifies for derecognition in its entirety, the difference between the following shall be recognized in profit or loss:

- (1) the carrying amount of the financial assets transferred;
- (2) The sum of the consideration received from the transfer and the cumulative gain or loss that has been recognized directly in other comprehensive income (in the case of the transferred financial assets (debt instruments) at FVOCI).

If the partial transfer of financial assets satisfies the conditions for derecognition, the carrying amount of the transferred financial assets as a whole shall be apportioned between the derecognized part and the non-derecognized part according to their respective relative fair values, and the difference between the following two amounts shall be included in the profit or loss for the current period:

- (1) the carrying amount of the derecognized portion;
- (2) The sum of the consideration for the derecognition portion and the amount corresponding to the derecognition portion of the accumulated fair value changes originally directly included in the owner's equity (in the case that the financial assets involved in the transfer are financial assets (debt instruments) measured at fair value and the changes thereof are included in other comprehensive income).

If the transfer of financial assets does not meet the conditions for derecognition, the financial assets shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.11. Financial instruments (Continued)

#### 3.11.4 Derecognition of financial liabilities

If the current obligation of a financial liability has been discharged in whole or in part, the financial liability or part thereof shall be derecognized; If the Company enters into an agreement with creditors to replace existing financial liabilities by assuming new financial liabilities, and the contractual terms of the new financial liabilities are substantially different from those of existing financial liabilities, the recognition of existing financial liabilities shall be terminated and the new financial liabilities shall be recognized at the same time.

If all or part of the contract terms of the existing financial liabilities are substantially modified, the existing financial liabilities or part of them shall be derecognized, and the financial liabilities after the amended terms shall be recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the carrying amount of the derecognized financial liability and the consideration paid (including the non-cash assets transferred or the new financial liabilities assumed) shall be recognized in profit or loss for the current period.

If the Company buys back part of the financial liabilities, the carrying amount of the entire financial liabilities will be allocated according to the relative fair value of the recognizable part and the derecognized part on the repurchase date. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recognized in profit or loss for the period.

#### 3.11.5 Method for determining the fair value of financial assets and financial liabilities

A financial instrument with an active market whose fair value is determined by quotes quoted in an active market. Financial instruments for which there is no active market are used to determine their fair value using valuation techniques. In valuation, the Company uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the assets or liabilities considered by market participants in the transaction of the underlying assets or liabilities, and preferentially uses relevant observable inputs. Unobservable inputs are used only if the relevant observable input is not available or practicable to obtain.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.11. Financial instruments (Continued)

#### 3.11.6 Test methods and accounting treatment for impairment of financial assets

The Company estimates the expected credit losses of financial assets measured at amortized cost, financial assets (debt instruments) and financial guarantee contracts measured at fair value through other comprehensive income, either individually or in combination.

The Company recognizes expected credit losses by calculating the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, weighting the risk of default, taking into account reasonable and evidence-based information such as past events, current conditions, and forecasts of future economic conditions.

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company measures the loss allowance at an amount equivalent to the expected credit loss over the entire life of the financial instrument, and if the credit risk of the financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance at an amount equivalent to the expected credit loss of the financial instrument in the next 12 months. The amount of the increase or reversal of the resulting loss provision is recognized in the current profit or loss as an impairment loss or gain.

The Company determines the relative change in the risk of default during the expected duration of a financial instrument by comparing the risk of default on the balance sheet date with the risk of default occurring on the initial recognition date to assess whether the credit risk of a financial instrument has increased significantly since its initial recognition. Normally, the Company considers that the credit risk of the Financial Instrument has increased significantly if it is overdue for more than 30 days, unless there is conclusive evidence that the credit risk of the Financial Instrument has not increased significantly since the initial recognition.

If the credit risk of a Financial Instrument is low at the balance sheet date, the Company does not believe that the credit risk of such Financial Instrument has increased significantly since its initial recognition.

If there is objective evidence that a financial asset has been impaired for credit, the Company will make an impairment provision for the financial asset on a single basis.

For the receivables and contract assets formed by transactions regulated by《Accounting Standard for Business Enterprises No. 14 – Revenue》(2017) regardless of whether they contain significant financing components, the Company has always measured its loss provision at an amount equivalent to the expected credit loss over the entire duration.

For lease receivables, the Company has always chosen to measure its loss provision at an amount equal to the expected credit loss over the entire duration.

If the Company no longer reasonably expects that the contractual cash flow of a financial asset can be recovered in whole or in part, it shall directly write down the book balance of the financial asset.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.12. Determination and accounting treatment of expected credit losses

#### 3.12.1 Methods for determining expected credit losses

On the basis of expected credit losses, the Company carries out impairment accounting and recognises loss provisions for financial assets (including receivables) measured at amortized cost, financial assets classified as measured at fair value through other comprehensive income, and lease receivables.

The Company assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date, and divides the process of credit impairment of financial instruments into three stages, and adopts different accounting treatment methods for the impairment of financial instruments at different stages: (1) In the first stage, if the credit risk of the financial instrument does not increase significantly since the initial recognition, the Company measures the loss provision according to the expected credit loss of the financial instrument in the next 12 months; and calculate interest income based on its book balance (i.e. before deducting impairment provisions) and effective interest rate; (2) In the second stage, if the credit risk of a financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, the Company shall measure the loss provision according to the expected credit loss of the financial instrument throughout its duration, and calculate the interest income according to its book balance and effective interest rate; (3) In the third stage, if credit impairment occurs after initial recognition, the Company measures the loss provision according to the expected credit loss of the financial instrument over the entire duration, and calculates the interest income according to its amortized cost (book balance minus impairment provision) and effective interest rate.

#### 3.12.2 Accounts receivable and notes receivable

For accounts receivable and notes receivable, regardless of whether they contain significant financing components, the Company always measures the loss provision at an amount equivalent to the expected credit loss during the entire duration, and the increase or reversal of the resulting loss provision is included in the current profit or loss as an impairment loss or gain.

##### (1) Accounts receivable and notes receivable for separate provision for bad debts

For accounts receivable and notes receivable that have objective evidence of impairment and other accounts receivable and notes receivable that are suitable for individual assessment, the impairment test shall be carried out separately to confirm the expected credit loss and make a provision for individual impairment.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.12. Determination and accounting treatment of expected credit losses (Continued)

#### 3.12.2 Accounts receivable and notes receivable (Continued)

##### (2) Accounts receivable for bad debt provision on a combined basis

For accounts receivable and notes receivable that do not have objective evidence of impairment, or when the individual provision cannot assess the expected credit loss at a reasonable cost, the Company divides the company into several portfolios based on the credit risk characteristics and calculates the expected credit loss on the basis of the portfolio, and the basis for determining the portfolio is as follows:

#### The basis for determining the group

Note receivable group	The credit degree of the accepting bank or the acceptor is used as the credit risk characteristic to divide the group
Aging group	The credit risk characteristics of receivables are used as the credit risk characteristics to divide the group
Other group	The relationship between receivables and transaction counterparties is used as the credit risk characteristics to divide the group
Deposit, security deposits and reserves	The nature of the receivables is used as the credit risk characteristic to divide the group

#### Grouping assessment subject to allowance for credit losses

Note group	Others
Aging group	Allowance for credit losses base on aging analysis methods
Other group	Others
Deposit, security deposits and reserves	Others



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.12. Determination and accounting treatment of expected credit losses (Continued)

#### 3.12.2 Accounts receivable and notes receivable (Continued)

##### (2) Accounts receivable for bad debt provision on a combined basis (Continued)

The Company has combined the receivables with similar credit risk characteristics and, based on all reasonable and evidence-based information, including forward-looking information, estimates the proportion of the provision for bad debts of the receivables as follows:

Aging	Allowance rate (%)
0-6 months	0
7-12months	5
1-2 years	10
2-3 years	15
3-4 years	30
4-5 years	50
More than 5 years	100

In the portfolio, other methods are used to provide for bad debts:

When there is objective evidence that the Company will not be able to recover all the payments under the original terms of the receivables, a separate impairment test will be carried out based on the difference between the present value of its future cash flows and its carrying amount, and a provision for bad debts will be made.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.12. Determination and accounting treatment of expected credit losses (Continued)

#### 3.12.3 Receivables Financing

When notes receivable and accounts receivable meet the following conditions at the same time: 1) the contractual cash flow is the payment of principal and interest based on the outstanding principal amount; 2) The Company's business model for managing notes receivable and accounts receivable is aimed at both collecting contractual cash flow and selling. The financial assets classified by the Company as measured at fair value through other comprehensive income are listed in the financial statements as receivables financing, and the relevant specific accounting treatment is shown in "3.11 Financial Instruments" in this note;

When the information of expected credit loss cannot be assessed at a reasonable cost, the Company divides notes receivable and accounts receivable into several portfolios according to the credit risk characteristics, and calculates the expected credit loss on the basis of the combination. If there is objective evidence that a note receivable and accounts receivable have been credit impaired, the Company shall make a separate provision for bad debts for the notes receivable and accounts receivable and recognize the expected credit loss, and treat the notes receivable and accounts receivable classified as a combination according to the above-mentioned impairment loss measurement method for accounts receivable.

#### 3.12.4 Other receivables

For the measurement of impairment losses on other receivables, it shall be treated in accordance with the above-mentioned impairment loss measurement method for receivables.

#### 3.12.5 Others

For other receivables such as prepayments, interest receivables, long-term receivables, etc., provision for bad debts is made based on the difference between the present value of their future cash flows and their book value.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.13. Inventories

#### 3.13.1 Categories of inventories

Inventory is classified as: raw materials, turnover materials, inventory goods, work-in-progress, issued goods, consignment processing materials, etc.

Inventory is initially measured at cost, which includes the cost of procurement, processing and other expenses incurred to bring the inventory to its current premises and condition.

#### 3.13.2 Measurement of inventories upon delivery

Weighted average method is used to measure the actual costs of inventories upon delivery.

#### 3.13.3 The basis for determining the net realizable value of different types of inventory

At the balance sheet date, inventories should be measured at the lower of cost and net realizable value. When the cost of inventory is higher than its net realizable value, provision should be made for inventory decline. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less the estimated costs to be incurred at completion, estimated selling expenses, and related taxes.

In the normal course of production and operation, the net realizable value of the inventory of goods directly used for sale, such as finished products, inventory commodities and materials used for sale, shall be determined by the estimated selling price of the inventory minus the estimated sales expenses and relevant taxes and fees; In the normal course of production and operation, the net realizable value of the inventory of materials that need to be processed shall be determined by the estimated selling price of the finished products produced minus the estimated costs to be incurred at the time of completion, the estimated sales expenses and relevant taxes and fees; The net realizable value of the inventory held for the execution of the sales contract or service contract shall be calculated on the basis of the contract price, and if the quantity of the inventory held exceeds the quantity ordered under the sales contract, the net realizable value of the excess inventory shall be calculated on the basis of the general sales price.

After the provision for inventory decline is made, if the influencing factors of the previous write-down of the inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its carrying amount, it shall be reversed within the amount of the original provision for inventory decline and the amount reversed shall be included in the profit or loss for the current period.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.13. Inventories (Continued)

#### 3.13.4 Inventory count system

The Company adopts the perpetual inventory system.

#### 3.13.5 Amortization methods of low-value consumables and packaging materials

Low-cost consumables and packaging materials are amortized by the once-off amortization method.

### 3.14 Contract assets and contract liabilities

#### 3.14.1 Methods and standards for the recognition of contract assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligations and the customer's payment. The right of the Company to receive consideration for the transfer of goods or services to the Client (and such right depends on factors other than the passage of time) is listed as a contract asset. Contract assets and contract liabilities under the same contract are shown in net. The Company's right, unconditionally (subject only to the passage of time) to receive consideration from the Client, is presented separately as a receivable.

#### 3.14.2 Methods for determining the expected credit losses of contract assets and accounting treatment

For details of the method of determining the expected credit loss and accounting treatment of contract assets, please refer to "notes 3.11.6: Test methods and accounting treatment methods for impairment of financial assets" and "notes 3.12: Determination and accounting treatment of expected credit losses" in this note, and the combination classification and expected credit loss provision method are the same as those of accounts receivable.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.15. Long-term equity investment

#### 3.15.1 Criteria for judging joint control and significant impact

Joint control refers to the common control of an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement must be unanimously agreed by the participants who share the control before decision-making. If the Company and other joint venture parties exercise joint control over the investee and have rights to the net assets of the investee, the investee shall be a joint venture of the Company.

Significant influence refers to the power to participate in the financial and operational decisions of the investee, but is not able to control or jointly control the formulation of these policies with other parties. If the Company is able to exert significant influence on the investee, the investee shall be an associate of the Company.

#### 3.15.2 Determination of the initial investment cost

##### (1) Long-term equity investment formed by business combination

For the long-term equity investment in the subsidiary formed by the business combination under the same control, the initial investment cost of the long-term equity investment shall be based on the share of the carrying amount of the owner's equity of the merged party in the consolidated financial statements of the ultimate controller on the date of consolidation. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid shall be adjusted for the equity premium in the capital reserve, and the retained earnings shall be adjusted when the equity premium in the capital reserve is insufficient to offset the difference. If the investee under the same control can be controlled due to additional investment or other reasons, the difference between the initial investment cost of the long-term equity investment recognized in accordance with the above principles and the sum of the carrying amount of the long-term equity investment before the merger plus the book value of the consideration further paid for the shares obtained on the merger date shall be adjusted to the equity premium, and if the equity premium is insufficient to offset the retained earnings.

For a long-term equity investment in a subsidiary formed by a business combination not under the same control, the initial investment cost of the long-term equity investment shall be determined according to the merger cost determined on the date of purchase. If the investee is not under the same control due to additional investment or other reasons, the initial investment cost shall be the sum of the carrying amount of the equity investment originally held plus the new investment cost.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.15. Long-term equity investment (Continued)

#### 3.15.2 Determination of the initial investment cost (Continued)

- (2) Long-term equity investments obtained through means other than business combinations

For long-term equity investments made in cash, the initial investment cost is based on the purchase price actually paid. For long-term equity investment obtained through the issuance of equity securities, the fair value of the equity securities issued shall be used as the initial investment cost.

#### 3.15.3 Follow-up measurement and profit and loss recognition method

- (1) Accounting for long-term equity investment

Long-term equity investments in associates and joint ventures are accounted for using the equity method. The initial investment cost is less than the difference between the fair value share of the investee's identifiable net assets at the time of investment, and the initial investment cost of the long-term equity investment shall not be adjusted, and the difference between the initial investment cost and the fair value share of the investee's identifiable net assets shall be included in the profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted.

The Company shall separately recognize investment income and other comprehensive income according to the share of the net profit or loss and other comprehensive income realized by the investee, and adjust the book value of the long-term equity investment, reduce the carrying amount of the long-term equity investment accordingly according to the profit or cash dividend declared by the investee, and other changes in the owner's equity of the investee other than net profit or loss, other comprehensive income and profit distribution (hereinafter referred to as "other changes in owner's equity"), adjust the book value of long-term equity investments and include them in owners' equity.

When recognizing the share of the investee's net profit or loss, other comprehensive income and other changes in owners' equity, the net profit and other comprehensive income of the investee shall be recognized on the basis of the fair value of the investee's identifiable net assets at the time of acquisition of the investment, and adjusted in accordance with the company's accounting policies and accounting periods.

The unrealized gains and losses from internal transactions between the company and its associates and joint ventures shall be calculated and offset in accordance with the proportion to which it is entitled, and the investment income shall be recognized on this basis, except for the assets invested or sold that constitute business. If the unrealized internal transaction loss with the investee is an asset impairment loss, it shall be recognized in full.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.15. Long-term equity investment (Continued)

#### 3.15.3 Follow-up measurement and profit and loss recognition method (Continued)

##### (1) Accounting for long-term equity investment (Continued)

In addition to the obligation to bear additional losses, the net loss incurred by the company in respect of the joint venture or associated enterprise shall be written down to zero at the carrying amount of the long-term equity investment and other long-term interests that substantially constitute the net investment in the joint venture or associate. If the joint venture or associated enterprise realizes net profit in the future, the company shall resume the recognition of the revenue sharing amount after the revenue sharing amount makes up for the unrecognized loss sharing amount.

##### (2) Disposal of long-term equity investment

The difference between the carrying amount of the disposal of long-term equity investment and the actual acquisition price shall be included in the profit or loss for the current period.

If part of the long-term equity investment accounted for by the equity method is partially disposed of, and the remaining equity is still accounted for by the equity method, the other comprehensive income recognized by the original equity method shall be carried forward on the same basis as the investee's direct disposal of the relevant assets or liabilities in the corresponding proportion, and the changes in other owners' equity shall be carried forward to the profit or loss for the current period on a proportional basis.

If the investee loses common control or significant influence due to the disposal of the equity investment, the other comprehensive income recognized by the original equity investment due to the adoption of the equity method of accounting shall be accounted for on the same basis as the investee's direct disposal of the relevant assets or liabilities when the equity method of accounting is terminated, and all changes in other owners' equity shall be transferred to the current profit or loss when the equity method of accounting is terminated.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.16. Investment Properties

Investment real estate refers to real estate held for the purpose of earning rent or capital appreciation, or both, including land use rights that have been leased, land use rights that are held and ready to be transferred after appreciation, and buildings that have been leased out (including buildings that are self-constructed or used for rent after the completion of development activities, and buildings that are under construction or in the process of being developed for rent in the future).

Subsequent expenses related to investment real estate are included in the cost of investment real estate when the relevant economic benefits are likely to flow in and their costs can be reliably measured; Otherwise, it will be recognized in profit or loss for the current period when incurred.

The Company adopts a cost model for the measurement of existing investment properties. The same depreciation policy as the Company's fixed assets is applied to the investment real estate rental buildings measured according to the cost model, and the amortization policy for the lease land use rights is implemented in accordance with the same amortization policy as the intangible assets.

### 3.17. Fixed assets

#### 3.17.1 Recognition and initial measurement of fixed assets

Fixed assets refer to tangible assets that are held for the production of goods, the provision of services, leasing or business management, and have a useful life of more than one fiscal year. Fixed assets are recognized when the following conditions are met at the same time:

- (1) The economic benefits related to the fixed assets are likely to flow into the enterprise;
- (2) The cost of the fixed asset can be reliably measured.

Fixed assets are initially measured at cost (and taking into account the impact of the projected disposal expense factor).

Subsequent expenses related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow in and their costs can be reliably measured; derecognition of the carrying amount of the part to be replaced; All other subsequent expenses are recognized in profit or loss for the period when incurred.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.17. Fixed assets (Continued)

#### 3.17.2 Depreciation method

The depreciation of fixed assets is classified and accrued using the average life method, and the depreciation rate is determined according to the type of fixed assets, the expected useful life and the estimated net residual value rate. For fixed assets for which impairment provisions have been made, the depreciation amount shall be determined in future periods based on the carrying amount after deducting the impairment provision and based on the remaining useful life. If the service life of each component of the fixed assets is different or provides economic benefits to the enterprise in different ways, different depreciation rates or depreciation methods are selected and depreciation is accrued separately.

The depreciation methods, depreciation periods, residual value rates and annual depreciation rates of various types of fixed assets are as follows:

Category	Depreciation methods	Depreciation (years)	Residual value rate	Annual depreciation rate
Buildings	Straight line method	20-30	5%	3.17%-4.75%
Machinery & equipment	Straight line method	5-11	0-10%	8.18%-20.00%
Transportation vehicles	Straight line method	5-10	0-5%	9.50%-20.00%
Electronic equipment	Straight line method	2-10	2%-10%	9.00%-49.00%
Others	Straight line method	2-5	0-10%	18.00%-50.00%
Operating Lease Fixed Assets:				
Buildings	Straight line method	20-30	5%	3.17%-4.75%

#### 3.17.3 Disposal of fixed assets

A fixed asset is derecognized when it is disposed of, or when it is not expected to generate economic benefit from its use or disposal. The amount of disposal income from the sale, transfer, scrapping or damage of fixed assets after deducting their book value and related taxes is included in profit or loss for the current period.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.18. Construction in progress

Construction in progress is measured at the cost actually incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization, and other expenses necessary to bring the work in progress to its intended useable condition. When the construction in progress reaches the intended usable state, it is transferred to fixed assets and depreciation begins to accrue from the following month.

### 3.19. Borrowing Costs

#### 3.19.1 Recognition principle for capitalization of borrowing costs

The borrowing costs incurred by the Company that can be directly attributable to the acquisition, construction or production of assets that meet the conditions for capitalization shall be capitalized and included in the cost of relevant assets; Assets eligible for capitalization refer to assets such as fixed assets, investment real estate, and inventories that need to be purchased, constructed, or produced for a considerable period of time to reach a predetermined usable or marketable state.

#### 3.19.2 Capitalization period of borrowing costs

The capitalization period refers to the period from the time when the capitalization of borrowing costs starts to the time when capitalization ceases, excluding the period during which the capitalization of borrowing costs is suspended.

Borrowing costs are capitalized when the following conditions are met:

- (1) Asset expenditure has been incurred, and asset expenditure includes expenditure in the form of cash payment, transfer of non-cash assets or assumption of interest-bearing debts for the acquisition, construction or production of assets eligible for capitalization;
- (2) borrowing costs have been incurred;
- (3) The acquisition, construction or production activities necessary to bring the asset to its intended usable or marketable state have begun.

When the acquisition, construction or production of assets eligible for capitalization reaches the intended usable or saleable state, the capitalization of borrowing costs ceases.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.19. Borrowing Costs (Continued)

#### 3.19.3 Suspension of capitalization period

If there is an abnormal interruption in the acquisition, construction or production of an asset eligible for capitalization, and the interruption period exceeds 3 consecutive months, the capitalization of borrowing costs will be suspended: if the interruption is necessary for the acquisition, construction or production of assets eligible for capitalization to reach the intended usable state or saleable state, the borrowing cost will continue to be capitalized. Borrowing costs incurred during the interruption period are recognized as profit or loss for the current period and continue to be capitalized until the acquisition and construction of assets or production activities resume.

### 3.20. Intangible assets

#### 3.20.1 Valuation method of intangible assets

(1) When the company acquires intangible assets, the initial measurement is carried out at cost; The cost of the purchased intangible asset, including the purchase price, related taxes and other expenses directly attributable to the use of the asset for its intended purpose.

(2) Follow-up measurement

Analyze and judge the useful life of intangible assets when acquiring them.

For intangible assets with a limited useful life, they shall be amortized within the period of economic benefits brought to the enterprise; if the period of economic benefits brought to the enterprise by the intangible assets cannot be foreseen, they shall be regarded as intangible assets with indefinite useful life and shall not be amortized.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.20. Intangible assets (Continued)

3.20.2 Estimation of useful life of intangible assets with limited useful life:

Category	Useful life (years)	Amortisation methods
Land use rights	16.75-50	Straight line method
Trademark rights	10	Straight line method
Software	5-10	Straight line method
Copyrights	10	Straight line method
Patent rights	10	Straight line method
Non-Patent techniques	5	Straight line method

3.20.3 Specific criteria for dividing the research stage and the development stage

The expenditure on R&D projects within the company is divided into research stage expenditure and development stage expenditure.

Research stage: The stage of original planned investigation and research activities to acquire and understand new scientific or technological knowledge, etc.

Development stage: The stage in which research results or other knowledge are applied to a plan or design to produce new or substantially improved materials, devices, products, etc., before commercial production or use.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.20. Intangible assets (Continued)

#### 3.20.4 Specific conditions for capitalization of expenditures in the development phase

Expenses incurred during the research phase are included in profit or loss for the current period when incurred. If the expenditure in the development stage meets the following conditions at the same time, it shall be recognized as an intangible asset, and the expenditure in the development stage that cannot meet the following conditions shall be included in the profit or loss for the current period:

- (1) it is technically feasible to complete the intangible asset so that it can be used or sold;
- (2) have the intention to complete the intangible asset and use or sell it;
- (3) the manner in which the intangible asset generates economic benefits, including the usefulness of the intangible asset if it can be proved that there is a market for the products produced by the intangible asset or that there is a market for the intangible asset itself, and that the intangible asset will be used internally;
- (4) have sufficient technical, financial and other resources to complete the development of the intangible asset and have the ability to use or sell the intangible asset;
- (5) the expenditure attributable to the development stage of the intangible asset can be reliably measured.

If it is not possible to distinguish between the expenditure in the research stage and the expenditure in the development stage, all the R&D expenditure incurred shall be included in the profit or loss for the current period.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.21. Impairment of long-term assets

Long-term assets such as long-term equity investments, investment real estate measured under the cost model, fixed assets, projects under construction, right-of-use assets, and intangible assets with a limited useful life are subject to impairment testing at the balance sheet date. If the impairment test results show that the recoverable amount of an asset is lower than its carrying amount, an impairment provision shall be made according to the difference and included in the impairment loss. The recoverable amount is the higher of the fair value of the asset less disposal costs and the present value of the asset's expected future cash flows. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined by the asset group to which the asset belongs. An asset group is the smallest portfolio of assets that can generate cash inflows independently.

For goodwill formed as a result of business combinations, intangible assets with indefinite useful lives, and intangible assets that have not yet reached a usable state, regardless of whether there is an indication of impairment, the impairment test shall be carried out at least at the end of each year.

The Company conducts a goodwill impairment test, and allocates the carrying amount of goodwill formed as a result of the business combination to the relevant asset group in a reasonable manner from the date of purchase, and if it is difficult to allocate it to the relevant asset group, it is allocated to the relevant asset group combination. The relevant asset group or combination of asset groups is the one that can benefit from the synergies of the business combination.

When conducting an impairment test on a relevant asset group or a combination of asset groups containing goodwill, if there are signs of impairment in the asset group or asset group combination related to goodwill, the impairment test shall be carried out on the asset group or asset group combination that does not contain goodwill, and the recoverable amount shall be calculated and the corresponding impairment loss shall be recognized by comparing it with the relevant book value. If the recoverable amount is lower than the book value, the amount of impairment loss will first be offset against the book value of the goodwill allocated to the asset group or asset group combination, and then the book value of other assets will be offset proportionally according to the proportion of the book value of other assets other than goodwill in the asset group or asset group combination.

Once the above-mentioned asset impairment loss is recognized, it will not be reversed in subsequent accounting periods.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.22. Long-term amortized expenses

Long-term amortized expenses are those expenses that have already been incurred but should be borne by the current and subsequent periods for an amortized period of more than one year.

The long-term amortized expenses incurred by the Company are valued at actual cost and amortized on an average basis according to the expected benefit period, and the amortized value of the long-term amortized expense items that cannot benefit subsequent accounting periods shall be fully included in the profit or loss for the current period when determined.

### 3.23. Contract Liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligations and the customer's payment. The Company's obligation to transfer goods or services to the Customer for consideration received or receivable from the Customer is shown as a contractual liability.

Contract assets and contract liabilities under the same contract are shown in net.

### 3.24. Employee Compensation

#### 3.24.1 Accounting treatment of short-term remuneration

During the accounting period in which employees provide services to the Company, the Company recognizes the actual short-term remuneration as a liability and includes it in the profit or loss for the current period or the cost of related assets.

The social insurance premiums and housing provident fund paid by the Company for the employees, as well as the trade union funds and employee education funds withdrawn in accordance with the regulations, shall be calculated and determined according to the prescribed basis and proportion of the employees' remuneration during the accounting period in which the employees provide services to the Company.

The employee benefit expenses incurred by the Company shall be included in the profit or loss for the current period or the cost of related assets according to the actual amount incurred when actually incurred, of which non-monetary benefits shall be measured at fair value.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.24. Employee Compensation (Continued)

#### 3.24.2 Accounting treatment of post-employment benefits

##### (1) Set up a deposit and withdrawal plan

The Company shall pay basic endowment insurance and unemployment insurance for employees in accordance with the relevant regulations of the local government, and the amount payable shall be calculated according to the payment base and proportion stipulated by the local government during the accounting period in which the employees provide services to the Company, which shall be recognized as liabilities and included in the profit or loss for the current period or the cost of related assets. In addition, the company also participates in the enterprise annuity plan/supplementary pension insurance fund approved by the relevant state departments. The Company pays a certain percentage of the total salary of employees to the annuity plan/local social insurance institution, and the corresponding expenses are included in the profit or loss for the current period or the cost of related assets.

##### (2) Set up a benefit plan

The Company attributes the benefit obligations arising from the defined benefit plan to the period during which the employee provides services based on the formula determined by the expected accrued benefit unit method, and includes it in the profit or loss for the current period or the cost of related assets.

The deficit or surplus resulting from the present value of defined benefit plan obligations minus the fair value of defined benefit plan assets is recognized as a defined benefit plan net liability or net assets. If there is a surplus in the defined benefit plan, the Company measures the net assets of the defined benefit plan by the lower of the surplus of the defined benefit plan and the asset limit.

All defined benefit plan obligations, including those expected to be paid within twelve months of the end of the annual reporting period in which employees provide services, are discounted based on the market yield of Treasury bonds or high-quality corporate bonds in active markets that match the term and currency of the defined benefit plan obligations at the balance sheet date.

The cost of services arising from the defined benefit plan and the net interest on the net liabilities or net assets of the defined benefit plan are included in the profit or loss for the current period or the cost of related assets; Changes resulting from the remeasurement of net liabilities or net assets of defined benefit plans are included in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods, and all of the original included in other comprehensive income is carried forward to undistributed profit within the scope of equity when the original defined benefit plan is terminated.

At the time of settlement of the defined benefit plan, the settlement gain or loss is recognized as the difference between the present value of the defined benefit plan obligation and the settlement price determined on the settlement date.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.24. Employee Compensation (Continued)

#### 3.24.3 Termination benefits

When the Company provides termination benefits to employees, the employee remuneration liabilities arising from the dismissal benefits shall be recognized as soon as possible and included in the profit or loss for the current period as soon as possible: when the Company cannot unilaterally withdraw the severance benefits provided due to the termination of labor relationship plan or layoff proposal; When the Company recognizes costs or expenses related to a reorganization involving the payment of termination benefits.

### 3.25. Provisions

The Company recognizes obligations related to contingencies as Provisions if they meet the following conditions at the same time:

- (1) the obligation is a current obligation of the Company;
- (2) the performance of such obligation is likely to result in an outflow of economic benefits from the Company;
- (3) the amount of the obligation can be reliably measured.

Provisions are initially measured on the basis of the best estimate of the expenditure required to meet the relevant current obligations.

In determining the best estimates, factors such as risks, uncertainties and time value of money associated with contingencies are taken into account. Where the time value of money is significant, the best estimate is determined by discounting the relevant future cash outflows.

If there is a continuous range of expenditures within which the likelihood of the outcomes is the same, the best estimate is determined by the midpoint of that range; In other cases, the best estimate is treated separately in the following cases:

- Where a contingency involves a single item, it is determined according to the amount that is most likely to occur.
- Where a contingency involves multiple items, it is to be determined according to the various possible outcomes and the relevant probabilities.

If all or part of the expenses required to settle the Provisions are expected to be compensated by a third party, the amount of compensation shall be recognized separately as an asset when it is basically determined that it can be received, and the amount of compensation recognized shall not exceed the carrying amount of the projected liabilities.

The Company reviews the carrying amount of the Provisions at the balance sheet date, and if there is conclusive evidence that the carrying amount does not reflect the current best estimate, the carrying amount shall be adjusted according to the current best estimate.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.26. Share-based payment

The Company's share-based payments are transactions in which equity instruments are granted or liabilities determined on the basis of equity instruments for the purpose of obtaining services provided by employees or other parties. The Company's share-based payments are divided into equity-settled share-based payments and cash-settled share-based payments.

#### 3.26.1 Equity-settled share-based payments and equity instruments

If the equity-settled share-based payment is exchanged for the services provided by the employee, it shall be measured at the fair value of the equity instrument granted to the employee. For share-based payment transactions with exercisable rights immediately after grant, the relevant costs or expenses will be included in the fair value of the equity instruments on the grant date, and the capital reserve will be increased accordingly. For share-based payment transactions that are exercisable only after the completion of services during the waiting period or the fulfillment of specified performance conditions, at each balance sheet date during the waiting period, the Company will include the services obtained in the current period into the relevant costs or expenses at the fair value at the grant date based on the best estimate of the number of exercisable equity instruments, and increase the capital reserve accordingly.

If the terms of equity-settled share-based payments are modified, the services obtained will be recognized, at least as if the terms were not modified. In addition, any modification that increases the fair value of the equity instrument granted, or that is beneficial to the employee at the date of the amendment, recognizes an increase in services obtained.

During the waiting period, if the granted equity instruments are cancelled, the Company will treat the cancelled granted equity instruments as an accelerated exercise, and the amount that should be recognized during the remaining waiting period will be immediately included in the profit or loss for the current period, and the capital reserve will be recognized at the same time. However, if a new Equity Instrument is granted and it is determined on the New Equity Instrument Grant Date that the new Equity Instrument granted is used in place of the cancelled Equity Instrument, the Granted Replacement Equity Instrument will be treated in the same manner as if the original Equity Instrument Terms and Conditions were amended.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.26. Share-based payment (Continued)

#### 3.26.2 Cash-settled share-based payments and equity instruments

Cash-settled share-based payments are measured at the fair value of liabilities assumed by the Company on the basis of shares or other equity instruments. In the case of share-based payment transactions with exercisable rights immediately after grant, the Company will include the relevant costs or expenses at the fair value of the liabilities assumed on the grant date, and increase the liabilities accordingly. For share-based payment transactions that are exercisable after the completion of services during the waiting period or the fulfillment of specified performance conditions, the Company will include the services obtained in the current period into the relevant costs or expenses based on the fair value of the liabilities assumed by the Company on the basis of the best estimate of the vesting situation at each balance sheet date during the waiting period, and accordingly include them in the liabilities. The fair value of the liability is remeasured at each balance sheet date and at the settlement date before the settlement of the relevant liability, and its change is recognized in profit or loss for the current period.

If the Company amends the terms and conditions of the cash-settled share-based payment agreement to such that it is paid by equity-settled shares, the Company will measure the equity-settled share-based payment at the fair value of the granted equity instrument on the date of the amendment (whether during or after the end of the waiting period), and the services obtained will be included in the capital reserve, and the cash-settled share-based payment will be derecognized as a liability recognized on the date of the amendment, and the difference between the two will be recognized in profit or loss for the current period. If the waiting period is extended or shortened due to amendments, the Company will account for the revised waiting period.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.27. Preferred shares, perpetual bonds and other financial instruments

The Company classifies the financial instrument or its components as financial assets, financial liabilities or equity instruments at the time of initial recognition based on the contractual terms of the issued preferred shares/perpetual bonds and the economic substance reflected therein rather than in legal form only.

If the perpetual bonds/preferred shares and other financial instruments issued by the Company meet one of the following conditions, the financial instruments as a whole or their components will be classified as financial liabilities at the time of initial recognition:

- (1) There is a contractual obligation that the Company cannot unconditionally avoid performing by the delivery of cash or other financial assets;
- (2) Includes a contractual obligation to deliver a variable number of its own equity instruments for settlement;
- (3) Includes derivatives settled with their own equity (such as equity conversion, etc.), and the derivatives are not settled by exchanging a fixed amount of their own equity instruments for a fixed amount of cash or other financial assets;
- (4) There are contractual clauses that indirectly create contractual obligations;
- (5) The perpetual bonds are in the same repayment order as the ordinary bonds and other debts issued by the issuer at the time of liquidation by the issuer. For financial instruments such as perpetual bonds/preferred shares that do not meet any of the above conditions, the financial instrument as a whole or its components will be classified as equity instruments at the time of initial recognition.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.28. Revenues

#### 3.28.1 Accounting policies used for revenue recognition and measurement

The Company has fulfilled its performance obligations under the contract, i.e., recognises revenue when the customer acquires control of the relevant goods or services. Gaining control of the relevant goods or services means being able to dominate the use of the goods or services and derive almost all of the economic benefits from them.

If the contract contains two or more performance obligations, the Company shall allocate the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation on the commencement date of the contract. The Company measures revenue based on the transaction price allocated to each individual performance obligation.

The Transaction Price means the amount of consideration that the Company expects to be entitled to receive as a result of the transfer of goods or services to the Client, excluding payments received on behalf of third parties and amounts expected to be returned to the Client. The Company determines the transaction price in accordance with the terms of the contract and its past practices, and takes into account the impact of factors such as variable consideration, significant financing elements existing in the contract, non-cash consideration, and consideration payable to customers when determining the transaction price. The Company determines the transaction price, including variable consideration, by an amount not exceeding the amount of the accrued recognized revenue that is likely not to be materially reversed at the time the relevant uncertainty is eliminated. If there is a material financing component in the contract, the Company shall determine the transaction price based on the amount payable in cash assuming that the customer acquires control of the goods or services, and amortize the difference between the transaction price and the contract consideration using the effective interest rate method during the contract period.

If one of the following conditions is met, the performance obligation shall be performed within a certain period of time, otherwise, the performance obligation shall be performed at a certain point in time:

- The customer obtains and consumes the economic benefits brought by the company's performance at the same time as the company's performance.
- The customer is able to control the products under construction in the company's fulfillment process.
- The goods produced by the Company in the course of performing the contract have irreplaceable uses, and the Company has the right to receive payment for the part of the performance that has been completed so far during the entire contract period.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.28. Revenues (Continued)

#### 3.28.1 Accounting policies used for revenue recognition and measurement (Continued)

For the performance obligations performed within a certain period of time, the Company shall recognize revenue in accordance with the performance progress during that period, unless the performance progress cannot be reasonably determined. Taking into account the nature of the goods or services, the Company adopts the output method or the input method to determine the performance progress. When the performance progress cannot be reasonably determined, if the costs incurred are expected to be compensated, the Company shall recognize the revenue according to the amount of the costs incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Company recognizes revenue at the point when the customer acquires control of the relevant goods or services. In determining whether a customer has acquired control of goods or services, the Company considers the following indications:

- The Company has the right to receive payment for the goods or services, i.e. the Customer has a current payment obligation for the goods or services.
- The Company has transferred the legal ownership of the Goods to the Customer, i.e. the Customer has legal ownership of the Goods.
- The Company has physically transferred the Commodity to the Customer, i.e. the Customer has taken physical possession of the Goods.
- The Company has transferred the main risks and rewards of the ownership of the goods to the Customer, that is, the Customer has obtained the main risks and rewards of the ownership of the goods.
- The customer has accepted the goods or services, etc.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.28. Revenues (Continued)

#### 3.28.2 Principles of income measurement

The Company measures revenue at the transaction price allocated to each individual performance obligation. The transaction price is the amount of consideration that the Company expects to be entitled to receive as a result of the transfer of goods or services to the Customer, excluding payments received on behalf of third parties and amounts expected to be refunded to the Customer.

Where there is variable consideration in the contract, the Company determines the best estimate of the variable consideration based on the expected value or the amount most likely to occur, provided that the transaction price, including the variable consideration, does not exceed the amount by which the accumulated recognized revenue is likely not to be materially reversed at the time the relevant uncertainty is eliminated.

If there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable in cash assuming that the customer acquires control of the goods or services. The difference between the transaction price and the contract consideration is amortized over the life of the contract using the effective interest method. On the commencement date of the contract, if the Company expects that the interval between the customer's acquisition of control of the goods or services and the customer's payment of the price shall not exceed one year, the material financing component in the contract shall not be considered.

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, allocate the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods promised by each individual performance obligation.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.28. Revenues (Continued)

#### 3.28.3 The specific method of revenue recognition

##### (1) Revenue recognized at the point of time

The company's sales of safe city products, intelligent manufacturing core components, green service-oriented electronic manufacturing products, smart factories and system engineering installation, etc., belong to the performance obligation to be fulfilled at a certain point in time. The following conditions must be met for the recognition of revenue from domestic products: the company has delivered the products to the customer in accordance with the contract and the control of the goods has been transferred, the payment has been recovered or the receipt certificate has been obtained and the relevant economic benefits are likely to flow in, the main risks and rewards in the ownership of the goods have been transferred, and the legal ownership of the goods has been transferred. The following conditions must be met for the recognition of revenue from export products: the company has declared the products in accordance with the contract, obtained the bill of lading, has recovered the payment or obtained the receipt voucher and the relevant economic benefits are likely to flow in, the main risks and rewards in the ownership of the goods have been transferred, and the legal ownership of the goods has been transferred.

##### (2) Revenue recognized according to the performance progress

The Company provides services such as intelligent transportation integration, and since the customer can control the goods or services under construction during the performance process while the Company performs the contract, the Company regards it as a performance obligation to be performed within a certain period of time, and recognizes revenue according to the performance progress, unless the performance progress cannot be reasonably determined. The company determines the performance progress of the services provided in accordance with the output method. If the performance progress cannot be reasonably determined, if the costs incurred by the company are expected to be compensated, the revenue shall be recognized according to the amount of the costs incurred until the performance progress can be reasonably determined.

##### (3) Rental services

If the company provides leasing services, it shall be recognized as rental income in accordance with the straight-line method within the lease period agreed in the lease contract or agreement (the rent-free period shall be considered if there is a rent-free period). For details, see 3.32 Disclosure of Lease Accounting Policies.

##### (4) Others

Others are applicable to property management, park services, etc., and the revenue is recognized according to the straight-line method as agreed in the contract.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.29. Contract Costs

Contract costs include contract performance costs and contract acquisition costs.

If the costs incurred by the Company for the performance of the contract do not fall within the scope of the relevant standards such as inventory, fixed assets or intangible assets, they shall be recognized as an asset as contract performance costs when the following conditions are met:

- the cost is directly related to a current or anticipated contract;
- This cost increases the Company's resources to meet its performance obligations in the future;
- The cost is expected to be recovered.

If the incremental cost incurred by the Company in obtaining the contract is expected to be recovered, it shall be recognized as an asset as the cost of obtaining the contract. Assets related to contract costs are amortized on the same basis as revenue recognition for goods or services to which the asset relates; However, if the amortization period of the cost of contract acquisition does not exceed one year, the Company will include it in the profit or loss for the current period when it occurs.

If the carrying amount of an asset related to the contract cost is higher than the difference between the following items, the Company shall make an impairment provision for the excess and recognize it as an asset impairment loss:

- (1) The residual consideration that is expected to be obtained as a result of the transfer of the goods or services to which the asset relates;
- (2) An estimate of the costs to be incurred for the transfer of the relevant goods or services.

If the impairment factors of the previous period change later, so that the aforesaid difference is higher than the carrying amount of the asset, the Company shall reverse the impairment provision that has been made and include it in the profit or loss for the current period, but the carrying amount of the reversed asset shall not exceed the carrying amount of the asset on the reversal date assuming that no provision for impairment is made.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.30. Government grants

#### 3.30.1 Category

Government grants are monetary assets or non-monetary assets obtained by the Company from the government free of charge, which are divided into asset-related government grants and income-related government grants.

Asset-related government grants refer to government subsidies obtained by the Company for the acquisition, construction or other formation of long-term assets. Income-related government grants refer to government grants other than asset-related government grants.

#### 3.30.2 The recognition timing for government grants

Government grants are recognized when the Company is able to meet the conditions attached to them and is able to receive them.

#### 3.30.3 Accounting treatment

Asset-related government grants are offset against the carrying amount of the underlying assets or recognized as deferred income. If it is recognized as deferred income, it shall be included in the profit or loss for the current period in installments in accordance with a reasonable and systematic method during the useful life of the relevant assets (if it is related to the daily activities of the Company, it shall be included in other income; if it is not related to the company's daily activities, it shall be included in the non-operating income);

If the government grants related to the income is used to compensate the relevant costs, expenses or losses of the Company in subsequent periods, it shall be recognized as deferred income, and shall be included in the profit or loss for the current period during the period when the relevant costs, expenses or losses are recognized (if it is related to the daily activities of the Company, it shall be included in other income; if it is not related to the company's daily activities, it shall be included in non-operating income) or offset the relevant costs or losses; If it is used to compensate for the relevant costs, expenses or losses incurred by the Company, it shall be directly included in the profit or loss for the current period (if it is related to the daily activities of the Company, it shall be included in other income; if it is not related to the company's daily activities, it shall be included in non-operating income) or offset the relevant costs or losses.

The preferential policy loan interest discount obtained by the Company is divided into the following two situations and is accounted for separately:

If the finance department allocates the subsidized funds to the lending bank, and the lending bank provides loans to the Company at a preferential policy interest rate, the Company shall take the actual amount of the loan received as the recorded value of the loan, and calculate the relevant borrowing costs according to the principal of the loan and the preferential interest rate of the policy.

If the finance department directly allocates the interest discount funds to the company, the company will offset the relevant borrowing costs with the corresponding interest discount.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.31. Deferred tax assets and deferred tax liabilities

Income tax includes current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events directly credited to owners' equity (including other comprehensive income), the Company includes current income tax and deferred income tax in profit or loss for the current period.

Deferred tax assets and deferred tax liabilities are recognized based on the difference between the tax basis of the assets and liabilities and their carrying amounts (temporary differences).

For deductible temporary differences, deferred tax assets are recognized to the extent of the taxable income that is likely to be obtained in future periods to offset the deductible temporary differences. For deductible losses and tax credits that can be carried forward to subsequent years, the corresponding deferred tax assets are recognized to the extent that the future taxable income that is likely to be used to offset the deductible losses and tax credits will be obtained.

For taxable temporary differences, deferred tax liabilities are recognized, except in exceptional circumstances. Special circumstances in which deferred tax assets or deferred tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transactions or events that are neither a business combination nor affect accounting profits and taxable income (or deductible losses) at the time of their occurrence.

Deferred tax liabilities are recognized for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, unless the Company has control over the timing of the reversal of such temporary differences and it is likely that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences related to investments in subsidiaries, associates and joint ventures when the temporary differences are likely to be reversed in the foreseeable future and taxable income to offset the deductible temporary differences is likely to be obtained in the future.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period in which the relevant assets are expected to be recovered or the relevant liabilities are liquidated, in accordance with the provisions of the tax law.

At the balance sheet date, the Company reviews the carrying amount of deferred tax assets. The carrying amount of the deferred tax asset is written down if there is a high probability that sufficient taxable income will not be available in future periods to offset the benefit of the deferred tax asset. The write-down amount is reversed when it is likely that sufficient taxable income will be obtained.

When there is a legal right to settle on a net basis, and the intention is to settle on a net basis or to acquire assets and settle liabilities at the same time, the current income tax assets and current income tax liabilities are presented as net offset.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.31. Deferred tax assets and deferred tax liabilities (Continued)

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented on a net basis after offsetting if the following conditions are met:

The taxpayer has the legal right to settle the current income tax assets and current income tax liabilities on a net basis;

Deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax administration department on the same taxpayer or to different tax entities, but in each future period when the deferred tax assets and liabilities are reversed, the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis or acquire assets and settle liabilities at the same time.

### 3.32. Lease liabilities

Lease refers to a contract in which the lessor transfers the right to use an asset to the lessee for a certain period of time for consideration. On the commencement date of the contract, the Company assesses whether the contract is a lease or includes a lease. A contract is a lease or contains a lease if one of the parties to a contract relinquishes the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

If the contract contains multiple separate leases at the same time, the Company will split the contract and account for each separate lease. If the contract contains both leased and non-leased parts, the lessee and the lessor will split the leased and non-leased parts.

For rent concessions such as rent reductions and deferred payments reached in respect of existing lease contracts directly caused by the novel coronavirus pneumonia epidemic, and the following conditions are met, the Company adopts a simplified approach for all lease options and does not assess whether there is a lease change or re-evaluate the lease classification:

- The lease consideration after the concession is reduced or basically unchanged compared with that before the concession, of which the lease consideration is not discounted or discounted at the discount rate before the concession;
- After taking into account both qualitative and quantitative factors, it was determined that there were no significant changes to the other terms and conditions of the lease.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.32. Lease liabilities (Continued)

#### 3.32.1 The Company acts as the lessee

##### (1) Right-of-use assets

At the commencement date of the lease term, the Company recognizes right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-of-use assets are initially measured at cost. This cost includes:

- The amount of the initial measurement of the lease liability;
- If there is a lease incentive for the lease payment paid on or before the start date of the lease period, the relevant amount of the lease incentive already enjoyed shall be deducted;
- Initial direct costs incurred by the Company;
- Costs expected to be incurred by the Company to dismantle and remove the Leased Assets, restore the premises on which the Leased Assets are located, or restore the Leased Assets to the conditions agreed in the lease terms, excluding costs incurred for the production of inventory.

Subsequently, the Company adopted the straight-line method to depreciate the right-of-use assets. If the ownership of the leased assets can be reasonably determined at the expiration of the lease term, the Company shall accrue depreciation during the remaining useful life of the leased assets; Otherwise, depreciation is accrued on the leased asset over the period between the lease term and the remaining useful life of the leased asset.

The Company determines whether the right-of-use assets have been impaired in accordance with the principles described in "3.21 Impairment of Long-term Assets" in this note, and accounts for the identified impairment losses.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.32. Lease liabilities (Continued)

#### 3.32.1 The Company acts as the lessee (Continued)

##### (2) Lease liabilities

At the commencement date of the lease term, the Company recognizes lease liabilities for leases other than short-term leases and leases of low-value assets. Lease liabilities are initially measured at the present value of unpaid lease payments. Lease payments include:

- Fixed payment amount (including substantial fixed payment amount), if there is a lease incentive, deduct the relevant amount of the lease incentive;
- Variable lease payments that depend on an index or ratio;
- The amount expected to be paid based on the residual value of the guarantee provided by the company;
- The exercise price of the purchase option, provided that the Company reasonably determines that the option will be exercised;
- Payments to be made for exercising the termination option, provided that the term of the lease reflects that the Company will exercise the termination option.

The Company uses the interest rate embedded in the lease as the discount rate, but if the interest rate embedded in the lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the discount rate.

The Company calculates the interest expense of the lease liabilities for each period of the lease term at a fixed periodic interest rate, and includes them in the profit or loss for the current period or the cost of related assets.

Variable lease payments that are not included in the measurement of lease liabilities are recognized in profit or loss for the current period or the cost of related assets when actually incurred.

After the commencement date of the lease term, if the following circumstances occur, the Company shall remeasure the lease liabilities and adjust the corresponding right-of-use assets, and if the carrying amount of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the difference shall be included in the profit or loss for the current period:

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.32. Lease liabilities (Continued)

#### 3.32.1 The Company acts as the lessee (Continued)

##### (2) Lease liabilities (Continued)

If there is a change in the valuation results of the purchase option, renewal option or termination option, or the actual exercise of the aforesaid option is inconsistent with the original valuation result, the Company will remeasure the lease liability based on the present value calculated by the changed lease payment amount and the revised discount rate;

When there is a change in the amount of the real fixed payment, the amount expected to be payable for the residual value of the guarantee, or the index or ratio used to determine the amount of lease payment, the Company will remeasure the lease liability based on the present value calculated by the changed amount of the lease payment and the original discount rate. However, where the change in lease payments is due to a change in the floating interest rate, the present value is calculated using the revised discount rate.

##### (3) Short-term leases and leases of low-value assets

The Company elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and to include the relevant lease payments in profit or loss or the cost of related assets on a straight-line basis for each period of the lease term. A short-term lease is a lease with a lease period of not more than 12 months on the start date of the lease term and does not include an option to purchase. A lease of a low-value asset refers to a lease with a lower value when a single leased asset is a brand new asset. If the company subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.32. Lease liabilities (Continued)

#### 3.32.1 The Company acts as the lessee (Continued)

##### (4) Lease Change

If there is a change in the lease and the following conditions are met at the same time, the company will account for the lease change as a separate lease:

- The lease variation expands the scope of the lease by adding the right to use one or more leased assets;
- The increased consideration is commensurate with the amount of the individual price for the expanded portion of the lease as adjusted for the circumstances of the contract.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the company will reallocate the consideration of the modified contract, redetermine the lease term, and remeasure the lease liability according to the present value calculated by the lease payment amount after the change and the revised discount rate.

If the lease scope is shortened or the lease term is shortened as a result of the lease change, the Company shall reduce the carrying amount of the right-of-use assets accordingly, and include the relevant gains or losses related to the partial or complete termination of the lease into profit or loss for the current period. If other lease changes lead to the remeasurement of lease liabilities, the Company shall adjust the carrying amount of the right-of-use assets accordingly.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.32. Lease liabilities (Continued)

#### 3.32.2 The Company acts as the lessor

On the lease commencement date, the Company divides the lease into a finance lease and an operating lease. A financial lease refers to a lease that substantially transfers almost all of the risks and rewards associated with the ownership of the leased assets, regardless of whether the ownership is ultimately transferred. Operating lease refers to leases other than financial leases. When the Company acts as a sublease, it classifies the sublease based on the right-of-use assets generated from the original lease.

##### (1) Accounting treatment of operating leases

Lease receipts from operating leases are recognized as rental income on a straight-line basis for each period of the lease term. The Company capitalizes the initial direct expenses incurred in connection with the operating lease and appropriates them to profit or loss for the current period on the same basis as rental income recognition during the lease term. Variable lease payments that are not included in lease receipts are recognized in profit or loss for the current period when they are actually incurred. If there is a change in the operating lease, the company shall account for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable related to the lease before the change shall be regarded as the amount received from the new lease.

##### (2) Accounting treatment of financial leases

On the lease commencement date, the Company recognized the financial lease receivables for the financial lease and terminated the recognition of the financial lease assets. When the Company initially measures the financial lease receivables, the net lease investment is recorded as the value of the financial lease receivables. The net lease investment is the sum of the unsecured residual value and the present value of lease receipts not yet received at the start date of the lease term discounted at the interest rate embedded in the lease.

The Company calculates and recognizes interest income for each period of the lease term at a fixed periodic interest rate. The derecognition and impairment of financial lease receivables shall be accounted for in accordance with "3.11 Financial Instruments" of this note.

Variable lease payments that are not included in the net measurement of lease investments are recognized in profit or loss for the period when they are actually incurred.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.32. Lease liabilities (Continued)

#### 3.32.2 The Company acts as the lessor (Continued)

##### (2) Accounting treatment of financial leases (Continued)

If there is a change in the financial lease and the following conditions are met at the same time, the Company will treat the change as a separate lease for accounting treatment:

- The change expands the scope of the lease by adding the right to use one or more leased assets;
- The increased consideration is commensurate with the amount of the individual price for the expanded portion of the lease as adjusted for the circumstances of the contract.

If the change of the financial lease is not accounted for as a separate lease, the Company shall treat the changed lease in the following circumstances:

- If the change takes effect on the lease commencement date, the lease will be classified as an operating lease, and the Company will account for it as a new lease from the effective date of the lease change, and the net lease investment before the effective date of the lease change will be used as the carrying amount of the leased assets;
- If the change takes effect on the lease commencement date, the lease will be classified as a financial lease, and the Company will account for it in accordance with the policy of amending or renegotiating contracts in Note 3.11 Financial Instruments.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.32. Lease liabilities (Continued)

#### 3.32.3 Sale-leaseback transactions

The Company shall evaluate and determine whether the transfer of assets in the sale-leaseback transaction is a sale in accordance with the principles described in “3.28 Revenues” of this note.

##### (1) As a lessee

If the transfer of assets in the sale-leaseback transaction is a sale, the company, as the lessee, measures the right-of-use assets formed by the sale and leaseback according to the part of the book value of the original assets related to the right of use obtained from the leaseback, and only recognizes the relevant gains or losses for the rights transferred to the lessor; If the transfer of assets in the sale-leaseback transaction is not a sale, the company, as the lessee, continues to recognize the transferred assets and at the same time recognizes a financial liability equal to the transfer income. For details of the accounting treatment of financial liabilities, please refer to “3.11 Financial Instruments” of this note.

##### (2) As a lessor

If the transfer of assets in the sale-leaseback transaction is a sale, the Company shall account for the purchase of the assets as the lessor, and shall account for the lease of the assets in accordance with the policy of “3.32.2 The Company as the lessor” mentioned above; If the transfer of assets in a sale-leaseback transaction is not a sale, the company, as the lessor, does not recognize the transferred asset, but recognizes a financial asset equal to the transfer income. For details of the accounting treatment of financial assets, please refer to “3.11 Financial Instruments” of this note.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.33. Discontinued operations

Discontinued operation is a separately distinguishable component that satisfies one of the following conditions and has been disposed of by the Company or classified by the Company as held for sale:

- (1) the component represents a separate principal business or a separate principal operating territory;
- (2) the component is part of an associated plan for the proposed disposition of a separate principal business or a separate principal operating territory;
- (3) The component is a subsidiary acquired exclusively for resale.

Profit or loss from continuing operations and profit or loss from discontinued operations are presented separately in the income statement. Operating gains and losses, such as impairment losses and reversal amounts from discontinued operations, as well as gains or losses on disposal, are presented as gains or losses from discontinued operations. For the discontinued operations reported in the current period, the Company re-stated the information originally presented as profit or loss from continuing operations as profit or loss from continuing operations in the current financial statements as profit or loss from discontinued operations in comparable accounting periods.

### 3.34. Safety production costs

In accordance with the relevant provisions of the Notice of the Ministry of Finance on Printing and Distributing the Administrative Measures for the Extraction and Use of Enterprise Safety Production Expenses》(Cai Zi (2022) No. 136) the Company withdraws safety production expenses according to the percentage of income stipulated by the industry. When the safety production expenses are withdrawn, they are included in the cost of the relevant products or the current profit or loss, and at the same time included in the "special reserve" account.

When the extracted safety production fee is used within the prescribed range, if it is an expense expenditure, the special reserve shall be directly deducted; If a fixed asset is formed, the expenditure incurred shall be collected through the "construction in progress" account, and recognized as a fixed asset when the safety project is completed and reaches the intended state of use; At the same time, the Segment Report special reserve is offset according to the cost of forming fixed assets, and the accumulated depreciation of the same amount is recognized. The fixed asset is not depreciated in subsequent periods.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.35. Segment Report

The Company determines the operating segment based on the internal organizational structure, management requirements, and internal reporting system, and determines the reporting segment and discloses the segment information based on the operating segment. The operating segment refers to the component of the Company that satisfies the following conditions at the same time: (1) the component is able to generate income and incur expenses in daily activities; (2) the Company's management is able to regularly evaluate the operating results of the component in order to decide on the allocation of resources to it and evaluate its performance; (3) The Company is able to obtain accounting information related to the financial position, results of operations, and cash flows of such components. If two or more operating divisions have similar economic characteristics and meet certain conditions, they can be merged into one operating division.

### 3.36. Major Accounting Estimates and Judgments

Estimates and judgments are assessed on an ongoing basis based on past experience and other factors, including reasonable predictions of future events in the circumstances. Estimates are evaluated on an ongoing basis and based on historical experience and other factors, including expectations of future events, that are deemed reasonable in the circumstances. Estimates and assumptions of significant adjustment risk to the carrying amounts of assets and liabilities in the coming year are as follows:

#### 3.36.1 Estimated useful life and net residual value of fixed assets

The management of the Company confirms the estimated useful life, net residual value and related depreciation expense of buildings, machinery and equipment of similar nature or function based on their historical experience in the actual useful life of buildings, machinery and equipment. Management adjusts depreciation expense when the projected useful life differs from the previous estimate, or when an asset is retired or sold that is technically obsolete or non-strategic. The actual economic life may differ from the projected useful life, and the actual net residual value may differ from the projected net residual value. Periodic review of the depreciable life, projected net residual value may cause it to change, as well as affect changes in depreciation expense in future periods.

#### 3.36.2 Net realizable value of inventories

Net realizable inventory is equal to the estimated selling price in ordinary operating activities less estimated costs to be incurred at completion, estimated selling expenses and related taxes. This estimate is based on current market conditions and historical experience in producing and selling products of the same nature, and is subject to significant changes due to technological innovations and the behavior of competitors in response to severe industry cycles. Management will re-evaluate the estimate at the balance sheet date.

# Notes to the Financial Statements (Continued)

*For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)*

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.36. Major Accounting Estimates and Judgments (Continued)

#### 3.36.3 Current and deferred income tax

The Company is required to pay income tax in different jurisdictions, and significant judgments need to be made on the accrual of income tax in each jurisdiction. In the ordinary course of business, the final determination of the tax amount involved in certain transactions and calculations is uncertain, and given the long-term and complex nature of the existing provisions, there may be differences between the actual results and the assumptions, and the relevant assumptions may change in the future, which will affect the determination of current income tax and deferred income tax. Deferred tax assets related to temporary differences or income tax losses are recognized when management believes that there is a high probability that there will be sufficient taxable income to offset temporary differences or income tax losses in the future. When the expected results are different from the previous ones, the difference will affect the recognition of deferred tax assets and current income tax expense, which is included in the current period of the estimate change.

#### 3.36.4 Impairment of financial assets

Impairment allowance for financial assets is calculated based on assumptions about the risk of default and the expected loss ratio. In making assumptions and selecting inputs for calculation, the Group makes judgments based on the Group's past ageing, existing market conditions and forward-looking estimates at the end of each reporting period. Notes 3.11 and 3.12 disclose information relating to all key assumptions.

#### 3.36.5 Impairment of non-financial assets

The Company's management is required to make judgments on asset impairment at the balance sheet date, especially when valuing long-term assets, including fixed assets, construction in progress, intangible assets, etc. The recoverable amount is the higher of the fair value of the asset less disposal costs and the present value of the asset's expected future cash flows. The recoverable amount of the revaluation can be adjusted for each impairment test. Note 3.21 discloses relevant information.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 3. Significant accounting policies and accounting estimates (Continued)

### 3.37. Changes of significant accounting policies and accounting estimates

#### 3.37.1 Changes of significant accounting policies

In December 2024, the Ministry of Finance issued the "Notice on Issuing the Interpretation No. 18 of Enterprise Accounting Standards," which clarified that for quality assurance deposits that do not constitute a separate performance obligation, the accounting treatment should be in accordance with the provisions of the "Enterprise Accounting Standard No. 13 – Contingencies". When confirming the provision for estimated liabilities, the relevant amount should be included in the cost of operations and the estimated liabilities should be presented according to their liquidity as estimated liabilities, other current liabilities, or non-current liabilities due within one year.

#### 3.37.2 Changes in significant accounting estimates

There were no significant changes in accounting estimates in the reporting period.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 4. Tax

### 4.1 Main taxes categories and tax rates

Tax category	Tax base	Tax rate
Value added tax	The output tax is calculated on the basis of the income from the sale of goods and taxable services calculated in accordance with the provisions of the tax law, and the difference is the VAT payable after deducting the input tax allowed to be deducted in the current period	13% for domestic sales of general goods and water and electricity charges, 9% for domestic engineering services and leasing services, 6% for domestic technical service fees and property service fees, 5% for simple tax calculation for leasing services, 3% for some other services, and 1% for small-scale taxpayers
Urban maintenance and construction tax	Based on the actual VAT payable	7%
Enterprise income tax	Based on the taxable income	25%、20%、16.50%、15%
Educational surtax	Based on the actual VAT payable	3%
Local educational surtax	Based on the actual VAT payable	2%

There are taxpayers who implement different corporate income tax rates, and the disclosure is as follows:

Name of taxpayer	Income tax rate (%)
Nanjing Panda Electronics Manufacturing Co., Ltd	15.00
Nanjing Panda Communication Technology Co., Ltd	15.00
Nanjing Huage Electric and Plastic Industry Co., Ltd	15.00
Nanjing Panda Information Industry Co., Ltd	15.00
Nanjing Panda Electromechanical Instrument Technology Co., Ltd	15.00
Shenzhen Jinghua Information Technology Co., Ltd	15.00
Nanjing Panda Electronic Equipment Co., Ltd	15.00
Shenzhen Jingyu Electronics Co., Ltd	15.00
Chengdu Panda Electronic Technology Co., Ltd	15.00
Shenzhen Jinghua Property Management Co., Ltd	20.00
Shenzhen Jinghua Digital Technology Co., Ltd	20.00
Shenzhen Jinghua Health Technology Co., Ltd	20.00
Shenzhen Jingjia Property Management Co., Ltd	20.00
HongKong JWD Trading Company Limited.	16.50



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 4. Tax (Continued)

### 4.2 Significant tax incentives and approval documents

- (1) Nanjing Panda Electronics Manufacturing Co., Ltd, a second-tier subsidiary of the Company, was re-identified as a high-tech enterprise on November 6, 2023 and obtained the "High-tech Enterprise Certificate" (certificate number is GR202332007734) issued by the Department of Science and Technology of Jiangsu Province, which is valid for 3 years. During this period, NANJING PANDA ELECTRONICS COMPANY LTD. paid income tax at 15% of the taxable income.
- (2) Nanjing Panda Communications Technology Co., Ltd, a second-tier subsidiary of the Company, passed the high-tech enterprise review on December 3, 2023 and obtained the "High-tech Enterprise Certificate" (certificate number is GR202332012721) issued by the Department of Science and Technology of Jiangsu Province, which is valid for 3 years. During this period, nanjing panda communications technology Co., Ltd. paid corporate income tax at 15% of the taxable income.
- (3) On December 13, 2023, Nanjing Huage Electric Automobile & Plastic Industry Co., Ltd., a third-level subsidiary of the Company, was re-identified as a high-tech enterprise and obtained the "High-tech Enterprise Certificate" (certificate number is GR202032006058) issued by the Department of Science and Technology of Jiangsu Province, which is valid for 3 years. During this period, Nanjing Huage Electric Automobile & Plastic Industry Co., Ltd. paid income tax at 15% of the taxable income.
- (4) Nanjing Panda Information Industry Co., Ltd., a secondary subsidiary of the Company, was re-identified as the high-tech enterprise on December 16, 2024 and obtained the "High-tech Enterprise Certificate" (certificate number is GR202432012701) jointly issued by the Department of Science and Technology of Jiangsu Province, which is valid for 3 years. During this period, Nanjing Panda Information Industry Co., Ltd. paid corporate income tax at 15% of the taxable income.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 4. Tax (Continued)

### 4.2 Significant tax incentives and approval documents (Continued)

- (5) Nanjing Panda Mechatronics Instrument Technology Co., Ltd, a third-level subsidiary of the Company, passed the high-tech enterprise review on December 16, 2024 and obtained the "High-tech Enterprise Certificate" (certificate number is GR202432008891) jointly issued by the Department of Science and Technology of Jiangsu Province, which is valid for 3 years. During this period, Nanjing Panda Mechatronics Instrument Technology Co., Ltd. paid corporate income tax at 15% of the taxable income.
- (6) Shenzhen Jinghua Information Technology Co., Ltd., a third-level subsidiary of the Company, passed the high-tech enterprise review on December 26, 2024 and obtained the "High-tech Enterprise Certificate" (certificate number is GR202444200146) jointly issued by the Shenzhen Science and Technology Innovation Commission and others, which is valid for 3 years. During this period, Shenzhen Jinghua Information Technology Co., Ltd. pays corporate income tax at 15% of the taxable income.
- (7) Nanjing Panda Electronic Equipment Co., Ltd., a secondary subsidiary of the Company, passed the high-tech enterprise review on December 16, 2024 and obtained the "High-tech Enterprise Certificate" (certificate number is GR202432011280) jointly issued by the Ministry of Science and Technology of Jiangsu Province, which is valid for 3 years. During this period, Nanjing Panda Electronic Equipment Co., Ltd. paid corporate income tax at 15% of the taxable income.
- (8) Shenzhen Jingyu Electronics Co., Ltd., a third-level subsidiary of the Company, was recognized as a high-tech enterprise on December 26, 2024 and obtained the "High-tech Enterprise Certificate" (certificate number is GR202444205294) jointly issued by the Shenzhen Science and Technology Innovation Commission and others, which is valid for 3 years. During this period, Shenzhen Jingyu Electronics Co., Ltd. paid corporate income tax at 15% of the taxable income.
- (9) According to the announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on the continuation of the enterprise income tax policy for the development of the western region (Announcement No. 23 [2020] of the State Administration of Taxation of the Ministry of Finance and the National Development and Reform Commission), from January 1, 2021 to December 31, 2030, the enterprise income tax will be levied at a reduced rate of 15% for enterprises in encouraged industries located in the western region. Chengdu Panda Electronic Technology Co., Ltd., a secondary subsidiary of the Company, complies with the provisions of the State Administration of Taxation's answer to the relevant enterprise income tax questions on the implementation of the "Catalogue of Encouraged Industries in the Western Region", for enterprises located in the western region, with encouraged industrial projects stipulated by the state as their main business, and their main business income in the current year exceeds 60% of the total income of the enterprise, the enterprise shall apply on its own, without the need for review and confirmation by the tax authorities, and the relevant information shall be retained by the company for future reference, and Chengdu Panda Electronic Technology Co., Ltd. can reduce the rate by 15% The tax rate is subject to corporate income tax.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 4. Tax (Continued)

### 4.2 Significant tax incentives and approval documents (Continued)

- (10) The Company's third-level subsidiaries, Shenzhen Jinghua Property Management Co., Ltd., Shenzhen Jinghua Property Management Co., Ltd., Shenzhen Jinghua Digital Technology Co., Ltd., Shenzhen Jinghua Health Technology Co., Ltd., Shenzhen Jingyu Electronics Co., Ltd., are recognized as small and low-profit enterprises in this period, and according to Article 3 of the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individually-owned Industrial and Commercial Households (No. 12 of 2023), the mortgage will be reduced by 25% for small and low-profit enterprises. The enterprise income tax policy of calculating the taxable income and paying the enterprise income tax at the rate of 20% will be extended until December 31, 2027.
- (11) The profit tax rate of HongKong JWD Trading Company Limited., a fourth-tier subsidiary registered in Hong Kong, is 16.5%.
- (12) According to the provisions of the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Policy of Pre-tax Deduction of R&D Expenses (Announcement No. 13 of 2021 of the State Administration of Taxation of the Ministry of Finance), if the R&D expenses actually incurred by manufacturing enterprises in R&D activities are not included in the current profit or loss as intangible assets, on the basis of deduction according to the regulations, from January 1, 2021, 100% of the actual amount will be followed. It is deducted before tax, and if it is formed into an intangible asset, it will be amortized before tax at 200% of the cost of the intangible asset from January 1, 2021.

The Company's second-tier subsidiaries, Nanjing Panda Electronic Equipment Co., Ltd., Nanjing Panda Information Industry Co., Ltd., Nanjing Panda Electronics Manufacturing Co., Ltd., Nanjing Panda Communication Technology Co., Ltd. and Chengdu Panda Electronic Technology Co., Ltd., and the Company's third-tier subsidiaries, Nanjing Panda Mechatronics Instrument Technology Co., Ltd, Nanjing Huage Electric and Plastic Industry Co., Ltd, Shenzhen Jinghua Information Technology Co., Ltd. and Shenzhen Jingyu Electronics Co., Ltd., enjoy the tax incentive of deducting 100% of the actual amount of R&D expenses before tax.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 4. Tax (Continued)

### 4.2 Significant tax incentives and approval documents (Continued)

- (13) Shenzhen Jingjia Property Management Co., Ltd., Shenzhen Jinghua Property Management Co., Ltd., Shenzhen Jinghua Electronics Co., Ltd. Parking Lot, Shenzhen Jinghua Digital Technology Co., Ltd., Shenzhen Jinghua Health Technology Co., Ltd. and Shenzhen Jingyu Electronics Co., Ltd., the third-level subsidiaries of the Company, in accordance with the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households on Tax Policies (No. 12 [2023]) Article 2: From January 1, 2023 to December 31, 2027, small-scale VAT taxpayers and small low-profit enterprises will be charged half of the urban maintenance and construction tax, stamp duty (excluding stamp duty on securities transactions), education surcharge, and local education surcharge.
- (14) Nanjing Panda Communication Technology Co., Ltd., a second-level subsidiary of the Company, in accordance with the provisions of the Notice on the VAT Policy for Software Products (CS [2011] No. 100), general VAT taxpayers who sell software products developed and produced by themselves, localize and transform imported software products for external sales, levy VAT at a rate of 13%, and implement a refund policy for the part of their actual VAT burden exceeding 3%.
- (15) Shenzhen Jingjia Property Management Co., Ltd., a third-level subsidiary of the Company, in accordance with the Announcement of the Ministry of Finance and the State Administration of Taxation on the VAT Reduction and Exemption Policy for Small-scale VAT Taxpayers (CS [2023] No. 19), enjoys the taxable sales income of Shenzhen Municipality applicable to small-scale VAT taxpayers at a rate of 3%, and the VAT is levied at a reduced rate of 1% until December 31, 2027.
- (16) Nanjing Panda Electronic Equipment Co., Ltd., Nanjing Panda Information Industry Co., Ltd., Nanjing Panda Electronics Company Ltd., Nanjing Panda Communication Technology Co., Ltd., and the Company's third-level subsidiaries, Nanjing Panda Mechatronics Instrument Technology Co., Ltd., Nanjing Huage Electric Automobile and Plastic Industry Co., Ltd., Shenzhen Jinghua Information Technology Co., Ltd. and Shenzhen Jingyu Electronics Co., Ltd., in accordance with the Announcement of the Ministry of Finance and the State Administration of Taxation on the Value-added Tax Deduction Policy for Advanced Manufacturing Enterprises (Ministry of Finance Announcement No. 43 [2023] of the State Administration of Taxation) stipulates that from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to deduct the VAT payable according to the deductible input tax of the current period plus 5%.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements

### 5.1. Cash and cash equivalents

Item	31 December 2024	31 December 2023
Cash on hand	27,411.04	41,224.84
Cash at bank	666,484,334.11	802,122,929.75
Other monetary funds	91,131,386.29	74,979,785.81
Total	757,643,131.44	877,143,940.40
Including: Total overseas deposits	7,708,622.00	4,752,348.49
Financial company deposits	526,131,362.15	356,051,390.28

### 5.2. Financial assets held for trading

Item	31 December 2024	31 December 2023
1. Financial assets at fair value through profit or loss	491,594,758.95	485,158,212.68
Including: Debt instrument investment		
Equity instrument investment		
Others-wealth management products	491,594,758.95	485,086,146.95
Derivative financial assets		72,065.73
Total	491,594,758.95	485,158,212.68

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.3. Notes receivable

#### 5.3.1 Classification of notes receivable

Item	31 December 2024	31 December 2023
Bank acceptance bills	55,739,415.20	88,913,262.42
Trade acceptance bills	42,273,403.34	42,659,597.72
Finance company acceptance bills	464,394.95	74,454.00
Subtotal	98,477,213.49	131,647,314.14
Less: bad debt provision		
Total	98,477,213.49	131,647,314.14

5.3.2 The Company has no pledged notes receivable at the end of the period.

5.3.3 Outstanding endorsed or discounted bills that have not matured at the end of the year

Item	Amount derecognized as at 31 December 2024	Amount not derecognized as at 31 December 2024
Bank acceptance bills		51,474,279.82
Trade acceptance bills		27,485,466.60
Total		78,959,746.42

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.3. Notes receivable (Continued)

#### 5.3.4 Notes receivable by provisioning method

Item	31 December 2024				
	Book value		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Allowance rate (%)	
Collective assessment	98,477,213.49	100.00			98,477,213.49
Including: notes receivable group	98,477,213.49	100.00			98,477,213.49
Total	98,477,213.49	100.00			98,477,213.49

Item	31 December 2023				
	Book value		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Allowance rate (%)	
Collective assessment	131,647,314.14	100.00			131,647,314.14
Including: notes receivable group	131,647,314.14	100.00			131,647,314.14
Total	131,647,314.14	100.00			131,647,314.14

Notes receivable for bad debt provision based on credit risk characteristics

Notes receivable group:

Aging	31 December 2024			31 December 2023		
	Book value	Allowance for credit losses	Expected Credit Loss Rate (%)	Book value	Allowance for credit losses	Expected Credit Loss Rate (%)
0-6 months	98,477,213.49			131,647,314.14		
Total	98,477,213.49			131,647,314.14		

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.4. Accounts receivable

#### 5.4.1 Accounts receivable by aging

Aging	31 December 2024	31 December 2023
Within 1 year	1,058,676,684.09	898,726,719.36
Including: 0-6 months	834,046,420.47	752,931,027.42
7-12 months	224,630,263.62	145,795,691.94
1-2 years	224,822,427.20	163,727,528.96
2-3years	90,518,974.51	90,351,481.81
3-4years	54,186,725.99	49,445,567.73
4-5years	41,979,545.13	29,122,261.07
Over 5 years	46,396,005.16	19,751,573.64
Subtotal	1,516,580,362.08	1,251,125,132.57
Less: Allowance for credit losses	109,571,119.62	81,144,521.78
Total	1,407,009,242.46	1,169,980,610.79

Note: The aging is counted starting from the date when accounts receivable is recognized.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.4. Accounts receivable (Continued)

#### 5.4.2 Accounts receivable by provisioning method

Item	31 December 2024					31 December 2023				
	Book value		Allowance for credit losses		Carrying amount	Book value		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	ECL Rate (%)		Amount	Percentage (%)	Amount	ECL Rate (%)	
Individual assessment	45,965,959.08	3.03	34,669,384.08	75.42	11,296,575.00	46,148,319.89	3.69	34,851,744.89	75.52	11,296,575.00
Collective assessment	1,470,614,403.00	96.97	74,901,735.54	5.09	1,395,712,667.46	1,204,976,812.68	96.31	46,292,776.89	3.84	1,158,684,035.79
Including:										
aging group	1,151,378,825.75	75.92	70,943,007.98	6.16	1,080,435,817.77	750,440,954.95	59.98	46,126,559.46	6.15	704,314,395.49
Other groups	319,235,577.25	21.05	3,958,727.56	1.24	315,276,849.69	454,535,857.73	36.33	166,217.43	0.04	454,369,640.30
Total	1,516,580,362.08	100.00	109,571,119.62	7.22	1,407,009,242.46	1,251,125,132.57	100.00	81,144,521.78	6.49	1,169,980,610.79

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.4. Accounts receivable (Continued)

#### 5.4.2 Accounts receivable by provisioning method (Continued)

- (1) Accounts receivable that are individually assessed for provisions at the reporting date

Company name	Book value	Allowance for credit losses	ECL rate (%)	Reasons
Jiangsu Jinmao Robot Technology Co., Ltd.	22,593,150.00	11,296,575.00	50.00	Expected to be partially unrecoverable
Xuzhou Suning Real Estate Co., Ltd.	6,611,197.07	6,611,197.07	100.00	Expected to be unrecoverable
Jiangsu Zhongshi Environmental Technology Co., Ltd.	6,500,000.00	6,500,000.00	100.00	Expected to be unrecoverable
Nanchang Shuntang Green Electric Technology Co., Ltd.	2,553,482.35	2,553,482.35	100.00	Expected to be unrecoverable
Wenzhou Zhongdian Xingxin Intelligent Technology Co., Ltd.	2,040,000.00	2,040,000.00	100.00	Expected to be unrecoverable
Information Technology Department of a Military Region	2,023,000.00	2,023,000.00	100.00	Expected to be unrecoverable
Zhejiang Bajun Plastic Industry Co., Ltd.	1,600,000.00	1,600,000.00	100.00	Expected to be unrecoverable
Others	2,045,129.66	2,045,129.66	100.00	Expected to be unrecoverable
Total	45,965,959.08	34,669,384.08	75.42	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.4. Accounts receivable (Continued)

#### 5.4.2 Accounts receivable by provisioning method (Continued)

(2) Accounts receivable that are assessed on grouping basis for provisions at the reporting date:

① Collective assessment: Aging group

Aging	31 December 2024			31 December 2023		
	Book value	ECL Rate (%)	Allowance for credit losses	Book value	ECL Rate (%)	Allowance for credit losses
Within 1 year	851,408,942.18		7,110,878.56	528,544,948.54		3,532,674.69
Including: 0-6 months	709,191,371.03			457,891,454.74		
7-12 months	142,217,571.15	5.00	7,110,878.56	70,653,493.80	5.00	3,532,674.69
1-2 years	163,641,078.03	10.00	16,364,107.79	94,005,038.07	10.00	9,400,503.81
2-3 years	49,005,295.10	15.00	7,350,794.26	70,651,033.45	15.00	10,597,655.02
3-4 years	39,276,073.88	30.00	11,782,822.16	46,416,084.89	30.00	13,924,825.47
4-5 years	39,426,062.71	50.00	19,713,031.36	4,305,899.07	50.00	2,152,949.54
Over 5 years	8,621,373.85	100.00	8,621,373.85	6,517,950.93	100.00	6,517,950.93
Total	1,151,378,825.75	6.16	70,943,007.98	750,440,954.95	6.15	46,126,559.46

② Collective assessment: Other groups

Group Name	31 December 2024			31 December 2023		
	Book value	ECL Rate (%)	Allowance for credit losses	Book value	ECL Rate (%)	Allowance for credit losses
Related party	319,235,577.25	1.24	3,958,727.56	454,535,857.73	0.04	166,217.43
Total	319,235,577.25	1.24	3,958,727.56	454,535,857.73	0.04	166,217.43

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.4. Accounts receivable (Continued)

#### 5.4.3 Movements of Allowance for credit losses on accounts receivable

Item	Balance at 1 January 2024	Changes during the year				Balance at 31 December 2024
		Provision	Recovery or Reversal	Write-off	Others <sup>///</sup>	
Individual assessment	34,851,744.89	43,588.96	240,809.22		14,859.45	34,669,384.08
Collective assessment	46,292,776.89	28,608,958.65				74,901,735.54
Total	81,144,521.78	28,652,547.61	240,809.22		14,859.45	109,571,119.62

Note: [1]Others involve the reversal of accounts receivable in year 2024 that had been written off in prior period.

#### 5.4.4 The Company has no accounts receivable written-off during the year.

#### 5.4.5 Accounts receivable and contract assets due from the top five debtors of the Company are as follows:

Company name	Balance of accounts receivable as at 31 December 2024	Balance of contract assets as at 31 December 2024	Total balance as at 31 December 2024	Percentage of total accounts receivable and contract assets (%)	Balance of allowance for credit losses as at 31 December 2024
Nanjing Metro Group Co., Ltd.	295,452,731.25		295,452,731.25	17.65	7,276,432.98
Nanjing Panda Handa Technology Co., Ltd.	183,546,723.10		183,546,723.10	10.97	1,079,781.29
Ma'anshan Chujiang Intercity Rail Transit Co., Ltd.	50,895,888.86		50,895,888.86	3.04	
Huai'an Financial Center Investment and Construction Co., Ltd.		40,141,919.11	40,141,919.11	2.40	4,014,191.91
Chengdu zhiyuanhui Information Technology Co., Ltd.	39,700,002.93		39,700,002.93	2.37	187,671.36
Total	569,595,346.14	40,141,919.11	609,737,265.25	36.43	12,558,077.54

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.4. Accounts receivable (Continued)

#### 5.4.6 Overdue accounts receivable at 31 December 2024

Item	Carrying amount
Current (not past due or impaired)	1,308,445,718.31
1-3 months past due	32,709,440.24
More than 3 months past due	175,425,203.53
Total	1,516,580,362.08

### 5.5. Contract Assets

#### 5.5.1 Contract assets by categories

Item	31 December 2024			31 December 2023		
	Book value	Impairment loss	Carrying amount	Book value	Impairment loss	Carrying amount
Smart Transportation and Safe city	157,113,052.22	12,501,546.70	144,611,505.52	229,623,650.79		229,623,650.79
Industrial Internet and intelligent manufacturing				2,790,000.00		2,790,000.00
Total	157,113,052.22	12,501,546.70	144,611,505.52	232,413,650.79		232,413,650.79

#### 5.5.2 Significant changes in the contract assets and reasons during the reporting period

Item	Amount of change	Reason
Smart Transportation and Safe city	-85,012,145.27	Reduced amount due to changes in settlement progress
Industrial Internet and intelligent manufacturing	-2,790,000.00	Reduced amount due to changes in settlement progress

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.5. Contract Assets (Continued)

#### 5.5.3 Contract assets by provision method for impairment loss

Item	31 December 2024				Carrying amount
	Book value		Impairment loss		
	Amount	Percentage (%)	Amount	Provision rate (%)	
Individual assessment					
Collective assessment	157,113,052.22	100.00	12,501,546.70	7.96	144,611,505.52
Including: Aging group	157,113,052.22	100.00	12,501,546.70	7.96	144,611,505.52
Other groups					
Total	157,113,052.22	100.00	12,501,546.70	7.96	144,611,505.52

Item	31 December 2023				Carrying amount
	Book value		Impairment loss		
	Amount	Percentage (%)	Amount	Provision rate (%)	
Individual assessment					
Collective assessment	232,413,650.79	100.00			232,413,650.79
Including: Aging group	224,923,025.51	96.78			224,923,025.51
Other groups	7,490,625.28	3.22			7,490,625.28
Total	232,413,650.79	100.00			232,413,650.79

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.5. Contract Assets (Continued)

#### 5.5.3 Contract assets by provision method for impairment loss (Continued)

##### (1) Contract assets for bad debt provision based on credit risk characteristics

###### ① Collective assessment: Aging group

Aging	31 December 2024			31 December 2023		
	Book value	Impairment loss	Provision rate (%)	Book value	Impairment loss	Provision rate (%)
Within 1 year	32,097,585.27			224,923,025.51		
Including: 0-6 months	32,097,585.27			224,923,025.51		
7-12 months			5.00			
1-2 years	125,015,466.95	12,501,546.70	10.00			
Total	157,113,052.22	12,501,546.70	7.96	224,923,025.51		

###### ② Collective assessment: Other groups

Aging	31 December 2024			31 December 2023		
	Book value	Impairment loss	Provision rate (%)	Book value	Impairment loss	Provision rate (%)
Related party				7,490,625.28		
Total				7,490,625.28		

#### 5.5.4 Movements of Allowance for credit losses on contract assets

Item	Balance at 1 January 2024	Changes during the year				31 December 2024	Reason
		Provision	Recovery or Reversal	Write-off	Others		
Smart Transportation and Safe city		12,501,546.70				12,501,546.70	Expected credit loss
Total		12,501,546.70				12,501,546.70	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.6. Receivables for financing

#### 5.6.1 Accounts receivable financing by categories

Item	31 December 2024	31 December 2023
Notes receivable	30,350,019.89	25,415,043.86
Accounts receivable		
Total	30,350,019.89	25,415,043.86

5.6.2 The Company has no pledged accounts receivable financing at the end of the period.

5.6.3 Outstanding endorsed or discounted bills that have not matured at the end of the year

Item	Amount derecognized as at 31 December 2024	Amount not derecognized as at 31 December 2024
Bank acceptance bills	72,392,585.91	
Total	72,392,585.91	

#### 5.6.4 Movements of receivables financing and changes in fair value

Item	Balance at 31 December 2023	Increase	Derecognize	Other changes	Balance at 31 December 2024	Accumulated loss provisions recognized in other comprehensive income
Notes receivable	25,415,043.86	247,208,082.14	242,273,106.11		30,350,019.89	
Accounts receivable						
Total	25,415,043.86	247,208,082.14	242,273,106.11		30,350,019.89	



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.7. Prepayments

#### 5.7.1 Prepayments by aging

賬齡	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	18,842,953.56	68.75	34,344,863.36	96.82
1-2 years	7,725,566.90	28.18	372,248.49	1.05
2-3 years	104,674.36	0.38	172,382.62	0.49
Over 3 years	737,586.92	2.69	581,054.28	1.64
Total	27,410,781.74	100.00	35,470,548.75	100.00

#### 5.7.2 The top five prepayments by debtor at the end of the year

Company name	31 December 2024	Percentage in total prepayments (%)
Shenzhen Dingmi Audio Visual Technology Co., Ltd.	2,671,254.98	9.75
EmdoorVR Technology Co., Ltd.	2,493,773.13	9.10
Wuxi Haidis Intelligent Technology Co., Ltd.	1,869,000.00	6.82
Suzhou Xuanhui Intelligent Equipment Co., Ltd.	1,519,000.00	5.54
Nanjing Keyong Technology Co., Ltd.	1,445,554.94	5.27
	9,998,583.05	36.48

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.8. Other receivables

Item	31 December 2024	31 December 2023
Interest receivable		
Dividends receivable		
Other receivables	<u>36,680,080.03</u>	<u>31,490,701.86</u>
Total	<u><u>36,680,080.03</u></u>	<u><u>31,490,701.86</u></u>

#### Other receivables

##### (1) Other receivables by nature

Item	31 December 2024	31 December 2023
Surety and deposits	<u>39,521,546.92</u>	43,459,002.68
Others	<u>11,518,204.84</u>	3,492,693.08
Less: Allowance for credit losses	<u>14,359,671.73</u>	<u>15,460,993.90</u>
Total	<u><u>36,680,080.03</u></u>	<u><u>31,490,701.86</u></u>

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.8. Other receivables (Continued)

Other receivables (Continued)

(2) Other receivables by aging

Aging	31 December 2024	31 December 2023
Within 1 year	25,175,700.73	18,115,416.61
Including: 0-6 months	21,304,909.32	15,503,186.67
7-12 months	3,870,791.41	2,612,229.94
1-2 years	2,496,000.60	2,213,608.52
2-3years	535,002.54	3,548,503.63
3-4years	2,428,584.46	7,923,330.88
4-5years	6,293,293.63	1,861,310.92
Over 5 years	14,111,169.80	13,289,525.20
Subtotal	51,039,751.76	46,951,695.76
Less: Allowance for credit losses	14,359,671.73	15,460,993.90
Total	36,680,080.03	31,490,701.86

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.8. Other receivables (Continued)

Other receivables (Continued)

(3) The provision of allowance for credit losses

The allowance for credit losses	Stage one 12-month ECL	Stage two Lifetime ECL (credit-unimpaired)	Stage three Lifetime ECL (credit-impaired)	Total
Balance as at 31/12/2023	4,881,570.82		10,579,423.08	15,460,993.90
Balance as at 31/12/2023 during the year	4,881,570.82		10,579,423.08	15,460,993.90
- Transfer to stage two				
- Transfer to stage three				
- Reversal to stage two				
- Reversal to stage one				
Provision during the year				
Reversal during the year	1,101,322.17			1,101,322.17
Written-off during the year				
Other changes				
Balance as at 31/12/2024	3,780,248.65		10,579,423.08	14,359,671.73

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.8. Other receivables (Continued)

Other receivables (Continued)

(4) Movements of Allowance for credit losses

Item	31 December 2023	Movements during the year				31 December 2024
		Provision	Recovery or Reversal	Write-off	Others	
Individual assessment	10,579,423.08					10,579,423.08
Collective assessment	4,881,570.82		1,101,322.17			3,780,248.65
Total	15,460,993.90		1,101,322.17			14,359,671.73

(5) The Company has no other receivables written-off.

(6) Other receivables due from the top five debtors are as follows:

Company name	Nature	Balance as at 31 December 2024	Aging	Percentage in total other receivables (%)	Balance of allowance for credit losses as at 31 December 2024
MCT Worldwide LLC	Deposit	6,937,000.00	Over 5 years	13.59	6,937,000.00
Shenzhen Municipal Tax Authority	Export rebate	3,450,361.91	0-6 months	6.76	
Nantong Rail Transit Group Co., Ltd.	Guarantee deposit	3,400,000.00	4-5 years	6.66	185,000.00
Nanjing Metro Operation Co., Ltd.	Guarantee deposit	2,767,806.51	0-4 years	5.42	40,213.12
Chuzhou Higher Education and Science Innovation City Construction Investment and Development Group Co., Ltd.	Guarantee deposit	1,616,252.32	0-6 months	3.17	
Total	-	18,171,420.74	-	35.60	7,162,213.12

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.9. Inventories

#### 5.9.1 Inventories by categories

Item	31 December 2024			1 January 2024		
	Book value	Provision for impairment of inventories/ Provision for impairment of costs to fulfil a contract with a customer	Carrying amount	Book value	Provision for impairment of inventories/ Provision for impairment of costs to fulfil a contract with a customer	Carrying amount
Raw materials	162,138,845.53	20,280,020.65	141,858,824.88	163,236,182.29	15,609,039.34	147,627,142.95
Work in progress	85,578,598.60	17,858,135.62	67,720,462.98	106,186,487.10	4,359,915.13	101,826,571.97
Finished goods	104,398,460.63	35,179,469.36	69,218,991.27	139,385,305.40	28,796,871.73	110,588,433.67
Goods Dispatched	49,982,508.71	1,164,340.11	48,818,168.60	33,040,820.28	2,211,123.41	30,829,696.87
Revolving materials	1,320,389.18	16,252.82	1,304,136.36	2,319,127.51	58,882.74	2,260,244.77
Costs to fulfil contracts	165,248,826.62	6,362,170.98	158,886,655.64	179,105,559.76	1,456,786.19	177,648,773.57
Total	568,667,629.27	80,860,389.54	487,807,239.73	623,273,482.34	52,492,618.54	570,780,863.80

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.9. Inventories (Continued)

#### 5.9.2 Provision for impairment of inventories and impairment of costs to fulfil contracts

Item	Balance at the beginning of the year	Additions during the year		Decrease during the year		Balance at the end of the year
		Provision	Others	Reversal or write-down	Others	
Raw materials	15,609,039.34	8,083,917.19		3,412,935.88		20,280,020.65
Revolving materials	58,882.74			42,629.92		16,252.82
Work in progress	4,359,915.13	13,498,220.49				17,858,135.62
Finished goods	28,796,871.73	7,308,363.60		925,765.97		35,179,469.36
Costs to fulfil contracts	1,456,786.19	4,905,384.79				6,362,170.98
Goods Dispatched	2,211,123.41	85,372.45		1,132,155.75		1,164,340.11
Total	52,492,618.54	33,881,258.52		5,513,487.52		80,860,389.54

Note: According to the inventory sold in the current period, the reversal of write-down of inventories made in prior years due to the resale of these inventories was RMB5,473,056.08.

### 5.10. Non-current assets due within one year

Item	31 December 2024	1 January 2024
Warranty due within one year	730,582.81	26,864,239.67
Total	730,582.81	26,864,239.67

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.11. Other current assets

Item	31 December 2024	1 January 2024
VAT on tax credits, input tax to be deducted \ input tax to be certified	1,207,530.66	3,599,062.09
Prepaid income tax	991,463.41	897,761.67
Large-denomination certificates of deposit to be transferred within one year	245,887,584.05	313,589,799.28
Total	248,086,578.12	318,086,623.04

### 5.12. Long-term equity investments

Investee	Balance as at 1 January 2024	Movements during the reporting period							Balance as at 31 December 2024	Provision for impairment as at 31 December 2024
		Addition of investment	Reduction of investment	Investment income/loss recognized under the equity method	Adjustment of OCI	Changes of other equity	Cash dividend or profit distribution announced	Provision for impairment		
1. Associates										
Nanjing LG-PANDA Appliance Co., Ltd.	403,797,256.70			83,122,640.63			60,000,000.00		426,919,897.33	
Nanjing Ericsson Panda Communication Co., Ltd.										230,134,881.37
Beijing SE Potevio Mobile Communications Co., Ltd.	64,000,000.00								64,000,000.00	13,192,317.99
Shenzhen Jinghua Network Marketing Co., Ltd.	1,760,960.54			-122,677.00					1,748,732.17	
Shenzhen Chebao Information Technology Co., Ltd.	295,955.78			13,172.52					321,300.94	
Subtotal	469,854,173.02			83,013,136.15			60,000,000.00		492,989,930.44	243,327,199.36
Total	469,854,173.02			83,013,136.15			60,000,000.00		492,989,930.44	243,327,199.36



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.13. Investment property

Investment property measured by cost

Item	Buildings	Land use rights	Construction in progress	Total
I. Cost				
1. Balance at 1 January 2024	283,595,329.45			283,595,329.45
2. Additions				
3. Reductions	2,235,896.42			2,235,896.42
(1) Transfer to fixed assets	2,235,896.42			2,235,896.42
4. Balance at 31 December 2024	281,359,433.03			281,359,433.03
II. Accumulated depreciation or amortization				
1. Balance at 1 January 2024	94,213,699.49			94,213,699.49
2. Additions	5,089,172.21			5,089,172.21
Accrual or amortization	5,089,172.21			5,089,172.21
3. Reductions	931,974.25			931,974.25
(1) Transfer to fixed assets	931,974.25			931,974.25
4. Balance at 31 December 2024	98,370,897.45			98,370,897.45
III. Provision for impairment				
1. Balance at 1 January 2024				
2. Balance at 31 December 2024				
IV. Carrying amount				
1. Balance at 31 December 2024	182,988,535.58			182,988,535.58
2. Balance at 1 January 2024	189,381,629.96			189,381,629.96

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.14. Fixed assets

Category	31 December 2024	1 January 2024
Fixed assets	<b>764,407,938.72</b>	809,750,020.73
Disposal of fixed assets	<b>308,954.94</b>	8,783.84
Total	<b>764,716,893.66</b>	809,758,804.57

#### 5.14.1 Movement of fixed assets

Item	Buildings	Machinery & equipment	Electronic equipment	Transportation vehicles	Others	Total
I. Cost						
1. Balance at 1 January 2024	944,589,023.92	558,133,489.00	89,360,172.27	19,609,939.32	70,698,590.06	1,682,391,214.57
2. Additions	2,235,896.42	14,249,114.09	3,587,524.90	254,946.90	11,502,653.03	31,830,135.34
(1) Purchases		13,905,220.29	3,578,675.34	254,946.90	6,522,168.78	24,261,011.31
(2) Transfers from construction in process		343,893.80	8,849.56		4,923,273.65	5,276,017.01
(3) Transfers from investment property for self-use	2,235,896.42					2,235,896.42
(4) Others					57,210.60	57,210.60
3. Reductions	891,805.42	3,479,114.17	3,049,728.67	844,792.54	5,867,603.92	14,133,044.72
(1) Disposals or scrap	891,805.42	3,427,478.79	3,049,728.67	844,792.54	5,867,603.92	14,081,409.34
(2) Others		51,635.38				51,635.38
4. Balance at 31 December 2024	<u>945,933,114.92</u>	<u>568,903,488.92</u>	<u>89,897,968.50</u>	<u>19,020,093.68</u>	<u>76,333,639.17</u>	<u>1,700,088,305.19</u>

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.14. Fixed assets (Continued)

#### 5.14.1 Movement of fixed assets (Continued)

Item	Buildings	Machinery & equipment	Electronic equipment	Transportation vehicles	Others	Total
II. Accumulated depreciation						
1. Balance at 1 January 2024	341,786,071.13	381,874,988.16	73,115,209.44	16,975,493.82	56,644,876.92	870,396,639.47
2. Additions	33,868,285.95	31,850,498.04	4,921,882.28	639,434.03	5,082,956.18	76,363,056.48
(1) Provision	32,936,311.70	31,850,498.04	4,921,882.28	639,434.03	5,082,956.18	75,431,082.23
(2) Transfers from investment property for self-use	931,974.25					931,974.25
3. Reductions	802,002.79	3,063,481.81	2,922,893.86	801,598.22	5,686,476.82	13,276,453.50
(1) Disposals or scrap	802,002.79	3,063,481.81	2,922,893.86	801,598.22	5,686,476.82	13,276,453.50
4. Balance at 31 December 2024	374,852,354.29	410,662,004.39	75,114,197.86	16,813,329.63	56,041,356.28	933,483,242.45
III. Provision for impairment						
1. Balance at 1 January 2024		1,831,130.64	214,895.32	198,528.41		2,244,554.37
2. Additions						
3. Reductions			22,676.09	24,754.26		47,430.35
(1) Disposals or scrap			22,676.09	24,754.26		47,430.35
4. Balance at 31 December 2024		1,831,130.64	192,219.23	173,774.15		2,197,124.02
IV. Carrying amount						
1. At 31 December 2024	571,080,760.63	156,410,353.89	14,591,551.41	2,032,989.90	20,292,282.89	764,407,938.72
2. At 1 January 2024	602,802,952.79	174,427,370.20	16,030,067.51	2,435,917.09	14,053,713.14	809,750,020.73

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

### 5. Notes to the consolidated financial statements (Continued)

#### 5.14. Fixed assets (Continued)

5.14.2 There are no temporarily idle fixed assets as at 31 December 2024.

5.14.3 The fixed assets leased out by operating lease as at 31 December 2024

Category	Carrying amount
Buildings	6,253,384.11
Transportation vehicles	94,501.13
Total	6,347,885.24

5.14.4 Fixed assets pending certificates of ownership

Item	Carrying amount	Reasons for not obtaining the property certificate
Buildings (Shenzhen Longgang Jinghua Electric Co., Ltd.)	5,746,358.70	Cooperative Housing – The land is a collective land provided by Shenzhen Longgang Liangantian Economic Development Co., Ltd
Xingang 3# workshop	4,599,418.44	Being processed
Total	10,345,777.14	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.14. Fixed assets (Continued)

#### 5.14.5 Other explanations

Expiration date in China:

Located in China	31 December 2024	31 December 2023
Mid-term (10-50 years)	571,080,760.63	602,802,952.79
Short-term (within 10 years)	193,327,178.09	206,947,067.94

#### 5.14.6 Disposal of fixed assets

Item	31 December 2024	31 December 2023
Electronic equipment	86,816.49	8,373.84
Machinery & equipment	212,824.66	410.00
Others	9,313.79	
Total	308,954.94	8,783.84

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.15. Construction in process

Category	31 December 2024	1 January 2024
Projects constructed in process	1,506,311.96	991,937.24
Construction materials		
Less: Provision for impairment		
Total	1,506,311.96	991,937.24

Projects constructed in process

(1) Construction in process

Item	31 December 2024			1 January 2024		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Construction of production auxiliary rooms	74,716.96		74,716.96	74,716.96		74,716.96
Intelligent transformation of the warehouse in Building No.1 factory	745,138.05		745,138.05			
Jinghua Science and Technology Park's main gate and functional rooms	15,000.00		15,000.00			
Digital Upgrade of Equipment Park	671,456.95		671,456.95			
Fanwei collaborative business software				119,469.02		119,469.02
Kitchen waste treatment test line				797,751.26		797,751.26
Total	1,506,311.96		1,506,311.96	991,937.24		991,937.24

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.16. Right-of-use Assets

Item	Houses and Buildings	Machinery & Equipment	Total
I. Cost			
1. Balance at 1 January 2024	17,348,091.47		17,348,091.47
2. Additions during the year			
(1) New lease			
3. Decrease during the year	643,171.09		643,171.09
(1) Lease contracts expired	643,171.09		643,171.09
4. Balance at 31 December 2024	16,704,920.38		16,704,920.38
II. Accumulated depreciation			
1. Balance at 1 January 2024	4,474,491.32		4,474,491.32
2. Additions during the year	4,408,784.73		4,408,784.73
(1) Provision	4,408,784.73		4,408,784.73
3. Decrease during the year	643,171.09		643,171.09
(1) Lease contracts expired	643,171.09		643,171.09
4. Balance at 31 December 2024	8,240,104.96		8,240,104.96
III. Provision for impairment			
1. Balance at 1 January 2024			
2. Balance at 31 December 2024			
IV. Carrying amount			
1. Balance at 31 December 2024	8,464,815.42		8,464,815.42
2. Balance at 1 January 2024	12,873,600.15		12,873,600.15

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.17. Intangible assets

#### 5.17.1 Intangible assets

Item	Land use rights	Patent rights	Non-Patent techniques	Trademark rights	Copyrights	Software	Total
I. Cost							
1. Balance at 1 January 2024	105,196,904.12	730,105.00	91,003,997.32	158,340,000.00	9,768,026.49	31,487,708.61	396,526,741.54
2. Additions during the year	825.00		316,814.16			1,427,715.02	1,745,354.18
(1) Purchases	825.00		316,814.16			1,029,484.93	1,347,124.09
(2) Transfers from construction in process						398,230.09	398,230.09
3. Decrease during the year							
4. Balance at 31 December 2024	<u>105,197,729.12</u>	<u>730,105.00</u>	<u>91,320,811.48</u>	<u>158,340,000.00</u>	<u>9,768,026.49</u>	<u>32,915,423.63</u>	<u>398,272,095.72</u>
II. Accumulated depreciation							
1. Balance at 1 January 2024	27,430,360.53	280,938.33	69,056,636.10	158,340,000.00	5,926,228.18	19,679,196.98	280,713,360.12
2. Additions during the year	2,803,248.89	70,000.00	9,264,838.98		826,913.20	2,210,104.95	15,175,106.02
(1) Provision	2,803,248.89	70,000.00	9,264,838.98		826,913.20	2,210,104.95	15,175,106.02
3. Decrease during the year							
4. Balance at 31 December 2024	<u>30,233,609.42</u>	<u>350,938.33</u>	<u>78,321,475.08</u>	<u>158,340,000.00</u>	<u>6,753,141.38</u>	<u>21,889,301.93</u>	<u>295,888,466.14</u>
III. Provision for impairment							
1. Balance at 1 January 2024			3,562,919.55				3,562,919.55
2. Additions during the year						350,900.86	350,900.86
(1) Provision						350,900.86	350,900.86
3. Decrease during the year							
4. Balance at 31 December 2024			<u>3,562,919.55</u>			<u>350,900.86</u>	<u>3,913,820.41</u>
IV. Carrying amount							
1. Balance at 31 December 2024	74,964,119.70	379,166.67	9,436,416.85		3,014,885.11	10,675,220.84	98,469,809.17
2. Balance at 1 January 2024	<u>77,766,543.59</u>	<u>449,166.67</u>	<u>18,384,441.67</u>		<u>3,841,798.31</u>	<u>11,808,511.63</u>	<u>112,250,461.87</u>

The proportion of intangible assets formed through internal research and development to the balance of intangible assets at the end of the period was 23.95%.

**Note:** According to the usage of intangible assets, the Company made a provision for impairment of RMB350,900.86 for idle assets based on their residual values during the reporting period.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.17. Intangible assets (Continued)

5.17.2 During the reporting period, there was no land use right for which the property right certificate had not been completed.

5.17.3 Other explanations

Expiration date in China:

Located in China	31 December 2024	1 January 2024
Long-term (not shorter than 50 years)	46,995,390.72	48,234,829.60
Short-term (shorter than 50 years but not shorter than 5 years)	51,474,418.45	64,015,632.27

### 5.18. Long-term deferred expenses

Item	Balance at 1 January 2024	Additions	Amortization	Other reductions	Balance at 31 December 2024
Renovation and renovation of Xingang Park	11,500,359.49	2,969,546.63	3,420,536.91		11,049,369.21
Smart City Exhibition Hall Project	770,770.95		770,770.95		
Equipment transformation of Shenzhen Jinghua Park	1,235,774.95	1,353,098.25	685,517.28		1,903,355.92
Panda Mansion renovations	4,435,334.75		1,701,939.43		2,733,395.32
Others	711,889.40	391,150.45	390,281.23		712,758.62
Total	18,654,129.54	4,713,795.33	6,969,045.80		16,398,879.07

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.19. Deferred tax assets and deferred tax liabilities

#### 5.19.1 Deferred tax assets and deferred tax liabilities before offsetting

Item	31 December 2024		1 January 2024	
	Deferred tax assets or liabilities	Deductible or taxable temporary differences	Deferred tax assets or liabilities	Deductible or taxable temporary differences
Deferred tax assets:				
Provisions for impairment of assets	14,491,705.24	96,425,381.92	11,672,642.84	77,649,655.92
Unrealized profits from internal transactions	820,341.03	3,893,506.42	669,305.89	4,462,039.27
Deductible tax losses	706,037.87	4,706,919.13	3,891,080.52	25,940,536.80
Employee benefits payable	740,334.48	3,912,721.15	986,649.91	5,286,038.23
Withholding Expenses	246,960.95	4,939,219.09	230,794.40	4,615,888.03
Depreciation and amortization			1,253,782.32	8,358,548.80
Government grants	540,000.00	3,600,000.00	150,000.00	1,000,000.00
Leases	1,471,890.27	8,538,018.24	2,370,091.04	13,190,729.04
Estimated Liabilities	525,000.00	3,500,000.00		
Fair value changes on financial assets			45,985.34	183,941.36
Subtotal	19,542,269.84	129,515,765.95	21,270,332.26	140,687,377.45
Deferred tax liabilities:				
Change in fair value of financial assets held for trading	696,152.52	3,230,009.09	561,987.95	2,369,794.04
Right-of-use assets	1,453,114.43	8,464,815.44	2,314,258.08	12,873,600.15
Accelerated depreciation of fixed assets	2,883,532.94	18,772,218.36	3,477,588.20	22,541,010.72
Subtotal	5,032,799.89	30,467,042.89	6,353,834.23	37,784,404.91

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.19. Deferred tax assets and deferred tax liabilities (Continued)

#### 5.19.2 Details of unrecognized deferred tax assets

Item	31 December 2024	1 January 2024
Deductible temporary differences	<b>379,727,242.52</b>	377,087,835.75
Deductible tax losses	<b>1,469,235,732.64</b>	710,523,737.04
Total	<b>1,848,962,975.16</b>	1,087,611,572.79

#### 5.19.3 Expiration of deductible tax losses not yet recognized deferred tax assets

Year	31 December 2024	1 January 2024	Remarks
2024		55,087,813.46	
2025	<b>133,307,129.51</b>	187,446,767.26	
2026	<b>132,838,626.64</b>	171,619,715.61	
2027	<b>139,832,745.89</b>	192,179,278.60	
2028	<b>147,270,566.92</b>	44,943,131.40	
2029	<b>293,712,294.87</b>	59,247,030.71	
2030 and subsequent years	<b>622,274,368.81</b>		
Total	<b>1,469,235,732.64</b>	710,523,737.04	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.20. Other non-current assets

Item	31 December 2024			1 January 2024		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Prepayment for the acquisition of long-term assets	5,329,316.34		5,329,316.34	149,800.00		149,800.00
Warranty				1,319,273.94		1,319,273.94
Total	<u>5,329,316.34</u>		<u>5,329,316.34</u>	<u>1,469,073.94</u>		<u>1,469,073.94</u>

### 5.21. Short-term loans

#### 5.21.1 Short-term loans by categories

Item	31 December 2024	1 January 2024
Accounts receivable pledged borrowing	614,845.96	18,113,510.72
Banker's acceptance bills discounted but not derecognized	<u>41,711,481.92</u>	<u>52,000,000.00</u>
Total	<u>42,326,327.88</u>	<u>70,113,510.72</u>

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.22. Notes payable

Item	31 December 2024	1 January 2024
Bank acceptance bills	108,540,615.36	68,317,611.86
Trade acceptance bills		
Finance company acceptance bills	1,748,815.76	10,717,548.43
Total	110,289,431.12	79,035,160.29

### 5.23. Accounts payable

#### 5.23.1 Accounts payable by aging

Item	31 December 2024	1 January 2024
Within 1 year (including 1 year)	987,034,107.84	1,105,513,436.73
1 – 2 years (including 2 year)	209,102,581.68	182,500,176.61
2 – 3 years (including 3 year)	53,611,183.43	75,863,171.08
More than 3 years	78,470,818.03	75,079,377.51
Total	1,328,218,690.98	1,438,956,161.93

Note: The age of the accounts payable is disclosed based on the age on the date of entry.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.23. Accounts payable (Continued)

#### 5.23.2 Significant accounts payable aging over 1 year

Creditor	31 December 2024	Reasons
Nanjing Metro Resource Development Co., Ltd	27,945,039.94	Not settled
Zhongtian RF Cable Co., Ltd	20,548,855.13	Not settled
Jiangsu Zhongzhishun Technology Co., Ltd.	13,644,275.40	Not settled
China Mobile Zhejiang Co., Ltd. Shaoxing Branch	13,322,582.81	Not settled
Beijing Quanlu Communication and Signal Research and Design Institute Group Co., Ltd	12,951,566.98	Not settled
Nanjing Kongchi Technology Co., Ltd	11,186,891.04	Not settled
Kehua DATA Co., Ltd.	5,990,627.06	Not settled
Henan Dashun Construction Labor Service Co., Ltd.	5,784,000.00	Not settled
Southwest China Institute of Applied Magnetism (9th Research Institute of China Electronics Technology Group Corporation)	5,219,800.00	Not settled
Shanghai Hongyi Information Technology Co., Ltd.	4,662,154.07	Not settled
Total	121,255,792.43	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.24. Advances from customers

#### (1) Advances from customers by aging

Item	31 December 2024	1 January 2024
Within 1 year (including 1 year)	468,971.75	201,335.72
More than 1 year		300.00
Total	468,971.75	201,635.72

Note: The Company's advance payment at the end of the period is the rent received in advance.

### 5.25. Contract liabilities

Item	31 December 2024	1 January 2024
Smart Transportation and Safe City	48,867,867.30	49,541,036.72
Industrial Internet and intelligent manufacturing	32,359,975.83	28,390,183.47
Green service-oriented electronic manufacturing	27,542,147.41	12,285,789.07
Total	108,769,990.54	90,217,009.26

Significant changes in the contract liabilities and reasons during the reporting period

Item	Amount of change	Reasons
Industrial Internet and intelligent manufacturing	3,969,792.36	Increase in amount due to receipt of cash
Green service-oriented electronic manufacturing	15,256,358.34	Increase in amount due to receipt of cash

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.26. Employee benefits payable

#### 5.26.1 Movement of employee benefits payable

Item	1 January 2024	Increase	Decrease	31 December 2024
I. Short-term employee benefits	47,952,716.16	581,970,113.35	574,564,255.68	<b>55,358,573.83</b>
II. Post-employment benefits—defined contribution plans	255,469.08	64,226,551.55	63,687,246.91	<b>794,773.72</b>
III. Termination benefits	4,120,387.59	12,966,929.55	13,899,507.18	<b>3,187,809.96</b>
IV. Other benefits due within one year				
Total	<u>52,328,572.83</u>	<u>659,163,594.45</u>	<u>652,151,009.77</u>	<u><b>59,341,157.51</b></u>

#### 5.26.2 Details of the short-term employee benefits

Item	1 January 2024	Accrued	Paid	31 December 2024
Salaries, bonus, and allowances	41,665,476.30	388,117,560.71	383,426,424.58	<b>46,356,612.43</b>
Staff welfare	—	38,969,892.01	38,549,892.01	<b>420,000.00</b>
Social insurances	157,812.80	25,233,930.14	25,255,321.65	<b>136,421.29</b>
Including: Medical and maternity insurances	108,118.18	20,992,358.33	20,990,896.83	<b>109,579.68</b>
Work injury insurance	13,841.49	1,770,480.04	1,770,003.15	<b>14,318.38</b>
Maternity insurance premiums	35,853.13	2,471,091.77	2,494,421.67	<b>12,523.23</b>
Others				
Housing Fund	833,613.86	54,017,122.83	53,415,412.69	<b>1,435,324.00</b>
Union funds and employee education fee	224,370.68	8,871,441.48	8,869,649.68	<b>226,162.48</b>
Short-term paid absences				
Short-term profit-sharing plan	3,000,000.00	5,650,000.00	4,150,000.00	<b>4,500,000.00</b>
Labor costs	<u>2,071,442.52</u>	<u>61,110,166.18</u>	<u>60,897,555.07</u>	<u><b>2,284,053.63</b></u>
Total	<u>47,952,716.16</u>	<u>581,970,113.35</u>	<u>574,564,255.68</u>	<u><b>55,358,573.83</b></u>



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.26. Employee benefits payable (Continued)

#### 5.26.3 Defined contribution plans

Item	1 January 2024	Accrued	Paid	31 December 2024
Primary endowment insurance	247,304.50	50,581,188.76	50,189,535.26	<b>638,958.00</b>
Unemployment insurance	7,728.50	1,649,968.28	1,649,559.33	<b>8,137.45</b>
Pension insurance	436.08	11,995,394.51	11,848,152.32	<b>147,678.27</b>
Total	255,469.08	64,226,551.55	63,687,246.91	<b>794,773.72</b>

### 5.27. Taxes and surcharges payable

Item	31 December 2024	1 January 2024
Value added tax	<b>25,693,085.15</b>	17,411,841.06
Enterprise income tax	<b>5,331,078.54</b>	9,227,765.28
Urban maintenance and construction tax	<b>636,686.29</b>	973,882.23
Estate tax	<b>2,459,392.67</b>	2,235,269.32
Land use tax	<b>429,886.10</b>	429,886.10
Individual income tax	<b>4,621,963.04</b>	1,610,115.86
Educational surtax	<b>454,776.14</b>	692,903.27
Other taxes and surcharges	<b>202,557.48</b>	143,843.22
Total	<b>39,829,425.41</b>	32,725,506.34

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.28. Other payables

Item	31 December 2024	1 January 2024
Interest payable		
Dividends payable	13,111,074.34	5,297,799.54
Other payables	90,547,165.29	91,827,168.82
Total	103,658,239.63	97,124,968.36

#### 5.28.1 Dividends payable

Item	31 December 2024	1 January 2024
Dividends for common shares	13,111,074.34	5,297,799.54
Total	13,111,074.34	5,297,799.54

#### 5.28.2 Other payables

##### (1) Other payables by nature

Item	31 December 2024	1 January 2024
Surety and deposits	26,446,061.88	34,995,926.32
Operation-related payments	22,189,053.73	17,105,158.58
Transactions	28,317,510.44	29,412,209.25
Others	13,594,539.24	10,313,874.67
Total	90,547,165.29	91,827,168.82

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.28. Other payables (Continued)

#### 5.28.2 Other payables (Continued)

##### (2) Significant other payables aging over 1 year

Company name	31 December 2024	Reasons
Nanjing China Electronics Panda Corporation	9,790,000.00	Transactions
Nanjing Gusheng Enterprise Management Co., Ltd.	3,600,000.00	The deposit has not yet expired
Shenzhen Jingji Baina Business Management Co., Ltd.	4,195,908.00	The deposit has not yet expired
Panda Electronics Group Co., Ltd.	3,765,011.31	Transactions
Shenzhen Lichang Industry Co., Ltd.	2,032,430.00	The deposit has not yet expired
Nanjing Guochuang Electromechanical Engineering Co., Ltd.	1,846,861.78	The deposit has not yet expired
Shenzhen Shanshui Fashion Hotel Management Co., Ltd.	1,785,628.00	The deposit has not yet expired
Xiaotang Technology (SHANGHAI) Co., Ltd.	1,770,000.00	The deposit has not yet expired
Shenzhen Huitong Security Technology Co., Ltd.	1,146,836.00	The deposit has not yet expired
Shenzhen Kingkey Real Estate Co., Ltd.	1,533,816.00	The deposit has not yet expired
Total	31,466,491.09	

### 5.29 Non-current liabilities due within one year

Item	31 December 2024	1 January 2024
Lease liabilities due within one year	4,148,681.83	4,088,888.95
Estimated liabilities due within one year	1,700,000.00	
Total	5,848,681.83	4,088,888.95

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.30 Other current liabilities

Item	31 December 2024	1 January 2024
Pending output VAT	11,398,063.09	9,418,997.33
Endorsed and discounted notes receivable that have not yet matured	57,531,063.30	17,113,039.18
Government grants that have not been accepted	15,427,368.44	10,350,000.00
Total	84,356,494.83	36,882,036.51

Government grants that have not been accepted:

Item	31 December 2024	1 January 2024
Special funds for the 2022 Science and Technology Plan	900,000.00	900,000.00
AFC Regional Center (ZLC)	300,000.00	300,000.00
No.1 face recognition intelligent cloud turnstile	600,000.00	600,000.00
Internet AFC fare collection system	800,000.00	800,000.00
Research and industrialization of high-speed transportation and management integration platform for artificial intelligence	1,000,000.00	1,000,000.00
Nanjing Municipal Special Fund for Industrial and Information Development	1,200,000.00	1,200,000.00
Industry foresight and key core technology key projects	2,100,000.00	2,100,000.00
East China Electronics New Display Products Green Supply Chain Construction Project	1,000,000.00	1,000,000.00
The second batch of special funds for intellectual property rights at the municipal level	500,000.00	500,000.00
Research and development of intelligent monitoring system for oil and gas pipelines based on distributed optical fiber sensing and Internet	600,000.00	600,000.00
R&D of key technologies for new edge network collaborative control equipment	540,000.00	540,000.00
Enterprise Patent Navigator Project for Next-Generation Information Technology Patents	300,000.00	300,000.00
2021 Jiangsu Provincial Key R&D Plan	510,000.00	510,000.00
Intelligent Operation and Decision-Making System for Equipment Manufacturing Enterprises Supporting Dynamic Reconfiguration and Its Application Verification Project	2,327,368.44	
Intelligent Operation and Maintenance System for Key Industry Production Equipment Based on Industrial Internet Platform	2,250,000.00	
Nanjing Enterprise Expert Studio Construction Special Fund	500,000.00	
Total	15,427,368.44	10,350,000.00

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.31. Lease liabilities

Item	31 December 2024	1 January 2024
Lease payment	9,303,070.75	13,535,031.16
Less: Unrealized finance expense	526,166.92	344,302.12
Less: Lease liabilities due within one year	4,148,681.83	4,088,888.95
Total	4,628,222.00	9,101,840.09

### 5.32. Long-term employee salaries payable

Item	31 December 2024	1 January 2024
Termination benefits	4,200,641.03	5,934,601.09
Total	4,200,641.03	5,934,601.09

### 5.33. Accrued liabilities

Item	1 January 2024	Addition	Decrease	31 December 2024	Reasons
Pending litigation	512,434.50	959,553.04	1,471,987.54		Disputes over sales contracts
Product Quality Assurance		1,800,000.00		1,800,000.00	Contractual Provisions
Total	512,434.50	2,759,553.04	1,471,987.54	1,800,000.00	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.34. Deferred income

#### 5.34.1 Deferred income by category

Item	1 January 2024	Increase	Decrease	31 December 2024	Reason
Government grants	40,343,225.17	2,446,500.00	10,370,048.74	32,419,676.43	Government grants
Total	40,343,225.17	2,446,500.00	10,370,048.74	32,419,676.43	

#### 5.34.2 Deferred income from government grants

Item	1 January 2024	Increase	Recognized in non-operating gains for current period	Recorded in other income for current period	Other movement	31 December 2024	Related to assets/income
Special funds for preschool education – per student	1,207,276.44	2,446,500.00		2,667,314.94		986,461.50	Related to income
R&D of key technologies for special polymer materials and products for 5G communications				148,453.61		1,014,432.99	Related to assets
Industrialization of new flat panel display factory automation transplanting system	2,224,725.84			985,333.31		1,239,392.53	Related to assets
R&D and industrialization of industrial robots and intelligent complete sets of equipment with high localization rate	3,716,920.69			742,780.82		2,974,139.87	Related to assets
Provincial high-end equipment catch-up project special funds	571,174.95			109,608.35		461,566.60	Related to assets
2017 Electronic Information Industry Technological	21,486,513.82			3,783,771.65		17,702,742.17	Related to assets
New model project subsidy	2,250,000.00			428,571.43		1,821,428.57	Related to assets
Provincial emerging industries guide the major industrialization of funds	7,682,926.83			1,463,414.63		6,219,512.20	Related to assets
Nanjing industrial enterprises have invested in inclusive awards and subsidies for technical equipment	40,800.00			40,800.00			Related to assets
Total	40,343,225.17	2,446,500.00		10,370,048.74		32,419,676.43	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.35. Share capital

Item	1 January 2024	Changes during the reporting period (+/-)					31 December 2024
		Issuance of new share	Bonus shares	Capital reserve transfer in	Others	Sub-total	
Total shares	913,838,529.00						913,838,529.00

### 5.36. Capital reserve

Item	1 January 2024	Increase	Decrease	31 December 2024
Share premiums	1,450,743,806.12			1,450,743,806.12
Other capital reserve	19,947,994.01			19,947,994.01
Total	1,470,691,800.13			1,470,691,800.13

### 5.37. Special reserve

Item	1 January 2024	Increase	Decrease	31 December 2024	Reason
Safety costs	362,395.49	436,760.65	523,549.04	275,607.10	Accrual and use
Total	362,395.49	436,760.65	523,549.04	275,607.10	

### 5.38. Surplus reserve

Item	1 January 2024	Increase	Decrease	31 December 2024
Statutory surplus reserve	239,123,945.37			239,123,945.37
Discretionary surplus reserve	70,376,641.33			70,376,641.33
Total	309,500,586.70			309,500,586.70

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.39. Retained earnings

Item	Year ended 31/12/2024	Year ended 31/12/2023
Retained earnings as at 31/1/2023	<b>608,842,680.92</b>	883,845,917.89
The total adjustment of retained earnings as at 1/1/2024 (Increase+, decrease-)		
Retained earnings as at 1/1/2023 after adjustment	<b>608,842,680.92</b>	883,845,917.89
Increase in the current period	<b>-188,854,556.25</b>	-237,862,230.10
Including: Net profit attributable to the Company during the year	<b>-188,854,556.25</b>	-237,862,230.10
Other adjustment factors		
Decrease for the period		37,141,006.87
Including: the amount of surplus reserve withdrawn in the current period		23,107,683.43
The number of cash dividends distributed for the period		12,793,739.40
Conversion of capital		
Reduced others		1,239,584.04
Retained earnings as at 31/12/2024	<b>419,988,124.67</b>	608,842,680.92



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.40. Operating income and operating costs

#### 5.40.1 Operating income and operating costs by category

Item	2024		2023	
	Income	Costs	Income	Costs
Principal activities	2,612,549,693.59	2,213,860,194.41	2,882,972,125.63	2,383,187,928.16
Other operating activities	33,335,267.27	6,884,393.04	29,339,354.38	14,812,240.36
Total	2,645,884,960.86	2,220,744,587.45	2,912,311,480.01	2,398,000,168.52

#### 5.40.2 Table of Deductions from Operating Income

Item	2024	Deduction	2023	Deduction
Operating income	2,645,884,960.86		2,912,311,480.01	
Total amount reduced from operating income	6,163,863.19		5,421,338.63	
The proportion of the total amount deducted to operating income (%)	0.23	/	0.19	/
I. Operating income unrelated to principal activities				
1. Other business income includes:	6,163,863.19		5,421,338.63	
Rental revenue of fixed assets, intangible assets and packing material; Revenue from selling material or exchanging non-monetary assets with materials; Revenues from operating entrusted management businesses, and other activities that are not main business for the listed company although included in the operating income.		Other operating income such as sales of materials, waste materials and parking fees, etc.		Other operating income such as sales of materials, waste materials and parking fees, etc.
Subtotal of business income unrelated to main business	6,163,863.19		5,421,338.63	
II. Income without commercial substance				
III. Other income unrelated to principal activities or without commercial substance				
Net Operating income	2,639,721,097.67		2,906,890,141.38	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.40. Operating income and operating costs (Continued)

#### 5.40.3 Breakdown information of operating income and operating costs

Income Categories	Industrial Internet and intelligent manufacturing		Smart transportation and safe city		Green service-oriented electronic manufacturing		Offsetting		Total	
	Operating Income	Operating Costs	Operating Income	Operating Costs	Operating Income	Operating Costs	Operating Income	Operating Costs	Operating Income	Operating Costs
Business type										
Income from contracts with customer	172,035,792.40	197,203,499.36	1,161,067,795.88	923,955,549.28	1,292,466,435.35	1,171,375,344.57	-95,200,483.47	-91,858,593.09	2,530,369,540.16	2,200,675,800.12
Rental income – operating leases			132,879,974.09	31,685,334.47			-17,364,553.39	-11,616,547.14	115,515,420.70	20,068,787.33
Total	172,035,792.40	197,203,499.36	1,293,947,769.97	955,640,883.75	1,292,466,435.35	1,171,375,344.57	-112,565,036.86	-103,475,140.23	2,645,884,960.86	2,220,744,587.45
Operating region										
Nanjing	172,035,792.40	197,203,499.36	1,123,496,193.45	882,160,278.07	601,904,555.55	538,921,095.45	-54,942,967.92	-47,781,761.11	1,842,493,573.48	1,570,503,111.77
Shenzhen			170,451,576.52	73,480,605.68	609,790,757.07	537,259,820.29	-57,622,068.94	-55,693,379.12	722,620,264.65	555,047,046.85
Chengdu					80,771,122.73	95,194,428.83			80,771,122.73	95,194,428.83
Total	172,035,792.40	197,203,499.36	1,293,947,769.97	955,640,883.75	1,292,466,435.35	1,171,375,344.57	-112,565,036.86	-103,475,140.23	2,645,884,960.86	2,220,744,587.45
Recognition timing										
Point in time	172,035,792.40	197,203,499.36	1,013,629,582.26	706,929,756.64	1,292,466,435.35	1,171,375,344.57	-112,565,036.86	-103,475,140.23	2,365,566,773.15	1,972,033,460.34
Over time			280,318,187.71	248,711,127.11					280,318,187.71	248,711,127.11
Total	172,035,792.40	197,203,499.36	1,293,947,769.97	955,640,883.75	1,292,466,435.35	1,171,375,344.57	-112,565,036.86	-103,475,140.23	2,645,884,960.86	2,220,744,587.45

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.40. Operating income and operating costs (Continued)

#### 5.40.4 Performance Obligations

The Company shall recognize revenue when it satisfies the performance obligation in the contract by transferring the control over relevant assets (goods or services) to the customers. A performance obligation satisfied over time or at a point of time is determined by the terms in the contract and the requirements of relevant laws and regulations. If the Company meets one of the following conditions, it is considered to have fulfilled its performance obligations within a certain period of time:

- (1) the customer simultaneously obtains and consumes the benefits provided by the Company's performance as the Company fulfills its obligations;
- (2) the customer is able to control the assets under construction during the Company's performance process;
- (3) the assets produced by the Company during the performance process have irreplaceable uses, and the Company has the right to receive payments for the cumulative performance completed to date throughout the entire contract period.

For performance obligations over a certain period of time, the revenue will be recognized over time by its progress towards complete satisfaction of that performance obligation. Otherwise, the Company shall recognize revenue at the point in time at which the customer obtains control of related goods or services. The progress of a performance obligation is determined based on the value of the goods that has been transferred to the customer.

#### 5.40.5 Explanation of allocation to remaining performance obligations

The revenue based on signed contracts yet to be fulfilled or executed contracts that have not yet been satisfied at the end of the reporting period is 1,296,639,600 yuan (1,419,982,500 yuan in Year 2023), of which the revenue expected to be recognized in the year of 2025 is 696,731,600 yuan, and thereafter the Company is expected to recognize revenue in the amount of 318,208,000 yuan in year 2026, 246,140,000 yuan in 2027, and 35,560,000 yuan in 2028 respectively.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.41. Taxes and surcharges

Item	2024	2023
Property tax	11,634,402.13	9,385,789.73
Land use tax	2,416,344.06	2,605,280.82
Urban maintenance and construction tax	3,921,349.19	6,980,439.09
Educational surcharge	2,815,909.36	4,892,617.12
Stamp duty	2,050,793.13	1,885,015.20
Others	37,651.39	31,293.85
Total	22,876,449.26	25,780,435.81

### 5.42. Selling and distribution expenses

Item	2024	2023
Payroll	30,950,656.99	28,232,916.71
Office and travel expenses	3,102,843.66	3,567,739.77
Business entertainment expenses	2,825,319.37	2,716,157.96
Advertising and exhibition costs	4,388,067.93	2,852,341.19
Material and repair costs	1,235,851.38	838,553.41
Others	2,789,888.99	2,732,148.75
Total	45,292,628.32	40,939,857.79

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.43. General and administrative expenses

Item	2024	2023
Wages	202,461,082.46	190,469,222.88
Depreciation and amortization	30,693,037.44	25,305,550.84
Office, utilities and transportation travel expenses	18,595,896.73	14,961,354.78
Business entertainment expenses	5,411,284.89	5,358,385.20
Audit, law and consult fees	6,180,760.02	6,568,930.67
Repair costs	8,012,671.56	6,912,598.64
Greenery, security and cleaning fees	5,583,283.34	5,383,953.46
Auditor's remuneration	2,339,622.65	2,339,622.65
Others	3,761,084.59	6,367,811.63
Total	283,038,723.68	263,667,430.75

### 5.44. Research and development expenses

Item	2024	2023
Labor costs	186,257,643.41	169,623,393.99
Materials, fuels, and power costs	43,932,892.30	14,027,541.22
Depreciation and amortization	11,266,237.97	11,758,646.86
Consignment development fee	5,292,993.74	3,966,028.22
Travel expenses	4,331,125.55	2,624,325.82
Other	11,096,981.01	9,187,612.82
Total	262,177,873.98	211,187,548.93

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.45. Finance expenses

Item	2024	2023
Interest expenses	<b>506,758.31</b>	656,417.03
Including: interest expense on lease liabilities	<b>498,660.79</b>	656,417.03
Less: interest income	<b>11,139,368.49</b>	14,778,550.23
Less: Gains from foreign exchange	<b>-2,899,129.22</b>	1,188,940.65
Finance charges	<b>1,455,502.90</b>	1,048,599.70
Total	<b>-12,076,236.50</b>	-11,884,592.85

### 5.46. Other income

Item	2024	2023
Government grants	<b>17,886,205.33</b>	14,330,524.23
Withholding personal income tax handling fee	<b>283,326.57</b>	267,350.61
Input tax plus credit	<b>6,621,225.37</b>	6,780,644.84
Software enterprises will be refunded VAT immediately	<b>47,983.93</b>	148,537.88
Others	<b>38,367.80</b>	
Total	<b>24,877,109.00</b>	21,527,057.56

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.46. Other income (Continued)

Government grants included in other income

Item	2024	2023	Related to assets/ Related to income
In 2017, the special project for technological transformation of the electronic information industry	3,783,771.65	3,783,771.64	Related to assets
Provincial emerging industry guidance funds	1,463,414.63	1,463,414.63	Related to assets
Industrialization of new flat panel display factory automation transplanting system	985,333.31	985,333.32	Related to assets
R&D and industrialization of industrial robots and intelligent complete sets of equipment with high localization rate	742,780.82	888,752.15	Related to assets
New model project grants	428,571.43	428,571.43	Related to assets
Nanjing industrial enterprises have invested in inclusive awards and subsidies for technical equipment	40,800.00	324,800.00	Related to assets
Provincial high-end equipment catch-up project special funds	109,608.35	109,608.35	Related to assets
R&D of key technologies for special polymer materials and products for 5G communications	148,453.61	37,113.40	Related to assets
Longgang Relocation Compensation	3,063,426.56		Related to income
Special funds for preschool education – per student	2,667,314.94	2,967,735.04	Related to income
Education Bureau's Subsidy Fund for Student Vouchers	6,850.00		Related to income
2023 Chengdu New Display Industry High-Quality Development Project Award	1,500,000.00		Related to income
Research on the application of new electronic identification technology in the transportation industry		1,100,000.00	Related to income
Job stabilization grants	1,638,901.80	658,506.49	Related to income
Return of union funds	89,690.49	354,264.33	Related to income
In 2023, the self-funding for the cultivation of high-tech enterprises	160,000.00	300,000.00	Related to income
2022 Outstanding Contribution Award for Steady Growth		200,000.00	Related to income
Social security grants	245,282.06	122,748.19	Related to income
Shenzhen SME Service Bureau 2023 Specialized and Special New Funding	31,570.00	100,000.00	Related to income
A one-time subsidy for employment of the labor force that has been lifted out of poverty		98,251.70	Related to income
Subsidies for job expansion	16,500.00	72,000.00	Related to income
Funding for municipal expert service grassroots projects Market Supervision Bureau's		60,000.00	Related to income
2022 Market Special Fund		50,000.00	Related to income
Nanjing Municipal Special Fund for Industry and Information Technology		50,000.00	Related to income
High-tech Enterprise Innovation Award		40,000.00	Related to income
2023 Science and Technology Development Plan and Science and Technology Funding		40,000.00	Related to income
Proportional and over-proportional placement of rewards		27,360.00	Related to income
Absorb social security subsidies for college graduates		16,000.00	Related to income
Subsidy for employing key target groups	327,300.00		Related to income
Employment grants		14,000.00	Related to income
Recruit retired soldiers to reduce taxes		11,250.00	Related to income
Funded by Shenzhen Longgang District Science and Technology Innovation Bureau		10,600.00	Related to income
Training grants	95,600.00	10,500.00	Related to income
Other sporadic projects	46,336.00	5,943.56	Related to income
2024 Nanjing Special Funds for the Development of Industry and Information Technology	125,000.00		Related to income
Special Funds for the Work of Scientific and Technological Talents	110,500.00		Related to income
Intellectual Property Subsidy	31,500.00		Related to income
Electricity Subsidy	27,699.68		Related to income
Total	17,886,205.33	14,330,524.23	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.47. Investment income

Item	2024	2023
Income from long-term equity investments under equity method	<b>83,013,136.15</b>	42,723,633.71
Investment income on disposal of financial assets held for trading	<b>6,198,151.05</b>	9,701,778.89
Investment income from debt restructuring		322,743.00
Investment income from large-denomination certificates of deposit	<b>6,940,845.49</b>	8,506,515.05
Discount interest on accounts receivable financing		-5,469.73
Total	<b>96,152,132.69</b>	61,249,200.92

### 5.48. Gains from changes in fair value

Source of gains/(losses) from changes in fair value	2024	2023
Financial assets held for trading	<b>4,914,915.97</b>	-1,624,939.93
Total	<b>4,914,915.97</b>	-1,624,939.93

### 5.49. Credit impairment losses

Item	2024	2023
Allowance for credit losses of accounts receivable	<b>-28,411,738.39</b>	-6,771,853.51
Allowance for credit losses of other receivables	<b>1,101,322.17</b>	-1,129,163.17
Allowance for credit losses of prepayment		198,121.82
Total	<b>-27,310,416.22</b>	-7,702,894.86



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.50. Assets impairment losses

Item	2024	2023
Impairment loss on long-term equity investment		-230,134,881.37
Impairment losses of inventories	<b>-33,840,827.08</b>	-6,654,974.87
Impairment losses of contract assets	<b>-12,501,546.70</b>	
Impairment loss for intangible assets	<b>-350,900.86</b>	
Total	<b>-46,693,274.64</b>	-236,789,856.24

### 5.51. Gains from disposal of assets

Item	2024	2023	Amount recognized in extraordinary gain or loss in 2024
Gain on disposal of non-current assets	<b>8,373.69</b>	468,739.44	8,373.69
Total	<b>8,373.69</b>	468,739.44	8,373.69

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.52. Non-operating income

#### 5.52.1 Non-operating income by category

Item	2024	2023	Amount recognized in extraordinary gain or loss in 2024
Gains from disposal of non-current assets	543,482.62	3,454.19	543,482.62
Including: gains on disposal of fixed assets	543,482.62	3,454.19	543,482.62
Amounts due that do not need to be paid	43.69	5,815,511.19	43.69
Income from fines	1,500.00		1,500.00
Liquidated damages income	363,404.83		363,404.83
Others	79,346.80	706,599.60	79,346.80
Total	987,777.94	6,525,564.98	987,777.94

### 5.53. Non-operating expenses

Item	2024	2023	Amount recognized in extraordinary gain and loss in 2024
Losses from damage or scrapping of non-current assets	26,014.19	51,163.76	26,014.19
Including: disposal of fixed assets	26,014.19	51,163.76	26,014.19
Litigation Indemnification	959,553.04	1,851,290.44	959,553.04
Liquidated damages loss	110,954.58		110,954.58
Others	293,029.45	116,132.72	293,029.45
Total	1,389,551.26	2,018,586.92	1,389,551.26

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.54. Income taxes expenses

#### 5.54.1 Details of income tax expenses

Item	2024	2023
Current income tax expense calculated according to tax laws and relevant regulations	<b>16,403,810.38</b>	20,763,945.12
Deferred income tax	<b>407,028.08</b>	-236,297.56
Total	<b>16,810,838.46</b>	20,527,647.56

#### 5.54.2 Reconciliation between income tax expenses and accounting profit:

Item	Amount
Profit before taxation	-124,621,998.16
Income tax expenses calculated at statutory/applicable tax rates	-31,155,499.54
Effect of different tax rates applied by subsidiaries	9,250,847.36
Effect of adjustment for income tax in prior year	-3,210,213.27
Tax effect of non-taxable income	-20,266,612.71
Tax effect of non-deductible costs, expenses and losses	2,172,744.34
Effect of additional deductions for research and development expenses (expenses for technology development) (represented by “-”)	-43,444,582.48
Tax effect of deductible temporary differences losses not recognized as deferred tax assets in prior year or unused tax losses not recognized	2,913,550.56
Effect of deductible temporary differences unrecognized deferred tax assets or deductible losses in current period	100,550,604.20
Income tax expenses	<b>16,810,838.46</b>

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.55. Notes to statement of cash flows

#### 5.55.1 Cash relating to operating activities

##### (1) Cash received relating to other operating activities

Item	2024	2023
Withdraw security deposits and deposits	<b>86,342,414.06</b>	87,483,922.35
Government grants	<b>15,040,025.03</b>	7,696,424.27
Interest income	<b>11,139,368.49</b>	14,778,550.23
Others	<b>5,864,539.32</b>	10,683,633.55
Total	<b>118,386,346.90</b>	120,642,530.40

##### (2) Cash paid relating to other operating activities

Item	2024	2023
Pay for security deposit and restricted funds	<b>84,547,958.35</b>	59,451,697.68
Pay for expenses	<b>74,859,140.73</b>	49,603,576.76
Finance charges	<b>1,253,168.97</b>	3,671,970.41
Others	<b>13,088,149.01</b>	11,641,559.57
Total	<b>173,748,417.06</b>	124,368,804.42

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.55. Notes to statement of cash flows (Continued)

#### 5.55.2 Cash related to investing activities

##### (1) Cash received related to other investing activities

Item	2024	2023
Principal amount of the wealth management product	1,293,697,800.00	1,020,000,000.00
Principal amount of large certificates of deposit	228,000,000.00	140,000,000.00
Total	1,521,697,800.00	1,160,000,000.00

##### (2) Cash paid related to other investing activities

Item	2024	2023
Principal amount of the wealth management product	1,298,823,380.00	1,002,972,360.00
Principal amount of large certificates of deposit	156,432,048.92	339,500,000.00
Total	1,455,255,428.92	1,342,472,360.00

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.55. Notes to statement of cash flows (Continued)

#### 5.55.3 Cash related to financing activities

##### (1) Cash received related to other financing activities

Item	2024	2023
Factoring of accounts receivable and discounting of bills that have not been derecognized	<u>73,431,628.73</u>	<u>70,113,510.72</u>
Total	<u>73,431,628.73</u>	<u>70,113,510.72</u>

##### (2) Cash paid related to other financing activities

Item	2024	2023
Payable of lease liabilities	<u>5,072,863.60</u>	<u>4,551,072.97</u>
Total	<u>5,072,863.60</u>	<u>4,551,072.97</u>

##### (3) Changes in liabilities arising from fund-raising activities

Item	Balance at 1 January 2024	Increase Changes in cash	Non-cash movements	Decrease Changes in cash	Non-cash movements	Balance at 31 December 2024
Short-term loans	70,113,510.72	73,431,628.73			101,218,811.57	<u>42,326,327.88</u>
Non-current liabilities due within one year	<u>13,190,729.04</u>		<u>659,038.39</u>	<u>5,072,863.60</u>		<u>8,776,903.83</u>
Total	<u>83,304,239.76</u>	<u>73,431,628.73</u>	<u>659,038.39</u>	<u>5,072,863.60</u>	<u>101,218,811.57</u>	<u>51,103,231.71</u>

#### 5.55.4 Cash flows were not reported on a net basis during the reporting period

5.55.5 During the reporting period, there are no major activities and financial impacts that did not involve cash inflows or outflows in the current period, but affect the Company's financial position or may potentially affect future cash flows.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.56. Supplement to statement of cash flows

#### 5.56.1 Supplement to statement of cash flows

Item	2024	2023
1. Net profit adjusted to cash flows from operating activities		
Net profit	-141,432,836.62	-194,272,731.55
Add: provision for asset impairment	46,693,274.64	236,789,856.24
Credit impairment losses	27,310,416.22	7,702,894.86
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets and investment property	80,520,254.44	82,598,006.66
Depreciation of right-of-use assets	4,408,784.73	7,412,232.61
Amortization of intangible assets	15,175,106.02	19,002,920.28
Amortization of long-term deferred expenses	6,969,045.80	5,736,104.18
Losses on disposal of fixed assets, intangible assets and other long-term assets ("- " for gains)	-8,373.69	-468,739.44
Losses on write-down of fixed assets ("- " for gains)	-517,468.43	47,709.57
Losses from net position hedging ("- " for gains)		
Losses from changes in fair value ("- " for gains)	-4,914,915.97	1,624,939.93
Financial expenses ("- " for income)	506,758.31	656,417.03
Investments losses ("- " for gains)	-96,152,132.69	-61,249,200.92
Decreases in the deferred tax assets ("- " for increases)	1,728,062.42	469,804.47
Increases in the deferred tax liabilities ("- " for decreases)	-1,321,034.34	-390,083.66
Decreases in inventories ("- " for increases)	54,605,853.07	36,468,361.83
Decreases in operating receivables ("- " for increases)	-248,790,780.58	-57,603,819.26
Increases in operating payables ("- " for decreases)	-10,054,747.44	-150,375,727.45
Others		
Net cash flows from operating activities	-265,274,734.11	-65,851,054.62

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.56. Supplement to statement of cash flows (Continued)

#### 5.56.1 Supplement to statement of cash flows (Continued)

Item	2024	2023
2. Significant investing and financing activities not involving cash inflow and outflow		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under lease		
3. Net change in cash and cash equivalents		
Cash as at 31 December 2024	666,522,106.70	798,419,753.09
Less: cash as at 1 January 2024	798,419,753.09	954,544,289.85
Add: cash equivalents as at 31 December 2024		
Less: cash equivalents as at 1 January 2024		
Net increase in cash and cash equivalents	-131,897,646.39	-156,124,536.76

#### 5.56.2 Cash and cash equivalents

Item	31 December 2024	1 January 2024
I. Cash	666,522,106.70	798,419,753.09
Including: cash on hand	27,411.04	41,224.84
Unrestricted bank deposits	666,484,334.11	798,376,888.06
Unrestricted other cash and cash equivalents	10,361.55	1,640.19
II. Cash equivalents		
III. Cash and cash equivalents as at 31 December 2024	666,522,106.70	798,419,753.09
Including: cash and cash equivalents restricted for use in the Company or the subsidiaries		

5.56.3 At the end of the reporting period, there were no cash and cash equivalents that were restricted in use but still presented as such.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.56. Supplement to statement of cash flows (Continued)

5.56.4 Monetary funds that are not cash and cash equivalents

Item	31 December 2024	1 January 2024	Reasons
Deposit of bank acceptance bills	<b>39,687,770.29</b>	23,297,536.49	Use is restricted
Deposit of performance and guarantees	<b>51,433,254.45</b>	51,680,609.13	Use is restricted
Property preservation and freezing of funds		3,746,041.69	Use is restricted
Total	<b><u>91,121,024.74</u></b>	<b><u>78,724,187.31</u></b>	

### 5.57 Assets with restrictive ownership title or right of use

Item	Carrying amount at 31 December 2024	Restriction reasons
Cash at bank and on hand	<b>91,121,024.74</b>	Bank acceptances, letters of guarantee, performance bonds, and litigation to freeze funds
Notes receivable	<b>78,959,746.42</b>	Outstanding endorsed or discounted bills that have not been derecognized
Accounts receivable	<b>20,897,644.76</b>	Supply chain bills that have been endorsed but not derecognized, and factoring of receivables that has not been derecognized
Total	<b><u>190,978,415.92</u></b>	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.58. Monetary items denominated in foreign currency

Item	Balance in foreign currency at 31 December 2024	Exchange rate	Balance translated into RMB at 31 December 2024
Cash on hand and at bank			
Including: USD	4,371,548.78	7.1884	31,424,441.25
Euro	116,120.69	7.5257	873,889.48
HKD	190,338.14	0.9260	176,253.12
JPY	72,266,312.00	0.0462	3,338,703.61
Accounts receivable			
Including: USD	2,020,800.93	7.1884	14,526,325.41
Euro	12,722.79	7.5257	95,747.90
HKD			
JPY	14,282,827.00	0.0462	659,866.61
Other receivables			
Including: USD			
Euro			
HKD	42,225.03	0.9260	39,100.38
JPY			
Accounts payable			
Including: USD	483,118.69	7.1884	3,472,850.39
Euro			
HKD			
JPY	20,143,000.00	0.0462	930,606.60
Other payables			
Including: USD	118,852.00	7.1884	854,355.72
Euro			
HKD			
JPY			

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.59. Leases

#### 5.59.1 As a lessee

Item	Amount
Variable lease payments that are not included in the measurement of lease liabilities through the cost of the underlying asset or current profit or loss	
Including: the part generated by the sale and leaseback transaction	
Short-term lease charges that are included in the cost of the underlying asset or the current profit or loss for the simplified treatment	2,629,761.21
Lease expense of low-value assets through simplified treatment of the cost of the underlying asset or profit or loss for the period (other than short-term lease expense of low-value assets)	
Income derived from the sublease of right-of-use assets	
Total cash outflows related to leases	7,529,004.87

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 5. Notes to the consolidated financial statements (Continued)

### 5.59. Leases (Continued)

#### 5.59.2 As a lessor

##### Operating leases

Item	Rental income	Including: income related to variable lease payments that are not included in lease receipts
Property rental	115,437,544.59	
Vehicle rental	77,876.11	
Total	115,515,420.70	

The amount of undiscounted lease receipts that will be received after the balance sheet date is as follows:

Remaining lease term	Year end 31 December 2024	Year end 31 December 2023
Year 1	100,183,133.14	101,343,773.35
Year 2	55,655,974.71	80,510,767.08
Year 3	31,847,031.25	43,169,703.99
Year 4	29,338,998.08	25,684,418.58
Year 5	29,338,998.08	26,916,512.00
The total amount of undiscounted lease receipts after five years	53,250,281.50	75,769,981.27
Total	299,614,416.76	353,395,156.27

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 6. R&D expenditure

### 6.1. R&D expenditure by nature

Item	2024	2023
Labor costs	<b>186,257,643.41</b>	169,623,393.99
Materials, fuels, and power	<b>43,932,892.30</b>	14,027,541.22
Depreciation and amortization	<b>11,266,237.97</b>	11,758,646.86
Consignment development fee	<b>5,292,993.74</b>	3,966,028.22
Travel expenses	<b>4,331,125.55</b>	2,624,325.82
Others	<b>11,096,981.01</b>	9,187,612.82
Total	<b>262,177,873.98</b>	211,187,548.93
Including: expensed R&D expenditure	<b>262,177,873.98</b>	211,187,548.93
capitalized R&D expenditures		

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 7. Changes in consolidation scope

### 7.1. Business combination involving enterprises not under common control.

None.

### 7.2. Business combination involving enterprises under common control (BCUCC)

None.

### 7.3. Reverse purchase

None.

### 7.4. Disposal of subsidiaries

None.

### 7.5. Other reasons for the changes in consolidation scope

None.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 8. Rights and interests in other entities

### 8.1. Interests in subsidiaries

#### 8.1.1 Constitution of the Company

Unit: 10K CNY

Name of subsidiary	Principal place of business	Place of registration	Nature of business	Registered capital	Shareholding (%)		Acquisition method
					Direct	Indirect	
Nanjing Panda Electronics Manufacturing Co., Ltd. [1]	Nanjing	Nanjing	Manufacture	2,000.00	75.00	25.00	Set up
Nanjing Panda Xinxing Industrial Co., Ltd.	Nanjing	Nanjing	Service	2,000.00	100.00		Set up
Nanjing Panda Electronic Equipment Co., Ltd.	Nanjing	Nanjing	Manufacture	19,000.00	100.00		Set up
GALANT LIMITED [2]	Hongkong	Hongkong	Investment	1 HKD	100.00		Set up
Nanjing Panda Information Industry Co., Ltd. [5]	Nanjing	Nanjing	Manufacture	21,681.42	100.00		Set up
Nanjing Panda Communication Technology Co., Ltd.	Nanjing	Nanjing	Manufacture	10,000.00	100.00		Controlled by the same ultimate controlling party
Chengdu Panda Electronic Technology Co., Ltd.	Chengdu	Chengdu	Manufacture	5,000.00	100.00		Set up
Nanjing Panda Electromechanical Instrument Technology Co., Ltd.	Nanjing	Nanjing	Manufacture	1,000.00		100.00	Set up
Nanjing Panda Electromechanical Manufacturing Co., Ltd.	Nanjing	Nanjing	Manufacture	3,500.00		100.00	Controlled by the same ultimate controlling party
Nanjing Huage Electric and Plastic Industry Co., Ltd.	Nanjing	Nanjing	Manufacture	6,000.00		100.00	Controlled by the same ultimate controlling party
Shenzhen JingWah Electronics Co., Ltd. [3]	Shenzhen	Shenzhen	Service	11,507.00	43.34		Controlled by the same ultimate controlling party
Shenzhen Jinghua Property Management Co., Ltd. [4]	Shenzhen	Shenzhen	Service	100.00		43.34	Set up
Shenzhen Jingjia Property Management Co., Ltd. [4]	Shenzhen	Shenzhen	Service	100.00		43.34	Set up
Shenzhen Jinghua Information Technology Co., Ltd. [4]	Shenzhen	Shenzhen	Manufacture	2,000.00		26.87	Set up
Shenzhen Jinghua Digital Technology Co., Ltd. [4]	Shenzhen	Shenzhen	Manufacture	500.00		26.87	Set up
HongKong JWD Trading Company Limited.[1][2][4]	Shenzhen	Shenzhen	Manufacture	100.00		26.87	Set up
Shenzhen Jinghua Health Technology Co., Ltd. [4]	Shenzhen	Shenzhen	Manufacture	500.00		43.34	Set up
Shenzhen Jingyu Electronics Co., Ltd. [4]	Shenzhen	Shenzhen	Manufacture	931.41		43.34	Set up
Shenzhen Longgang Jinghua Electric Co., Ltd. [4]	Shenzhen	Shenzhen	Service	350.00		39.01	Set up

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 8. Rights and interests in other entities (Continued)

### 8.1. Interests in subsidiaries (Continued)

#### 8.1.1 Constitution of the Company (Continued)

Notes:

- [1] The registered capital of Nanjing Panda Electronics Manufacturing Co., Ltd and HongKong JWD Trading Company Limited is denominated in US dollars.
- [2] GALANT LIMITED has not yet made actual capital contribution, and the registered capital is Hong Kong dollars.
- [3] Shenzhen JingWah Electronics Co., Ltd is company limited by shares (unlisted). The other companies mentioned above are limited liability companies.
- [4] These subsidiaries are owned by Shenzhen JingWah Electronics Co., Ltd. Among the 7 members of the board of directors of Shenzhen JingWah Electronics Co., Ltd., the Company recommends 4 directors, and the articles of association stipulate that the board of directors must make a resolution, except as otherwise provided by law and other provisions, must be passed by more than half of all directors, therefore the Company can control Shenzhen JingWah Electronics Co., Ltd.
- [5] The Company's equity interest in Nanjing Panda Information Industry Co., Ltd. has been changed to a direct ownership of 100%, as the Company's wholly-owned subsidiary, GALANT LIMITED, has transferred its 18% equity interest in Nanjing Panda Information Industry Co., Ltd. to the Company free of charge.

#### 8.1.2 Significant non-wholly owned subsidiary

Company name	Minority shareholding (%)	Profit or loss attributable to the minority for the current period	Dividends announced to distribute to the minority	Balance of the minority interests at 31 December 2024
Shenzhen JingWah Electronics Co., Ltd [1]	56.66%	47,421,719.63	45,897,736.50	275,324,497.23

Note [1]: Among the 7 members of the board of directors of Shenzhen JingWah Electronics Co., Ltd., the Company recommends 4 directors, and the articles of association stipulate that the board of directors must make a resolution, except as otherwise provided by law and other provisions, must be passed by more than half of all directors.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 8. Rights and interests in other entities (Continued)

### 8.1. Interests in subsidiaries (Continued)

#### 8.1.3 Main financial information of significant non-wholly owned subsidiary

31 December 2024						
Name of subsidiary	Current assets	Non-current assets	Total Assets	Current liabilities	Non-current liabilities	Total liabilities

Shenzhen JingWah Electronics Co., Ltd	563,038,826.19	25,952,057.83	588,990,884.02	148,234,555.68	2,186,258.52	150,420,814.20
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	1 January 2024					
Name of subsidiary	Current assets	Non-current assets	Total Assets	Current liabilities	Non-current liabilities	Total liabilities

Shenzhen JingWah Electronics Co., Ltd	562,096,756.22	30,882,752.66	592,979,508.88	154,332,004.67	4,763,201.33	159,095,206.00
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Name of subsidiary	2024			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities

Shenzhen JingWah Electronics Co., Ltd	722,620,264.65	75,519,545.94	75,519,545.94	77,680,000.22
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Name of subsidiary	2023			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities

Shenzhen JingWah Electronics Co., Ltd	696,236,967.41	69,942,378.17	69,942,378.17	58,351,393.81
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# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 8. Rights and interests in other entities (Continued)

### 8.2. Equity in joint ventures or associates

#### 8.2.1 Significant joint ventures or associates

Company name	Principal place of business	Registration place	Business nature	Registered capital (10K USD)	Shareholding (%) Direct Indirect	Accounting treatment for investments	Whether it is strategic for the company's activities
Nanjing LG-PANDA Appliance Co., Ltd.	Nanjing	Nanjing	Electrical machinery and equipment manufacturing	3,570.00	30	Equity method	Yes
Nanjing Ericsson Panda Communication Co., Ltd.	Nanjing	Nanjing	Manufacture of computers, communications and other electronic equipment	2,090.00	27	Equity method	Yes

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 8. Rights and interests in other entities (Continued)

### 8.2. Equity in joint ventures or associates (Continued)

#### 8.2.2 Principal financial information of significant associates

Item	31 December 2024/2024		1 January 2024/2023	
	Nanjing LG-PANDA Appliance Co., Ltd.	Nanjing Ericsson Panda Communication Co., Ltd.[2]	Nanjing LG-PANDA Appliance Co., Ltd.	Nanjing Ericsson Panda Communication Co., Ltd.
Current assets	2,939,533,379.00	1,116,871,188.12	2,648,252,150.39	1,232,990,238.05
Non-current assets	781,346,256.30	220,957,260.75	627,974,114.45	274,397,100.52
Total assets	3,720,879,635.30	1,337,828,448.87	3,276,226,264.84	1,507,387,338.57
Current liabilities	2,509,897,137.55	1,627,592,462.82	2,231,080,804.59	1,879,497,734.65
Non-current liabilities	57,409,217.60		14,865,461.10	1,188,327.90
Total liabilities	2,567,306,355.15	1,627,592,462.82	2,245,946,265.69	1,880,686,062.55
Minority interests				
Equity attributable to the Company	1,153,573,280.15	-289,764,013.95	1,030,279,999.15	-373,298,723.98
Share of net assets calculated as shareholding percentage%	346,071,984.05		309,083,999.75	
Adjustments [1]	80,847,913.28		94,713,256.95	
Book value of equity investment in associates	426,919,897.33		403,797,256.70	
Fair value of equity investment if there is a quoted market price for the investment				
Operating income	7,101,626,745.03	3,376,111,488.57	6,018,536,861.53	4,775,533,096.76
Net profit	323,293,281.00	83,534,710.03	168,418,879.29	-1,225,650,136.48
Net profit for discontinued operations				
Others comprehensive income				
Total comprehensive income	323,293,281.00	83,534,710.03	168,418,879.29	-1,225,650,136.48
Dividends from associates for the current year	60,000,000.00		60,000,000.00	

Note [1]: The adjustment is the amount by which the initial investment cost is greater than the share of the fair value of the investee's identifiable net assets at the time of investment.

Note [2]: Nanjing Ericsson Panda Communication Co., Ltd. 's annual statements are unaudited.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 8. Rights and interests in other entities (Continued)

### 8.2. Equity in joint ventures or associates (Continued)

#### 8.2.3 Summary of financial information of other insignificant joint ventures and associates

Item	31 December 2024/2024	1 January 2024/2023
Associates		
Total investments' book value	66,070,033.11	66,056,916.32
Totals calculated as shareholding percentage (%):		
Net profit	13,116.79	420,764.79
Other comprehensive income		
Total comprehensive income	13,116.79	420,764.79

## 9. Government grants

9.1. There were no government grants recognized in the current year on the basis of receivables.

9.2. Liabilities involving government grants

Financial statement items	1 January 2024	The amount of new grants in this period	Other income was carried forward	Other changes	31 December 2024	Related to assets/ income
Other current liabilities	10,350,000.00	5,077,368.44			15,427,368.44	Related to assets/ income
Deferred income	40,343,225.17	2,446,500.00	10,370,048.74		32,419,676.43	Related to assets/ income
Total	50,693,225.17	7,523,868.44	10,370,048.74		47,847,044.87	

9.3. For details of the government subsidies included in the current profit or loss, please refer to "note 5.46 Other Income"

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 10. Related risks of financial instruments

The Company is exposed to various financial risks in the course of its operations: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risk). The financial risks described above and the risk management policies adopted by the Company to mitigate these risks are as follows:

The Board is responsible for planning and establishing the Company's risk management framework, formulating the Company's risk management policies and related guidelines and overseeing the implementation of risk management measures. The Company has developed risk management policies to identify and analyse the risks to which the Company is exposed, and these risk management policies clearly define specific risks, covering a wide range of aspects such as market risk, credit risk and liquidity risk management. The Company regularly evaluates changes in the market environment and the Company's business activities to determine whether to update its risk management policies and systems. The Company's risk management is carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates and mitigates relevant risks in close cooperation with other business units of the Company. The Company's internal audit department conducts regular audits of risk management controls and procedures, and reports the results of the audits to the Company's Audit Committee.

The Company diversifies the risk of financial instruments through appropriate diversification of investment and business portfolios, and reduces the risk of concentration in a single industry, specific region or specific counterparty by developing corresponding risk management policies.

### 10.1. Credit Risk

Credit risk refers to the risk that the counterparty will fail to fulfill its contractual obligations and the Company will incur financial losses.

The Company's credit risk mainly arises from monetary funds, notes receivable, accounts receivable, receivables financing, contract assets, other receivables, etc., as well as investments in debt instruments and derivative financial assets measured at fair value that are not included in the scope of impairment assessment and whose changes are included in profit or loss. At the balance sheet date, the carrying amount of the Company's financial assets represents its maximum credit exposure.

The Company's monetary funds are mainly bank deposits with state-owned banks and other large and medium-sized listed banks with good reputation and high credit ratings, and the Company believes that there is no significant credit risk and there is almost no significant loss caused by bank default.

In addition, the Company has established policies to control credit risk exposure to notes receivable, accounts receivable, receivables financing, contract assets and other receivables. The Company evaluates the credit qualifications of the Client based on the Client's financial situation, the likelihood of obtaining security from a third party, credit history and other factors such as current market conditions and sets the corresponding credit period. The Company will regularly monitor the credit history of customers, and for customers with bad credit records, the Company will adopt written reminders, shortening the credit period or canceling the credit period to ensure that the overall credit risk of the Company is within a controllable range.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 10. Related risks of financial instruments (Continued)

### 10.2. Liquidity risk

Liquidity risk refers to the risk that a business will experience a shortage of funds when it fulfills its obligation to settle by way of cash or other financial assets.

It is the Company's policy to ensure that it has sufficient cash to pay off its debts as they fall due. Liquidity risk is centrally controlled by the Company's finance department. By monitoring cash balances, marketable securities that are readily realizable, and rolling forecasts of cash flows over the next 12 months, the finance department ensures that the company has sufficient funds to repay its debts under all reasonable forecasts. At the same time, the company is continuously monitored for compliance with the provisions of the borrowing agreement and has obtained commitments from major financial institutions to provide sufficient standby funds to meet short- and long-term funding needs.

The Company's financial liabilities are presented as undiscounted contractual cash flows by maturity date as follows:

Item	Within 1 year	31 December 2024			Total
		1-2 years	2-5 years	Over 5 years	
Short-term loans	42,326,327.88				42,326,327.88
Notes payable	110,289,431.12				110,289,431.12
Accounts payable	1,328,218,690.98				1,328,218,690.98
Other payables	103,658,239.63				103,658,239.63
Non-current liabilities due within one year	6,158,383.67				6,158,383.67
Lease liabilities		2,419,029.80	2,425,657.28		4,844,687.08
Total	1,590,651,073.28	2,419,029.80	2,425,657.28		1,595,495,760.36

Item	Within 1 year	31 December 2023			Total
		1-2 years	2-5 years	Over 5 years	
Short-term loans	70,113,510.72				70,113,510.72
Notes payable	79,035,160.29				79,035,160.29
Accounts payable	1,438,956,161.93				1,438,956,161.93
Other payables	97,124,968.36				97,124,968.36
Non-current liabilities due within one year	4,088,888.95				4,088,888.95
Lease liabilities		6,937,771.54	2,508,370.67		9,446,142.21
Total	1,689,225,699.47	6,937,771.54	2,508,370.67		1,698,671,841.68

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 10. Related risks of financial instruments (Continued)

### 10.3. Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

#### 1. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest-bearing financial instruments with fixed interest rates and floating interest rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the ratio of fixed rate and floating rate instruments in accordance with market conditions and maintains an appropriate mix of fixed and floating rate instruments through regular review and monitoring. When necessary, the Company will use interest rate swap instruments to hedge interest rate risk.

#### 2. Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company continuously monitors foreign currency transactions and the size of foreign currency assets and liabilities to minimize foreign exchange exposure. In addition, the company may also sign forward foreign exchange contracts or currency swap contracts to achieve the purpose of hedging exchange rate risks. During the current and previous periods, Shenzhen Jinghua Information Technology Co., Ltd., a third-tier subsidiary of the Company, signed forward foreign exchange contracts to lock in the US dollar exchange rate, but fundamentally, the risk faced by the Company is still the US dollar exchange rate risk.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 10. Related risks of financial instruments (Continued)

### 10.3. Market risk (Continued)

#### 2. Exchange rate risk (Continued)

The exchange rate risk faced by the Company is mainly derived from the financial assets and financial liabilities denominated in US dollars, and the amounts of foreign currency financial assets and foreign currency financial liabilities converted into RMB are set out below:

Item	31 December 2024			31 December 2023		
	US Dollars	Other foreign currencies	Total	US Dollars	Other foreign currencies	Total
Cash at hand and on bank	31,424,447.75	4,388,846.21	35,813,293.96	35,279,711.62	4,079,244.05	39,358,955.67
Accounts receivable	14,526,325.41	755,614.51	15,281,939.92	12,066,446.10	842,806.50	12,909,252.60
Prepayments				64,307.37	60,424.67	124,732.04
Other receivables		39,100.38	39,100.38		49,351.65	49,351.65
Subtotal	45,950,773.16	5,183,561.10	51,134,334.26	47,410,465.09	5,031,826.87	52,442,291.96
Accounts payable	3,472,850.39	930,605.60	4,403,455.99	16,138,354.86	1,624,449.16	17,762,804.02
Contract liabilities				10,209,261.94		10,209,261.94
Other payables	854,355.72		854,355.72	666,127.94		666,127.94
Subtotal	4,327,206.11	930,605.60	5,257,811.71	27,013,744.74	1,624,449.16	28,638,193.90

The impact of exchange rate changes is as follows:

Item	31 December 2024		31 December 2023	
	Exchange rate increase/ (decrease)	Total profit increase/ (decrease)	Exchange rate increase/ (decrease)	Total profit increase/ (decrease)
The RMB depreciated against the USD	5%	2,081,178.35	5%	1,019,836.02
The RMB appreciated against the USD	5%	-2,081,178.35	5%	-1,019,836.02
The RMB depreciated against the JPY	5%	153,398.78	5%	136,034.38
The RMB appreciated against the JPY	5%	-153,398.78	5%	-136,034.38



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 10. Related risks of financial instruments (Continued)

### 10.4. Other price risks

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices other than exchange rate risk and interest rate risk.

The Company's other price risks mainly arise from the investment in various equity instruments, and there is a risk of price changes in equity instruments.

## 11. Fair value

### 11.1. Analysis of the assets and liabilities measured at fair value according to the fair value hierarchy:

Item	Measurement by level 1	Measurement by level 2	Measurement by level 3	31 December 2024
I Recurring fair value measurement				
◆ Financial assets held for trading			491,594,758.95	491,594,758.95
1. Financial assets measured at fair value through profit or loss			491,594,758.95	491,594,758.95
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				
(4) Others – wealth management products			491,594,758.95	491,594,758.95
◆ Receivables for financing			30,350,019.89	30,350,019.89
◆ Other debt investments				
◆ Other equity instrument investments				
Total assets of recurring fair value measurement			521,944,778.84	521,944,778.84

### 11.2. For recurring and non-recurring items in level 3 of fair value hierarchy, the adopted valuation techniques and quantity and quality information of principal inputs

- (1) For recurring items in level 3 of fair value hierarchy by the company are bank wealth management products and forward foreign exchange settle sales products, the fair value is adjusted according to the expected rate of return (1.0%-4.7%) or the performance benchmark interest rate of the wealth management products at the end of the period.
- (2) For recurring items in level 3 of fair value hierarchy by the company as notes receivable, with the intention to hold them as an endorsement, and their remaining maturity is short, and the carrying amount is equal to fair value.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 11. Fair value (Continued)

### 11.3 For recurring items in level 3 of fair value hierarchy, the reconciliation between the opening book balance and ending book balance and sensitivity analysis of unobservable inputs

Item	Balance at 31 December 2023	Move in level 3	Move out level 3	The total amount of gains or losses for the period		Buy, Issue, Sale, Settle				Balance at 31 December 2024	For assets held at the end of the reporting period, unrealized gains or changes in the current period through profit or loss
				Included in profit or loss	Included in other comprehensive income	Buy	Issue	Sale	Settle		
◆ Financial assets held for trading	485,158,212.68			11,113,067.02		1,298,823,380.00		1,303,499,900.75		491,594,758.95	4,914,915.97
Financial assets measured at fair value through profit or loss	485,158,212.68			11,113,067.02		1,298,823,380.00		1,303,499,900.75		491,594,758.95	4,914,915.97
1) Debt instrument investment											
2) Equity instrument investment											
3) Derivative financial assets	72,065.73			-72,065.73							
4) Others – wealth management products	485,086,146.95			11,185,132.75		1,298,823,380.00		1,303,499,900.75		491,594,758.95	4,914,915.97
◆ Receivables for financing	25,415,043.86					247,208,082.14		242,273,106.11		30,350,019.89	
◆ Other debt investments											
◆ Other equity instrument investments											
Total	510,573,256.54			11,113,067.02		1,546,031,462.14		1,545,773,006.86		521,944,778.84	4,914,915.97
Including: gains and losses related to financial assets				11,113,067.02							
Gains or losses related to non-financial assets											

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions

### 12.1. The parent company of the Company

Name of parent company	Registration place	Type of business	Registered capital	Shareholding ratio of the Company (%)	Voting rights proportion % of the Company
Panda Electronics Group Co., Ltd.	China • Nanjing	Manufacturing	1,632,970,000.00	23.05	66.67

Note [1]: As of December 31, 2023, the total number of shares held by China Electronics Corporation Limited accounted for 29.98% of the total share capital of the Company. Among them, Nanjing China Electronics Panda Corporation, a holding subsidiary, holds 22,120,611 A shares and 13,768,000 H shares of the Company through an asset management plan, accounting for 3.93% of the total share capital of the Company, and 210,661,444 A shares of the Company, accounting for 23.05% of the total share capital of the Company, through Panda Electronics Group Co., Ltd., a wholly-owned subsidiary of Nanjing China Electronics Panda Corporation; Through its wholly-owned overseas subsidiary, BLUE BRIDGE INVESTMENT LIMITED, it holds 27,414,000 H shares of the Company, accounting for 3.00% of the total share capital of the China Electronics Corporation Limited is still the ultimate controller of the company and is registered in Beijing, China.

[2] The Parent Company's percentage of voting rights over the Company is higher than its percentage of shareholding, which is due to the Parent Company's recommendation to elect six directors out of the nine members of the Company's Board of Directors, and the Company's Articles of Incorporation stipulate that the Board of Directors shall make resolutions that must be approved by a majority of all the directors, except for those stipulated by law and otherwise.

### 12.2. Subsidiaries of the Company

Details of subsidiaries refer to Note 8 Interest in other entities.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.3. Joint ventures and associates of the Company

Details of Significant joint ventures and associates of the Company refer to Note 8 Interest in other entities. Information of other joint ventures and associates having transactions with the Company in current period or having outstanding balances carried forward from prior periods are as follows:

Entity name	Relationship
Nanjing Ericsson Panda Communication Co., Ltd.	Associates of the Company
Beijing SE Potevio Mobile Communications Co., Ltd.	Associates of the Company
Shenzhen Chebao Information Technology Co., Ltd.	Associates of the Company
Shenzhen Jinghua Network Marketing Co., Ltd.	Associates of the Company
Nanjing LG-PANDA Appliance Co., Ltd.	Associates of the Company

### 12.4. Other related parties

Entity name	Relationship
Nanjing China Electronics Panda Corporation	Shareholders of the Company
Liyang Panda Cuizhuyuan Hotel Co., Ltd	Subsidiary of the parent company
Nanjing Panda Piezoelectricity Technology Co., Ltd.	Subsidiary of the parent company
Nanjing Panda Electronics Imp.&Exp. Co., Ltd.	Subsidiary of the parent company
Nanjing Panda Science and Technology Park Development Co., Ltd	Subsidiary of the parent company
Nanjing Panda Investment Development Co., Ltd	Subsidiary of the parent company
Nanjing Panda Transportation Co., Ltd	Subsidiary of the parent company
Nanjing Zhenhua Acoustics Equipment Factory	Subsidiary of the parent company
Nanjing Jingye Home Appliance Co., Ltd. (Former name: NANJING CEC PANDA HOME APPLIANCES CO., LTD)	Subsidiary of the parent company
FAIRWIT HONGKONG CO., LIMITED	Subsidiary of the parent company
CHINA ELECTRONICS INTERNATIONAL EXHIBITION AND ADVERTISING CO., LTD.	Companies controlled by the same ultimate controlling party
China Electronics Defense Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
(Former name "CLC Defense Technology Limited")	Companies controlled by the same ultimate controlling party
Beijing Cssweb Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
Irico Group Co., Ltd.	Companies controlled by the same ultimate controlling party
Jiangxi Rainbow Photovoltaic Co., Ltd.	Companies controlled by the same ultimate controlling party
GANSU CHANGFENG ELECTRONIC TECHNOLOGY LIMITED	Companies controlled by the same ultimate controlling party
LIABILITY COMPANY	Companies controlled by the same ultimate controlling party
TPV Technology Co., Ltd.	Companies controlled by the same ultimate controlling party

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.4. Other related parties (Continued)

Entity name	Relationship
TPV Audio and Visual Technology (Shenzhen) Co., Ltd.	Companies controlled by the same ultimate controlling party
Guizhou Zhenhua Hualian Electronic Co., Ltd.	Companies controlled by the same ultimate controlling party
Guizhou Zhenhua Qunying Electrical Appliance Co., Ltd (state-owned eight nine one factory)	Companies controlled by the same ultimate controlling party
GUIZHOU ZHENHUA YILONG E-CHEM CO., LTD.	Companies controlled by the same ultimate controlling party
Nanjing Rainbow New Energy Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing Huadong Electronics Group Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing China Electronics Panda Crystal Technology Corporation	Companies controlled by the same ultimate controlling party
Nanjing CEC Panda Trade Development Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing CEC Panda Property Management Co., Ltd.	Companies controlled by the same ultimate controlling party
China Electronics Commerce (Beijing) Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing CEC PANDA CF Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing CEC Panda LCD Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing Zhongdian Xiongmao Lighting Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing Zhongdian Real Estate Co., Ltd.	Companies controlled by the same ultimate controlling party
Zhongdian Huirong Commercial Factoring (Shenzhen) Co., Ltd.	Companies controlled by the same ultimate controlling party
Shenzhen SED Wireless Communication Technology Co., Ltd	Companies controlled by the same ultimate controlling party
CET Electric Technology Inc.	Companies controlled by the same ultimate controlling party
Shenzhen Zhongdian International Information Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
China Electronics Shenzhen Company	Companies controlled by the same ultimate controlling party
Wuhan Zhongyuan Communication Co., Ltd	Companies controlled by the same ultimate controlling party
Xianyang China Electronics IRICO Group Holding Co., Ltd.	Companies controlled by the same ultimate controlling party

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.4. Other related parties (Continued)

Entity name	Relationship
Great Wall Power Supply Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
CLP Industrial Internet Co., Ltd	Companies controlled by the same ultimate controlling party
China Electronics Finance Co., Ltd.	Companies controlled by the same ultimate controlling party
China Electronics Industry Development Co., Ltd	Companies controlled by the same ultimate controlling party
China Electronics Import & Export Corporation	Companies controlled by the same ultimate controlling party
CEAC INTERNATIONAL LIMITED	Companies controlled by the same ultimate controlling party
China Electronic Materials Jiangsu and Zhejiang Corporation	Companies controlled by the same ultimate controlling party
China Greatwall Technology Group CO., LTD.	Companies controlled by the same ultimate controlling party
China Zhenhua Group Yunke Electronic Co., Ltd.	Companies controlled by the same ultimate controlling party
NANJING SANLE GROUP CO., LTD	Companies controlled by the same ultimate controlling party
CLP Tai Risheng Maanshan Technology Co., Ltd	Companies controlled by the same ultimate controlling party
CEC FREUNDSCHAFT TECH CO., LTD.	Companies controlled by the same ultimate controlling party
Nanjing Zhongdian panda magnetoelectric Technology Co., Ltd	Companies controlled by the same ultimate controlling party
SHENZHEN ZHENHUA FU ELECTRONICS CO., LTD	Companies controlled by the same ultimate controlling party
GUIZHOU ZHENHUA E-CHEM CO., LTD	Companies controlled by the same ultimate controlling party
Guizhou Zhenhua Fengguang Semiconductor Co., Ltd	Companies controlled by the same ultimate controlling party
CLP Great Wall Shengfeifan Information System Co., Ltd	Companies controlled by the same ultimate controlling party
China Zhenhua (Group) New Cloud Electronic Components Co., Ltd. (State 4326 Factory)	Companies controlled by the same ultimate controlling party
Zhongdian Rainbow Intelligent Lighting Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
China zhenhua group yongguang electrical co., Ltd	Companies controlled by the same ultimate controlling party
Nanjing Runjing Hotel Co., Ltd	Companies controlled by the same ultimate controlling party

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.4. Other related parties (Continued)

Entity name	Relationship
DynaTeQ Limited	Companies controlled by the same ultimate controlling party
Chengdu Sino Microelectronics Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
China Electronic Systems Engineering Corp.	Companies controlled by the same ultimate controlling party
Nanjing Panda Handa Technology Co., Ltd	Companies controlled by the same ultimate controlling party
Nanjing Sanle Microwave Technology Development Co., Ltd	Companies controlled by the same ultimate controlling party
Dongguan CEC Panda Technology Development Co., Ltd	Companies controlled by the same ultimate controlling party
Hunan Changcheng Galaxy Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
Langfang Zhenhua Crystal Technology Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing Corad Electronic Equipment Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing Wally Electronchnology Co., Ltd.	Companies controlled by the same ultimate controlling party
Nanjing Changjiang Science and Technology Park Co., Ltd.	Companies controlled by the same ultimate controlling party
Wuhan Sunmoon Battery Co., Ltd.	Companies controlled by the same ultimate controlling party
Shenzhen Sangda Technology Development Co., Ltd.	Other related parties
Panda Technology Co., Ltd.	Other related parties
IRICO(Hefei)LCD Glass Co., Ltd.	Other related parties
Shenzhen Jinghua Intelligent Technology Co., Ltd	Other related parties
Xianyang Caihong Optoelectronics Technology Co., Ltd.	Other related parties
Nanjing Panda Medical Services Co., Ltd	Other related parties

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties

#### 12.5.1 Purchase of goods/receipt of services and sales of goods/rendering of services

Purchase of goods/Receipt of services

Name of related party	Type	Year ended 31/12/2024	Year ended 31/12/2023
Nanjing Rainbow New Energy Co., Ltd	Purchase of goods	<b>2,989,248.19</b>	3,088,813.67
Shenzhen SED Wireless Communication Technology Co., Ltd.	Purchase of goods	<b>1,848,807.09</b>	504,424.80
Nanjing Zhenhua Acoustics Equipment Factory	Purchase of goods	<b>1,642,060.41</b>	1,116,279.02
TPV Audio and Visual Technology (Shenzhen) Co., Ltd.	Purchase of goods	<b>1,607,774.51</b>	2,773,308.44
Zhongdian Rainbow Intelligent Lighting Technology Co., Ltd.	Purchase of goods	<b>1,619,449.55</b>	
Chengdu Sino Microelectronics Technology Co., Ltd.	Purchase of goods	<b>627,982.31</b>	249,699.12
Hunan Changcheng Galaxy Technology Co., Ltd.	Purchase of goods	<b>584,070.80</b>	
Nanjing China Electronics Panda Crystal Technology Corporation	Purchase of goods	<b>438,482.99</b>	396,352.26
SHENZHEN ZHENHUA FU ELECTRONICS CO., LTD	Purchase of goods	<b>306,932.83</b>	99,580.79
CEAC INTERNATIONAL LIMITED	Purchase of goods	<b>255,377.37</b>	6,014,467.46
Nanjing Panda Piezoelectricity Technology Co., Ltd.	Purchase of goods	<b>245,715.92</b>	105,171.67
China zhenhua group yongguang electrical co., Ltd.	Purchase of goods	<b>156,181.18</b>	550,821.47
China Zhenhua Group Yunke Electronic Co., Ltd.	Purchase of goods	<b>78,545.64</b>	143,145.29
Guizhou Zhenhua Hualian Electronic Co., Ltd.	Purchase of goods	<b>77,278.97</b>	88,845.66
Langfang Zhenhua Crystal Technology Co., Ltd.	Purchase of goods	<b>17,900.38</b>	
Panda Electronics Group Co., Ltd.	Purchase of goods	<b>8,652.72</b>	76,330.06
Liyang Panda Cuizhuyuan Hotel Co., Ltd	Purchase of goods	<b>8,358.49</b>	21,150.00



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.1 Purchase of goods/receipt of services and sales of goods/rendering of services (Continued)

Purchase of goods/Receipt of services (Continued)

Name of related party	Type	Year ended 31/12/2024	Year ended 31/12/2023
Guizhou Zhenhua Qunying Electrical Appliance Co., Ltd (state-owned eight nine one factory)	Purchase of goods	3,398.24	20,938.06
Nanjing Panda Medical Services Co., Ltd	Purchase of goods	3,370.00	10,283.17
Guizhou Zhenhua Fengguang Semiconductor Co., Ltd	Purchase of goods	3,115.04	151,061.95
China Zhenhua (Group) New Cloud Electronic Components Co., Ltd. (State 4326 Factory)	Purchase of goods	814.17	133,650.03
Wuhan Sunmoon Battery Co., Ltd.	Purchase of goods	212.4	
Nanjing Panda Electronics Imp.&Exp. Co., Ltd.	Purchase of goods		16,540,697.35
Chengdu CEC Panda Display Technology Co., Ltd.	Purchase of goods		154,214.88
Shenzhen Sangda Technology Development Co., Ltd.	Purchase of goods		113,663.72
China Electronic Systems Engineering Corp.	Purchase of goods		50,479.24
Nanjing Zhongdian Xiongmao Lighting Co., Ltd.	Purchase of goods		306.00
Nanjing Panda Transportation Co., Ltd	Receipt of services	6,945,642.89	5,458,655.76
Nanjing Panda Medical Services Co., Ltd.	Receipt of services	1,187,401.40	2,862,367.39
Shenzhen Jinghua Intelligent Technology Co., Ltd.	Receipt of services	637,759.29	994,100.96
Liyang Panda Cuizhuyuan Hotel Co., Ltd.	Receipt of services	364,966.52	189,037.74
Nanjing Huadong Electronics Group Co., Ltd.	Receipt of services	344,250.00	439,090.57

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.1 Purchase of goods/receipt of services and sales of goods/rendering of services (Continued)

Purchase of goods/Receipt of services (Continued)

Name of related party	Type	Year ended 31/12/2024	Year ended 31/12/2023
Panda Electronics Group Co., Ltd.	Receipt of services	<b>231,553.68</b>	105,692.50
Nanjing Zhongdian Xiongmao Lighting Co., Ltd.	Receipt of services	<b>198,750.12</b>	
Nanjing Panda Handa Technology Co., Ltd	Receipt of services	<b>189,171.14</b>	97,722.07
China Electronics Commerce (Beijing) Co., Ltd.	Receipt of services	<b>102,203.77</b>	
Nanjing Panda Piezoelectricity Technology Co., Ltd.	Receipt of services	<b>94,339.62</b>	
Nanjing CEC Panda Property Management Co., Ltd	Receipt of services	<b>45,600.00</b>	45,600.00
Nanjing Panda Investment Development Co., Ltd	Receipt of services		283,018.86
IRICO (Hefei) LCD Glass Co., Ltd.	Receipt of services		12,990.84

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.1 Purchase of goods/receipt of services and sales of goods/rendering of services (Continued)

Sales of goods/Rendering of services

Name of related party	Type	Year ended 31/12/2024	Year ended 31/12/2023
Nanjing Panda Handa Technology Co., Ltd	Sales of goods	<b>131,599,127.57</b>	164,972,160.45
Xianyang China Electronics IRICO Group Holding Co., Ltd.	Sales of goods	<b>16,194,690.27</b>	
GUIZHOU ZHENHUA E-CHEM CO., LTD	Sales of goods	<b>14,407,079.65</b>	11,130,159.27
IRICO (Hefei) LCD Glass Co., Ltd.	Sales of goods	<b>13,031,681.42</b>	17,051,256.69
Nanjing Ericsson Panda Communication Co., Ltd.	Sales of goods	<b>3,893,802.02</b>	8,185,286.01
Shenzhen Jinghua Network Marketing Co., Ltd.	Sales of goods	<b>3,837,569.04</b>	6,015,777.41
Nanjing China Electronics Panda Corporation	Sales of goods	<b>1,746,098.07</b>	1,914,732.99
Great Wall Power Supply Technology Co., Ltd.	Sales of goods	<b>1,232,726.10</b>	1,609,101.48
China Electronics Defense Technology Co., Ltd. (Former name "CLC Defense Technology Limited")	Sales of goods	<b>1,070,742.02</b>	19,270,626.94
Panda Electronics Group Co., Ltd.	Sales of goods	<b>680,092.74</b>	319,071.29
NANJING SANLE GROUP CO., LTD	Sales of goods	<b>589,535.39</b>	
CET Electric Technology Inc.	Sales of goods	<b>226,545.00</b>	167,672.59
Nanjing CEC Panda LCD Technology Co., Ltd.	Sales of goods	<b>118,834.92</b>	3,804,654.62
Nanjing Sanle Microwave Technology Development Co., Ltd.	Sales of goods	<b>110,442.48</b>	241,592.92
Nanjing Panda Transportation Co., Ltd.	Sales of goods	<b>107,280.55</b>	128,207.43
Nanjing Zhongdian panda magnetoelectric Technology Co., Ltd.	Sales of goods	<b>81,996.22</b>	110,201.86
Nanjing Panda Piezoelectricity Technology Co., Ltd.	Sales of goods	<b>22,566.37</b>	37,610.62
Nanjing Panda Medical Services Co., Ltd.	Sales of goods	<b>17,673.59</b>	
CLP Industrial Internet Co., Ltd.	Sales of goods	<b>16,677.88</b>	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.1 Purchase of goods/receipt of services and sales of goods/rendering of services (Continued)

Sales of goods/Rendering of services (Continued)

Name of related party	Type	Year ended 31/12/2024	Year ended 31/12/2023
Nanjing LG-PANDA Appliance Co., Ltd.	Sales of goods	<b>15,626.14</b>	6,226.42
Nanjing Panda Electronics Imp.&Exp. Co., Ltd.	Sales of goods	<b>14,023.33</b>	10,200.82
Nanjing Panda Investment Development Co., Ltd	Sales of goods	<b>13,941.50</b>	1,698.11
GANSU CHANGFENG ELECTRONIC TECHNOLOGY LIMITED LIABILITY COMPANY	Sales of goods	<b>5,752.22</b>	
Nanjing Corad Electronic Equipment Co., Ltd.	Sales of goods	<b>4,567.92</b>	
Nanjing Changjiang Science and Technology Park Co., Ltd.	Sales of goods	<b>2,473.24</b>	
Nanjing Rainbow New Energy Co., Ltd	Sales of goods	<b>150.5</b>	17.42
Nanjing Wally Electronchnology Co., Ltd.	Sales of goods	<b>93.73</b>	
Nanjing Jingye Home Appliance Co., Ltd. (Former name: NANJING CEC PANDA HOME APPLIANCES CO., LTD)	Sales of goods	<b>10.28</b>	46,140.89
Chengdu CEC Panda Display Technology Co., Ltd.	Sales of goods		229,349,582.39
China Electronics Shenzhen Company	Sales of goods		7,838,896.43
Irigo Group Co., Ltd.	Sales of goods		6,722,123.89
Beijing Cswweb Technology Co., Ltd.	Sales of goods		4,222,001.49
Wuhan Zhongyuan Communication Co., Ltd	Sales of goods		88,495.58
China Electronics Finance Co., Ltd.	Sales of goods		2,641.51
Nanjing Panda Handa Technology Co., Ltd	Receipt of services	<b>24,349,785.47</b>	47,663,426.18
Panda Electronics Group Co., Ltd.	Receipt of services	<b>5,052,746.36</b>	5,425,033.17
China Electronics Defense Technology Co., Ltd. (Former name "CLC Defense Technology Limited")	Receipt of services	<b>2,116,981.13</b>	4,300,219.69

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.1 Purchase of goods/receipt of services and sales of goods/rendering of services (Continued)

Sales of goods/Rendering of services (Continued)

Name of related party	Type	Year ended 31/12/2024	Year ended 31/12/2023
Nanjing Huadong Electronics Group Co., Ltd	Receipt of services	<b>1,061,464.26</b>	
Liyang Panda Cuizhuyuan Hotel Co., Ltd	Receipt of services	<b>436,678.02</b>	
Xianyang Caihong Optoelectronics Technology Co., Ltd.	Receipt of services	<b>376,095.30</b>	183,027.88
Nanjing Panda Electronics Imp.&Exp. Co., Ltd.	Receipt of services	<b>296,217.68</b>	104,688.93
Nanjing LG-PANDA Appliance Co., Ltd.	Receipt of services	<b>87,065.58</b>	45,404.99
Nanjing CEC Panda LCD Technology Co., Ltd.	Receipt of services	<b>86,113.20</b>	2,231,207.48
Nanjing Panda Transportation Co., Ltd	Receipt of services	<b>60,286.57</b>	150,757.15
Nanjing China Electronics Panda Corporation	Rendering of services	<b>54,931.74</b>	2,769,302.34
Dongguan CEC Panda Technology Development Co., Ltd	Rendering of services	<b>26,117.40</b>	5,778.75
Nanjing Wally Electronchnology Co., Ltd.	Rendering of services	<b>20,377.36</b>	
Nanjing Ericsson Panda Communication Co., Ltd.	Rendering of services	<b>18,804.34</b>	529,341.30
Nanjing CEC PANDA CF Technology Co., Ltd	Rendering of services	<b>8,286.25</b>	304,795.68
Nanjing Jingye Home Appliance Co., Ltd. (Former name: NANJING CEC PANDA HOME APPLIANCES CO., LTD)	Rendering of services	<b>3,320.76</b>	42,359.52
Shenzhen Jinghua Intelligent Technology Co., Ltd	Rendering of services	<b>2,004.59</b>	21,867.33
Shenzhen Jinghua Network Marketing Co., Ltd.	Rendering of services	<b>1,254.46</b>	4,564.85
Shenzhen Chebao Information Technology Co., Ltd.	Rendering of services	<b>475.25</b>	484.65
Nanjing Panda Investment Development Co., Ltd	Rendering of services		23,750,036.38
China Electronic Materials Jiangsu and Zhejiang Corporation	Rendering of services		28,301.89

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 15.5.2 Leases with related parties

##### (1) The Company as the lessor

Lessee	Types of leased assets	Rental income recognized in 2024	Rental income recognized in 2023
Nanjing Panda Transportation Co., Ltd	Buildings	176,851.36	183,310.08
Nanjing Jingye Home Appliance Co., Ltd. (Former name: NANJING CEC PANDA HOME APPLIANCES CO., LTD)	Buildings	44,036.70	187,244.04
Shenzhen Jinghua Intelligent Technology Co., Ltd	Buildings	31,156.32	174,250.02
Nanjing Panda Electronics Imp.&Exp. Co., Ltd.	Buildings	304,381.68	340,785.34
Shenzhen Chebao Information Technology Co., Ltd.	Buildings	4,080.00	3,999.96
Shenzhen Jinghua Network Marketing Co., Ltd.	Buildings	6,732.00	31,300.02
Nanjing Panda Transportation Co., Ltd	Vehicle	50,884.96	52,433.63
Panda Electronics Group Co., Ltd.	Vehicle	13,716.82	13,716.82
Liyang Panda Cuizhuyuan Hotel Co., Ltd	Vehicle	13,274.33	10,619.46

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 15.5.2 Leases with related parties (Continued)

##### (2) The Company as the lessee

Lessor	Types of leased assets	Simplified rental expense for short-term leases and leases of low-value assets, as well as variable lease payments that are not included in the measurement of lease liabilities							
				Rent paid		Interest expense on lease liabilities incurred		Increased right-of-use assets	
		2024	2023	2024	2023	2024	2023	2024	2023
IRICO (Hefei) LCD									
Glass Co., Ltd.	Buildings	12,990.84		14,160.00					

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.3 Guarantee activities with related parties

The Company as guarantor:

Guarantor	Guarantee	Amount of guarantee	Start date	Maturity date	Guarantee obligation expired or not
Nanjing Panda Electronics Company Limited	Nanjing Huage Electric and Plastic Industry Co., Ltd [1]	20,000,000.00	2023/7/11	2024/7/11	No
Nanjing Panda Electronics Company Limited	Nanjing Panda Electronic Equipment Co., Ltd [2]	20,000,000.00	2023/9/19	2024/6/15	No
Nanjing Panda Electronics Company Limited	Nanjing Panda Communication Technology Co., Ltd [3]	10,000,000.00	2024/12/5	2025/12/4	No

Notes:

1. The Company provided the maximum guarantee for the comprehensive bank credit line of RMB20,000,000.00 for Nanjing Huage Electric Automobile and Plastic Industry Co., Ltd., a third-tier subsidiary, in China Electronics Finance Co., Ltd. The credit period is from July 11, 2023 to July 11, 2024. There is no counter-guarantee for this guarantee. The guarantee period for each specific credit business under the comprehensive credit agreement is calculated separately and is two years from the date of expiration of the debt performance period agreed in the specific credit business contract. As of December 31, 2024, the total credit line of Nanjing Huage Electric Automobile & Plastic Industry Co., Ltd., was RMB1,748,815.76. Among them, the Company provided a bank acceptance draft guarantee amounting to RMB1,748,815.76 for this third-tier subsidiary.
2. The Company provided a maximum amount guarantee for the comprehensive bank credit line of RMB20,000,000.00 granted to Nanjing Panda Electronic Equipment Co., Ltd. (a second-tier subsidiary) by Industrial and Commercial Bank of China Limited Hongshan Sub-branch. The credit period was from September 19, 2023, to June 15, 2024, with no counter-guarantee involved in this transaction. The guarantee period is calculated separately for each financing facility extended by the creditor to the debtor under the master agreement. For each individual financing facility, the guarantee period is three years from the expiration of the debt performance period under that facility. As of December 31, 2024, the subsidiary, Nanjing Panda Electronic Equipment Co., Ltd, had utilized a credit line totaling RMB609,966.00. Specifically, the company provided a performance bond guarantee amounting to RMB609,966.00 for this second-tier subsidiary.
3. The Company provides a maximum amount joint and several liability guarantee for the RMB10,000,000.00 bank comprehensive credit line granted to its second-tier subsidiary, Nanjing Panda Communication Technology Co., Ltd, by Nanjing Bank Co., Ltd. Chengdong Branch. The credit period runs from December 5, 2024, to December 4, 2025. The guarantee period is calculated as three years from the maturity date of each debt obligation arising from the subsidiary's use of the credit line under the master agreement. As of December 31, 2024, this subsidiary Nanjing Panda Communication Technology Co., Ltd. had not utilized any portion of the guaranteed credit line (RMB0 used).

In summary, as of December 31, 2024, the Company has provided guarantees for its subsidiaries totaling to RMB2,358,781.76, of which: the guarantee amount for bank acceptance bills is RMB1,748,815.76, and that for letters of guarantee is RMB609,966.00. (As of December 31, 2023, the Company's guarantees for subsidiaries amounted to RMB43,606,499.38, including: bank acceptance bills with RMB34,224,606.55, and letters of guarantee being RMB9,381,892.83.)



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.4 Remuneration of key management

Unit: 10K CNY

Item	2024	2023
Remuneration of key management	834.04	802.02

During the Reporting Period, there were 20 key management personnel of the Company, including directors, supervisors, general managers, deputy general managers and secretary of the Board of Directors, of which 13 received remuneration from the Company.

#### 2024

Unit: 10K CNY

Name	Position	Remuneration	Wages and subsidies	Pension scheme contribution	Performance bonus	Total	Remarks
Xia Dechuan [1][3][4]	Chairman of the board						
Liu Jianfeng [1][4]	Director						
Hu Jin [1][4]	Director						
Hu Huichun [1][4][5]	Director and general manager		35.88	10.46	58.44	104.78	
Yi Guofu [1][4]	Directors and Party Secretary		33.48	9.52	57.14	100.14	
Lu Song [1][4]	Director						
Dai Keqin [1][4]	Independent director	12.00				12.00	
Xiong Yanren [1][4]	Independent director	12.00				12.00	
Zhu Weixun [1][4]	Independent director	12.00				12.00	
Fan Laiying [2][6]	Chairman of the Supervisory Board						
Fu Yuanyuan [2]	Supervisor						
Xue Yuheng [2]	Employee supervisor		30.36	9.01	44.18	83.55	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.4 Remuneration of key management (Continued)

##### 2024 (Continued)

Name	Position	Remuneration	Wages and subsidies	Pension scheme contribution	Performance bonus	Total	Remarks
Hu Shoujun [5]	Chief accountant		30.36	8.26	9.18	47.80	2023 annual performance salary borne by original company
Shao Bo [5]	Deputy general manager		27.96	8.30	37.30	73.56	
Hu Dali [5]	Deputy general manager		30.36	8.96	41.89	81.21	
Wang Dongdong [5]	Secretary of the board		27.96	8.28	41.25	77.49	
Wan Lei [5]	Deputy general manager		30.36	8.99	53.54	92.89	
Lu Bin [5]	Deputy general manager		30.36	9.99	65.59	105.94	
Deng Weiming	Former Non-executive Director						
Zhou Yuxin	Former Employee Supervisor		13.84	6.70	10.14	30.68	
Total		36.00	290.92	88.47	418.65	834.04	

- On June 3, 2024, the company convened the 26th meeting of the 10th Board of Directors, which reviewed and approved the nomination of Mr. Xia Dechuan and Mr. Hu Huichun as candidates for Executive Directors of the 11th Board of Directors, the nomination of Mr. Liu Jianfeng, Mr. Hu Jin, Mr. Yi Guofu, and Mr. Lv Song as candidates for Non-Executive Directors of the 11th Board of Directors, and the nomination of Mr. Dai Keqin, Ms. Xiong Yanren, and Mr. Zhu Weixun as candidates for Independent Non-Executive Directors of the 11th Board of Directors. These candidates were elected at the Company's 2023 Annual General Meeting held on June 21, 2024, and will serve a three-year term.
- On June 3, 2024, the company convened the 16th meeting of the 10th Board of Supervisors, which reviewed and approved the nomination of Mr. Fan Laiying and Ms. Fu Yuanyuan as candidates for Non-employee Supervisors of the 11th Board of Supervisors, and confirmed Mr. Xue Yuheng as the Employee Supervisor of the 11th Board of Supervisors. Mr. Fan Laiying and Ms. Fu Yuanyuan were elected at the company's 2023 Annual General Meeting held on June 21, 2024. Together with Employee Supervisor Mr. Xue Yuheng, they formed the 11th Board of Supervisors of the Company, with a term of three years.
- On June 21, 2024, the Company convened the first meeting of the 11th Board of Directors, and elected Mr. Xia Dechuan as the Chairman of the 11th Board of Directors.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.4 Remuneration of key management (Continued)

##### 2024 (Continued)

4. On June 21, 2024, the Company convened the first meeting of the 11th Board of Directors, and elected the following members to the various committees:
  - Strategy Committee: Chairman Xia Dechuan, Director Liu Jianfeng, Director Hu Huichun, Director Yi Guofu, and Independent Director Zhu Weixun, with Chairman Xia Dechuan as the head of the committee.
  - Audit Committee: Director Hu Jin, Director Lv Song, Independent Director Dai Keqin, Independent Director Xiong Yanren, and Independent Director Zhu Weixun, with Ms. Xiong Yanren as the head of the committee.
  - Nomination Committee: Chairman Xia Dechuan, Director Hu Huichun, Independent Director Dai Keqin, Independent Director Xiong Yanren, and Independent Director Zhu Weixun, with Mr. Dai Keqin as the head of the committee.
  - Compensation and Assessment Committee: Chairman Xia Dechuan, Director Liu Jianfeng, Independent Director Dai Keqin, Independent Director Xiong Yanren, and Independent Director Zhu Weixun, with Mr. Zhu Weixun as the head of the committee.
5. On June 21, 2024, the Company convened the first meeting of the 11th Board of Directors, and appointed the following executives:
  - General Manager: Mr. Hu Huichun
  - Deputy General Managers: Mr. Shao Bo, Mr. Hu Dali, Mr. Wan Lei, Mr. Lu Bin
  - Chief accountant: Mr. Hu Shoujun
  - Secretary of the board: Mr. Wang Dongdong

The terms of these appointments are three years, concurrent with the 11th Board of Directors.
6. On June 21, 2024, the Company convened the first meeting of the 11th Board of Supervisors, and elected Mr. Fan Laiying as the Chairman of the Board of Supervisors

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.4 Remuneration of key management (Continued)

Continued: 2023

Unit: 10K RMB

Name	Position	Remuneration	Wages and subsidies	Pension scheme contribution	Performance bonus	Total	Remarks
Xia Dechuan	Chairman of the board				37.22	37.22	2022 annual performance salary
Liu Jianfeng	Director						
Deng Weiming	Director						
Hu Huichun	Director and general manager		35.88	8.20	64.64	108.72	
Yi Guofu	Directors and Party Secretary		33.48	7.55	52.03	93.06	
Lu Song	Director						
Dai Kegin	Independent director	12.00				12.00	
Xiong Yanren	Independent director	12.00				12.00	
Zhu Weixun	Independent director	12.00				12.00	
Fan Laiying	Chairman of the Supervisory Board						
Fu Yuanyuan	Supervisor						
Zhou Yuxin	Employee supervisor		20.76	6.28	14.65	41.69	
Shao Bo	Deputy general manager		27.96	7.05	36.72	71.73	
Hu Dali	Deputy general manager		30.16	7.44	46.53	84.13	
Wang Dongdong	Secretary of the board		27.96	7.24	36.5	71.7	
Lu Bin	Deputy general manager		30.36	7.66	67.8	105.82	
Wan Lei	Deputy general manager		30.36	7.10	47.09	84.55	
Hu Shoujun	Chief accountant		5.06	1.54		6.6	Transferred in November 2023

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.4 Remuneration of key management (Continued)

Continued: 2023 (Continued)

Name	Position	Remuneration	Wages and subsidies	Pension scheme contribution	Performance bonus	Total	Remarks
Zhou Guixiang	Former Chairman of the Board						
Zhao Ji	Former Chairman of the Supervisory Board						
Shen Jianlong	Former Non-executive Director		26.1	5.06	29.64	60.8	Retired at the end of September 2023
Hu Dali	Former Chief Accountant						
Total		36.00	268.08	65.12	432.82	802.02	

The top five highest-paid individuals of the Company in FY2024 include 0 directors (2023: 0 director). The total amount of remuneration paid to these 5 individuals (2025: 5) during the year is set out below:

Item	2024	2023
Wages and subsidies	719.06	772.40
Contributions to a pension scheme	42.89	39.44
Others		
Total	761.95	811.84

Salary range	Number	
	2024	2023
HKD 0-1,000,000.00		
HKD 1,000,000.00-1,500,000.00	2	2
HKD 1,500,000.00-2,000,000.00	1	2
HKD 2,000,000.00-2,500,000.00	2	1

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.5. Transactions with related parties (Continued)

#### 12.5.5 Other transactions with related parties

Related party	Details of related party transactions	2024	2023
China Electronics Finance Co., Ltd. [1]	Interest received	<b>4,561,349.65</b>	2,026,094.98
China Electronics Finance Co., Ltd. [1]	Service fees	<b>7,954.73</b>	
China Electronic Materials Co., Ltd	Debt forgiveness		322,700.00
Nanjing Panda Electronics Imp.&Exp. Co., Ltd.	Accounts Receivable Factoring	<b>18,999.06</b>	
Nanjing Panda Handa Technology Co., Ltd	Patent transfer	<b>2,392,358.49</b>	
Zhongdian Huirong Commercial Factoring (Shenzhen) Co., Ltd.	Accounts Receivable Factoring	<b>2,614,845.96</b>	
Zhongdian Huirong Commercial Factoring (Shenzhen) Co., Ltd.	Interest charged	<b>8,097.52</b>	
Zhongdian Huirong Commercial Factoring (Shenzhen) Co., Ltd.	Service fees	<b>466.44</b>	

Note:

[1] On November 22, 2024, the Company convened an interim meeting of the 11th Board of Directors, at which the proposal to sign the "Financial Services Cooperation Agreement" ("**Service Agreement**") with China Electronics Finance Co., Ltd was approved. According to the terms of the Service Agreement, China Electronics Finance Co., Ltd. will provide comprehensive financial services in compliance with applicable laws and regulations, including but not limited to: financial and financing advisory services, credit certification, other related consulting and agency services, and guarantees, bill acceptance, discounting, deposit services, with an upper limit of RMB800 million for the comprehensive credit balance, an upper limit of RMB700 million for the fund settlement balance, and an upper limit of RMB2 million for the transaction fees of other financial services businesses. The validity period is three years from the effective date of the Service Agreement. The above-mentioned Service Agreement has been reviewed and approved at the Company's second interim shareholders' meeting on December 27, 2024.

As of December 31, 2024, the Company's loan balance with China Electronics Finance Co., Ltd. was RMB0.00, and the deposit balance was RMB606,131,362.15. As of December 31, 2024, the Company had used a credit line of RMB1,748,815.76 with China Electronics Finance Co., Ltd.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.6. Receivables due from and payables due to related parties

#### 12.6.1 Receivables due from related parties

Account name	Related party	31 December 2024		31 December 2023	
		Book value	Allowance for credit losses	Book value	Allowance for credit losses
Cash at bank and on hand	China Electronics Finance Co., Ltd.	526,131,362.15		356,051,390.28	
Accounts receivable	Nanjing Panda Handa Technology Co., Ltd	183,546,723.10	1,079,781.29	185,280,639.64	
	Nanjing Panda Investment Development Co., Ltd	24,522,643.26	529,834.46	40,156,593.67	
	Beijing Cswweb Technology Co., Ltd.	20,885,643.25	623,925.49	18,669,121.19	
	Nanjing CEC Panda LCD Technology Co., Ltd.	18,188,722.51	572,604.18	28,177,319.46	
	GUIZHOU ZHENHUA E-CHEM CO., LTD	16,280,000.00	177,452.00	11,496,000.00	
	China Electronics Defense Technology Co., Ltd.	14,987,830.04	283,389.41	91,507,730.52	
	Irico Group Co., Ltd.	14,663,453.55	417,362.59	17,259,448.27	
	Xianyang China Electronics IRICO Group Holding Co., Ltd.	7,320,000.00			
	IRICO (Hefei) LCD Glass Co., Ltd.	5,061,900.00	79,073.28	14,026,960.00	
	Panda Electronics Group Co., Ltd.	4,077,354.15	77,713.80	1,815,742.90	
	Nanjing Ericsson Panda Communication Co., Ltd.	3,162,820.64	1,698.83	1,493,505.13	
	GANSU CHANGFENG ELECTRONIC TECHNOLOGY LIMITED LIABILITY COMPANY	2,776,760.00	114,154.87	2,776,760.00	
	TPV Audio and Visual Technology (Shenzhen) Co., Ltd.	646,463.96		185,600.24	
	NANJING SANLE GROUP CO., LTD	638,800.00			
	Zhongdian Shuke Technology Co., Ltd.	614,845.96			
	Liyang Panda Cuizhuyuan Hotel Co., Ltd	484,979.03		475,999.99	
	Great Wall Power Supply Technology Co., Ltd.	461,985.28		494,186.94	
	Xianyang Caihong Optoelectronics Technology Co., Ltd.	409,943.88		2,943,750.70	
	Nanjing Panda Electronics Imp.&Exp. Co., Ltd.	107,600.00			
	Nanjing Sanle Microwave Technology Development Co., Ltd	106,800.00			
	Nanjing Huadong Electronics Group Co., Ltd	90,000.00			
	Nanjing China Electronics Panda Corporation	87,397.43	1,247.11	87,397.43	
	Nanjing LG-PANDA Appliance Co., Ltd.	44,417.29			

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.6. Receivables due from and payables due to related parties (Continued)

#### 12.6.1 Receivables due from related parties (Continued)

Account name	Related party	31 December 2024		31 December 2023	
		Book value	Allowance for credit losses	Book value	Allowance for credit losses
	CET Electric Technology Inc.	34,266.82		16,042.89	
	Nanjing Jingye Home Appliance Co., Ltd. (Former name: NANJING CEC PANDA HOME APPLIANCES CO., LTD)	32,000.00	348.80		
	Nanjing Runjing Hotel Co., Ltd	2,227.10	141.45	2,227.10	2,227.10
	Chengdu CEC Panda Display Technology Co., Ltd.			36,703,182.07	5,186.70
	CLP Industrial Internet Co., Ltd			614,845.96	
	Nanjing Zhongdian Real Estate Co., Ltd.			158,803.63	158,803.63
	Wuhan Zhongyuan Communication Co., Ltd			100,000.00	
	Nanjing Panda Transportation Co., Ltd			94,000.00	
Notes receivable	Nanjing Panda Handa Technology Co., Ltd	30,274,614.02		41,598,512.75	
	Wuhan Zhongyuan Communication Co., Ltd	100,000.00			
	China Electronics Defense Technology Co., Ltd. (Former name "CLC Defense Technology Limited")	11,569,789.32		958,320.02	
Receivables	Nanjing Panda Handa Technology Co., Ltd	8,527,544.33		3,179,264.64	
Financing	Great Wall Power Supply Technology Co., Ltd.	62,038.02			
	China Electronics Defense Technology Co., Ltd. (Former name "CLC Defense Technology Limited")	2,517,731.00		3,006,340.00	
Prepayments	Nanjing Panda Transportation Co., Ltd			327,531.74	
	China Electronics Defense Technology Co., Ltd.			316,800.00	
	SHENZHEN ZHENHUA FU ELECTRONICS CO., LTD			3,160.00	
	China Electronics Import & Export Corporation	1,500.00		1,500.00	
Other current assets	China Electronics Finance Co., Ltd. (Time Deposit)	80,000,000.00		138,000,000.00	
Contract assets	Beijing Cswweb Technology Co., Ltd.			4,216,522.06	
	GUIZHOU ZHENHUA E-CHEM CO., LTD			2,790,000.00	
	Panda Electronics Group Co., Ltd.			484,103.22	
Non-current assets due within one year	Nanjing Panda Investment Development Co., Ltd			8,374,399.59	



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.6. Receivables due from and payables due to related parties (Continued)

#### 12.6.2 Payables due to related parties

Account name	Related party	31 December 2024	1 January 2024
Accounts payable	Shenzhen SED Wireless Communication Technology Co., Ltd	2,619,667.20	530,515.20
	China Electronics Defense Technology Co., Ltd.	2,229,718.63	915,678.63
	Nanjing Zhenhua Acoustics Equipment Factory	1,567,241.43	1,353,801.01
	Nanjing Panda Transportation Co., Ltd	1,261,596.26	777,946.72
	Zhongdian Rainbow Intelligent Lighting Technology Co., Ltd.	799,983.58	
	Panda Electronics Group Co., Ltd.	591,722.08	11,772.00
	Nanjing Panda Piezoelectricity Technology Co., Ltd.	228,790.01	613,690.60
	Nanjing Jingye Home Appliance Co., Ltd. (Former name: NANJING CEC PANDA HOME APPLIANCES CO., LTD) (Former name: NANJING CEC PANDA HOME APPLIANCES CO., LTD)	147,600.00	147,600.40
	China Zhenhua Group Yunke Electronic Co., Ltd.	133,585.46	89,787.78
	Nanjing CEC Panda LCD Technology Co., Ltd.	72,402.05	72,402.05
	Nanjing China Electronics Panda Crystal Technology Corporation	36,819.78	42,925.25
	Guizhou Zhenhua Hualian Electronic Co., Ltd.	24,040.36	22,091.99
	Langfang Zhenhua Crystal Technology Co., Ltd.	20,227.42	
	Chengdu Sino Microelectronics Technology Co., Ltd.	17,035.40	122,034.52
	China Zhenhua (Group) Xinyun Electronic Comp.&Dev. Co., Ltd (State-run No. 4326 Factory)	8,778.77	149,989.15
	Nanjing Zhongdian Xiongmao Lighting Co., Ltd.	6,499.13	
	Guizhou Zhenhua Qunying Electrical Appliance Co., Ltd (state-owned eight nine one factory)	4,959.30	125,876.82

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.6. Receivables due from and payables due to related parties (Continued)

#### 12.6.2 Payables due to related parties (Continued)

Account name	Related party	31 December 2024	1 January 2024
	China zenhua group yongguang electrical Co., Ltd.	4,450.45	596,780.91
	CEAC INTERNATIONAL LIMITED	2,122.44	60,081.23
	Nanjing Panda Electronics Imp.&Exp. Co., Ltd.		5,049,767.02
	Chengdu CEC Panda Display Technology Co., Ltd.		508,569.18
	Xianyang China Electronics IRICO Group Holding Co., Ltd.		320,000.00
	Guizhou Zenhua Fengguang Semiconductor Co., Ltd		187,522.00
	Shenzhen Sangda Technology Development Co., Ltd.		128,440.00
Notes payable	China Zenhua Group Yunke Electronic Co., Ltd.		111,832.20
	Nanjing Zenhua Acoustics Equipment Factory	106,431.99	
	Nanjing Panda Piezoelectricity Technology Co., Ltd.	485,500.00	
Other payables	Nanjing China Electronics Panda Corporation	9,790,000.00	9,790,000.00
	Panda Electronics Group Co., Ltd.	3,765,011.31	2,996,933.40
	Nanjing Panda Science and Technology Park Development Co., Ltd	20,000.00	20,000.00
	Nanjing Zhongdian Real Estate Co., Ltd.		5,000.00
	Nanjing Zhongdian Xiongmao Lighting Co., Ltd.	10,000.00	5,000.00
	Nanjing Panda Transportation Co., Ltd	214,625.00	
Contract liabilities	FAIRWIT HONGKONG CO., LIMITED	48,521.70	47,808.23
	Xianyang China Electronics IRICO Group Holding Co., Ltd.	4,083,326.81	
	Jiangxi Rainbow Photovoltaic Co., Ltd.	3,152,165.42	

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 12. Related parties and transactions (Continued)

### 12.7. Commitment with related parties

There were no material related party commitments in this period.

### 12.8. Centralized fund management

The main contents of the centralized fund management arrangement in which the Company participates and implements are as follows:

The project in which the Company participates in and implements the centralized management of funds is to sign the Financial Services Agreement with China Electronic Finance Co., Ltd., and deposit funds into China Electronic Finance Co., Ltd. within the upper limit of the fund settlement balance, and there is no restriction on deposit withdrawal.

Funds collected by the Company to the Group

The Company has no funds pooled to the Group

Funds deposited directly into the finance company by the Company without pooling to the Group parent's account:

Item	31 December 2024		31 December 2023	
	Book value	Allowance for credit losses	Book value	Allowance for credit losses
Cash at bank and on hand	526,131,362.15		356,051,390.28	
Other current assets- Certificates of Deposit	80,000,000.00		138,000,000.00	
Total	606,131,362.15		494,051,390.28	
Among them: funds restricted due to centralized fund management				

Notes:

[1] For details of the current deposit interest and the Financial Services Agreement with China Electronic Finance Co., Ltd. refer to the note 12.5.5 other transactions with related parties.

[2] The Company has no funds pooled into the accounts of the Group's parent company.

The Company has no funds pooled into the accounts of the Group's parent company.

The Company has no funds borrowed from the parent company or members of the Group.

The parent company or its members of the group have no funds borrowed from the company.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 13. Commitments and contingencies

### 13.1. Commitments

For details of unrecognized commitments relating to related parties, please refer to “note 12. Related parties and connected transactions”; For details of commitments relating to leasing, please refer to “note 5.59 Leasing”.

As at the balance sheet date, the Company’s material commitments for capital expenditures that had been contracted for but were not yet required to be disclosed on the balance sheet are as follow:

Item	31 December 2024	1 January 2024
Machinery & equipment	<u>550,697.43</u>	

### 13.2. Contingencies

#### 13.2.1 Significant litigation and arbitration matters

No	Basic information of litigation	Amount involved	Whether the estimated liabilities are incurred	Progress of litigation
1	Panda Equipment v. Jiangsu Golden Cat Contract Dispute Case	RMB22,593,150 and interest	No	<p>From July 18, 2017 to November 1, 2018, Nanjing Panda Electronic Equipment Co., Ltd. (hereinafter referred to as “Panda Equipment”), as a supplier, signed 4 contracts successively with Jiangsu Golden Cat Robotics Technology Co. Ltd.. As of December 31, 2023, there are still outstanding payments of 22.59315 million yuan that have not been collected.</p> <p>Panda Equipment has repeatedly urged for payment without success. Panda Equipment has repeatedly urged for payment without success and has filed a lawsuit with the Qixia District People’s Court. On February 21, 2024, Electronic Equipment received the Civil Counterclaim from Jiangsu Golden Cat Robotics Technology Co. requesting to terminate the relevant contracts and return the purchased equipment and the paid purchase price. On March 5, 2024, Panda Equipment received the judgment issued by the court on February 29, 2024, which ruled that Jiangsu Golden Cat Robotics Technology Co., Ltd. should pay RMB128,000 to Panda Equipment for the unpaid purchase price of one remaining contract and pay for the corresponding liquidated damages, and Panda equipment should refund to Jiangsu Golden Cat Robot Technology Co., Ltd. for three terminated contracts, with payment of 44,749,350 yuan and corresponding interest. On March 18, Panda Equipment filed an appeal. The case was heard for the second time on June 7, 2024, and March 19, 2025. As of now, the court has not yet rendered a judgment.</p>

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 13. Commitments and contingencies (Continued)

### 13.2. Contingencies (Continued)

#### 13.2.1 Significant litigation and arbitration matters (Continued)

No	Basic information of litigation	Amount involved	Whether the estimated liabilities are incurred	Progress of litigation
2	Panda Information v. Xuzhou Suning Real Estate Co., Ltd. Construction Contract Dispute Case	RMB6.6112 million	No	<p>On June 18, 2012, Nanjing Panda Information Industry Co., Ltd. (hereinafter referred to as "Panda Information") won the bid for the "Xuzhou Suning Plaza Building Automatic Control System Project", and subsequently signed a "Building Automatic Control System Contract" with Xuzhou Suning Real Estate Co., Ltd. The total contract price is tentatively set at 23.637 million yuan.</p> <p>On December 6, 2018, the acceptance report was issued, and the amount of the project was audited to be RMB21,770,000 for the second trial. In December 2020, the warranty period of the project expired, and the Engineering Warranty Period Completion Report was issued.</p> <p>As of the end of July 2021, invoices equal to the approved amount have been issued to the employer, and there is still 6611197.07 yuan of project payment due but unpaid. On May 30, 2022, Panda Information filed a lawsuit with the Gulou District Court in Xuzhou City. On November 4, 2022, the two parties held a trial in the Nanjing Intermediate People's Court. After the trial, the two parties communicated on a settlement plan, but were unable to reach an agreement yet. On February 16, 2023, both parties held a trial in the Nanjing Intermediate People's Court, and Panda Information submitted additional evidence materials.</p> <p>On March 10, 2023, Panda Information submitted an "Application" to the Nanjing Intermediate People's Court, explicitly stating that it no longer accepted mediation. On August 23, 2024, Panda Information received the first-instance judgment from the Nanjing Intermediate People's Court, which ruled that Xuzhou Suning Real Estate should pay Panda Information a project payment of 6.6112 million yuan and overdue liquidated damages. Panda Information has the right of priority compensation for the construction project price within the scope of the unpaid 6.6112 million yuan. On September 19, 2024, Panda Information received the appeal from Xuzhou Suning Real Estate. On March 18, 2025, Panda Information received the second-instance judgment from the Jiangsu Provincial Higher People's Court, which upheld the original judgment.</p>

- 13.2.2 As of December 31, 2024, the Company had outstanding bank guarantees totaling RMB253,281,948.52 that had not yet reached maturity.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 14. Events after the balance sheet date

**14.1. There were no significant non-adjusting events after the balance sheet date during the Period**

### 14.2. Profit distribution

The Company does not distribute profits for the year 2024

### 14.3. Sales returns

The Company had no material sales returns after the balance sheet date.

### 14.4. Description of other post-balance sheet date events

#### 14.4.1 Entrusted wealth management using self-owned idle funds

The Company has utilized its idle self-owned funds for entrusted wealth management in accordance with the "Proposal on Cash Management Using Idle Funds" approved at the interim meeting of the 10th Board of Directors. The details are shown in the table below:

No.	Entrusting party	Entrusted party	Product Type	Product Name	Amount (10 thousand yuan)	Product Start Date/ Establishment Date/Interest Commencement Date	Maturity Date	Expected Annualized Yield	Estimated Yield Amount (10 thousand RMB)	Product Term	Yield Type	Structured Arrangement	Reference Annualized Yield	Expected return (if any)	Whether constitutes a related party transaction
1	Nanjing Panda Electronics Company Limited	Huaxia Bank	Bank financial products	Structured deposits	20,000.00	2025/1/24	2025/4/24	1.20%	59.18	90 days	Breakeven floating income model	N/A	N/A	N/A	No
								2.40%	118.36						
								2.60%	128.22						
2	Shenzhen JingWah Electronics Co., Ltd	China Merchants Bank	Bank financial products	Structured deposits	2,000.00	2025/2/24	2025/5/26	1.30%	6.48	91 days	Breakeven floating income model	N/A	N/A	N/A	No
								2.00%	9.97						
3	Nanjing Panda Electronics Company Limited	Industrial Bank	Bank financial products	Structured deposits	7,000.00	2025/3/11	2025/9/11	1.50%	52.93	184 days	Breakeven floating income model	N/A	N/A	N/A	No
								2.45%	86.45						

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 14. Events after the balance sheet date (Continued)

### 14.4. Description of other post-balance sheet date events (Continued)

#### 14.4.2 Guarantees Provided for Subsidiaries

On January 23, 2025, the Company provided a maximum amount guarantee for its third-tier subsidiary, Nanjing Huage Electric Plastic Industry Co., Ltd., covering a comprehensive bank credit line of RMB20,000,000.00 granted by China Electronics Finance Co., Ltd. The guarantee is valid until January 23, 2026, and no counter-guarantee was required for this transaction. The guarantee period for each specific credit business under the comprehensive credit agreement is calculated separately and is two years from the date of expiration of the debt performance period agreed in the specific credit business contract. As of March 27, 2025, the actual balance of guarantees provided by the Company for Nanjing Huage Electric & Plastic Industry Co., Ltd. was RMB7,540,000.

## 15. Other Important Matters

### 15.1. Correction of prior period accounting errors

There were no corrections of prior period accounting errors during the reporting period.

### 15.2. Annuity plan

In addition to the basic social pension insurance, the Company has established an enterprise annuity plan in accordance with the relevant policies of the national annuity system, which is applicable to the Company's employees who are formally employed and have worked for the Company for one year. The annuity plan adopts a defined contribution model, with the unit contribution base set at the previous year's gross salary, the contribution rate is tentatively set at 5.5% and the individual contribution rate is tentatively set at 1.5%, and the corresponding expenses are recognized as current profit and loss.

In addition to the basic social pension insurance, Shenzhen JingWah Electronics Co., Ltd., second-tier subsidiary, has established an enterprise annuity plan based on the relevant policies of the national enterprise annuity system, which is applicable to the regular employees and seconded officers by shareholders with Shenzhen household registration. The annuity plan adopts a defined contribution model. Based on the economic benefits of the previous period, the current extraction ratio is determined, and employees are required to pay a monthly fixed amount according to their job level. Within the maximum amount not exceeding 15% of the total salary of employees participating in the enterprise annuity, Shenzhen JingWah will fully bear the expenses, and the corresponding expenses will be included in the current profit and loss.

Apart from this, the Company and its subsidiaries have no other significant employee social security commitments.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 15. Other Important Matters (Continued)

### 15.3. SEGMENT INFORMATION

#### 15.3.1 Basis for determining reporting segments and accounting policies

According to the Company's internal organizational structure, management requirements and internal reporting system, three reportable branches were identified, namely: smart transportation and safe city, green service-oriented electronic manufacturing, industrial Internet and intelligent manufacturing. The Company's various reportable branches provide different products or services, or engage in business activities in different regions. Due to the need for different technologies or market strategies for each branch, the management of the Company separately manages the operating activities of them, regularly evaluates the operating results, and decides to allocate resources to them and evaluate their performance.

The transfer prices between segments are determined based on the actual transaction prices. Indirect expenses that are attributable to each segment are allocated among the segments in proportion. Assets are allocated based on the operations of the segments and the location of the assets. Segment liabilities include liabilities arising from the segment's operating activities that are attributable to the segment. If expenses related to liabilities that are jointly borne by multiple operating segments are allocated to these operating segments, the jointly borne liabilities are also allocated to these operating segments.

Non-current assets are classified according to the region in which the assets are located in, and the Company's non-current assets are all located in the territory of China.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 15. Other Important Matters (Continued)

### 15.3. SEGMENT INFORMATION (Continued)

#### 15.3.2 Financial information of reporting segments

Item	Smart Transportation and Safe city	Green Service-oriented Electronic Manufacturing	Industrial Internet and Intelligent Manufacturing	Offsetting	Total
Revenue	1,293,947,769.97	1,292,466,435.35	172,035,792.40	-112,565,036.86	2,645,884,960.86
Investment income from associates and joint ventures	83,013,136.15				83,013,136.15
Assets impairment losses	-27,671,456.26	-4,267,036.71	-14,802,512.88	47,731.21	-46,693,274.64
Credit impairment losses	-21,211,596.34	-599,522.01	-5,499,297.87		-27,310,416.22
Depreciation and Amortization	61,493,857.30	29,150,923.90	18,297,816.36	-1,869,406.57	107,073,190.99
Total profit (Total loss)	-31,428,410.88	26,999,850.61	-123,051,952.26	2,858,514.37	-124,621,998.16
Income tax expenses	17,567,121.33	-831,820.50		75,537.63	16,810,838.46
Net profit (Net loss)	-48,995,532.21	27,831,671.11	-123,051,952.26	2,782,976.74	-141,432,836.62
Total Assets	4,678,297,654.31	1,140,594,245.55	320,336,146.49	-819,402,328.32	5,320,807,895.66
Total Liabilities	1,457,089,092.70	624,459,739.43	439,643,618.11	-590,003,699.41	1,931,188,750.83
Long-term equity investments in associates and joint ventures	492,989,930.44				492,989,930.44
Increase in other non-current assets except long-term equity investments	-53,381,591.12	-4,151,166.02	-13,017,566.41	1,317,185.06	-69,233,138.49

#### 15.4. Equity investment in ENC

The Company has engaged in ongoing discussions with Ericsson (ENC's shareholder) to align on ENC's strategic direction and address special tax adjustment matters. Subsequently, the Company received written communication from Ericsson confirming its intent to acquire the Company's equity stake in ENC for a specific cash consideration. According to the information from Ericsson, if the detailed terms can be agreed upon and the transaction completed before September 2025, the Company expects to recover an amount of not less than approximately RMB250 million. The actual amount will be determined based on the results of the special audit and assessment of state-owned property rights and the final price determined through the public listing process.

#### 15.5. Others

On April 19, 2024, the company received a notice from its controlling shareholder, Panda Electronics Group Co., Ltd., that a portion of the shares it held in the Company had been pledged. In this pledge, Panda Electronics Group Co., Ltd. pledged 105,091,430 shares of the company, accounting for 49.89% of the total shares it held in the company and 11.50% of the company's total share capital. For more details, please refer to the relevant announcements published by the Company on April 20, 2024, in the China Securities Journal, Shanghai Securities News, and on the website of the Shanghai Stock Exchange. The pledge began on April 18, 2024, and will end on October 26, 2026.

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 16. Capital Management

The main objectives of the Company's capital management are:

Ensure the Company's ability to continue as a going concern in order to provide returns to shareholders and other stakeholders on a sustainable basis;

Pricing products and services based on risk levels to provide sufficient returns to shareholders.

The Company has set a capital amount proportional to risk, and manages the capital structure and adjusts it based on changes in the economic environment and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares, sell assets to reduce liabilities.

The Company monitors capital on the basis of an adjusted debt/capital ratio.

The Company's adjusted debt/capital ratios as of the balance sheet date are as follows:

Item	31 December 2024	1 January 2024
Total liabilities	<b>1,931,188,750.83</b>	1,963,919,385.99
Less: Cash and cash equivalents	<b>666,522,106.70</b>	798,419,753.09
Adjusted net liability	<b>1,264,666,644.13</b>	1,165,499,632.90
Owners' equity	<b>3,389,619,144.83</b>	3,577,036,506.34
Adjusted capital	<b>3,389,619,144.83</b>	3,577,036,506.34
Adjusted debt/capital ratio (%)	<b>37.31</b>	32.58

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company

### 17.1. Notes receivable

#### 17.1.1 Classification of notes receivable

Item	31 December 2024	1 January 2024
Bank acceptance bills	50,000.00	
Trade acceptance bills	2,540,000.00	42,306,920.05
Finance company acceptance bills		74,454.00
Subtotal	2,590,000.00	42,381,374.05
Less: bad debt provision		
Total	2,590,000.00	42,381,374.05

#### 17.2.2 Outstanding endorsed or discounted bills that have not matured at the end of the year

Item	Amount derecognized as at 31 December 2024	Amount not derecognized as at 31 December 2024
Bank acceptance bills		
Trade acceptance bills		2,340,000.00
Total		2,340,000.00

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.2. Accounts receivable

#### 17.2.1 Other receivables by aging

Aging	31 December 2024	1 January 2024
Within 1 year	102,064,896.10	102,850,391.86
Including: 0-6 months	67,544,537.87	84,716,330.16
7-12 months	34,520,358.23	18,134,061.70
1-2 years	20,932,604.45	15,767,135.75
2-3years	8,169,985.35	18,565.00
3-4years	18,565.00	19,699,828.15
4-5years	19,699,828.15	
Over 5 years	991,265.53	1,506,541.03
Subtotal	151,877,144.58	139,842,461.79
Less: Allowance for credit losses	13,689,017.39	10,389,220.01
Total	138,188,127.19	129,453,241.78

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.2. Accounts receivable (Continued)

#### 17.2.2 Accounts receivable by provisioning method

	31 December 2024				
	Book value		Allowance for credit losses		Carrying amount
Item	Amount	Percentage (%)	Amount	ECL Rate (%)	
Individual assessment	2,553,482.35	1.68	2,553,482.35	100.00	
Collective assessment	149,323,662.23	98.32	11,135,535.04	7.46	138,188,127.19
Including: aging group	61,479,418.03	40.48	10,794,435.42	17.56	50,684,982.61
Other groups	87,844,244.20	57.84	341,099.62	0.39	87,503,144.58
Total	151,877,144.58	100.00	13,689,017.39	9.01	138,188,127.19

	1 January 2024				
	Book value		Allowance for credit losses		Carrying amount
Item	Amount	Percentage (%)	Amount	ECL Rate (%)	
Individual assessment	2,553,482.35	1.83	2,553,482.35	100.00	–
Collective assessment	137,288,979.44	98.17	7,835,737.66	5.71	129,453,241.78
Including: aging group	65,719,685.86	47.00	7,835,737.66	11.92	57,883,948.20
Other groups	71,569,293.58	51.18			71,569,293.58
Total	139,842,461.79	100.00	10,389,220.01	7.43	129,453,241.78

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.2. Accounts receivable (Continued)

#### 17.2.2 Accounts receivable by provisioning method (Continued)

- (1) Accounts receivable that are individually assessed for provisions at the reporting date

Company name	31 December 2024			
	Book value	Allowance for credit losses	ECL rate (%)	Reasons
Nanchang Shuntang Green Electric Technology Co., Ltd.	2,553,482.35	2,553,482.35	100.00	Expected to be unrecoverable
Total	<u>2,553,482.35</u>	<u>2,553,482.35</u>		

Company name	1 January 2024			
	Book value	Allowance for credit losses	ECL rate (%)	Reasons
Nanchang Shuntang Green Electric Technology Co., Ltd.	2,553,482.35	2,553,482.35	100.00	Expected to be unrecoverable
Total	<u>2,553,482.35</u>	<u>2,553,482.35</u>		

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.2. Accounts receivable (Continued)

#### 17.2.2 Accounts receivable by provisioning method (Continued)

(2) Accounts receivable that are assessed allowance for credit losses on grouping basis

① Collective assessment: Aging group

Aging	31 December 2024			1 January 2024		
	Book value	ECL Rate (%)	Allowance for credit losses	Book value	ECL Rate (%)	Allowance for credit losses
Within 1 year	37,095,331.70	0.88	325,155.99	35,428,284.03		20,513.14
Including: 0-6 months	30,592,211.84			35,018,021.21		
7-12 months	6,503,119.86	5.00	325,155.99	410,262.82	5.00	20,513.14
1-2 years	698,300.00	10.00	69,830.00	11,619,950.00	10.00	1,161,995.00
2-3years	5,529,610.00	15.00	829,441.50	18,565.00	15.00	2,784.75
3-4years	18,565.00	30.00	5,569.50	17,146,345.80	30.00	5,143,903.74
4-5years	17,146,345.80	50.00	8,573,172.90		50.00	
Over 5 years	991,265.53	100.00	991,265.53	1,506,541.03	100.00	1,506,541.03
Total	61,479,418.03	17.56	10,794,435.42	65,719,685.86		7,835,737.66

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.2. Accounts receivable (Continued)

#### 17.2.2 Accounts receivable by provisioning method (Continued)

(2) Accounts receivable that are assessed allowance for credit losses on grouping basis (Continued)

② Collective assessment: Other groups

Group Name	31 December 2024			1 January 2024		
	Book value	ECL Rate (%)	Allowance for credit losses	Book value	ECL Rate (%)	Allowance for credit losses
Related party	87,844,244.20	0.39	341,099.62	71,569,293.58		
Total	87,844,244.20	0.39	341,099.62	71,569,293.58		

#### 17.2.3 Movements of Allowance for credit losses on accounts receivable

Item	Balance at 1 January 2024	Changes during the year				Balance at 31 December 2024
		Provision	Recovery or Reversal	Write-off	Others	
Individual assessment	2,553,482.35					2,553,482.35
Collective assessment	7,835,737.66	3,299,797.38				11,135,535.04
Total	10,389,220.01	3,299,797.38				13,689,017.39

17.2.4 There are no accounts receivable written off in the current period.



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.2. Accounts receivable (Continued)

17.2.5 Accounts receivable and contract assets due from the top five debtors of the Company are as follows:

Company name	Balance of accounts receivable at 31 December 2024	Percentage of total accounts receivable and contract assets (%)	Balance of allowance for credit losses at 31 December 2024
Nanjing Panda Handa Technology Co., Ltd	55,669,669.39	36.65	317,980.94
Nanjing Gusheng Enterprise Management Co., Ltd.	23,690,637.66	15.60	
Sony Mobile Communications (China) Co., Ltd.	17,075,200.00	11.24	8,537,600.00
Nanjing Panda Electronic Equipment Co., Ltd	11,407,010.80	7.51	
Nanjing Panda Information Industry Co., Ltd	14,696,139.29	9.68	
Total	122,538,657.14	80.68	8,855,580.94

### 17.3. Other receivables

Item	31 December 2024	1 January 2024
Interest receivable		
Dividends receivable	377,960,335.78	421,960,335.78
Other receivables	314,765,721.43	272,413,023.02
Total	692,726,057.21	694,373,358.80

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.3. Other receivables (Continued)

#### 17.3.1 Dividends receivable

Item	31 December 2024	1 January 2024
Nanjing Panda Electronics Manufacturing Co., Ltd	252,878,613.25	252,878,613.25
Nanjing Panda Information Industry Co., Ltd	125,081,722.53	169,081,722.53
Total	377,960,335.78	421,960,335.78

#### 17.3.2 Other receivables

##### (1) Other receivables by aging

Aging	31 December 2024	1 January 2024
Within 1 year	178,473,624.87	84,040,981.59
Including: 0-6 months	73,130,946.00	78,040,981.59
7-12 months	105,342,678.87	6,000,000.00
1-2 years	6,060,000.00	14,182.40
2-3 years		5,000,000.00
3-4 years	5,000,000.00	
4-5 years		42,716.32
More than 5 years	126,471,540.48	184,565,140.48
Subtotal	316,005,165.35	273,663,020.79
Less: Allowance for credit losses	1,239,443.92	1,249,997.77
Total	314,765,721.43	272,413,023.02

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.3. Other receivables (Continued)

#### 17.3.2 Other receivables (Continued)

##### (2) Other receivables by nature

Nature	31 December 2024	1 January 2024
Surety and deposits	272,722.26	872,988.08
Related party transactions	313,269,346.35	271,053,048.25
Others	2,463,096.74	1,736,984.46
Less: Allowance for credit losses	1,239,443.92	1,249,997.77
Total	314,765,721.43	272,413,023.02

##### (3) The provision of allowance for credit losses

	Stage one	Stage two	Stage three	
		Lifetime		
The allowance for credit losses	12-month ECL	ECL (credit-unimpaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 31/12/2023	437,009.69		812,988.08	1,249,997.77
Balance as at 31/12/2023 during the year				
– Transfer to stage two				
– Transfer to stage three				
– Reversal to stage two				
– Reversal to stage one				
Provision during the year				
Reversal during the year	10,553.85			10,553.85
Written-off during the year				
Other changes				
Balance as at 31/12/2024	426,455.84		812,988.08	1,239,443.92

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.3. Other receivables (Continued)

#### 17.3.2 Other receivables (Continued)

##### (4) Movements of Allowance for credit losses

Item	1 January 2024	Movements during the year				31 December 2024
		Provision	Recovery or Reversal	Write-off	Others	
Individual assessment	812,988.08					812,988.08
Collective assessment	437,009.69		10,553.85			426,455.84
Total	1,249,997.77		10,553.85			1,239,443.92

##### (5) Other receivables due from the top five debtors are as follows:

Company name	Nature	Balance as at 31 December 2024	Aging	Percentage in total other receivables (%)	Balance of allowance for credit losses as at 31 December 2024
Nanjing Panda Electronic Equipment Co., Ltd	Related party borrowings	171,979,546.35	1-5 years	54.42	
GALANT LIMITED	Others	68,289,800.00	Within 1 year	21.61	
Nanjing Panda Electromechanical Manufacturing Co., Ltd	Related party borrowings	61,000,000.00	1-5 years	19.30	
Nanjing Panda Communication Technology Co., Ltd	Related party borrowings	12,000,000.00	Within 1 year	3.80	
Nanjing Panda Digital Technology Development Co., Ltd	Related party transactions	812,988.08	Over 5 years	0.26	812,988.08
Total		314,082,334.43		99.39	812,988.08

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.4. Long-term equity investments

Item	31 December 2024			1 January 2024		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investment to subsidiaries	805,556,013.80	190,000,000.00	615,556,013.80	765,785,546.36		765,785,546.36
Investment to joint ventures and associates	734,247,096.69	243,327,199.36	490,919,897.33	711,124,456.06	243,327,199.36	467,797,256.70
Total	1,539,803,110.49	433,327,199.36	1,106,475,911.13	1,476,910,002.42	243,327,199.36	1,233,582,803.06

Long-term equity investment:

#### (1) Investment to subsidiaries

Investee	Balance as at 1/1/2024	Provision for impairment as at 1/1/2024	Movements during the reporting period				Balance as at 31/12/2024	Provision for impairment as at 31/12/2024
			Addition of investment	Reduction of investment	Provision for impairment	Others		
Nanjing Panda Electronic Equipment Co., Ltd	190,000,000.00				190,000,000.00		0.00	190,000,000.00
Nanjing Panda Information Industry Co., Ltd	176,736,513.98					39,770,467.44	216,506,981.42	
Shenzhen JingWah Electronics Co., Ltd	119,241,304.00						119,241,304.00	
Nanjing Panda Electronics Manufacturing Co., Ltd	111,221,994.10						111,221,994.10	
Nanjing Panda Communication Technology Co., Ltd	98,585,734.28						98,585,734.28	
Chengdu Panda Electronic Technology Co., Ltd	50,000,000.00						50,000,000.00	
Nanjing Panda Xinxing Industrial Co., Ltd	20,000,000.00						20,000,000.00	
Total	765,785,546.36				190,000,000.00	39,770,467.44	615,556,013.80	190,000,000.00

**Note:** GALANT LIMITED entered into an Equity Transfer Agreement with Nanjing Panda Electronics Co., Ltd., regarding Nanjing Panda Information Industry Co., Ltd., in which GALANT LIMITED will transfer 18% of its equity interest in Nanjing Panda Information Industry Co., Ltd. to Nanjing Panda Electronics Co., Ltd. free of charge

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.4. Long-term equity investments (Continued)

Long-term equity investment: (Continued)

#### (2) Investment to joint ventures and associates

Investee	Balance as at 1 January 2024	Movements during the reporting period							Balance as at 31 December 2024	Provision for impairment as at 31 December 2024
		Addition of investment	Reduction of investment	Investment income/loss recognized under the equity method	Adjustment of OCI	Changes of other equity	Cash dividend or profit distribution announced	Provision for impairment	Others	
1. Associates										
Nanjing LG-PANDA Appliance Co., Ltd.	403,797,256.70			83,122,640.63			60,000,000.00		426,919,897.33	
Nanjing Ericsson Panda Communication Co., Ltd.										230,134,881.37
Beijing SE Potevio Mobile Communications Co., Ltd.	64,000,000.00								64,000,000.00	13,192,317.99
Subtotal	467,797,256.70			83,122,640.63			60,000,000.00		490,919,897.33	243,327,199.36
Total	467,797,256.70			83,122,640.63			60,000,000.00		490,919,897.33	243,327,199.36

### 17.5. Operating income and operating costs

Item	2024		2023	
	Income	Costs	Income	Costs
Principal activities	85,684,877.84	59,798,459.76	130,393,557.52	97,378,557.75
Other operating activities	52,974,911.16	22,813,839.41	35,536,894.89	15,033,007.92
Total	138,659,789.00	82,612,299.17	165,930,452.41	112,411,565.67

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 17. Notes to the financial statements of the Company (Continued)

### 17.6. Investment income

Item	2024	2023
Income from long-term equity investments under equity method	83,122,640.63	42,302,868.92
Investment income on disposal of financial assets held for trading	373,950.39	5,176,465.50
Investment income from large-denomination certificates of deposit	402,623.29	
Income from long-term equity investments under cost method	24,936,042.50	512,409,169.78
Total	108,835,256.81	559,888,504.20

## 18. Supplementary information

### 18.1. Details of non-recurring gain or loss for the year

Item	Year ended 31/12/2024	Year ended 31/12/2023
1. Gain or loss on disposal of non-current assets, including the written-down portion for impairment provision	525,842.12	421,029.87
2. Government grants (except the government grants closely related to the business of the Company and enjoyed according to unified quota or ration standards)	7,516,156.59	10,636,782.70
3. Gain or loss from fair value change of financial assets held-for-trading, other non-current financial assets, derivative financial assets and financial liabilities held-for-trading etc., and investment income from disposal of financial assets held-for-trading, other non-current financial assets, other debt investments, financial liabilities held-for-trading and derivative financial liabilities, excluding effective hedging operations related to normal business of the Company	11,113,067.02	8,076,838.96
4. Capital occupation fee received from non-finance enterprises and charged to profit or loss for the current period		
5. Gain or loss from entrusting others to invest or manage assets		
6. Gains or losses from entrustment loans		
7. Provisions for impairment arising from force majeure like natural disasters		
8. Reversal of allowance for credit losses for receivables which is subject to separate allowance test	240,809.22	918,680.62

# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 18. Supplementary information (Continued)

### 18.1. Details of non-recurring gain or loss for the year (Continued)

Item	Year ended 31/12/2024	Year ended 31/12/2023
9. Gains from investment costs for acquisition of subsidiaries, associates and joint venture less than sharing portion of the fair value of identifiable net assets of the investees		
10. Net profit or loss of the acquiree for the period from 1 January 2024 to acquisition date in business combination under common control		
11. Gain or loss from exchanging non-monetary assets		
12. Gain or loss from debt restructuring		322,743.00
13. One-time expenses incurred by the enterprise due to the cessation of relevant business activities, such as expenses for employees settlement allowance, etc.		
14. Effects on current gain or loss from once-off adjustment in current gain or loss according to laws or tax and accounting regulations		
15. Share-based payment expenses recognized at one time due to the cancellation or modification of the equity incentive plan		
16. For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee remuneration payable after the vesting date		
17. Gain or loss from fluctuation in fair value of investment property which is subsequently measured at fair value		
18. Gain or loss from exceeding fair value portion arising from transactions in which the price is not fair		
19. Gain or loss arising from contingencies unrelated to normal business of the Company		
20. Trustee fee income acquired from entrusted business		
21. Other non-operating income/(expenses) except the above items	-919,241.75	4,554,687.63
22. Other gain or loss items qualified the definition of non-recurring item [1]		267,350.61
Less: Effects of income tax on non-recurring items	2,202,817.14	4,683,923.71
Effects of non-recurring items attributable to the minority shareholders of the Company (After tax)	2,858,981.51	1,366,908.17
Total	13,414,834.55	19,147,281.51



# Notes to the Financial Statements (Continued)

For the year ended 31 December 2024 (Expressed in Renminbi Yuan unless otherwise stated)

## 18. Supplementary information (Continued)

### 18.2. Return on equity and earnings per share

Profit in report period	Weighted average return on equity (%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	2024	2023	2024	2023	2024	2023
Net profit attributable to the common share holders	-5.89	-6.92	-0.2067	-0.2603	-0.2067	-0.2603
Net profit attributable to the common shareholders after deducting non-recurring gain or loss items	<u>-6.30</u>	<u>-7.48</u>	<u>-0.2213</u>	<u>-0.2812</u>	<u>-0.2213</u>	<u>-0.2812</u>

Nanjing Panda Electronics Company Limited  
March 27, 2025