Nanjing Putian Telecommunications Co., Ltd.

Semi-Annual Financial Report 2026

I. Audit Report

Whether the semi-annual report has been audited

□Yes ☑ No

The Company's half-year financial report has not been audited.

II. Financial Statements

The unit of measurement in the financial statement notes is: RMB

1、Consolidated balance sheet

Preparation unit：Nanjing Putian Telecommunications Co., Ltd.

2026/6/30

Unit：RMB

Item	2026/6/30	2025/12/31
Current assets：		
Cash and bank balances	92, 027, 815. 86	182, 285, 495. 92
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	7, 640, 174. 97	17, 228, 499. 09
Accounts receivable	417, 723, 228. 10	323, 586, 922. 02
Receivables financing	9, 122, 528. 57	27, 655, 375. 14
Advances paid	4, 874, 776. 91	3, 455, 153. 02
Other receivable	5, 367, 579. 19	5, 239, 886. 21
Including: Interest receivable		
dividend receivable		
Inventories	84, 153, 999. 55	61, 937, 412. 34
Contract assets		
assets hold available for sale		
Non-current assets due within one year		
Other current assets	2, 319, 354. 92	2, 196, 783. 91
Total current assets	623, 229, 458. 07	623, 585, 527. 65
Non-current assets：		
Debt investment		
Other debt investment		
Long-term receivable		
Long-term equity investments		
Other equity instrument investments	741, 953. 00	741, 953. 00

Other non-current financial assets		
Investment property	14, 320, 208. 99	4, 977, 270. 72
Fixed assets	71, 401, 501. 53	84, 173, 058. 11
Construction in progress		
Productive biological assets		
Oil and gas asset		
Right-of-use asset	6, 571, 522. 28	2, 187, 184. 72
Intangible assets	10, 969, 793. 52	11, 203, 970. 58
Development expenditure		
Goodwill		
Long-term prepayments	2, 675, 673. 35	3, 054, 632. 19
Deferred tax assets		
Other non-current assets		
Total non-current assets	106, 680, 652. 67	106, 338, 069. 32
Total assets	729, 910, 110. 74	729, 923, 596. 97
Current liabilities:		
Short-term borrowings	155, 023, 060. 00	203, 925, 721. 98
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	5, 587, 062. 08	6, 775, 234. 17
Accounts payable	348, 194, 942. 28	273, 382, 306. 86
Advances received		295, 001. 06
Contract liabilities	7, 829, 012. 32	8, 426, 313. 45
Employee benefits payable	12, 115, 047. 68	12, 622, 282. 49
Taxes payable	923, 773. 65	6, 042, 197. 80
Other payable	37, 546, 026. 02	49, 032, 066. 18
Including: Interest payable		
dividend payable	698, 000. 00	11, 044, 600. 00
Liability hold for sale		
Non-current liabilities due within one year	738, 776. 12	70, 899, 913. 72
Other current liabilities	4, 039, 979. 99	10, 920, 413. 23
Total current liability	571, 997, 680. 14	642, 321, 450. 94
Non-current liability:		
Long-term borrowings	70, 054, 444. 44	
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liability	3, 684, 477. 93	
Long-term payable		
Long-term employee compensation payable		
Provisions		

Deferred income		
Deferred income tax liabilities		
Other non-current liability		
Total non-current liability	73, 738, 922. 37	
Total liability	645, 736, 602. 51	642, 321, 450. 94
Owners' equity (or shareholders' equity):		
Share capital	215, 000, 000. 00	215, 000, 000. 00
Other equity instrument		
Including: preferred shares		
Perpetual bond		
Capital reserve	201, 318, 128. 61	201, 318, 128. 61
Less: treasury stocks	2, 995, 076. 96	2, 995, 076. 96
Other comprehensive income (OCI)	-1, 854, 910. 00	-1, 854, 910. 00
Special reserves		
Surplus reserve	589, 559. 77	589, 559. 77
Undistributed profit	-410, 362, 900. 04	-403, 806, 789. 70
Total owner's equity (or shareholders' equity) attributable to the parent company	1, 694, 801. 38	8, 250, 911. 72
Minority shareholders' equity	82, 478, 706. 85	79, 351, 234. 31
Total owner's equity (or shareholders' equity)	84, 173, 508. 23	87, 602, 146. 03
Total liabilities and owners’ equity (or shareholders’ equity)	729, 910, 110. 74	729, 923, 596. 97

Legal Representative: Shen Xiaobing Accounting Director: Zhang Jie Accounting Manager:Zhang Jingxia

2、Parent Company Balance Sheet

Unit：RMB

Item	2026/6/30	2025/12/31
Current assets：		
Cash and bank balances	21, 433, 862. 16	36, 959, 492. 02
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	263, 341. 50	510, 041. 40
Accounts receivable	65, 625, 403. 37	60, 911, 892. 03
Receivables financing		
Advances paid	1, 333, 779. 59	1, 077, 733. 24
Other receivable	21, 069, 952. 16	30, 491, 285. 66
Including: Interest receivable		
dividend receivable	19, 532, 000. 00	28, 685, 400. 00
Inventories	5, 705, 149. 08	6, 084, 321. 32
Contract assets		
assets hold available for sale		

Non-current assets due within one year		
Other current assets	311, 326. 35	684, 787. 04
Total current assets	115, 742, 814. 21	136, 719, 552. 71
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivable		
Long-term equity investments	41, 931, 948. 52	41, 931, 948. 52
Other equity instrument investment	741, 953. 00	741, 953. 00
Other non-current financial assets		
Investment property	9, 177, 630. 01	
Fixed assets	22, 616, 432. 74	33, 285, 551. 38
Construction in progress		
Productive biological assets		
Oil and gas asset		
Right-of-use asset	6, 571, 522. 28	2, 187, 184. 72
Intangible assets	3, 835, 659. 49	3, 898, 367. 83
Development expenditure		
Goodwill		
Long-term prepayments	813, 007. 78	1, 020, 871. 30
Deferred tax assets		
Other non-current assets		
Total non-current assets	85, 688, 153. 82	83, 065, 876. 75
Total assets	201, 430, 968. 03	219, 785, 429. 46
Item	2026/6/30	2025/12/31
Current liabilities:		
Short-term borrowings	86, 869, 926. 67	101, 610, 266. 35
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	150, 000. 00	446, 679. 01
Accounts payable	77, 745, 430. 08	78, 170, 882. 89
Advances received		
Contract liabilities	6, 294, 574. 13	6, 428, 573. 95
Employee benefits payable	7, 135, 640. 94	7, 257, 940. 39
Taxes payable	19, 053. 80	250, 156. 31
Other payables	79, 556, 220. 72	80, 527, 424. 76
Including: Interest payable		
dividend payable		

Liability hold for sale		
Non-current liabilities due within one year	738,776.12	70,899,913.72
Other current liabilities	668,409.62	1,351,067.90
Total current liability	259,178,032.08	346,942,905.28
Non-current liability:		
Long-term borrowings	70,054,444.44	
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liability	3,684,477.93	
Long-term payable		
Long-term employee compensation payable		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liability		
Total non-current liability	73,738,922.37	
Total liability	332,916,954.45	346,942,905.28
Owners' equity (or shareholders' equity):		
Share capital	215,000,000.00	215,000,000.00
Other equity instrument		
Including: preferred shares		
Perpetual bond		
Capital reserve	158,864,042.34	158,864,042.34
Less: treasury stocks	2,995,076.96	2,995,076.96
Other comprehensive income (OCI)	-1,854,910.00	-1,854,910.00
Special reserves		
Surplus reserve	589,559.76	589,559.76
Undistributed profit	-501,089,601.56	-496,761,090.96
Total owner's equity (or shareholders' equity)	-131,485,986.42	-127,157,475.82
Total liabilities and owners' equity (or shareholders' equity)	201,430,968.03	219,785,429.46

3、Consolidated Income Statement

Unit：RMB

Item	Current period cumulative	Preceding period comparative
I. Operating revenue	299,073,040.78	306,314,118.65
Less：Operating cost	246,521,006.59	242,780,834.63
Taxes and surcharges	1,027,702.62	1,380,779.48
Selling expenses	23,323,748.94	26,947,332.12
Administrative expenses	16,501,116.64	20,150,513.97
R&D expenses	13,172,055.48	14,599,352.20
Financial expenses	3,496,873.53	4,030,939.14
Including:Interst expense	3,564,647.79	4,242,807.72
Interst income	379,063.55	192,058.50

Add: other income	859, 725. 65	1, 364, 907. 79
Investment income (losses are listed with "-")	685, 304. 26	142, 499. 31
Including: investment income from associates and joint ventures		−111. 44
Derecognition income of financial assets measured at amortized cost		
Net exposure hedging gain (loss are listed with "-")		
Gains from changes in fair value (losses are listed with "-")		
Credit impairment loss (losses are listed with "-")	−362, 478. 35	−781, 264. 08
Assets impairment loss(losses are listed with "-")		
Gain on assets disposal (loss are listed with "-")	8, 627. 76	−16, 680. 80
II. Operating profit（loss show as “—”）	−3, 778, 283. 70	−2, 866, 170. 67
Plus: non-operating revenue	609, 381. 73	235, 959. 49
Less: non-operating expenditures	47. 05	200, 898. 70
III. Total profit (total loss is listed with "-")	−3, 168, 949. 02	−2, 831, 109. 88
Deduct: income tax expense	259, 688. 78	924, 211. 67
IV. Net profit (net loss is listed with "-")	−3, 428, 637. 80	−3, 755, 321. 55
(1) Classified by business continuity:		
1.Net profits from continuing operations	−3, 428, 637. 80	−3, 755, 321. 55
2.Discontinued operating net profit		
(2) Classified by ownership:		
1.Net profits belong to the parent company's owner	−6, 556, 110. 34	−7, 153, 201. 29
2.Minority shareholder gains and losses	3, 127, 472. 54	3, 397, 879. 74
V. Net after-tax of other comprehensive income		
(1) Net after-tax amount of other comprehensive income attributable to owners of the parent company		
1) Other comprehensive income that cannot be reclassified into profit and loss		
1.Re-measurement of changes in defined benefit plans		
2.Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3.Changes in the fair value of other equity instrument investments		
4.Changes in fair value of the enterprise's own credit risk		
2) Other comprehensive income that will be reclassified into profit and loss		
1.Other comprehensive income that can be converted to profit or loss under the equity method		
2.Changes in the fair value of other debt investments		
3.Amount of financial assets reclassified and included in other comprehensive income		
4.Other debt investment credit impairment reserves		
5.Cash flow hedge reserve (the effective part of cash flow hedge gains and losses)		
6.Translation difference of foreign currency financial statements		
7.Other		

(2) Net after-tax amount of other comprehensive income attributable to minority shareholders		
VI. Total comprehensive income	-3, 428, 637. 80	-3, 755, 321. 55
(1) Total comprehensive income attributable to owners of the parent	-6, 556, 110. 34	-7, 153, 201. 29
(2) Total comprehensive income attributable to minority shareholders	3, 127, 472. 54	3, 397, 879. 74
VII. Earnings per share		
(1) Basic earnings per share	-0. 03	-0. 03
(2) Diluted earnings per share	-0. 03	-0. 03

4、Parent company income statement

Unit：RMB

Item	Current period cumulative	Preceding period comparative
I. Operating revenue	16, 842, 292. 29	17, 860, 639. 02
Less：Operating cost	11, 429, 527. 59	14, 742, 759. 47
Taxes and surcharges	182, 371. 68	97, 961. 39
Selling expenses	1, 288, 276. 44	1, 769, 737. 91
Administrative expenses	8, 327, 621. 42	10, 919, 895. 29
R&D expenses		
Financial expenses	2, 654, 329. 61	3, 195, 973. 26
Including:Interst expense	2, 401, 945. 21	3, 326, 989. 00
Interst income	38, 568. 81	136, 153. 06
Add: other income	10, 618. 95	10, 310. 52
Investment income (losses are listed with "-")	682, 007. 66	9, 290, 483. 02
Including: investment income from associates and joint ventures		-111. 44
Derecognition income of financial assets measured at amortized cost		
Net exposure hedging gain (loss are listed with "-")		
Gains from changes in fair value (losses are listed with "-")		
Credit impairment loss (losses are listed with "-")	1, 477, 187. 85	968, 023. 71
Assets impairment loss(losses are listed with "-")		
Gain on assets disposal (loss are listed with "-")	8, 627. 76	-16, 680. 80
II. Operating profit（loss show as “—”）	-4, 861, 392. 23	-2, 613, 551. 85
Plus: non-operating revenue	532, 881. 63	123, 516. 78
Less: non-operating expenditures		196, 401. 08
III. Total profit (total loss is listed with "-")	-4, 328, 510. 60	-2, 686, 436. 15
Deduct: income tax expense		
IV. Net profit (net loss is listed with "-")	-4, 328, 510. 60	-2, 686, 436. 15
(1) Net profits from continuing operations	-4, 328, 510. 60	-2, 686, 436. 15
(2) Discontinued operating net profit		
V.Other comprehensive income net of tax		
(1) Comprehensive income not to be reclassified to profit or loss		
1. Changes in remeasurement of defined benefit obligations		

2. Other comprehensive income not to be reclassified to profit or loss in equity method		
3. Fair value changes in other equity instrument investments		
4. Fair value changes in the enterprise's own credit risk		
(2) Comprehensive income to be reclassified to profit or loss		
1. Other comprehensive income to be reclassified to profit or loss in equity method		
2. Gain or loss from fair value changes of other debt instruments		
3.Amount of financial assets reclassified and included in other comprehensive income		
4. Credit impairment provision of other debt investment		
5.Cash flow hedge reserve (the effective part of cash flow hedge gains and losses)		
6.Translation difference of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	-4, 328, 510. 60	-2, 686, 436. 15
VII. Earnings per share:		

5、Consolidated statement of cash flow

Unit：RMB

Item	Current period cumulative	Preceding period comparative
I. Cash flow from operating activities:		
Cash received from the sale of goods and the provision of labor services	196, 506, 465. 82	229, 356, 240. 30
Tax Refund	156, 461. 54	398, 076. 73
Other cash received relating to operating activities	13, 195, 589. 56	15, 113, 042. 69
Subtotal of cash inflow from operating activities	209, 858, 516. 92	244, 867, 359. 72
Cash paid for purchasing goods and receiving labor services	142, 368, 694. 75	258, 813, 921. 41
Cash paid to and for employees	57, 858, 012. 45	64, 421, 717. 65
Various taxes and fees paid	11, 100, 955. 58	18, 904, 119. 63
Other cash payments related to operating activities	24, 263, 223. 87	34, 993, 186. 57
Subtotal of cash outflows from operating activities	235, 590, 886. 65	377, 132, 945. 26
Net cash flow from operating activities	-25, 732, 369. 73	-132, 265, 585. 54
II. Cash flow from investment activities:		
Cash received from investment		
Cash received from investment income		
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	73, 460. 00	
Net cash received from disposal of subsidiaries and other business units	13, 290. 70	
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	86, 750. 70	
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	334, 460. 00	1, 033, 301. 00
Cash Investment		
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid relating to investing activities		

Subtotal of cash outflows from investing activities	334, 460. 00	1, 033, 301. 00
Net cash flows from investing activities	-247, 709. 30	-1, 033, 301. 00
III. Cash flow from financing activities:		
Absorb cash received from investment		
Including: cash received by the subsidiary from absorbing minority shareholders' investment		
Cash received from borrowing	109, 100, 000. 00	73, 138, 001. 75
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	109, 100, 000. 00	73, 138, 001. 75
Cash paid for debt repayment	156, 814, 067. 87	117, 300, 000. 00
Cash paid for dividends, profits, or interest payments	13, 746, 255. 29	4, 437, 064. 34
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	1, 548, 349. 65	568, 965. 48
Subtotal of cash outflows from financing activities	172, 108, 672. 81	122, 306, 029. 82
Net cash flow from financing activities	-63, 008, 672. 81	-49, 168, 028. 07
IV. The impact of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-88, 988, 751. 84	-182, 466, 914. 61
Add: the balance of cash and cash equivalents at the beginning of the period	180, 051, 598. 36	288, 328, 064. 43
VI. Balance of cash and cash equivalents at the end of the period	91, 062, 846. 52	105, 861, 149. 82

6、Statement of cash flow of Parent Co.

Unit：RMB

Item	Current period cumulative	Preceding period comparative
I. Cash flow from operating activities:		
Cash received from the sale of goods and the provision of labor services	16, 616, 098. 80	23, 689, 369. 66
Tax Refund		
Other cash received relating to operating activities	3, 218, 775. 78	1, 767, 503. 79
Subtotal of cash inflow from operating activities	19, 834, 874. 58	25, 456, 873. 45
Cash paid for purchasing goods and receiving labor services	9, 188, 263. 08	19, 387, 920. 46
Cash paid to and for employees	12, 022, 871. 51	15, 255, 504. 63
Various taxes and fees paid	1, 595, 506. 43	2, 848, 952. 99
Other cash payments related to operating activities	2, 858, 088. 71	6, 036, 416. 59
Subtotal of cash outflows from operating activities	25, 664, 729. 73	43, 528, 794. 67
Net cash flow from operating activities	-5, 829, 855. 15	-18, 071, 921. 22
II. Cash flow from investment activities:		
Cash received from investment		
Cash received from investment income	9, 153, 400. 00	
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	73, 460. 00	

Net cash received from disposal of subsidiaries and other business units	13,290.70	
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	9,240,150.70	
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	255,970.00	149,450.00
Cash Investment		
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	255,970.00	149,450.00
Net cash flows from investing activities	8,984,180.70	-149,450.00
III. Cash flow from financing activities:		
Absorb cash received from investment		
Cash received from borrowing	70,000,000.00	11,088,001.75
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	70,000,000.00	11,088,001.75
Cash paid for debt repayment	84,764,067.87	30,000,000.00
Cash paid for dividends, profits, or interest payments	2,337,333.89	3,505,381.95
Other cash payments related to financing activities	1,548,349.65	568,965.48
Subtotal of cash outflows from financing activities	88,649,751.41	34,074,347.43
Net cash flow from financing activities	-18,649,751.41	-22,986,345.68
IV. The impact of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-15,495,425.86	-41,207,716.90
Add: the balance of cash and cash equivalents at the beginning of the period	36,515,391.23	76,018,337.62
VI. Balance of cash and cash equivalents at the end of the period	21,019,965.37	34,810,620.72

7、Consolidated statement of change of equity

Unit：RMB

Item	Current period												
	Equity attributable to parent company											Minority shareholders' equity	Total owner's equity
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Subtotal		
		Preferred stock	Perpetual bond	other									
I. Balance at the end of the previous year	215,000,000.00				201,318,128.61	2,995,076.96	-1,854,910.00		589,559.77	-403,806,789.70	8,250,911.72	79,351,234.31	87,602,146.03
Add: Accounti													

ng policy changes													
Correction of previous errors													
Merger of enterprises under the same control													
Others													
II. Balance at the beginning of the year	215,000,000.00				201,318,128.61	2,995,076.96	-1,854,910.00		589,559.77	-403,806,789.70	8,250,911.72	79,351,234.31	87,602,146.03
III. The amount of increase or decrease in this year (decrease is listed with "-")										-6,556,110.34	-6,556,110.34	3,127,472.54	-3,428,637.80
(1) Total comprehensive income										-6,556,110.34	-6,556,110.34	3,127,472.54	-3,428,637.80
(2) Owner's investment and reduction of capital													
1. Ordinary shares invested by the owner													
2. Capital invested by holders													

of other equity instruments													
3. The amount of share-based payment included in owner's equity													
4. Other													
(3) Profit distribution													
1. Withdraw surplus reserve													
2. Distribution to owners (or shareholders)													
3. Others													
(4) Internal transfer of owners' equity													
1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserves into capital (or equity)													
3. Surplus reserves													

make up for losses													
4. Carryover of retained earnings from changes in the defined benefit plan													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Withdraw special reserves													
2. Use special reserves													
(6) Others													
IV. Balance at the end of the period	215,000,000.00				201,318,128.61	2,995,076.96	-1,854,910.00		589,559.77	-410,362,900.04	1,694,801.38	82,478,706.85	84,173,508.23

Item	Preceding period												
	Equity attributable to parent company											Minority shareholders' equity	Total owner's equity
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Subtotal		
		Preferred stock	Perpetual bond	other									

I. Balance at the end of the previous year	215,000,000.00				197,955,867.58	2,995,076.96	-1,854,910.00		589,559.77	-394,344,427.37	14,351,013.02	81,578,628.02	95,929,641.04
Add: Accounting policy changes													
Correction of previous errors													
Merger of enterprises under the same control													
Others													
II. Balance at the beginning of the year	215,000,000.00				197,955,867.58	2,995,076.96	-1,854,910.00		589,559.77	-394,344,427.37	14,351,013.02	81,578,628.02	95,929,641.04
III. The amount of increase or decrease in this year (decrease is listed with "-")					3,104,974.83					-7,153,201.29	-4,048,226.46	-6,928,345.97	-10,976,572.43
(1) Total comprehensive income										-7,153,201.29	-7,153,201.29	3,397,879.74	-3,755,321.55
(2) Owner's investment and reduction of					3,104,974.83						3,104,974.83	520,374.29	3,625,349.12

capital													
1. Ordinary shares invested by the owner													
2. Capital invested by holders of other equity instruments													
3. The amount of share-based payment included in owner's equity													
4. Other					3,104,974.83						3,104,974.83	520,374.29	3,625,349.12
(3) Profit distribution												-10,846,600.00	-10,846,600.00
1. Withdraw surplus reserve													
2. Distribution to owners (or shareholders)												-10,846,600.00	-10,846,600.00
3. Others													

(4) Internal transfer of owners' equity													
1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserves into capital (or equity)													
3. Surplus reserves make up for losses													
4. Carryover of retained earnings from changes in the defined benefit plan													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													

1. Withdraw special reserves													
2. Use special reserves													
(6) Others													
IV. Balance at the end of the period	215,000,000.00				201,060,842.41	2,995,076.96	-1,854,910.00		589,559.77	-401,497,628.66	10,302,786.56	74,650,282.05	84,953,068.61

8、Consolidated statement of change of equity of Parent Co.

Unit：RMB

Item	Current period									
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owner's equity
		Preferred stock	Perpetual bond	other							
I. Balance at the end of the previous year	215,000,000.00				158,864,042.34	2,995,076.96	-1,854,910.00		589,559.76	-496,761,090.96	-127,157,475.82
Add: Accounting policy changes											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	215,000,000.00				158,864,042.34	2,995,076.96	-1,854,910.00		589,559.76	-496,761,090.96	-127,157,475.82

III. The amount of increase or decrease in this year (decrease is listed with "-")										-4,328,510.60	-4,328,510.60
(1) Total comprehensive income										-4,328,510.60	-4,328,510.60
(2) Owner's investment and reduction of capital											
1. Ordinary shares invested by the owner											
2. Capital invested by holders of other equity instruments											
3. The amount of share-based payment included in owner's equity											
4. Other											
(3) Profit distribution											
1. Withdraw surplus reserve											

2. Distribution to owners (or shareholders)											
3. Others											
(4) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserves into capital (or equity)											
3. Surplus reserves make up for losses											
4. Carryover of retained earnings from changes in the defined benefit plan											
5. Other comprehensive income carried forward to retained earnings											

6. Other											
(5) Special reserve											
1. Withdraw special reserves											
2. Use special reserves											
(6) Others											
IV. Balance at the end of the period	215,000,000.00				158,864,042.34	2,995,076.96	-1,854,910.00		589,559.76	-501,089,601.56	-131,485,986.42

Item	Preceding period										
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owner's equity
		Preferred stock	Perpetual bond	other							
I. Balance at the end of the previous year	215,000,000.00				158,864,042.34	2,995,076.96	-1,854,910.00		589,559.76	-486,533,211.13	-116,929,595.99
Add: Accounting policy changes											
Correction of previous errors											

Others											
II. Balance at the beginning of the year	215,000,000.00				158,864,042.34	2,995,076.96	-1,854,910.00		589,559.76	-486,533,211.13	-116,929,595.99
III. The amount of increase or decrease in this year (decrease is listed with "-")										-2,686,436.15	-2,686,436.15
(1) Total comprehensive income										-2,686,436.15	-2,686,436.15
(2) Owner's investment and reduction of capital											
1. Ordinary shares invested by the owner											

2. Capital invested by holders of other equity instruments											
3. The amount of share-based payment included in owner's equity											
4. Other											
(3) Profit distribution											
1. Withdraw surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											

(4) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserves into capital (or equity)											
3. Surplus reserves make up for losses											
4. Carry over of retained earnings from changes in the defined benefit											

plan											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Withdraw special reserves											
2. Use special reserves											
(6) Others											

IV. Balance at the end of the period	215,000,000.00				158,864,042.34	2,995,076.96	-1,854,910.00		589,559.76	-489,219,647.28	-119,616,032.14

I. Company Overview

1、 Company registration address, organizational structure, and headquarters address

Nanjing Putian Communication Co., Ltd. (hereinafter referred to as the Company) originated from the Nanjing Communication Equipment Factory under the Ministry of Posts and Telecommunications. On March 21,1997, the State Economic System Reform Commission approved its establishment as a joint-stock company through a public offering, as documented in Document No.28 [1997]. The Company was registered with the Nanjing Administration for Industry and Commerce on May 18,1997, with its headquarters located in Nanjing, Jiangsu Province. It holds a business license with the Unified Social Credit Code 91320000134878054G, a registered capital of RMB 215,000,000.00, and a total of 215,000,000 shares (each with a par value of RMB 1). This includes 115,000,000 state-owned legal person shares and 100,000,000 B-shares. The Company's shares were listed for trading on the Shenzhen Stock Exchange on May 22,1997.

2、 The main business activities actually engaged in by the company

Our company operates in the telecommunications equipment manufacturing sector. Our primary business activities include: research, development, manufacturing, processing, and sales of data communication, wired and wireless communication products, distribution and wiring communication products, electronic products, multimedia computers, digital television systems, automotive electronics, and high/low-voltage electrical switchgear; development, production, and distribution of new energy vehicle charging solutions and components (including EV chargers, charging modules, charging station systems, modular charging cabinets, outdoor integrated charging stations, AC/DC charging piles, and related accessories); design and provision of comprehensive new energy charging/discharging solutions; operation and maintenance of EV charging infrastructure; development and sales of software and intelligent software platforms; IT services for smart city and elderly care applications; R&D, manufacturing, sales, installation, and technical support for video equipment and video conferencing systems; agency sales of communication-modified vehicles (excluding wholesale) with corresponding after-sales services; design, system integration, and consulting services for communication networks and computer information systems; design, construction, installation, and maintenance of intelligent building systems; and leasing of owned assets such as properties and equipment.

3、 Approval and issuance of financial reports

This financial statement has been approved by the Company's Board of Directors on August 15,2026, for public release.

II. Basis for Preparing Financial Statements

1. Preparation Basis

The financial statements of our company are prepared on a going concern basis, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance, various specific accounting standards, the Application Guidelines for Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises, and other relevant regulations (collectively referred to as the "Accounting Standards for Business Enterprises"), as well as the provisions of the China Securities Regulatory Commission's Rules for the Preparation and Reporting of Information Disclosure by Companies Issuing Securities Publicly No.15 – General Provisions for Financial Reports (2023 Revision).

In accordance with the relevant provisions of the Enterprise Accounting Standards, the Company's accounting practices are based on the accrual basis. With the exception of certain financial instruments, all financial statements are measured at historical cost. Where asset impairment occurs, corresponding impairment provisions are recognized in accordance with applicable regulations.

2. Continuing Operations

This financial statement is prepared on a going concern basis, and the Company has maintained its ability to continue as a going concern for at least 12 months from the end of the reporting period.

III. Key Accounting Policies and Accounting Estimates

The Company and its subsidiaries operate in the telecommunications equipment manufacturing industry. In accordance with the actual characteristics of their production and operations and the relevant accounting standards, the Company and its subsidiaries have established specific accounting policies and estimates for various transactions and events, as detailed below.

1. Statement of Compliance with Enterprise Accounting Standards

The financial statements prepared by the Company comply with the Accounting Standards for Business Enterprises, and present fairly and completely the consolidated and parent company financial position of the Company as at 30 June 2026, as well as the consolidated and parent company operating results and consolidated and parent company cash flows for the six months ended 30 June 2026.

2. Accounting Period

The Company's accounting periods are divided into annual and interim periods, with the interim period referring to a reporting period shorter than a full fiscal year. The Company adopts the Gregorian calendar year for its fiscal year, which runs from January 1 to December 31 each year.

3. Business Cycle

The company adopts a 12-month period as its operating cycle and uses it as the criterion for classifying the liquidity of its assets and liabilities.

4. Bookkeeping Currency

The Renminbi (RMB) serves as the currency used in the primary economic environment in which the Company and its domestic subsidiaries operate, and both the Company and its domestic subsidiaries adopt the RMB as their accounting currency. The currency employed by the Company in preparing these financial statements is the Renminbi.

5. Accounting treatment methods for business combinations under common control and outside common control

A business combination refers to a transaction or event in which two or more separate entities merge to form a single reporting entity. Business combinations are classified into combinations under common control and combinations not under common control.

(1) Business combinations under common control

Enterprises participating in a merger are both subject to the ultimate control of the same party or the same multiple parties before and after the merger, and such control is not temporary; thus, it constitutes a merger under common control. In a merger under common control, the party that obtains control of the other participating enterprises on the merger date is the merging party, while the other participating enterprises are the merged parties. The merger date refers to the actual date on which the merging party obtains control of the merged parties.

The assets and liabilities acquired by the enterprise in a business combination are measured at the carrying values of the acquired entity's assets and liabilities (including goodwill formed by the ultimate controlling party's acquisition of the acquired entity) as presented in the ultimate controlling party's consolidated financial statements on the combination date. The difference between the carrying value of the acquired net assets and the carrying value of the consideration paid for the combination (or the total par value of the issued shares) shall be adjusted against the share capital premium in the capital reserve; if the share capital premium in the capital reserve is insufficient to cover the reduction, the retained earnings shall be adjusted accordingly.

The direct costs incurred by the merging party in carrying out the business combination shall be recognized in profit or loss of the current period at the time of occurrence.

(2) Business combinations under different controls

A business combination is classified as a non-same-control combination if the participating enterprises are not ultimately controlled by the same party or the same group of parties before and after the combination. In a non-same-control combination, the party that obtains control of the other participating enterprises on the acquisition date is the acquirer, while the other participating enterprises are the acquirees. The acquisition date refers to the date when the acquirer actually gains control over the acquirees.

For business combinations under different controls, the combination cost includes: the fair value of assets acquired by the acquirer on the acquisition date to obtain control over the acquiree; liabilities incurred or assumed; equity securities issued; audit fees, legal services, valuation consulting fees, and other administrative expenses incurred during the combination, which are recognized in profit or loss at their occurrence; transaction costs of equity or debt securities issued by the acquirer as consideration for the combination, which are included in the initial recognition amount of such securities; contingent consideration measured at its fair value on the acquisition date and included in the combination cost; and any adjustments to contingent consideration required if new or additional evidence of conditions existing at the acquisition date emerges within 12 months post-acquisition, which are reflected in the corresponding adjustment to goodwill. The combination cost incurred by the acquirer and the identifiable net assets acquired in the combination are measured at their fair values on the acquisition date. The difference between the combination cost and the acquirer's share of the fair value of the acquiree's identifiable net assets on the acquisition date is recognized as goodwill. If the combination cost is less than the acquirer's share of the fair value of the acquiree's identifiable net assets, the fair values of all identifiable assets, liabilities, and contingent liabilities of the acquiree, along with the combination cost itself, are re-examined. Should the re-examined combination cost remain lower than the acquirer's share of the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss.

When the purchasing party acquires the deductible temporary differences of the purchased party that were not recognized on the acquisition date due to non-compliance with the recognition criteria for deferred tax assets, if new or additional information obtained within 12 months after the acquisition date indicates that the relevant circumstances existed on the acquisition date and that the economic benefits arising from the deductible temporary differences are expected to materialize, the relevant deferred tax assets shall be recognized while reducing goodwill. If goodwill is insufficient to cover the reduction, the difference shall be recognized in profit or loss for the period. In all other cases, deferred tax assets related to business combinations shall be recognized and recognized in profit or loss for the period.

For business combinations under different controls that are implemented through multiple transactions in stages and classified as "package transactions," accounting treatment shall be conducted in accordance with the descriptions in the preceding paragraphs of this section and Note 3, Section 13, "Long-term Equity Investments." For combinations not classified as "package transactions," separate accounting treatments shall be applied to the individual financial statements and the consolidated financial statements.

In specific financial statements, the initial investment cost of an investment is determined by the sum of the carrying amount of the equity investment held in the acquiree prior to the acquisition date and the additional investment cost incurred on that date. If the equity held in the acquiree prior to the acquisition date involves other comprehensive income, the related other comprehensive income shall be accounted for upon disposal of the investment using the same basis as would be applied when the acquiree directly disposes of its assets or liabilities (i.e., except for the corresponding share of changes resulting from the re-measurement of the defined benefit plan's net liability or net asset under the equity method, the remainder is recognized in current period investment income).

In the consolidated financial statements, equity held in the acquiree prior to the acquisition date shall be remeasured at its fair value on that date, with the difference between the fair value and the carrying amount recognized in current period investment income. Where such equity involves other comprehensive income, the corresponding other comprehensive income shall be accounted for using the same basis as would apply to the acquiree's direct disposal of related assets or liabilities (i.e., except for the corresponding share of changes in the net liability or net asset of the defined benefit plan resulting from its remeasurement under the equity method, the remainder shall be recognized in current period investment income attributable to the acquisition date).

6. Criteria for Control Assessment and Methods for Preparing Consolidated Financial Statements

(1) Criteria for Control Determination

The consolidation scope for financial statements is determined on a control basis. Control is defined as the Company's possession of authority over the investee, enjoyment of variable returns through participation in the investee's relevant activities, and the ability to influence the amount of such returns through the exercise of such authority. This typically includes investee entities in which the parent company holds more than half of the voting rights, and cases where the Company, although holding less than half of the voting rights, through agreements with other investors of the investee, holds more than half of the voting rights; the Company's authority under its articles of association or agreements to make financial and operational decisions for the investee; its right to appoint or remove a majority of the members of the investee's board of directors; and its control over the majority of voting rights in the investee's board of directors.

(2) Methodology for preparing consolidated financial statements

From the date when the Company obtains actual control over the net assets and operational decision-making rights of a subsidiary, it begins to include the subsidiary within its consolidated financial statements; the inclusion ceases upon loss of actual control. For subsidiaries disposed of, the operating results and cash flows prior to the disposal date have been appropriately reflected in the consolidated income statement and consolidated cash flow statement; for subsidiaries disposed of during the current period, no adjustments are made to the opening balances of the consolidated balance sheet. For subsidiaries acquired in business combinations under different controls, their operating results and cash flows after the acquisition date have been properly included in the consolidated income statement and consolidated cash flow statement, with no adjustments required to the opening balances or comparative figures of the consolidated financial statements. For subsidiaries acquired in business combinations under common control, their operating results and cash flows from the beginning of the period prior to the merger to the merger date have been appropriately reflected in the consolidated income statement and consolidated cash flow statement, with corresponding adjustments made to the comparative figures of the consolidated financial statements.

When preparing consolidated financial statements, if the accounting policies or accounting periods used by the subsidiary differ from those of the parent company, the subsidiary's financial statements shall be adjusted in accordance with the parent company's accounting policies and periods. For subsidiaries acquired through business combinations under different controls, their financial statements shall be adjusted based on the fair value of the identifiable net assets on the acquisition date.

All significant intercompany balances, transactions, and unrealized profits are offset when preparing the consolidated financial statements.

The portion of the subsidiary's shareholders' equity and current net profit/loss not attributable to the parent company is separately presented as minority interest and minority interest income under shareholders 'equity and net profit in the consolidated financial statements. The share of the subsidiary's current net profit/loss attributable to minority interests is disclosed under the "minority interest income" item within the net profit line item of the consolidated income statement. If the loss attributable to minority interests exceeds their share of the subsidiary's beginning shareholders' equity, this difference is still recorded as a reduction in minority interest.

When control over an original subsidiary is lost due to the disposal of partial equity investments or other reasons, the remaining equity interests shall be remeasured at their fair value on the date of loss of control. The difference between the consideration received from the equity disposal and the fair value of the remaining equity interests, minus the share of the subsidiary's net assets accumulated continuously from the acquisition date calculated based on the original equity ratio, shall be recognized as investment income for the period of loss of control. Other comprehensive income related to the original equity investment shall be accounted for at the same basis as the direct disposal of the acquired party's assets or liabilities (i.e., all amounts except those arising from changes in the net liability or net assets of the original beneficial plan upon remeasurement) shall be transferred to current investment income. Subsequently, the remaining equity interests shall be measured in accordance with applicable accounting standards such as Accounting Standard for Business Enterprises No.2 – Long-term Equity Investments or Accounting Standard for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments, as detailed in Note 3, Section 13 "Long-term Equity Investments" or Note 3, Section 10 "Financial Instruments."

When a company gradually disposes of its equity investments in subsidiaries through multiple transactions until losing control, it must determine whether each transaction constitutes a package transaction. The terms, conditions, and economic impacts of these individual transactions typically meet one or more of the following criteria, indicating that they should be accounted for as a package transaction: ① The transactions were executed simultaneously or with mutual consideration; ② The transactions collectively achieve a complete commercial outcome; ③ The occurrence of one transaction depends on the occurrence of at least one other transaction; ④ An individual transaction is uneconomical but becomes economical when considered collectively with other transactions. For transactions not constituting a package transaction, each transaction shall be accounted for separately using the principles applicable to "partial disposal of long-term equity investments in subsidiaries without loss of control" or "loss of control over an original subsidiary due to partial equity disposal or other reasons." When the transactions constitute a package transaction, they shall be accounted for as a single transaction involving subsidiary disposal and loss of control. However, any difference between the transaction price at each disposal stage prior to loss of control and the investor's share of the subsidiary's net assets shall be recognized as other comprehensive income in the consolidated financial statements and transferred to the profit or loss at the time of loss of control.

7. Classification of Joint Venture Arrangements and Accounting Treatment for Joint Operations

A joint venture arrangement refers to an arrangement jointly controlled by two or more parties. Based on the rights and obligations it enjoys within such an arrangement, the Company classifies joint venture arrangements into joint operation arrangements and joint venture enterprises. A joint operation arrangement refers to one in which the Company holds the relevant assets and assumes the relevant liabilities; a joint venture enterprise refers to one in which the Company holds only the rights to the net assets of the arrangement.

The Company accounts for its investment in the joint venture using the equity method, in accordance with the accounting policy specified in Note 3, Section 13(2)(ii), "Long-term Equity Investments accounted for under the Equity Method."

As a joint venture partner in the joint operation, the Company recognizes the assets and liabilities solely held or borne by the Company, as well as the jointly held assets and jointly borne liabilities based on the Company's respective shares; recognizes the revenue generated from the sale of the Company's share of the joint operation's output; recognizes the revenue arising from the sale of output under the joint operation based on the Company's share; and recognizes the expenses incurred solely by the Company, as well as the expenses incurred under the joint operation based on the Company's respective shares.

When the Company contributes or sells assets to the joint venture (such assets do not constitute business operations, the same applies hereinafter), or purchases assets from the joint venture, prior to the sale of such assets to a third party, the Company recognizes only the portion of the gains or losses arising from such transaction attributable to the other participating parties in the joint venture. If such assets incur asset impairment losses in accordance with the provisions of Accounting Standard for Business Enterprises No.8 – Asset Impairment, the Company recognizes the full amount of such loss for contributions or sales made by the Company to the joint venture, and recognizes the loss proportionally based on its share for purchases made from the joint venture.

8. Criteria for Determining Cash and Cash Equivalents

The Company's cash and cash equivalents consist of cash on hand, deposits readily available for payment, and investments held by the Company that are short-term (typically maturing within three months from the purchase date), highly liquid, easily convertible into a known amount of cash, and carry minimal value fluctuation risk.

9. Foreign Currency Transactions

(1) Conversion method for foreign currency transactions

Foreign currency transactions conducted by the Company are converted into the local currency amount at the spot exchange rate prevailing on the transaction date upon initial recognition. However, foreign currency exchange operations or transactions involving foreign currency exchange are converted into the local currency amount using the actual exchange rate applied.

(2) Conversion methods for foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency monetary items are converted using the spot exchange rate prevailing at that date. The resulting exchange differences shall be recognized in profit or loss of the current period, except for: ① exchange differences arising from foreign currency special borrowings related to the acquisition or construction of assets meeting capitalization criteria, which are treated in accordance with the principle of capitalizing borrowing costs; ② exchange differences arising from changes in the carrying amounts of foreign currency monetary items available for sale (excluding the amortized cost), which are recognized in other comprehensive income.

Non-monetary foreign currency items measured at historical cost are measured in the accounting currency amount converted using the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value are converted using the spot exchange rate on the fair value determination date; the difference between the converted accounting currency amount and the original accounting currency amount is recognized as fair value changes (including exchange rate fluctuations), which are recorded in current period profit or loss or recognized as other comprehensive income.

10. Financial Instruments

A financial asset or financial liability is recognized when the company becomes a party to a financial instrument contract.

(1) Classification, Recognition and Measurement of Financial Assets

Based on its business model for managing financial assets and the contractual cash flow characteristics of these assets, the Company categorizes financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with changes recognized in other comprehensive income; and financial assets measured at fair value with changes recognized in profit or loss.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value with their changes recognized in profit or loss, related transaction costs are directly recognized in profit or loss; for other categories of financial assets, related transaction costs are included in the initial recognition amount. For accounts receivable or notes receivable arising from the sale of products or provision of services that do not contain or involve significant financing components, the Company recognizes the expected amount receivable as the initial recognition amount.

① Financial assets measured at amortized cost

The Company's business model for measuring financial assets at amortized cost is aimed at generating contractual cash flows. The cash flow characteristics of such financial assets align with standard lending arrangements, meaning that cash flows occurring on specific dates consist solely of principal payments and interest calculated on the outstanding principal amount. For these financial assets, the Company applies the effective interest method and subsequently measures them at amortized cost. Any gains or losses arising from amortization or impairment are recognized in profit or loss for the period.

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

The Company's business model for managing such financial assets combines both the objective of collecting contractual cash flows and the objective of selling them, with the contractual cash flow characteristics of these financial assets aligning with those of the underlying loan arrangements. The Company measures such financial assets at fair value, with their changes recognized in other comprehensive income; however, impairment losses or gains, exchange gains or losses, and interest income calculated using the effective interest method are recognized in profit or loss for the period.

Furthermore, the Company classifies certain non-trading equity instrument investments as financial assets measured at fair value with their changes recognized in other comprehensive income. Dividend income from such financial assets is recognized in current period profit or loss, while fair value changes are recognized in other comprehensive income. Upon derecognition of these financial assets, any cumulative gains or losses previously recognized in other comprehensive income are transferred to retained earnings and are no longer included in current period profit or loss.

③ Financial assets measured at fair value with changes recognized in profit or loss

The Company classifies the aforementioned financial assets measured at amortized cost and those financial assets measured at fair value with their changes recognized in other comprehensive income as financial assets measured at fair value with their changes recognized in current profit or loss. Furthermore, at initial recognition, to eliminate or significantly reduce accounting mismatches, the Company designates certain financial assets as financial assets measured at fair value with their changes recognized in current profit or loss. For such financial assets, the Company subsequently measures them at fair value, with fair value changes recognized in current profit or loss.

(2) Classification, Recognition and Measurement of Financial Liabilities

At initial recognition, financial liabilities are classified into financial liabilities measured at fair value through profit or loss and other financial liabilities. For financial liabilities measured at fair value through profit or loss, related transaction costs are directly recognized in profit or loss; for other financial liabilities, related transaction costs are included in their initial recognition amount.

① Financial liabilities measured at fair value with changes recognized in profit or loss

Financial liabilities measured at fair value with changes recognized in profit or loss include trading financial liabilities (including derivative instruments classified as financial liabilities) and those designated at initial recognition to be measured at fair value with changes recognized in profit or loss.

Subsequent measurement of transactional financial liabilities (including derivatives classified as financial liabilities) adopts fair value; except for portions related to hedge accounting, changes in fair value are recognized in current profit or loss.

Designated as financial liabilities measured at fair value with changes recognized in profit or loss, the fair value changes arising from the Company's own credit risk are recognized in other comprehensive income. Upon derecognition of such liabilities, the cumulative fair value changes attributable to the Company's own credit risk are transferred to retained earnings, while the remaining fair value changes are recognized in profit or loss. If applying this treatment would create or exacerbate accounting mismatches in the profit or loss, the Company shall recognize all gains or losses on these financial liabilities (including the impact of the Company's own credit risk changes) in profit or loss.

②Other financial liabilities

Other financial liabilities—excluding those arising from financial asset transfers that do not meet the criteria for derecognition or from continued involvement in the transferred financial assets, as well as financial guarantee contracts—are classified as financial liabilities measured at amortized cost. Such liabilities are subsequently measured at amortized cost, and any gains or losses resulting from derecognition or amortization are recognized in profit or loss for the period.

(3) Basis for Recognition and Measurement Methods of Financial Asset Transfers

A financial asset shall be derecognized if any of the following conditions is met: ① The contractual right to receive cash flows from the financial asset has terminated; ② The financial asset has been transferred, with nearly all risks and rewards associated with its ownership transferred to the transferee; ③ The financial asset has been transferred, and although the enterprise has neither transferred nor retained nearly all risks and rewards associated with its ownership, it has relinquished control over the financial asset.

If an enterprise neither transfers nor retains nearly all the risks and rewards associated with the ownership of a financial asset, nor relinquishes its control over that financial asset, then the relevant financial asset shall be recognized based on the extent of its continued involvement with the transferred financial asset, and the corresponding liability shall be recognized accordingly. The extent of continued involvement refers to the level of risk faced by the enterprise due to fluctuations in the value of the financial asset.

When the overall transfer of financial assets meets the conditions for derecognition, the difference between the carrying amount of the transferred financial assets and the consideration received from the transfer, and the cumulative fair value change previously recognized in other comprehensive income, shall be recognized in profit or loss for the period.

When partial transfer of financial assets meets the conditions for derecognition, the carrying amount of the transferred financial assets shall be allocated between the derecognized portion and the remaining portion based on their respective fair values. The difference between the consideration received from the transfer and the cumulative fair value changes originally recognized in other comprehensive income that are allocated to the derecognized portion, minus the allocated carrying amounts, shall be recognized in profit or loss for the period.

For financial assets sold with recourse or transferred by endorsement, the company must determine whether nearly all risks and rewards associated with ownership of the financial asset have been transferred. If nearly all risks and rewards associated with ownership have been transferred to the transferee, the recognition of the financial asset shall be terminated; if nearly all risks and rewards remain retained, the recognition shall not be terminated; if neither transfer nor retention of nearly all risks and rewards has occurred, the company shall continue to assess whether it retains control over the asset and apply the accounting treatment principles outlined in the preceding paragraphs.

(4) Termination of Recognition of Financial Liabilities

When the current obligation under a financial liability (or a portion thereof) has been discharged, the Company derecognizes that financial liability (or that portion thereof). If the Company (the borrower) enters into an agreement with the lender to replace the original financial liability with a new one, and the contractual terms of the new financial liability are substantially different from those of the original, the Company derecognizes the original financial liability and simultaneously recognizes a new financial liability. If the Company makes substantial modifications to the contractual terms of the original financial liability (or a portion thereof), the Company derecognizes the original financial liability and recognizes a new financial liability under the modified terms.

When financial liabilities (or a portion thereof) are derecognized, the Company recognizes the difference between their carrying amount and the consideration paid (including transferred non-cash assets or assumed liabilities) in profit or loss for the period.

(5) Offsetting of financial assets and financial liabilities

When the Company has a statutory right to offset recognized amounts of financial assets and financial liabilities, and such statutory right is currently enforceable, and the Company plans to settle the financial assets and settle the financial liabilities simultaneously at net value, the financial assets and financial liabilities shall be presented on the balance sheet at their net amount after mutual offset. Otherwise, financial assets and financial liabilities shall be presented separately on the balance sheet without mutual offset.

(6) Methods for determining the fair value of financial assets and financial liabilities

Fair value refers to the price that market participants would receive from selling an asset or pay to transfer a liability in an orderly transaction on the measurement date. Where financial instruments have active markets, the Company determines their fair value using quotes from such markets. Active market quotes are prices readily available periodically from exchanges, brokers, industry associations, and pricing service providers, reflecting actual market transactions conducted in fair dealing. For financial instruments without active markets, the Company employs valuation techniques to determine fair value. These techniques include referencing prices from recent market transactions conducted by knowledgeable and voluntary parties, referencing the current fair values of substantially similar financial instruments, applying the discounted cash flow method, and using option pricing models. In conducting valuations, the Company selects valuation techniques applicable under current circumstances and supported by sufficient available data and information, choosing input values consistent with those considered by market participants in transactions involving the relevant assets or liabilities, with priority given to observable inputs whenever possible. When observable inputs are unavailable or impractical to obtain, non-observable inputs are utilized.

11. Impairment of financial assets

1. Method for determining expected credit losses

The Company applies impairment accounting treatment and recognizes loss provisions for financial assets measured at amortized cost (including receivables), financial assets classified as measured at fair value with changes recognized in other comprehensive income (including receivables financing), and lease receivables, based on expected credit losses.

At each balance sheet date, the Company assesses whether the credit risk of relevant financial instruments has increased significantly since initial recognition. The process of credit impairment for financial instruments is divided into three stages, with distinct accounting treatment applied to impairments at each stage: (1) Stage 1: If the credit risk of a financial instrument has not increased significantly since initial recognition, the Company measures the loss provision based on the expected credit loss over the next 12 months and calculates interest income using its carrying amount (i.e., before impairment provision) and the actual interest rate; (2) Stage 2: If the credit risk has increased significantly since initial recognition but no credit impairment has occurred, the Company measures the loss provision based on the expected credit loss over the entire life of the financial instrument and calculates interest income using its carrying amount and the actual interest rate; (3) Stage 3: If credit impairment occurs after initial recognition, the Company measures the loss provision based on the expected credit loss over the entire life of the financial instrument and calculates interest income using its amortized cost (carrying amount minus the accrued impairment provision) and the actual interest rate.

(1) Method for measuring loss provisions for financial instruments with lower credit risk

For financial instruments with low credit risk at the balance sheet date, the Company may refrain from comparing them with their credit risk at initial recognition and instead directly assume that the credit risk of such instruments has not increased significantly since initial recognition.

If a financial instrument carries low default risk, the debtor demonstrates strong short-term capacity to meet its contractual cash flow obligations, and even adverse economic or operational conditions over an extended period do not necessarily impair the borrower's ability to fulfill these obligations, the instrument is considered to have low credit risk.

(2) Method for measuring loss provisions for accounts receivable and lease receivables

① Receivables without significant financing components. For receivables arising from transactions governed by Accounting Standard for Business Enterprises No.14 – Revenue that do not contain significant financing components, the Company adopts a simplified approach, measuring loss provisions consistently based on expected credit losses over the entire life cycle.

Based on the nature of financial instruments, the Company assesses whether credit risk has increased significantly by evaluating individual financial assets or portfolios thereof. Receivable notes and accounts receivable are categorized into specific portfolios according to their credit risk characteristics, and expected credit losses are calculated on a portfolio basis. The criteria for portfolio determination are as follows:

accounts receivable portfolio 1: Portfolio of related parties within the consolidated scope

Accounts Receivable Portfolio 2: Age Group Portfolio

receivables bill portfolio 1: receivable bank acceptance bills

receivables bill portfolio 2: Commercial acceptance bills receivable

For accounts receivable classified as portfolios, the Company refers to historical credit loss experience, combined with the current situation and forecasts for future economic conditions, to prepare a comparison table between the aging of accounts receivable and the expected credit loss rate over their entire life cycle, thereby calculating the expected credit loss. For accounts receivable notes classified as portfolios, the Company also utilizes historical credit loss experience, along with the current situation and forecasts for future economic conditions, to calculate the expected credit loss based on default risk exposure and the expected credit loss rate over their entire life cycle.

Accounts Receivable – Comparison Table of Age Groups and the Expected Credit Loss Rate Over Their Full Life Cycle

Account Age	Expected credit loss rate of accounts receivable (%)
Within 1 year (inclusive, same below)	1.00
1-2 years	5.00
2–3 years	10.00

Account Age	Expected credit loss rate of accounts receivable (%)
3–4 years	30.00
4-5 years	50.00
More than 5 years	100.00

② Receivables and lease receivables containing significant financing components.

For receivables involving significant financing components and lease receivables governed by Accounting Standard for Business Enterprises No.21 – Leasing, the Company measures loss provisions using the general method, namely the "three-stage" model.

(3) Methods for measuring loss provisions on other financial assets

For financial assets other than those mentioned above—such as debt investments, other debt investments, other receivables, and long-term receivables excluding lease receivables—the Company measures loss provisions using the general method, namely the "three-stage" model.

When measuring credit impairment on financial instruments, our company considers the following factors to determine whether credit risk has increased significantly:

The Company categorizes other receivables into several portfolios based on the nature of the amounts, and calculates expected credit losses on a portfolio basis. The criteria for portfolio determination are as follows:

Other Receivables Portfolio 1: Portfolio of Related Parties within the Consolidated Scope

Other Receivables Portfolio 2: Financing Margin Portfolio

Other Receivables Portfolio 3: Export Tax Refund Receivables Portfolio

2. Accounting Treatment Method for Expected Credit Losses

To reflect changes in the credit risk of financial instruments after initial recognition, the Company re-measures expected credit losses at each balance sheet date. The resulting increases or reversals in loss provisions shall be recognized as impairment losses or gains in the current period's profit or loss. Depending on the type of financial instrument, these amounts shall either reduce the carrying amount of the financial asset on the balance sheet or be recognized as estimated liabilities or as other comprehensive income (for debt investments measured at fair value with changes recognized in other comprehensive income).

12. Inventory

(1) Classification of Inventory

Inventories refer to the finished goods or commodities held by the Company for sale in its daily operations, work-in-progress items, and materials consumed during production or service delivery. These primarily include raw materials, consumables (such as packaging materials and low-value consumables), materials processed under contract, work-in-progress, self-manufactured semi-finished products, and finished goods (merchandise inventory).

(2) Pricing Method Used for Issuance

When inventory is issued, the actual cost is determined using the weighted average method at the end of the month.

(3) The inventory counting system adopts the perpetual inventory method.

(4) Amortization method for low-value consumables and packaging materials

Low-value consumables are amortized using the straight-line method upon requisition; packaging materials are also amortized using the straight-line method upon requisition.

(3) Criteria for Recognition and Provision Method for Inventory Impairment Losses

On the balance sheet date, inventory is measured at the lower of cost and net realizable value, with impairment provisions calculated for each individual inventory item. For inventories that are numerous and have low unit prices, impairment provisions are calculated based on inventory category.

On the balance sheet date, inventory is measured at the lower of cost and net realizable value, with inventory impairment provisions recognized based on the difference between the cost and net realizable value for each inventory category. For inventory directly intended for sale, its net realizable value is determined during normal operations as the estimated selling price minus estimated selling expenses and relevant taxes. For inventory requiring processing, its net realizable value is determined during normal operations as the estimated selling price of the finished products minus estimated costs, selling expenses, and relevant taxes incurred until completion. On the balance sheet date, for each component of the same inventory that has a contract price and those without a contract price, their respective net realizable values are determined and compared with their corresponding costs to calculate the amount of inventory impairment provisions to be recognized or reversed.

13. Long-term equity investment

The term "long-term equity investments" referred to in this section denotes those in which the Company holds controlling, jointly controlling, or significant influence over the investee entity. Long-term equity investments in which the Company does not hold controlling, jointly controlling, or significant influence are accounted for as financial assets measured at fair value with changes recognized in profit or loss. For non-trading investments, the Company may, at initial recognition, choose to classify them as financial assets measured at fair value with changes recognized in other comprehensive income. The accounting policy is detailed in Note 3, Section 10, "Financial Instruments."

Joint control refers to the Company's shared control over a specific arrangement under relevant agreements, where decisions regarding activities under such arrangement require unanimous consent from all parties sharing control rights. Significant influence means the Company has the authority to participate in decision-making regarding the financial and operational policies of the investee entity, but lacks either sole control or joint control with other parties over the formulation of these policies.

(1) Determination of Investment Costs

For long-term equity investments acquired through business combinations under common control, the initial investment cost shall be determined on the combination date based on the share of the acquirer's equity book value in the ultimate controlling party's consolidated financial statements. The difference between the initial investment cost and the sum of cash payments, transferred non-cash assets, and assumed debt book values shall be allocated to capital reserves; if capital reserves are insufficient, the difference shall be adjusted against retained earnings. Where equity securities are issued as consideration for the combination, the initial investment cost shall be calculated based on the acquirer's equity share in the ultimate controlling party's consolidated financial statements, with the total par value of issued shares recognized as share capital. The difference between the initial investment cost and the total par value of issued shares shall be allocated to capital reserves; if capital reserves are insufficient, the difference shall be adjusted against retained earnings.

For long-term equity investments acquired through business combinations under different controls, the acquisition cost shall be recognized as the initial investment cost on the acquisition date. The consolidation cost comprises the sum of assets contributed by the acquirer, liabilities incurred or assumed, and the fair value of issued equity securities.

The intermediary fees incurred during business combinations—such as audit services, legal services, valuation consulting, and other related administrative expenses—along with those of the merging entity or purchaser, shall be recognized in profit or loss at the time of occurrence.

For other equity investments other than those arising from business combinations, the initial measurement is made at cost. This cost is determined based on the method of acquisition of the long-term equity investment, using either the actual cash payment made by the Company, the fair value of equity securities issued by the Company, the value specified in the investment contract or agreement, the fair value or original carrying amount of the assets exchanged in non-monetary asset transactions, or the fair value of the long-term equity investment itself. Expenses, taxes, and other necessary expenditures directly related to the acquisition of the long-term equity investment are also included in the investment cost.

(2) Subsequent Measurement and Profit/Loss Recognition Method

Long-term equity investments in investee entities that are jointly controlled (excluding cases where they constitute joint operators) or significantly influenced shall be accounted for using the equity method. Additionally, long-term equity investments in which the company exercises control over the investee entity may be accounted for using the cost method in its financial statements.

① Long-term equity investments accounted for using the cost method

When using the cost method for accounting, long-term equity investments are valued at their initial investment cost, with adjustments made to the cost upon additional investments or investment withdrawals.

Excluding cash dividends or profits declared but not yet distributed included in the actual payment or consideration received upon investment acquisition, current investment income is recognized based on the cash dividends or profits declared and distributed by the investee entity.

② Long-term equity investments accounted for using the equity method

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

When applying the equity method of accounting, investment income and other comprehensive income are recognized separately based on the investor's share of the investee's net profit or loss and other comprehensive income, while simultaneously adjusting the carrying amount of long-term equity investments. The investor's share of profits or cash dividends declared by the investee reduces the carrying amount of long-term equity investments accordingly. For all other changes in the investee's owners 'equity excluding net profit/loss, other comprehensive income, and profit distribution, the carrying amount of long-term equity investments is adjusted and recorded in capital reserves. The recognition of the investor's share of the investee's net profit/loss is based on the fair value of identifiable assets at the time of investment, adjusted against the investee's net profit. Where the investee adopts accounting policies or fiscal periods differing from those of the parent company, the investee's financial statements are adjusted in accordance with the parent company's policies and periods, and investment income 及其他 comprehensive income are determined accordingly. For transactions between the parent company and associates or joint ventures, if the assets disposed of do not constitute business operations, unrealized internal transaction gains or losses are offset by the parent company's share calculated proportionally, upon which investment income and other comprehensive income are recognized. However, unrealized internal transaction losses between the parent company and the investee that constitute impairment losses on transferred assets are not offset.

When recognizing the shareable portion of the net loss incurred by the investee, the recognition shall be limited to the book value of the long-term equity investment and the reduction of other long-term interests that substantially constitute a net investment in the investee to zero. Furthermore, if the Company has an obligation to bear additional losses for the investee, an estimated liability shall be recognized and recorded as an investment loss for the current period. If the investee generates net profit in subsequent periods, the Company shall resume recognizing the share of profit after offsetting the unconfirmed loss-sharing amount against the share of profit.

③ Acquisition of minority equity

When preparing consolidated financial statements, the difference between the newly added long-term equity investment resulting from the acquisition of minority interests and the subsidiary's net asset share calculated based on the new shareholding ratio, which is continuously accrued from the acquisition date (or consolidation date), shall be adjusted against the capital reserve. If the capital reserve is insufficient, the difference shall be offset against retained earnings.

④ Disposal of long-term equity investments

In consolidated financial statements, when the parent company partially disposes of its long-term equity investments in subsidiaries without losing control, the difference between the disposal proceeds and the subsidiary's net assets corresponding to the disposed long-term equity investment is recognized in shareholders' equity. If the partial disposal results in the parent company losing control over the subsidiary, the transaction shall be accounted for in accordance with the relevant accounting policies specified in Note 3, Section 6, Subparagraph (2) of this document, "Method of Preparation of Consolidated Financial Statements."

For the disposal of long-term equity investments under other circumstances, the difference between the carrying value of the disposed equity and the actual consideration received shall be recognized in profit or loss for the period.

For long-term equity investments accounted for using the equity method, if the remaining equity interests after disposal continue to be accounted for using the equity method, the portion of other comprehensive income originally recorded in shareholders 'equity shall be accounted for at the corresponding ratio using the same basis as that applied when the investee directly disposed of related assets or liabilities at the time of disposal. All changes in owners' equity attributable to the investee's owner's equity other than net profit or loss, other comprehensive income, and profit distribution shall be transferred to the current period profit or loss in proportion.

For long-term equity investments accounted for using the cost method, if the remaining equity after disposal continues to be accounted for using the cost method, the other comprehensive income recognized prior to obtaining control over the investee—whether from the equity method or from the financial instruments recognition and measurement standards—shall be accounted for using the same basis as the direct disposal of related assets or liabilities of the investee and transferred proportionally to current period profit or loss; all other changes in owners 'equity within the investee's net assets recognized under the equity method, excluding net profit or loss, other comprehensive income, and profit distribution, shall also be transferred proportionally to current period profit or loss.

When a company loses control over an investee due to the disposal of a portion of its equity investments, and the remaining equity after disposal can exercise joint control or significant influence over the investee during the preparation of individual financial statements, the equity method shall be applied, with the remaining equity adjusted as if it had been accounted for using the equity method from acquisition. If the remaining equity after disposal cannot exercise joint control or significant influence over the investee, accounting treatment shall comply with the relevant provisions of the Financial Instruments Recognition and Measurement Standards, and the difference between the fair value and book value of the equity at the date of loss of control shall be recognized in profit or loss for the period. For other comprehensive income recognized prior to the company obtaining control over the investee under either the equity method or the Financial Instruments Recognition and Measurement Standards, the accounting treatment shall follow the same basis as the direct disposal of related assets or liabilities by the investee upon loss of control. All changes in owners 'equity attributable to the equity method—excluding net profit/loss, other comprehensive income, and profit distribution—shall be transferred to profit or loss upon loss of control. Specifically: if the remaining equity after disposal is accounted for using the equity method, other comprehensive income and other owners' equity are transferred proportionally; if the remaining equity is accounted for under the Financial Instruments Recognition and Measurement Standards, both other comprehensive income and other owners' equity are fully transferred.

When a company loses joint control or significant influence over an investee due to the disposal of a portion of its equity investment, the remaining equity interest after disposal shall be accounted for in accordance with the Financial Instruments Recognition and Measurement Standards. The difference between the fair value and the carrying value of the equity interest on the date of loss of joint control or significant influence shall be recognized in profit or loss for the period. Other comprehensive income recognized from the original equity investment under the equity method shall be accounted for under the same basis as the direct disposal of related assets or liabilities by the investee upon termination of the equity method. All changes in owners 'equity attributable to the investee's own equity other than net profit or loss, other comprehensive income, and profit distribution shall be fully transferred to investment income for the period upon termination of the equity method.

14. Investment property

Investment property refers to real estate held for the purpose of generating rental income, capital appreciation, or both. This includes leased land use rights, land use rights held with plans for appreciation and subsequent transfer, and leased buildings.

Investment property is initially measured at cost. Subsequent expenditures related to investment property shall be included in the cost of the asset if the economic benefits associated with the asset are likely to flow and the cost can be reliably measured. Other subsequent expenditures shall be recognized in profit or loss at the time they occur.

When an investment property is disposed of, permanently withdrawn from use, and it is expected that no economic benefits will be derived from its disposal, the recognition of such investment property is terminated. The proceeds from the disposal of an investment property—whether through sale, transfer, scrapping, or damage—after deducting its carrying amount and relevant taxes and fees shall be recognized in the current period's profit or loss.

15. Fixed Assets

(1) Conditions for recognizing fixed assets

Fixed assets refer to tangible assets held for the purpose of producing goods, providing services, leasing, or operating and managing, with a useful life exceeding one accounting year. Fixed assets are recognized only when it is probable that the economic benefits associated with them will flow to the company and their costs can be reliably measured. Fixed assets are initially measured at cost, taking into account the impact of estimated disposal costs.

(2) Depreciation methods for various types of fixed assets

For fixed assets, depreciation is calculated using the straight-line method over their service life, starting from the month following the achievement of the intended usable condition. The service life, estimated residual value, and annual depreciation rate for various types of fixed assets are as follows:

class	method of depreciation	Depreciation period (years)	ratio of remaining value（%）	yearly depreciation（%）
Houses and Buildings	Annual Average Method	15-35	3.00	2.77-6.47
machinery equipment	Annual Average Method	10-15	3.00	6.47-9.70
conveyance	Annual Average Method	6-8	3.00	12.13-16.17
Electronic Equipment	Annual Average Method	4-11	3.00	8.82-24.25
other	Annual Average Method	4-11	3.00	8.82-24.25

The estimated residual value refers to the amount obtained by the Company from the disposal of an asset after deducting estimated disposal costs, assuming the fixed asset has reached the end of its estimated useful life and is in its expected condition at that point.

(3) Methods for impairment testing of fixed assets and methods for making impairment provisions

For details on the impairment testing methods for fixed assets and the impairment provision calculation methods, refer to Note 3, Section 19 "Impairment of Long-term Assets".

(4) Other Notes

Subsequent expenditures related to fixed assets shall be recognized in the cost of the fixed asset if the economic benefits associated with the asset are likely to flow and their costs can be reliably measured, thereby eliminating the carrying amount of the replaced portion. All other subsequent expenditures shall be recognized in profit or loss at the time they occur.

When a fixed asset is being disposed of or is expected to generate no economic benefits through use or disposal, its recognition is terminated. The difference between the disposal proceeds from the sale, transfer, scrapping, or damage of the fixed asset and its carrying amount, after deducting relevant taxes and fees, is recognized in profit or loss for the period.

The Company shall review the service life, estimated net residual value, and depreciation method of fixed assets at least once at the end of each fiscal year. Any changes made shall be treated as adjustments to accounting estimates.

16. Projects under construction

The Company's construction-in-progress projects are categorized into two types: self-construction and contracted construction. Upon completion of the projects and attainment of their intended usable condition, they are recognized as fixed assets. The determination of the intended usable condition shall meet one of the following criteria: (1) The physical construction (including installation) of the fixed asset has been fully completed or substantially completed; (2) The asset has undergone trial production or trial operation, with results demonstrating its ability to operate normally or produce qualified products stably; or (3) The trial operation results indicate its capability for normal operation or business activities; (4) Expenditures on the fixed asset under construction are minimal or virtually non-existent; or (5) The acquired fixed asset meets the design or contractual requirements, or is substantially consistent with such requirements.

When the construction-in-progress reaches its intended usable condition, it is transferred to fixed assets at the project's actual cost. For projects that have reached the intended usable condition but have not yet completed final accounting, they are initially recorded as fixed assets at estimated value; the original provisional estimate is adjusted to reflect the actual cost after final accounting is completed, while previously accrued depreciation remains unchanged.

For details on the impairment testing methodology and impairment provision calculation method for construction in progress, refer to Note 3, Section 19 "Impairment of Long-term Assets."

17. Loan costs

Loan costs comprise borrowing interest, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings. Loan costs directly attributable to the acquisition, construction, or production of assets meeting capitalization criteria shall be capitalized when asset expenditures have been incurred, borrowing costs have been recognized, and the necessary acquisition, construction, or production activities to bring the asset to its intended usable or saleable state have commenced; capitalization shall cease when such assets reach their intended usable or saleable state. Other borrowing costs are recognized as expenses in the period in which they are incurred.

For special loans, the actual interest expenses incurred during the period shall be capitalized after deducting the interest income generated from depositing unused loan funds in banks or the investment returns obtained from temporary investments. For general loans, the capitalizable amount is determined by multiplying the weighted average of cumulative asset expenditures exceeding those of special loans by the capitalization rate applicable to the utilized general loans. The capitalization rate is calculated based on the weighted average interest rate of general loans.

During the capitalization period, all exchange differences on foreign currency special loans are capitalized; exchange differences on foreign currency general loans are recognized in profit or loss for the period.

Assets meeting capitalization criteria refer to fixed assets, investment properties, and inventories that require a considerable period of acquisition, construction, or operational activities to reach their intended usable or saleable state.

If an asset meeting capitalization criteria experiences an abnormal interruption during its acquisition, construction, or production process, and the interruption lasts continuously for more than three months, the capitalization of borrowing costs shall be suspended until the asset's acquisition, construction, or production activities resume.

Assets meeting capitalization criteria refer to fixed assets, investment properties, and inventories that require a considerable period of acquisition, construction, or operational activities to reach their intended usable or saleable state.

18. Intangible Assets

(1) Intangible Assets

Intangible assets refer to identifiable non-monetary assets owned or controlled by the Company that lack physical form.

Intangible assets are initially measured at cost. Expenditures related to intangible assets are recognized in the cost of the intangible assets if the associated economic benefits are likely to flow to the company and their costs can be reliably measured. Expenditures on other items are recognized in profit or loss at the time they occur.

The acquired land use rights are typically accounted for as intangible assets. When a company independently develops and constructs buildings such as factory facilities, the related land use right expenditures and building construction costs are accounted for separately as intangible assets and fixed assets, respectively. For purchased buildings and structures, the corresponding purchase price is allocated between the land use rights and the buildings; if an equitable allocation is not feasible, the entire amount is treated as fixed assets.

For intangible assets with a finite useful life, the amortization base is calculated as the original cost minus the estimated net residual value and the cumulative amount of impairment provisions accumulated, and amortization is performed on an average basis over the estimated useful life using the straight-line method from the point when the asset becomes available for use. Intangible assets with an indefinite useful life are not amortized.

The useful life, determination basis, and amortization method for intangible assets with finite useful lives are as follows:

project	life length	Amortization Method
software	3-10	Linear method for stage averaging
land use right	40-50	Linear method for stage averaging

At the end of the period, the useful life and amortization method of intangible assets with a finite useful life are reviewed; any changes are treated as adjustments to accounting estimates. Additionally, the useful life of intangible assets with an indefinite useful life is reviewed. If evidence indicates that the period during which the intangible asset generates economic benefits is foreseeable, its useful life is estimated and amortized using the amortization method applicable to intangible assets with a finite useful life.

(2) Research and Development Expenses

The expenditures for our company's internal research and development projects are categorized into research phase expenditures and development phase expenditures.

Expenses incurred during the research phase are recognized in profit or loss for the period in which they occur.

The scope of R&D expenditure aggregation for our company includes materials consumed for R&D, intermediate trial costs, travel expenses, design fees, depreciation and amortization, employee compensation, and other items.

The company's specific criteria for distinguishing between research phase expenditures and development phase expenditures in internal R&D projects:

The research phase refers to the stage of conducting original, planned investigations and research activities aimed at acquiring and understanding new scientific or technological knowledge; the development phase involves applying research findings or other knowledge to specific plans or designs prior to commercial production or application, resulting in the creation of new or substantially improved materials, devices, or products.

Expenses incurred during the development phase shall be recognized as intangible assets if all the following conditions are met; otherwise, such expenses shall be recognized in 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 Intends to complete the acquisition of the intangible asset and use or sell it;

③ The ways in which intangible assets generate economic benefits include: demonstrating that products manufactured using such assets have a market, or that the intangible assets themselves have a market; or, when the assets are used internally, proving their utility.

④ Possess sufficient technical, financial, and other resources to complete the development of the intangible asset, and have the capability to utilize or sell it;

⑤ The expenditures incurred during the development stage of this intangible asset can be reliably measured.

Where it is impossible to distinguish between expenditures incurred during the research phase and those during the development phase, all research and development expenditures shall be included in the current period's profit or loss.

(3) Methods for testing impairment of intangible assets and for recognizing impairment losses

For details on the impairment testing methods for intangible assets and the impairment provision calculation methods, refer to Note 3, Section 19 "Impairment of Long-term Assets".

19. Impairment of long-term assets

For non-current non-financial assets—including fixed assets, construction in progress, intangible assets with finite useful lives, right-of-use assets, investment properties measured at cost, and long-term equity investments in subsidiaries, joint ventures, and associates—the Company assesses for impairment indications on the balance sheet date. Where impairment indications exist, the recoverable amount is estimated and an impairment test is conducted. Goodwill, intangible assets with indefinite useful lives, and intangible assets that have not yet reached their usable state undergo annual impairment testing regardless of the presence of impairment indications.

The impairment assessment results indicate that when an asset's recoverable amount falls below its carrying value, an impairment loss is recognized based on the difference. The recoverable amount is defined as the higher of: the net amount of the asset's fair value less disposal costs, or the present value of the asset's estimated future cash flows. The fair value of an asset is determined by the transaction price in a fair market transaction; where no transaction agreement exists but the asset has an active market, the fair value is determined by the highest bid price; where neither a transaction agreement nor an active market exists, the fair value is estimated using the best available information. Disposal costs include legal fees, applicable taxes, handling charges, and direct expenses incurred to prepare the asset for sale. The present value of future cash flows is calculated by discounting the projected cash flows generated during the asset's useful life and upon final disposal using an appropriate discount rate. Impairment provisions are calculated and recognized on an individual asset basis; when estimating the recoverable amount of an individual asset is difficult, the recoverable amount is determined for the asset group to which the asset belongs—the smallest identifiable group of assets capable of generating independent cash flows.

Goodwill separately presented in financial statements shall, during impairment testing, have its carrying amount allocated to the asset groups or combinations of asset groups expected to benefit from the synergies arising from the business combination. If the test results indicate that the recoverable amount of the asset group or combination of asset groups containing the allocated goodwill is lower than its carrying amount, the corresponding impairment loss shall be recognized. The impairment loss amount shall first be deducted from the carrying amount of the goodwill allocated to that asset group or combination, and then proportionally deducted from the carrying amounts of the other assets within the asset group or combination based on their respective share of the total carrying amount excluding goodwill.

Once the aforementioned asset impairment loss is recognized, the portion of value recovered cannot be reversed in subsequent periods.

20. Long-term prepaid expenses

Long-term prepaid expenses refer to various costs that have already been incurred but should be allocated over the reporting period and subsequent periods, with an amortization period exceeding one year. The Company's long-term prepaid expenses primarily consist of renovation costs. These expenses are amortized using the straight-line method over their estimated benefit period.

21. Contract Liabilities

Contract liabilities refer to the obligation of the Company to deliver goods to customers for which the Company has received or is due to receive consideration from them. If the customer has paid the contract consideration or the Company has acquired an unconditional right to receive payment prior to the delivery of goods, the Company recognizes such received or receivable amounts as contract liabilities at the earlier of the customer's actual payment date or the due payment date. Contract assets and contract liabilities under the same contract are presented on a net basis; those under different contracts are not offset against each other.

22. Employee Compensation

The company's employee compensation primarily consists of short-term employee compensation, post-employment benefits, termination benefits, and other long-term employee benefits. Specifically:

Short-term compensation primarily includes wages, bonuses, allowances and subsidies, employee welfare expenses, medical insurance premiums, maternity insurance premiums, work-related injury insurance premiums, housing provident fund contributions, trade union funds, employee education funds, and non-monetary benefits. During the accounting period in which employees provide services to the company, the actual short-term employee compensation incurred is recognized as a liability and recorded in the current period's profit or loss or the cost of related assets. Non-monetary benefits are measured at fair value.

Post-employment benefits primarily include basic pension insurance, unemployment insurance, and annuities. Post-employment benefit plans consist of defined contribution plans and defined benefit plans. For defined contribution plans, the corresponding contribution amounts are recognized either as part of the asset cost or recorded in the current period's profit or loss upon occurrence.

When terminating the employment relationship with an employee before the expiration of the labor contract, or when proposing compensation to encourage voluntary workforce reduction, the employee compensation liability arising from such termination shall be recognized and recognized in profit or loss at the earlier of: (1) the date on which the company cannot unilaterally withdraw the termination benefits provided under the employment termination plan or reduction proposal; or (2) the date on which the company confirms the costs associated with the restructuring involving the payment of such termination benefits. However, if the termination benefits are not expected to be fully paid within twelve months following the end of the annual reporting period, they shall be treated as other long-term employee benefits.

The internal employee retirement plan follows the same principles as the aforementioned severance benefits. For employees who opt for early retirement, the company will recognize the wages payable and social insurance contributions accrued from the date of service termination until the normal retirement date as current period expenses (severance benefits) when the conditions for recognizing estimated liabilities are met.

Other long-term employee benefits provided by the Company shall be accounted for under the defined contribution plan where applicable, and otherwise under the defined benefit plan.

23. Provision for Liabilities

When obligations arising from contingent matters such as external guarantees, litigation matters, product quality guarantees, or loss contracts become current obligations assumed by the Company, and the fulfillment of such obligations is likely to result in an outflow of economic benefits from the Company, with the amount of these obligations being reliably measurable, the Company recognizes such obligations as estimated liabilities.

The Company initially measures its estimated liabilities based on the best estimate of expenditures required to fulfill relevant current obligations and reviews the carrying amount of these liabilities at the balance sheet date.

If the entire or partial expenditure required to settle an estimated liability is expected to be compensated by a third party, the compensation amount shall be recognized separately as an asset when it is essentially certain that it will be received, provided that the recognized compensation amount does not exceed the carrying amount of the estimated liability.

24. Income

The Company recognizes revenue when fulfilling its performance obligations under the contract—that is, upon the customer obtaining control of the relevant goods or services—in accordance with the transaction price allocated to such performance obligation. Acquisition of control of the relevant goods refers to the ability to dominate their use and derive nearly all economic benefits therefrom. A performance obligation denotes the Company's commitment under the contract to transfer clearly identifiable goods to the customer. The transaction price represents the amount of consideration the Company expects to receive for transferring the goods to the customer, excluding payments received on behalf of a third party and amounts the Company expects to refund to the customer.

Whether a performance obligation is fulfilled over a specific period or at a specific point in time depends on the contract terms and relevant legal provisions. If the obligation is fulfilled over a period, the Company recognizes revenue based on the progress of performance. Otherwise, the Company recognizes revenue at the point when the customer obtains control of the relevant assets.

For performance obligations stipulated in sales contracts for engineering construction and maintenance services that meet the condition of "performance within a specified period," revenue is recognized based on the progress of performance, unless the progress cannot be reasonably determined. The Company uses the input method to determine the contract performance progress as the ratio of the cumulative contract costs incurred to the contract target cost. If the progress cannot be reasonably determined but the incurred costs are expected to be fully recovered, the Company recognizes revenue based on the amount of incurred costs until the progress can be reasonably determined.

The sales of video conferencing products, integrated wiring products, intelligent electrical products, communication infrastructure products, and other products constitute performance obligations fulfilled at a specific point in time. Revenue recognition for these products requires the following conditions: the company has delivered the products to the buyer as stipulated in the contract and obtained the buyer's acceptance; the product sales revenue amount has been determined; payment has been received or payment vouchers have been obtained; it is probable that the related economic benefits will materialize; and the costs associated with the products can be reliably measured.

25. Contract Cost

Contract costs are divided into contract performance costs and contract acquisition costs.

The costs incurred by the Company in fulfilling the contract shall be recognized as an asset for contract performance costs only when the following conditions are simultaneously met:

(1) This cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing overhead (or similar expenses), costs explicitly borne by the client, and other costs incurred solely for that contract;

(2) This cost increases the resources the enterprise will allocate in the future to fulfill its performance obligations;

(3) This cost is expected to be recovered.

When the incremental costs incurred by the Company to obtain a contract are expected to be recovered, they shall be recognized as part of the contract acquisition cost and classified as an asset; however, if the amortization period of such asset does not exceed one year, the cost may be recognized in profit or loss at the time of occurrence.

Assets related to contract costs are amortized using the same basis as the revenue recognition from goods or services associated with those assets.

For assets related to contract costs, if their carrying value exceeds the sum of the following two amounts, the Company shall recognize an impairment loss on the excess amount and record it as an asset impairment loss:

(1) The remaining consideration expected to be received from the transfer of goods or services related to the asset;

(2) The estimated costs incurred for transferring the relevant goods or services.

Where the aforementioned asset impairment provision is subsequently reversed, the revised book value of the asset shall not exceed its book value on the reversal date under the assumption that no impairment provision was recognized.

26. Government Subsidy

Government grants refer to monetary and non-monetary assets obtained by the Company from the government without compensation, excluding capital invested by the government as an investor with corresponding owner's equity. Government grants are categorized into asset-related grants and revenue-related grants. When government grants consist of monetary assets, they are measured at the amount received or receivable. For non-monetary assets, they are measured at fair value; if fair value cannot be reliably determined, they are measured at nominal amount. Government grants measured at nominal amount are directly recognized in profit or loss for the period.

Government grants related to assets are recognized as deferred income and are allocated to current period earnings over the useful life of the relevant assets using a reasonable and systematic method. Government grants related to income that are intended to compensate for future costs, expenses, or losses are recognized as deferred income and are recognized in current period earnings when the corresponding costs, expenses, or losses are recognized; those intended to compensate for incurred costs, expenses, or losses are recognized directly in current period earnings.

Government grants that encompass both asset-related components and revenue-related components should be accounted for separately; where differentiation is difficult, they should be collectively classified as revenue-related government grants.

Government grants related to the company's daily operations shall be recognized as other income or deducted from relevant costs and expenses based on the substance of the economic transactions; government grants unrelated to daily operations shall be recorded as non-operating income or expenses.

When confirmed government grants need to be refunded, if there is a relevant deferred income balance, the corresponding deferred income balance shall be offset; any excess amount shall be recognized in current period profit or loss. In other cases, the amount shall be directly recognized in current period profit or loss.

27. Deferred income tax assets/deferred income tax liabilities

The deferred income tax asset or liability is recognized based on the difference between the carrying amount of assets and liabilities and their tax basis (for items not recognized as assets or liabilities, where their tax basis can be determined in accordance with tax laws, the difference between the tax basis and the carrying amount), calculated using the applicable tax rate during the period when the asset is expected to be recovered or the liability settled.

Deferred tax assets shall be recognized only to the extent that it is probable that sufficient taxable income will be available to offset deductible temporary differences. At the balance sheet date, if there is conclusive evidence that sufficient taxable income is likely to be available in future periods to offset such differences, deferred tax assets previously unrecognized in prior accounting periods shall be recognized.

On the balance sheet date, review the carrying amount of deferred tax assets. If it is probable that sufficient taxable income will not be available in future periods to realize the benefits of these deferred tax assets, reduce their carrying amount. When sufficient taxable income is likely to be obtained, reverse the reduction amount.

The Company's current income tax and deferred income tax are recognized as income tax expenses or income in the current period's profit or loss, excluding income tax arising from the following transactions: business combinations; or transactions or events recognized directly in owners' equity.

When the company holds statutory rights for net settlement and intends to conduct both net settlement or acquisition of assets and settlement of liabilities simultaneously, its current income tax assets and liabilities shall be reported at the net amount after offsetting.

28. Lease

（1） Our company acts as the lessee.

The leased assets of our company are primarily mechanical equipment.

On the lease commencement date, the Company recognizes right-of-use assets and lease liabilities for leases other than short-term leases and low-value asset leases, and recognizes depreciation expenses and interest expenses separately over the lease term.

During the lease term, our company applies the straight-line method, recognizing the lease payments for short-term leases and low-value asset leases as current period expenses.

① Right-to-use asset

Right-of-use assets refer to the rights granted to the lessee to use the leased asset during the lease term. At the commencement date of the lease term, right-of-use assets are initially measured at cost. This cost includes: ① the initial measurement amount of the lease liability; ② lease payments made on or before the lease commencement date; if lease incentives are applicable, the amount of such incentives already received shall be deducted; ③ the lessee's initial direct costs; ④ the costs expected to be incurred by the lessee for dismantling and removing the leased asset, restoring the premises where the asset is located, or returning the asset to the condition specified in the lease terms.

The Company uses the straight-line method for the classification and calculation of depreciation on its right-of-use assets. For leases where it is reasonably certain that ownership of the leased asset will be acquired upon lease expiration, depreciation is calculated over the asset's estimated remaining useful life; for leases where this certainty is lacking, depreciation is calculated over the shorter of the lease term and the asset's remaining useful life.

The Company determines whether right-of-use assets have experienced impairment and performs the corresponding accounting treatment in accordance with the relevant provisions of Accounting Standard for Business Enterprises No.8 – Asset Impairment.

② lease obligation

Lease liabilities are initially measured at the present value of the outstanding lease payments as of the lease commencement date. Lease payments include: ① fixed payments (including substantially fixed payments); where lease incentives exist, the amount related to such incentives is deducted; ② variable lease payments dependent on indices or ratios; ③ amounts payable based on the residual value of guarantees provided by the lessee; ④ the exercise price of a purchase option, provided the lessee reasonably determines to exercise such option; ⑤ amounts payable for exercising the lease termination option, provided the lease term reflects the lessee's intention to exercise such option.

The Company uses the lease embedded interest rate as the discount rate; if the lease embedded interest rate cannot be reasonably determined, the Company's incremental borrowing interest rate is used as the discount rate. The Company calculates the interest expense on lease liabilities for each period of the lease term using a fixed periodic interest rate and records it as financial expense. This periodic interest rate refers to the discount rate or the revised discount rate adopted by the Company.

Variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss at the actual occurrence.

When the valuation results for the lease renewal option, lease termination option, or purchase option change, the lease liability shall be remeasured using the present value calculated based on the revised lease payments and the updated discount rate, with the carrying amount of the right-of-use asset adjusted accordingly. If there are changes in material lease payments, the estimated payable amount of the residual value of the guarantee, or variable lease payments dependent on indices or ratios, the lease liability shall be remeasured using the present value calculated based on the revised lease payments and the original discount rate, and the carrying amount of the right-of-use asset shall be adjusted accordingly.

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

For short-term leases (those with a lease term not exceeding 12 months on the lease commencement date) and low-value assets (valued below RMB 2,000), the Company adopts a simplified approach: it does not recognize right-of-use assets or lease liabilities, but instead allocates lease payments over each period of the lease term using the straight-line method or another systematic and reasonable method to the cost of the relevant assets or to the current period's profit or loss.

（2） Our company acts as the lessor.

① operation lease

The Company uses the straight-line method to recognize lease receivables from operating leases as rental income for each period of the lease term. Variable lease payments related to operating leases that have not been included in the lease receivables are recognized in profit or loss when actually incurred.

② finance lease

On the lease commencement date, the Company recognizes the receivable from the financial lease and derecognizes the financial lease asset. The receivable from the financial lease is initially measured at the net lease investment amount (the sum of the unguaranteed residual value and the present value of lease receivables not yet received at the lease commencement date, discounted at the lease's effective rate), and interest income for the lease term is recognized at a fixed periodic rate. Variable lease payments received by the Company that are not included in the net lease investment amount are recognized in profit or loss when actually incurred.

29. Methodology and Selection Criteria for Determining Importance Standards

Disclosures related to the criteria for determining materiality	Methods for Determining and Selection Criteria for Importance Standards

Disclosures related to the criteria for determining materiality	Methods for Determining and Selection Criteria for Importance Standards
receivables for which significant individual provisions for bad debts have been made	When the amount exceeds 5% of the corresponding accounts receivable and surpasses RMB 4 million, or when the provision for bad debts in the current period affects profit and loss figures.
Recovery or reversal of provisions for doubtful accounts on important receivables	The reversal of bad debt provisions affects more than 5% of the current period's bad debt provision reversal amount, with the amount exceeding RMB 1 million, or influences the current period's profit and loss.
Significant accounts payable and other payables with an aging period exceeding one year	More than 5% of the accounts payable or other payables balance, with an amount exceeding RMB 1 million
Subsidiaries in which minority shareholders hold significant equity interests	Minority shareholders hold more than 5% of the equity, and their total assets, net assets, operating revenue, and net profit account for over 10% of the corresponding items in the consolidated financial statements.
Important joint venture or cooperative enterprise	The book value accounts for more than 10% of the long-term equity investment, or the investment income (losses calculated in absolute terms) derived from joint ventures or associated enterprises accounts for more than 10% of the consolidated net profit.
Important Debt Restructuring	The total assets or total liabilities account for more than 10% of the consolidated financial statements, with an absolute amount exceeding RMB 2 million, or have an impact on net profit exceeding 10%.

30. Changes to significant accounting policies and accounting estimates

(1) Change in Accounting Policies

The Company had no significant changes to accounting policies during the reporting period.

(2) Change in Accounting Estimates

The Company had no significant changes to accounting estimates during the reporting period.

IV. Taxes

1. Main Tax Types and Rates

categories of taxes	Specific tax rate details
added-value tax	The taxable income is subject to output VAT at rates of 13%,6%,5%, and 3%, respectively. Value-added tax is calculated and paid based on the difference after deducting the input VAT eligible for deduction in the current period.
urban maintenance & construction tax	The tax is calculated at 7% of the actual value-added tax paid.
extra charges of education funds	The tax is calculated at 3% of the actual value-added tax paid.
Local Education Surcharge	The tax is calculated at 2% of the actual value-added tax paid.
building taxes	For value-based taxation, the tax is calculated at 1.2% of the residual value after deducting 30% of the property's original value in a single deduction; for rental-based taxation, the tax is calculated at 12% of rental income.
business income taxes	See the table below for details.

Name of the taxpaying entity	rate of income tax
Nanjing Putian Tianji Building Intelligence Co., Ltd.	15%
Nanjing Putian Datang Information Electronics Co., Ltd.	15%
Other tax entities other than those mentioned above	25%

2. Tax incentives and approval documents

1. Nanjing Putiantianji Building Intelligence Co., Ltd. obtained the High-Tech Enterprise Certificate in December 2024, valid for three years, and will pay corporate income tax at a reduced rate of 15% for the 2024–2026 fiscal year.

2. Nanjing Putian Datang Information Electronics Co., Ltd. obtained its High-Tech Enterprise Certificate in November 2024, valid for three years, and will pay corporate income tax at a reduced rate of 15% for the 2024–2026 fiscal year.

3. Nanjing Putian Datang Information Electronics Co., Ltd. has been recognized as a software enterprise. Certain software products from Nanjing Putian Tianji Building Intelligence Co., Ltd. and Nanjing Southern Telecommunications Co., Ltd. comply with the provisions of Document Cai Shui [2011] No.100 and are eligible for the value-added tax refund policy upon collection.

V. Notes to the Consolidated Financial Statements Items

Unless otherwise specified in the following notes (including notes to major items of the Company’s financial statements), “End of Period” refers to June 30, 2026; “End of Prior Year” refers to December 31, 2025; “Current Period” refers to the six months ended June 30, 2026; “Prior Period” refers to the six months ended June 30, 2025.

1. Cash and cash equivalents

project	ending balance	Year-end balance
bank deposit	7,107,722.64	7,271,675.43
other monetary funds	964,969.34	2,233,897.56
Funds deposited with the finance company	83,955,123.88	172,779,922.93
amount to	92,027,815.86	182,285,495.92

Note: Other Monetary Funds (Restricted Monetary Funds): Bank acceptance bill deposits RMB 551,072.55; performance bond deposits RMB 72,606.72; CPC special account funds RMB 341,290.07.

2.Notes Receivable

(1) Classification and presentation of notes receivable

project	ending balance	Year-end balance
trade acceptance draft	7,907,477.04	18,006,988.67
subtotal	7,907,477.04	18,006,988.67
Less: Bad debt provision	267,302.07	778,489.58
amount to	7,640,174.97	17,228,499.09

(2) Receivable notes that have been endorsed or discounted at the end of the period and have not yet matured as of the balance sheet date

project	Amount of termination recognition at the end of the period	Amount not terminated for recognition at the end of the period
Bank Acceptance Bill	24,102,023.35	
trade acceptance draft		3,201,794.81
amount to	24,102,023.35	3,201,794.81

(3) Classified presentation according to the bad debt provisioning method

class	ending balance				
	book balance		bad debt provision		book value
	amount of money	Percentage (%)	amount of money	Proportion (%)	
receivable notes for which bad debt provisions are made on a combined basis	7,907,477.04	100.00	267,302.07	3.38	7,640,174.97

class	ending balance				
	book balance		bad debt provision		book value
	amount of money	Percentage (%)	amount of money	Proportion (%)	
Among these: Commercial acceptance bills	7,907,477.04	100.00	267,302.07	3.38	7,640,174.97
amount to	7,907,477.04	100.00	267,302.07	3.38	7,640,174.97

① In the combination, accounts receivable notes are provided for bad debts based on the aging group.

project	ending balance		
	bill receivable	bad debt provision	Proportion (%)
Within 1 year	7,907,477.04	267,302.07	3.38%

(4) Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accruishment	Recover or Roll Back	Write-off or cancellation	
bad debt provision	778,489.58	-511,187.51			267,302.07

3. Accounts Receivable

(1) Disclosure by aging of accounts

Account Age	ending balance	Year-end balance
Within 1 year	337,814,272.87	261,135,229.49
1 to 2 years	59,463,445.97	40,471,815.19
2 to 3 years	19,771,746.63	18,712,438.45
3 to 4 years	9,090,463.69	8,798,550.02
4 to 5 years	5,340,927.49	7,292,353.56
More than 5 years	179,973,565.56	179,431,638.23
subtotal	611,454,422.21	515,842,024.94
Less: Bad debt provision	193,731,194.11	192,255,102.92
amount to	417,723,228.10	323,586,922.02

(2) Classified presentation according to the bad debt provisioning method

class	ending balance		
	book balance	bad debt provision	book value

	amount of money	Percentage (%)	amount of money	Proportion (%)	
accounts receivable for which bad debt provisions are made on a per-item basis	75,525,598.45	12.35	75,525,598.45	100.00	
Accounts receivable for which bad debt provisions are made on a combined basis	535,928,823.76	87.65	118,205,595.66	22.06	417,723,228.10
Among these: Age of Account Portfolio	535,928,823.76	87.65	118,205,595.66	22.06	417,723,228.10
amount to	611,454,422.21	100.00	193,731,194.11	31.68%	417,723,228.10

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class	Year-end balance				
	book balance		bad debt provision		book value
	amount of money	Percentage (%)	amount of money	Proportion (%)	
accounts receivable for which bad debt provisions are made on a per-item basis	76,050,649.46	14.74	76,050,649.46	100.00	
Accounts receivable for which bad debt provisions are made on a combined basis	439,791,375.48	85.26	116,204,453.46	26.42	323,586,922.02
Among these: Age of Account Portfolio	439,791,375.48	85.26	116,204,453.46	26.42	323,586,922.02
amount to	515,842,024.94	100.00	192,255,102.92	37.27%	323,586,922.02

① Accounts receivable for which a separate bad debt provision is made at the end of the period

Accounts Receivable (by Unit)	ending balance			
	book balance	bad debt provision	Proportion of Deduction	Calculation Basis
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	100.00	Not expected to be recovered
Xu Mou	17,591,683.74	17,591,683.74	100.00	Not expected to be recovered

Accounts Receivable (by Unit)	ending balance			
	book balance	bad debt provision	Proportion of Deduction	Calculation Basis
China Tower Co., Ltd.	13,819,926.92	13,819,926.92	100.00	Not expected to be recovered
Putian Information Technology Co., Ltd.	5,901,092.80	5,901,092.80	100.00	Not expected to be recovered
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	3,227,803.35	3,227,803.35	100.00	Not expected to be recovered
other	15,277,005.10	15,277,005.10	100.00	Not expected to be recovered
amount to	75,525,598.45	75,525,598.45	——	——

Continue the table above

Accounts Receivable (by Unit)	Beginning balance			
	book balance	bad debt provision	Proportion of Deduction	Calculation Basis
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	100.00	Not expected to be recovered
Xu Mou	17,591,683.74	17,591,683.74	100.00	Not expected to be recovered
China Tower Co., Ltd.	13,819,926.92	13,819,926.92	100.00	Not expected to be recovered
Putian Information Technology Co., Ltd.	5,983,345.58	5,983,345.58	100.00	Not expected to be recovered
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	3,527,803.35	3,527,803.35	100.00	Not expected to be recovered
other	15,419,803.33	15,419,803.33	100.00	Not expected to be recovered
amount to	76,050,649.46	76,050,649.46	——	——

② Accounts receivable for which bad debt provisions are calculated based on the aging group within the combination

project	ending balance

	book balance	bad debt provision	Proportion (%)
Within 1 year	337,814,272.87	3,378,142.72	1.00
1 to 2 years	59,463,445.97	2,973,172.30	5.00
2 to 3 years	19,771,746.63	1,977,174.66	10.00
3 to 4 years	9,070,233.69	2,721,070.11	30.00
4 to 5 years	5,306,177.49	2,653,088.75	50.00
More than 5 years	104,502,947.11	104,502,947.11	100.00
amount to	535,928,823.76	118,205,595.65	——

Continue the table above

project	Year-end balance		
	book balance	bad debt provision	Proportion (%)
Within 1 year	261,135,229.49	2,611,352.29	1.00
1 to 2 years	40,471,815.19	2,023,590.76	5.00
2 to 3 years	18,712,438.45	1,871,243.85	10.00
3 to 4 years	8,778,320.02	2,633,496.00	30.00
4 to 5 years	7,257,603.56	3,628,801.79	50.00
More than 5 years	103,435,968.77	103,435,968.77	100.00
amount to	439,791,375.48	116,204,453.46	——

(3) Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accruishment	Recover or Roll Back	Write-off or cancellation	
Accounts receivable for which bad debt provisions are made on a combined basis	116,204,453.46	2,001,142.20			118,205,595.66
accounts receivable for which bad debt provisions are made on a per-	76,050,649.46		525,051.01		75,525,598.45

class	Year-end balance	Amount of Change for This Period			ending balance
		Accruishment	Recover or Roll Back	Write-off or cancellation	
item basis					
amount to	192,255,102.92	2,001,142.20	525,051.01		193,731,194.11

Among these: The amount of bad debt provisions recovered or reversed in this period is significant.

name of organization	Amount to be recovered or reversed	Recovery Method
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	300,000.00	Recovered Amount
China Railway No.4 Bureau Group Electrification Engineering Co., Ltd.	142,798.23	Recovered Amount
Putian Information Technology Co., Ltd.	82,252.78	Recovered Amount
amount to	525,051.01	——

(5) Details of the top five accounts receivable by the debtor's end-of-period balances

Debtor's Name	End-of-period balance of accounts receivable	Proportion (%) of the total ending balance of accounts receivable	End-of-period balance of bad debt provisions
Dongpo Xi Laos Co., Ltd.	19,708,086.54	3.22	19,708,086.54
Xu Mou	17,591,683.74	2.88	17,591,683.74
The 14th Research Institute of China Electronics Technology Group Corporation	15,783,418.03	2.58	157,834.18
China Tower Corporation Limited	13,819,926.92	2.26	13,819,926.92
The 28th Research Institute of China Electronics Technology Group Corporation	12,510,830.50	2.05	358,837.06
amount to	79,413,945.73	12.99	51,636,368.44

4. Contract Assets

Project	Ending balance			Year-end balance		
	Carrying Amount	Allowance for Bad Debts	Carrying Value	Carrying Amount	Allowance for Bad Debts	Carrying Value
Contract Assets	0.00		0.00	0.00		0.00

5、Receivables Financing

project	ending balance	Year-end balance
Bank Acceptance Bill	9,122,528.57	27,655,375.14

6. Advance Payment

(1) Advance payments are presented by aging.

Account Age	ending balance		Year-end balance	
	amount of money	Percentage (%)	amount of money	Percentage (%)
Within 1 year	3,703,160.46	75.97	2,295,980.21	66.45
1 to 2 years	29,300.24	0.60	414,362.15	11.99
2 to 3 years	217,585.90	4.46	101,166.16	2.93
More than 3 years	924,730.31	18.97	643,644.50	18.63
amount to	4,874,776.91	100.00	3,455,153.02	100.00

(2) Prepayment details for the top five accounts by end-of-period balance, categorized by prepayment recipient

name of organization	ending balance	Proportion (%) of the total ending balance of prepaid accounts
Yangzhou Titans Information Technology Co., Ltd.	1,470,168.00	30.16
Shenzhen Haiwei Hengtai Intelligent Technology Co., Ltd.	576,563.31	11.83
Beijing Anshi Dingyi Technology Co., Ltd.	302,500.00	6.21
Guangdong Yunchao Automation Technology Co., Ltd.	200,000.00	4.10
Nanjing Julihua Machine Tool Equipment Co., Ltd.	181,200.00	3.72
amount to	2,730,431.31	56.02

7. Other Receivables

project	ending balance	Year-end balance
accounts receivable-other	5,367,579.19	5,239,886.21

(1) Other Receivables

① Disclosure by aging of accounts

Account Age	ending balance	Year-end balance
Within 1 year	4,446,296.05	3,789,466.81

Account Age	ending balance	Year-end balance
1 to 2 years	801,210.92	1,296,226.51
2 to 3 years	606,410.61	451,282.77
3 to 4 years	2,314,596.37	2,398,096.46
4 to 5 years	3,331,916.69	3,465,507.76
More than 5 years	39,575,594.71	40,150,177.39
subtotal	51,076,025.35	51,550,757.70
Less: Bad debt provision	45,708,446.16	46,310,871.49
amount to	5,367,579.19	5,239,886.21

② Classification by nature of funds

Nature of the Fund	End-of-period book balance	Book balance at the end of the previous year
Accounts Receivable and Payables	43,931,223.16	42,706,873.96
Deposit Guarantee Fund	5,670,077.58	7,619,798.27
Business travel petty cash fund	248,699.14	42,135.51
other	1,226,025.47	1,181,949.96
subtotal	51,076,025.35	51,550,757.70
Less: Bad debt provision	45,708,446.16	46,310,871.49
amount to	5,367,579.19	5,239,886.21

③ Provision for bad debts

bad debt provision	Stage I	Stage II	Stage III	amount to
	Expected credit losses over the next 12 months	Expected credit losses throughout the entire duration (where no credit impairment has occurred)	Expected credit losses throughout the entire duration (incorporating already occurred credit impairment)	
Balance at the end of the prior year		15,332,776.59	30,978,094.90	46,310,871.49
Provisions recognised in the current period		-602,425.33		-602,425.33
ending balance		14,730,351.26	30,978,094.90	45,708,446.16

④ Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accruishment	Recover or	Write-off or	

			Roll Back	cancellation	
Stage 1	15,332,776.59	-15,332,776.59			
Stage 2	30,978,094.90	-16,247,743.64			14,730,351.26
Stage 3		30,978,094.90			30,978,094.90
amount to	46,310,871.49	-602,425.33			45,708,446.16

⑤ Details of the top five other receivables by the debtor's accumulated ending balances

name of organization	Nature of the Fund	ending balance	Account Age	Proportion (%) of the total ending balance of other receivables	bad debt provision ending balance
Beijing Likang General Communication Equipment Co., Ltd.	Accounts Receivable and Payables	28,912,122.71	More than 5 years	56.61	28,912,122.71
Nanjing Putian Technology Co., Ltd.	Accounts Receivable and Payables	1,784,619.72	2–3 years: 21,306.39; 4–5 years: 504,197.50; Over 5 years: 1,259,115.83	3.49	1,784,619.72
Nanjing Putian Communication Industrial Co., Ltd.	Accounts Receivable and Payables	805,545.63	More than 5 years	1.58	805,545.63
Nanjing Municipal Office for the Management of Wage Guarantee Funds for Migrant Workers in Construction Enterprises	Deposit Guarantee Fund	400,000.00	More than 5 years	0.78	400,000.00
China United Network Communications Co.,	Deposit Guarantee Fund	390,000.00	More than 5 years	0.76	390,000.00

name of organization	Nature of the Fund	ending balance	Account Age	Proportion (%) of the total ending balance of other receivables	bad debt provision ending balance
Ltd. Beijing Branch					
amount to	——	32,292,288.06	——	63.22	32,292,288.06

8. Inventory

(1) Inventory Classification

project	ending balance		
	book balance	Impairment provision for inventory value decline/Impairment provision for contract performance costs	book value
Raw Materials	15,891,332.93	8,061,162.82	7,830,170.11
Work in Progress	4,364,782.59	2,881,380.17	1,483,402.42
Finished Goods	92,874,532.89	46,662,808.49	46,211,724.40
Shipped-out Goods	74,504,012.25	48,726,012.18	25,778,000.07
Materials on Consignment for Processing	3,655,394.54	804,691.99	2,850,702.55
amount to	191,290,055.20	107,136,055.65	84,153,999.55

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project	Year-end balance		
	book balance	Impairment provision for inventory value decline/Impairment provision for contract performance costs	book value
Raw Materials	14,141,796.23	8,238,010.07	5,903,786.16
Work in Progress	3,654,045.14	2,881,380.17	772,664.97
Finished Goods	68,332,138.56	47,303,888.65	21,028,249.91

project	Year-end balance		
	book balance	Impairment provision for inventory value decline/Impairment provision for contract performance costs	book value
Shipped-out Goods	80,194,291.90	49,355,227.23	30,839,064.67
Materials on Consignment for Processing	4,198,338.62	804,691.99	3,393,646.63
amount to	170,520,610.45	108,583,198.11	61,937,412.34

(2) Inventory impairment provision/Contract performance cost impairment provision

project	Year-end balance	Increase amount for this period		reduction amount for this period		ending balance
		Accruishment	other	Revert or write off	other	
Raw Materials	8,238,010.07	-16,990.24		159,857.01		8,061,162.82
Work in Progress	2,881,380.17					2,881,380.17
Finished Goods	47,303,888.65	-617,502.32		23,577.84		46,662,808.49
Shipped-out Goods	49,355,227.23			629,215.05		48,726,012.18
Materials on Consignment for Processing	804,691.99					804,691.99
amount to	108,583,198.11	-634,492.56		812,649.90		107,136,055.65

9. Other current assets

project	ending balance	Year-end balance
Deductible Input VAT Pending Deduction	1,881,612.32	2,034,749.70
Prepaid Income Tax	437,742.60	162,034.21
amount to	2,319,354.92	2,196,783.91

10. Investments in Other Equity Instruments

(1) Investment in other equity instruments

project	ending balance	Year-end balance
Hangzhou Hongyan Electric Appliance Co.,	321,038.00	321,038.00

project	ending balance	Year-end balance
Ltd.		
Nanjing Yuhua Electroplating Factory	420,915.00	420,915.00
Beijing Likang General Communication Equipment Co., Ltd.		
amount to	741,953.00	741,953.00

The company's equity investments in Nanjing Yuhua Electroplating Factory, Hangzhou Hongyan Electric Appliance Co., Ltd., and Beijing Likang General Information Equipment Co., Ltd. constitute non-trading equity instrument investments. Consequently, the company classifies these investments as equity instruments measured at fair value with changes recognized in other comprehensive income.

11. Investment property

(1) Investment property measured at cost

project	Houses and buildings
I. Original Book Value	
Year-end balance	20,011,121.96
Increase amount for this period	18,550,059.80
(1)Transfer from Inventories, Fixed Assets and Construction in Progress	18,550,059.80
reduction amount for this period	
ending balance	38,561,181.76
II. Cumulative Depreciation and Cumulative Amortization	
Year-end balance	15,033,851.24
Increase amount for this period	9,207,121.53
Of which: provision for or amortization	262,034.80
Transfer from Inventories, Fixed Assets and Construction in Progress	8,945,086.73
reduction amount for this period	
ending balance	24,240,972.77
III. Impairment Provision	
IV. Book Value	
End-of-period book value	14,320,208.99
Book value at the end of the previous year	4,977,270.72

12. Fixed Assets

project	ending balance	Year-end balance
fixed assets	71,401,501.53	84,173,058.11

(1) Fixed Assets

① Fixed Assets Status

project	Houses and Buildings	machinery equipment	Electronic Equipment	conveyer	Other devices	amount to
Original book value						
Year-end balance	103,185,699.27	48,626,411.26	18,453,438.80	3,091,621.11	16,250,653.27	189,607,823.71
Increase amount for this period		5,681.41	22,831.85		5,663.72	34,176.98
Including: Purchase		5,681.41	22,831.85		5,663.72	34,176.98
other						
reduction amount for this period	18,550,059.80	938,007.97		1,236,347.00		20,724,414.77
Of which: disposal or scrapping		938,007.97		1,236,347.00		2,174,354.97
other	18,550,059.80					18,550,059.80
ending balance	84,635,639.47	47,694,084.70	18,476,270.65	1,855,274.11	16,256,316.99	168,917,585.92
accumulated depreciation						
Year-end balance	42,727,851.66	28,209,337.55	15,398,364.28	2,957,890.33	15,415,359.22	104,708,803.04
Increase amount for this period	1,834,275.03	736,889.22	501,178.54	25,317.09	37,869.96	3,135,529.84
Of which: provision made	1,834,275.03	736,889.22	501,178.54	25,317.09	37,869.96	3,135,529.84
other						
reduction amount for this period	8,945,086.73	909,867.73		1,199,256.59		11,054,211.05
Of which: disposal or scrapping		909,867.73		1,199,256.59		2,109,124.32
other	8,945,086.73					8,945,086.73
ending balance	35,617,039.96	28,036,359.04	15,899,542.82	1,783,950.83	15,453,229.18	96,790,121.83
Impairment Provision						
Year-end balance	539,124.00	11,550.65			175,287.91	725,962.56
Increase amount						

project	Houses and Buildings	machinery equipment	Electronic Equipment	conveyer	Other devices	amount to
for this period						
reduction amount for this period						
ending balance	539,124.00	11,550.65			175,287.91	725,962.56
book value						
End-of-period book value	48,479,475.51	19,646,175.01	2,576,727.83	71,323.28	627,799.90	71,401,501.53
Book value at the end of the previous year	59,918,723.61	20,405,523.06	3,055,074.52	133,730.78	660,006.14	84,173,058.11

② Status of temporarily idle fixed assets

project	Original book value	accumulated depreciation	Impairment Provision	book value	remarks
machinery equipment	212,485.00	196,288.30	11,169.15	5,027.55	
Electronic Equipment	36,000.00	34,920.00		1,080.00	
other	342,985.18	157,407.73	175,287.91	10,289.54	
amount to	591,470.18	388,616.03	186,457.06	16,397.09	

③ Fixed assets leased out through operating leases

project	RCarrying value at year- end
Houses and Buildings	13, 271, 988. 07

④Status of fixed assets for which the property ownership certificate has not been obtained

project	book value	Reasons for the failure to obtain the property ownership certificate
Houses and Buildings	1,407,111.14	Still being processed

13. Right-to-Use Assets

project	machinery equipment	amount to
Original book value		
Year-end balance	2,686,684.00	2,686,684.00
This year's increase amount	4,780,208.88	4,780,208.88
New Leases	4,780,208.88	4,780,208.88

project	machinery equipment	amount to
This year's reduction amount		
year end balance	7,466,892.88	7,466,892.88
accumulated depreciation		
Year-end balance	499,499.28	499,499.28
This year's increase amount	395,871.32	395,871.32
Of which: provision made	395,871.32	395,871.32
This year's reduction amount		
year end balance	895,370.60	895,370.60
book value		
Year-end book value	6,571,522.28	6,571,522.28
Book value at the end of the previous year	2,187,184.72	2,187,184.72

14. Intangible Assets

(1) Information on Intangible Assets

project	land use right	software	amount to
Original book value			
Year-end balance	14,116,846.37	10,452,159.22	24,569,005.59
Increase amount for this period			
reduction amount for this period			
ending balance	14,116,846.37	10,452,159.22	24,569,005.59
accumulated amortization			
Year-end balance	3,983,307.66	9,381,727.35	13,365,035.01
Increase amount for this period	167,437.68	66,739.38	234,177.06
Of which: provision made	167,437.68	66,739.38	234,177.06
reduction amount for this period			
ending balance	4,150,745.34	9,448,466.73	13,599,212.07

project	land use right	software	amount to
End-of-period book value	9,966,101.03	1,003,692.49	10,969,793.52
Book value at the end of the previous year	10,133,538.71	1,070,431.87	11,203,970.58

15. Long-term prepaid expenses

project	Year-end balance	Increase amount for this period	Amortization amount for this period	Other reduction amount	ending balance
Renovation Expenditures	3,054,632.19		378,958.84		2,675,673.35

16. Deferred income tax assets/deferred income tax liabilities

(1) Details of unconfirmed deferred tax assets

project	ending balance	Year-end balance
Deductible temporary differences	346,842,997.98	349,948,134.66
Deductible loss	187,758,717.98	178,094,465.64
amount to	534,601,715.96	528,042,600.30

(2) The deductible losses of unconfirmed deferred tax assets shall mature in the following years.

a particular year	ending balance	Year-end balance	remarks
2026	58,332,948.84	58,332,948.84	
2027	46,663,704.85	46,663,704.85	
2028	34,598,495.25	34,598,495.25	
2029	1,622,476.49	1,622,476.49	
2030	20,701,608.36	20,701,608.36	
2031	18,964,342.22	9,571,047.64	
2032	3,128,208.76	3,128,208.76	
2033	1,792,957.22	1,792,957.22	
2034	1,683,018.23	1,683,018.23	
2036	270,957.76		
amount to	187,758,717.98	178,094,465.64	

17. Assets with restricted ownership or usage rights

project	End-of-period book value	Limitation Reason
monetary resources	964,969.34	Bank acceptance bill margin,

project	End-of-period book value	Limitation Reason
		performance bond and special account funds of the Party Committee
fixed assets	49,825,840.00	mortgage
immaterial assets	4,822,918.56	mortgage
amount to	55,613,727.90	

Note: For details on the mortgage status of fixed assets and intangible assets, refer to Note 17; for short-term loans, see the relevant section.

18. Short-term loan

(1) Classification of Short-Term Loans

project	ending balance	Year-end balance
mortgage loan	71, 177, 129. 45	93,874,324.80
Credit Loan	83, 845, 930. 55	108,861,610.37
bill receivable		1,189,786.81
amount to	155, 023, 060. 00	203,925,721.98

Note: The Company pledged the capital contribution corresponding to its 56.28% equity interest in Nanjing Southern Telecom Co., Ltd. (amounting to RMB 28.5340 million) to its parent company, CETC Guorui Group Co., Ltd., to obtain borrowings of RMB 66.80 million.

19. Payable Notes

kind	ending balance	Year-end balance
trade acceptance draft	150,000.00	446,679.01
Bank Acceptance Bill	5,437,062.08	6,328,555.16
amount to	5,587,062.08	6,775,234.17

20. Accounts Payable

(1) Presentation of Accounts Payable

project	ending balance	Year-end balance
Within 1 year (inclusive)	167,989,385.20	206,129,313.63
More than 1 year	180,205,557.08	67,252,993.23
amount to	348,194,942.28	273,382,306.86

(2) Significant accounts payable with an aging period exceeding 1 year

project	ending balance	Reasons for the outstanding or untransferred amounts
China Putian Information Industry Co.,	14,918,045.42	Not yet at the payment node

Ltd.		

21. Advance Payments

(1) Presentation of advance receipts

project	ending balance	Year-end balance
Within 1 year (inclusive)		295,001.06

22. Contract Liabilities

(1) Contractual Liabilities

project	ending balance	Year-end balance
Advanced Payment	8,667,197.51	9,264,082.89
Less: Deferred sales tax to be written off (Note 5, 26)	838,185.19	837,769.44
amount to	7,829,012.32	8,426,313.45

23. Employee Compensation Payable

(1) Presentation of Employee Compensation Payables

project	Year-end balance	Add to this issue	Reduce in this period	ending balance
Short-term compensation	12,622,282.49	48,545,936.89	49,053,171.70	12,115,047.68
Post-employment Benefits – Establish a Savings Plan		4,397,931.42	4,397,931.42	
Resignation benefits		917,477.00	917,477.00	
amount to	12,622,282.49	53,861,345.31	54,368,580.12	12,115,047.68

(2) Presentation of Short-Term Compensation

project	Year-end balance	Add to this issue	Reduce in this period	ending balance
Salaries, bonuses, allowances, and subsidies	0.12	38,334,457.72	38,334,457.72	0.12
employee services and benefits		644,759.26	644,759.26	
Social Insurance Contributions		3,323,105.36	3,323,105.36	
Of which: Medical insurance premium		2,878,923.19	2,878,923.19	
Work-related injury insurance premium		235,296.38	235,296.38	
Maternity insurance premium		208,885.79	208,885.79	
housing fund	3,216,865.05	3,617,586.84	3,617,586.84	3,216,865.05

project	Year-end balance	Add to this issue	Reduce in this period	ending balance
Trade union funds and employee education funds	9,390,420.79	247,574.56	754,809.37	8,883,185.98
Other short-term compensation	14,996.53	2,378,453.15	2,378,453.15	14,996.53
amount to	12,622,282.49	48,545,936.89	49,053,171.70	12,115,047.68

(3) Establishment of a Deposit Plan and Its Presentation

project	Year-end balance	Add to this issue	Reduce in this period	ending balance
basic retirement security		4,214,254.81	4,214,254.81	
unemployment insurance expense		183,676.61	183,676.61	
Corporate Annuity Contribution				
amount to		4,397,931.42	4,397,931.42	

24. Taxes and fees payable

project	ending balance	Year-end balance
added-value tax	614,339.29	4,364,752.36
business income taxes		449,719.44
building taxes	126,462.21	313,001.13
Land Use Tax	40,752.81	81,827.95
income tax for individuals	63,785.46	123,313.16
urban maintenance & construction tax	44,878.10	386,451.15
extra charges of education funds	31,370.58	182,799.53
Local Education Surcharge	685.20	93,237.01
Other taxes and fees	1,500.00	47,096.07
amount to	923,773.65	6,042,197.80

25. Other Payables

project	ending balance	Year-end balance
dividends payable	698,000.00	11,044,600.00
accounts payable-others	36,848,026.02	37,987,466.18
amount to	37,546,026.02	49,032,066.18

(1) Dividends payable

project	ending balance	Year-end balance
common stock dividends	698,000.00	11,044,600.00

(2) Other Payables

① Listed by nature of the payment

project	ending balance	Year-end balance
accounts receivable payable	25,057,618.71	25,867,467.58
Unpaid installation costs	84,126.44	12,937.00
Deposit Guarantee Fund	3,304,661.61	3,990,787.59
Operating expenses	6,698,129.59	6,833,831.60
other	1,703,489.67	1,282,442.41
amount to	36,848,026.02	37,987,466.18

② Other significant payables with an aging period exceeding 1 year

project	ending balance	Reasons for the outstanding or untransferred amounts
China Putian Information Industry Group Co., Ltd.	9,591,612.50	The settlement conditions have not been met.

26. Non-current liabilities maturing within one year

project	ending balance	Year-end balance
Long-term loans maturing within 1 year (Note 5, 27)		70,060,958.33
Lease liabilities maturing within 1 year (Note 5, 28)	738,776.12	838,955.39
amount to	738,776.12	70,899,913.72

27. Other current liabilities

project	ending balance	Year-end balance
Tax payable for write-off	838,185.18	837,769.44
Revert at the end of the period the endorsed and transferred commercial acceptance bills and drafts that have not yet matured.	3,201,794.81	9,985,556.41
accrued expenses		97,087.38
amount to	4,039,979.99	10,920,413.23

28. Long-term loan

project	ending balance	Year-end balance	Interest rate range (%)
Pledge Loan	70,054,444.44	70,000,000.00	2. 80
guaranteed loan			
Less: Long-term borrowings due within one year (Note 5, 27)		70,000,000.00	
amount to	70,054,444.44		

Note: The Company obtained borrowings of RMB 70.00 million by mortgaging the real estate located at No.8 Fenghui Avenue, Yuhuatai District, Nanjing City and the land use right within its occupied scope, and pledging its capital contribution corresponding to the 40.7% equity interest in Nanjing Southern Telecom Co., Ltd. (RMB 20.6349 million) and the capital contribution corresponding to the 19.21% equity interest in Nanjing Putian Tianji Building Intelligence Co., Ltd. (RMB 3.8420 million) to Industrial and Commercial Bank of China Co., Ltd. Nanjing Junguan Sub-branch.

29. Leasing Liabilities

project	Year-end balance	Increased this year			Reduced this year	year end balance
		New Lease	This year's interest	other		
machinery equipment	838,955.39		15,824.04		852,095.43	2,684.00
Houses and Buildings		4,780,208.88	39,906.32		399,545.15	4,420,570.05
Less: Lease liabilities due within one year (Note 5, 25)	838,955.39	——	——		——	738,776.12
amount to		——	——		——	3,684,477.93

30. Paid-in Capital

Investor Name	Year-end balance	Add to this issue	Reduce in this period	ending balance
Total Number of Shares	215,000,000.00			215,000,000.00

31. Capital Reserve

project	Year-end balance	Add to this issue	Reduce in this period	ending balance
capital stock premium	137,786,640.63			137,786,640.63
Other Capital Reserve	63,531,487.98			63,531,487.98
amount to	201,318,128.61			201,318,128.61

32. Inventory shares

project	Beginning balance	Increase amount for this period	reduction amount for this period	ending balance
Share Repurchase	2,995,076.96			2,995,076.96

33. Other Comprehensive Income

project	End of last year balance	Amount of Transactions in This Period					end of term balance
		current period Amount incurred before income tax	reduction: originally recognized in other comprehensive income, transferred to profit or loss (or retained earnings) in the current period	Less: Income Tax Expense	After-tax amount attributable to the parent company	After-tax amount attributable to minority shareholders	
Other comprehensive income reclassified into profit or	-1,854,910.00						-1,854,910.00

project	End of last year balance	Amount of Transactions in This Period					end of term balance
		current period Amount incurred before income tax	reduction: originally recognized in other comprehensive income, transferred to profit or loss (or retained earnings) in the current period	Less: Income Tax Expense	After-tax amount attributable to the parent company	After-tax amount attributable to minority shareholders	
loss							
Of which: the amount of financial asset reclassification recognized in other comprehensive income	-1,854,910.00						-1,854,910.00

34. Surplus Reserve

project	Year-end balance	Add to this issue	Reduce in this period	ending balance
Legal surplus reserve	589,559.77			589,559.77

35. Undistributed Profits

project	current period	prior period
Undistributed profits at the end of the previous year before adjustment	-403,806,789.70	-394,344,427.37
Adjusted undistributed profit at the end of the previous year	-403,806,789.70	-394,344,427.37
Total: Net profit attributable to the parent company's shareholders for this period	-6,556,110.34	-7,153,201.29
Subtract: Withdrawal of statutory surplus reserve		
Extract the discretionary surplus reserve		
Extract general risk provision		
Dividend payable for common stock		
Dividends in the form of ordinary shares converted into equity capital		
End-of-period undistributed profits	-410,362,900.04	-401,497,628.66

36. Operating revenue and operating costs

(1) Operating Revenue and Operating Costs

project	Amount for this period		Previous period amount	
	income	prime cost	income	prime cost
main business	292,133,774.49	244,293,267.42	300,596,752.68	241,006,017.00

project	Amount for this period		Previous period amount	
	income	prime cost	income	prime cost
Other Businesses	6,939,266.29	2,227,739.17	5,717,365.97	1,774,817.63
amount to	299,073,040.78	246,521,006.59	306,314,118.65	242,780,834.63

(2) Income and Cost Breakdown Information

Timing of Revenue Recognition	main business	Other Businesses
Recognized at a Point in Time	292,133,774.49	6,939,266.29

(3) Explanation of allocation to the remaining performance obligations

The amount of revenue corresponding to performance obligations under contracts entered into but not yet performed or not fully performed at the end of the reporting period is RMB 124.3943 million, of which RMB 89.1398 million is expected to be recognized as revenue in 2026 and RMB 35.2545 million is expected to be recognized as revenue in 2027.

37. Taxes and Surcharges

project	Amount for this period	Previous period amount
building taxes	395,739.87	323,840.89
urban maintenance & construction tax	125,301.36	377,146.95
extra charges of education funds	86,263.68	243,311.66
Local Education Surcharge	3,237.28	26,082.61
Land Use Tax	122,580.76	123,704.75
stamp duty	120,729.55	121,565.11
other	173,850.12	165,127.51
amount to	1,027,702.62	1,380,779.48

Note: The calculation standards for various taxes and surcharges are detailed in Note 4, "Taxes."

38. Selling Expenses

project	Amount for this period	Previous period amount
employee compensation	17,902,849.28	19,815,398.16
Business entertainment expenses	1,218,380.88	2,457,168.65
travel expense	956,985.87	1,416,503.31
administrative expenses	238,758.32	391,873.51
Sales Service Fee	108,090.38	13,446.17
Business Promotion Expenses	205,912.62	127,443.12
Meeting fee	117,820.96	317,045.28
Device Maintenance Fee	3,384.06	64,624.33
other	2,571,566.57	2,343,829.59

project	Amount for this period	Previous period amount
amount to	23,323,748.94	26,947,332.12

39. Administrative Expenses

project	Amount for this period	Previous period amount
employee compensation	11,666,608.12	15,096,826.52
Depreciation and Amortization	1,959,868.71	2,266,412.64
Consultation and intermediary fees	596,726.62	1,314,105.11
administrative expenses	778,402.42	529,574.61
Leasing and property fees	34,285.71	2,443.00
Business entertainment expenses	25,393.30	57,576.79
travel expense	137,258.97	118,923.37
other	1,302,572.79	764,651.93
amount to	16,501,116.64	20,150,513.97

40. R&D expenses

project	Amount for this period	Previous period amount
employee compensation	11,243,996.49	11,992,151.17
Interim trial fee	627,507.93	621,605.96
travel expense	282,151.50	468,715.85
Material Request	238,860.72	331,382.56
Depreciation and Amortization	430,453.86	440,846.79
other	349,084.98	744,649.87
amount to	13,172,055.48	14,599,352.20

41. Financial Expenses

project	Amount for this period	Previous period amount
interest expense	3,564,677.07	4,242,807.68
Subtraction: Interest Income	379,063.55	278,138.20
exchange loss	6,180.84	1,161.88
Service charge expenditure	44,329.17	65,107.78
other	260,750.00	
amount to	3,496,873.53	4,030,939.14

42. Other Income

project	Amount for this period	Previous period amount	The amount included in the non-recurring gains and losses for the current period
Government subsidies related to the daily operations of enterprises	271,137.54	709,967.12	271,137.54
Advanced Manufacturing VAT Additional Deduction	561,885.60	642,714.50	
Refund of Handling Fees for Withheld Individual Income Tax	26,702.51	12,226.17	
amount to	859,725.65	1,364,907.79	271,137.54

The details of government subsidies are as follows:

Grant Item	Amount for this period	Previous period amount	Asset-related / Income-related
Software VAT Refund	149,012.46	360,806.90	Income-related
Grant from Jiangning District Finance Bureau, Nanjing	100,000.00	312,500.00	Income-related
Employment Expansion Subsidy	22,125.08	1,500.00	Income-related
Pending Cleared Budget Revenue		35,160.22	Income-related

43. Investment Return

project	Amount for this period	Previous period amount
Gains from long-term equity investments accounted for using the equity method		-111.44
Gain on Disposal of Long-term Equity Investments	13,074.70	
other	672,229.56	142,610.75
amount to	685,304.26	142,499.31

44. Credit impairment loss

project	Amount for this period	Previous period amount
Bad debt loss on notes receivable	511,187.51	-17,298.59
Loss on bad debts of accounts receivable	-1,476,091.19	-646,064.33
Other receivables bad debt losses	602,425.33	-117,901.16
amount to	-362,478.35	-781,264.08

45. Income from asset disposal

project	Amount for this period	Previous period amount	The amount included in the non-recurring gains and losses for the current period
Gain or Loss on Disposal of Fixed Assets	8,627.76	-16,680.80	8,627.76

46. Non-operating income

project	Amount for this period	Previous period amount	The amount included in the non-recurring gains and losses for the current period
Unpayable Payables	520,152.04		520,152.04
Advance Received from Customer with Cancellation of Business License	76,588.00		76,588.00
Penalty Income		51,782.00	
Others	12,641.69	184,177.49	12,641.69
amount to	609,381.73	235,959.49	609,381.73

47. Non-operating expenses

project	Amount for this period	Previous period amount	The amount included in the non-recurring gains and losses for the current period
Late Payment Surcharges	47.05	17.26	47.05
Penalty Expenses		5,455.58	
other		195,425.86	
amount to	47.05	200,898.70	47.05

48. Income Tax Expense

(1) Income Tax expense statement

project	Amount for this period	Previous period amount
Current income tax expense	238,746.35	542,956.90
Deferred income tax expense		
other	20,942.43	381,254.77
amount to	259,688.78	924,211.67

(2) The adjustment process between accounting profit and income tax expense

project	Amount for this period
total profit	-3,168,949.02
Income tax expense calculated based on the statutory/applicable tax rate	-792,237.25
The impact of applying different tax rates to subsidiaries	-635,887.28

project	Amount for this period
Adjustment for the impact of income tax from prior periods	
The impact of non-taxable income	
The impact of non-deductible costs, expenses, and losses	146,474.65
Assess the impact of unconfirmed deferred tax assets on deductible losses in the initial period	
This year, no impact of deductible temporary differences or deductible losses related to deferred tax assets was recognized.	2,340,376.53
The impact of the additional deduction for research and development expenses	-819,980.30
Other Effects	20,942.43
Income Tax Fee	259,688.78

49. Items in the Cash Flow Statement

(1) Receipt of other cash related to operating activities

project	Amount for this period	Previous period amount
public subsidy	142,517.74	326,959.74
interest revenue	149,831.31	278,138.20
Receiving and Paying Accounts	12,903,240.51	14,507,944.75
amount to	13,195,589.56	15,113,042.69

(2) Payment of other cash related to operating activities

project	Amount for this period	Previous period amount
out-of-pocket expenses	12,173,929.52	20,932,890.53
Receiving and Paying Accounts	12,089,294.35	14,060,296.04
amount to	24,263,223.87	34,993,186.57

(3) Payment of other cash related to financing activities

project	Amount for this period	Previous period amount
Payment of Lease Rentals	1,287,599.65	568,965.48
Payment of Guarantee Fees	260,750.00	
amount to	1,548,349.65	568,965.48

(5) Changes in various liabilities arising from financing activities

project	Beginning balance	Add to this issue		Reduce in this period		ending balance
		Cash Change	Non-cash changes	Cash Change	Non-cash changes	
money borrowed for short time	203,925,721.98	39,100,000.00	2,469,010.62	89,281,885.79	1,189,786.81	155,023,060.00

money borrowed for long term		70,000,000.00	522,666.66	468,222.22		70,054,444.44
Leasing liabilities	838,955.39		4,835,939.24	1,251,640.58	738,776.12	3,684,477.93
Non-current liabilities maturing within one year	70,060,958.33		1,209,817.79	70,532,000.00		738,776.12
amount to	274,825,635.70	109,100,000.00	9,037,434.31	161,533,748.59	1,928,562.93	229,500,758.49

50. Supplementary Information to the Cash Flow Statement

(1) Supplementary Information to the Cash Flow Statement

Supplementary Information	Amount for this period	Previous period amount
1. Adjust net profit to operating cash flow:		
net margin	-3,428,637.80	-3,755,321.55
Add: Asset impairment provision		
Credit impairment loss	362,478.35	
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets,	3,135,529.84	3,174,853.64
depreciation of right-of-use assets	395,871.32	130,304.16
amortization of intangible assets	234,177.06	177,923.87
Amortization of long-term prepaid expenses	378,958.84	410,661.77
Losses (or gains) from disposal of fixed assets, intangible assets, and other long-term assets (marked with a "-" sign)	-8,627.76	16,680.80
Fixed asset disposal loss (profit entered with a "-" sign)		
Loss on change in fair value (profit/loss indicated with a "-" sign)		
Financial expenses (report revenue with a "-" sign)	3,564,647.79	4,242,807.72
Investment loss (profit is indicated with a "-")	-685,304.26	-142,499.31
Decrease in deferred tax assets (enter with a "-")		
Increase in deferred tax liability (reduce by entering a negative sign)		
reduction in inventory (increase indicated with a "-")	-20,769,444.75	6,225,211.19
Decrease in operating receivables (enter with a "-" sign for an increase)	-67,924,930.61	-72,868,785.57

Supplementary Information	Amount for this period	Previous period amount
Increase in operating payable items (减少 items are indicated with a "-").	59,012,912.25	-72,594,733.76
other		2,717,311.50
Net cash flow from operating activities	-25,732,369.73	-132,265,585.54
2. Major investment and financing activities not involving cash receipts or payments:		
Debt converted into capital		
convertible corporate bonds maturing within one year		
fixed assets under financing lease		
3. Net change in cash and cash equivalents:		
End-of-period cash balance	91,062,846.52	105,861,149.82
Less: The balance of cash at the end of the previous year	180,051,598.36	288,328,064.43
Add: The ending balance of cash equivalents		
Less: The balance of cash equivalents at the end of the previous year		
Net increase in cash and cash equivalents	-88,988,751.84	-182,466,914.61

(2) Composition of cash and cash equivalents

project	ending balance	Year-end balance
Cash	91, 062, 846. 52	180, 051, 598. 36
Among these: Bank deposits available for payment at any time.	91, 062, 846. 52	105, 861, 149. 82

51. Foreign currency monetary items

(1) Foreign currency monetary items

project	End-of-period foreign currency balance	Conversion Exchange Rate	End-of-period converted RMB balance
monetary resources			
Of which: US dollar	187,334.45	6.8109	1,275,916.21
HongKong dollar	9.57	0.8686	8.31

52. Lease

(1) The Company, as the lessee

① For information on Right-of-use Assets and Lease Liabilities, see Notes V.12 and V.28.

② Included in the current year's profit and loss

project	Included in the current year's profit and loss	
	Reporting Item	amount of money
Interest on lease liabilities	cost of financing	55,730.36

③ Cash flow outflows related to leasing

project	Cash Flow Category	This year's amount
Cash paid to repay the principal and interest of lease liabilities	Cash outflow from financing activities	1,112,845.43

(2) The Company acts as the lessor

① Information related to operating leases

A. Items included in the current year's profit and loss

project	Included in the current year's profit and loss	
	Reporting Item	amount of money
Lease Income	operating receipt	3,858,935.59

VI. R&D Expenses

1. Cost-based R&D expenditures

project	Amount for this period	Previous period amount
employee compensation	11,243,996.49	11,992,151.17
travel expense	282,151.50	468,715.85
Depreciation and Amortization	430,453.86	440,846.79
Material Request	238,860.72	331,382.56
Interim trial fee	627,507.93	621,605.96
other	349,084.98	744,649.87
amount to	13,172,055.48	14,599,352.20

VII. Interests in Other Entities

1. Composition of an Enterprise Group

Subsidiary Name	Registered Capital	Primary place of	Registered	Nature of Business	shareholding ratio (%)	Method of Acquisition

					direct	indirect	
Nanjing Southern Telecommunications Co., Ltd.	5,070.00	Nanjing City	Nanjing City	manufacturing industry	96.99%	3.01%	establish
Nanjing Putian Tianji Building Intelligence Co., Ltd.	2,000.00	Nanjing City	Nanjing City	manufacturing industry	45.77%		establish
Nanjing Putian Datang Information Electronics Co., Ltd.	1,000.00	Nanjing City	Nanjing City	manufacturing industry	40.00%		Business combination under different controls

2. Reasons for including entities with shareholding ratios not exceeding half in the consolidation scope

(1) The Company holds a 45.767% voting interest in Nanjing Putian Tianji Building Intelligence Co., Ltd., with other voting shareholders being relatively dispersed. The Company represents more than half of the board members of Nanjing Putian Tianji Building Intelligence Co., Ltd., thereby exercising control over the company. This enables the Company to participate in the company's activities, enjoy variable returns, leverage its control over the company's returns, and ultimately exercise full control over Nanjing Putian Tianji Building Intelligence Co., Ltd.

(2) The Company holds a 40% equity stake in Nanjing Putian Datang Information Electronics Co., Ltd. The number of Company members serving on its Board of Directors exceeds half of the total board members, granting the Company authority over the company. The Company is entitled to variable returns by participating in its relevant activities and can leverage this authority to influence its return amounts, thereby exercising control over Nanjing Putian Datang Information Electronics Co., Ltd.

3. Equity held by minority shareholders of the subsidiary

(1) A significant non-wholly owned subsidiary

Subsidiary Name	Shareholding percentage of minority shareholders (%)	Profit or loss attributable to minority shareholders for the period	Dividend distributed to minority shareholders in this period	End-of-period balance of minority interest
Nanjing Putian Tianji Building Intelligence Co., Ltd.	54.23	3,127,472.54		82,478,706.85

(2) Key financial information of the subsidiary

Subsidiary Name	ending balance					
	circulating assets	non-current assets	Total Assets	cash liabilities	non-current liability	Total Liabilities
Nanjing Putian Tianji Building Intelligence Co., Ltd.	274,965,600.89	31,325,723.94	306,291,324.83	190,704,442.67		190,704,442.67

(continuous)

Subsidiary Name	Year-end balance					
	circulating assets	non-current assets	Total Assets	cash liabilities	non-current liability	Total Liabilities
Nanjing Putian Tianji Building Intelligence Co., Ltd.	280,998,601.29	32,571,405.73	313,570,007.02	204,374,209.00		204,374,209.00

(continuous)

Subsidiary Name	Amount for this period				Previous period amount			
	operating receipt	net margin	total comprehensive income	Cash Flow from Operating Activities	operating receipt	net margin	total comprehensive income	Cash Flow from Operating Activities
Nanjing Putian Tianji Building Intelligence Co., Ltd.	160,248,114.99	6,391,084.14	6,391,084.14	-24,185,843.41	151,212,984.09	5,762,519.26	5,762,519.26	-34,463,682.83

VIII. Risks Associated with Financial Instruments

The Company's primary financial instruments include loans, receivables, and payables, among others. Detailed descriptions of these financial instruments are provided in Note 5. The risks associated with these instruments, along with the risk management policies implemented by the Company to mitigate them, are outlined below. The Company's management monitors and manages these risk exposures to ensure they remain within acceptable limits.

The company employs sensitivity analysis techniques to assess the potential impact of reasonable and possible changes in risk variables on current profits or equity. Since risk variables rarely change independently, and the interrelationships among variables significantly influence the ultimate effect of changes in any given variable, the following analysis assumes that each variable's change occurs independently.

1. Risk Management Objectives and Policies

The objective of our company's risk management is to achieve an appropriate balance between risk and return, minimize the negative impact of risks on our operating performance, and maximize the interests of shareholders and other equity investors. In line with this objective, our fundamental risk management strategy involves identifying and analyzing the various risks we face, establishing appropriate risk tolerance thresholds, implementing effective risk management practices, and conducting timely and reliable monitoring of these risks to keep them within defined limits.

(1) Market Risk

① exchange risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in foreign exchange rates. The Company operates in mainland China, and its primary activities are denominated in Renminbi; therefore, the foreign exchange rate fluctuation risk assumed by the Company is not material. The details of the Company's foreign currency monetary assets and liabilities at the end of the period are provided in the relevant notes to this financial statement.

As of December 31,2025, the Company's major foreign exchange risk exposures for its foreign currency assets and liabilities are as follows (for reporting purposes, the risk exposure amounts are presented in Renminbi and converted using the spot exchange rate on the balance sheet date).

project	31 December 2025			
	American dollar		Hong Kong currency	
	foreign currency	Renminbi	foreign currency	Renminbi
Cash and cash equivalents	187,334.45	1,275,916.21	9.57	8.31

project	31 December 2024			
	American dollar		Hong Kong currency	
	foreign currency	Renminbi	foreign currency	Renminbi
Cash and cash equivalents	30,525.13	214,555.03	10.33	9.33

② interest rate exposure

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in market interest rates. Fixed-rate interest-bearing financial instruments expose the Company to fair value interest rate risk, while floating-rate interest-bearing financial instruments expose the Company to cash flow interest rate risk. The Company determines the proportion of fixed-rate to floating-rate financial instruments based on market conditions and maintains an appropriate portfolio through regular review and monitoring.

(2) Credit Risk

Credit risk refers to the risk that one party using a financial instrument fails to fulfill its obligations, resulting in financial losses for the other party.

1. Practical Credit Risk Management

(1) Methods for evaluating credit risk

The company assesses whether the credit risk of relevant financial instruments has increased significantly since initial recognition on each balance sheet date. In determining such a significant increase, the company considers obtaining reasonable and well-founded information without incurring unnecessary additional costs or effort, including qualitative and quantitative analyses based on historical data, external credit risk ratings, and forward-looking information. Using individual financial instruments or portfolios of instruments with similar credit risk characteristics, the company compares the risk of default on the balance sheet date with that on the initial recognition date to determine the change in default risk over the instrument's expected lifetime.

The company considers that the credit risk of financial instruments has increased significantly when one or more of the following quantitative or qualitative criteria are met:

1) The quantitative criterion primarily requires that the default probability for the remaining term at the balance sheet date increases by more than a specified percentage compared to the initial recognition date.

2) The qualitative criteria primarily involve significant adverse changes in the debtor's operational or financial condition, or existing or anticipated changes in the technological, market, economic, or legal environment that would substantially impair the debtor's ability to repay the company's debts;

(2) Definitions of default and assets with incurred credit impairment

When a financial instrument meets one or more of the following conditions, the Company shall classify the financial asset as having defaulted, with the criteria aligning with those for recognizing credit impairment:

1) The debtor faces significant financial difficulties;

2) The debtor breaches the binding clauses stipulated in the contract;

3) The debtor is highly likely to go bankrupt or undergo other financial restructuring;

4) The creditor makes concessions to the debtor based on economic or contractual considerations related to the debtor's financial difficulties—concessions that the debtor would not have made under any other circumstances.

2. Measurement of Expected Credit Losses

The key parameters for measuring expected credit losses include the default probability, default loss ratio, and default risk exposure.

3. The opening and closing balances of the loss provision for financial instruments are detailed in Notes 5.2, 5.3, 5.4, and 5.6 to this financial statement.

4. Credit risk exposure and credit risk concentration

The company's credit risk primarily stems from monetary funds and accounts receivable. To mitigate these risks, the company has implemented the following measures.

(1) Cash and cash equivalents

Our company deposits bank deposits and other monetary funds with financial institutions that have high credit ratings, resulting in relatively low credit risk.

(2) Accounts Receivable

Our company regularly conducts credit assessments for clients engaging in credit-based transactions. Based on the assessment results, we select transactions only with accredited clients with sound credit profiles and monitor their accounts receivable balances to ensure we avoid significant bad debt risks.

As the company's accounts receivable risk is distributed across multiple partners and customers, as of August 30,2026, 12.44% of its accounts receivable (compared to 16.66% as of December 31,2025) originated from its top five customers. The company faces no significant credit concentration risk.

The maximum credit risk exposure assumed by our company is the book value of each financial asset on the balance sheet.

(3) Liquidity Risk

Liquidity risk refers to the risk of insufficient funds when the Company fulfills its obligations settled by cash or other financial assets. Such risk may arise from an inability to sell financial assets at fair value promptly; from the counterparty's failure to repay its contractual obligations; from debts maturing ahead of schedule; or from the failure to generate expected cash flows.

To mitigate this risk, the Company employs a comprehensive range of financing instruments, including bill settlement and bank loans, while strategically combining long-term and short-term financing methods to optimize its financing structure and maintain a balance between sustainability and flexibility. The Company has secured credit lines from multiple commercial banks to meet its working capital requirements and capital expenditures.

① Financial liabilities classified by remaining maturity dates

project	End-of-period amount				
	book value	The contract amount not discounted	Within 1 year	1-3 years	More than 3 years
money borrowed for short time	155,023,060.00	155,023,060.00	155,023,060.00		
notes payable	5,587,062.08	5,587,062.08	5,587,062.08		
debit balance in suppliers' account	348,194,942.28	348,194,942.28	348,194,942.28		
accounts payable-others	37,546,026.02	37,546,026.02	37,546,026.02		
Non-current liabilities maturing within one year	738,776.12	738,776.12	738,776.12		
subtotal	547,089,866.50	547,089,866.50	547,089,866.50		

(continuous)

project	Beginning balance				
	book value	The contract amount not discounted	Within 1 year	1-3 years	More than 3 years
money borrowed for short time	203,925,721.98	203,925,721.98	203,925,721.98		
notes payable	6,775,234.17	6,775,234.17	6,775,234.17		
debit balance in suppliers' account	273,382,306.86	273,382,306.86	273,382,306.86		
accounts payable-others	49,032,066.18	49,032,066.18	49,032,066.18		
Non-current liabilities maturing within one year	70,899,913.72	70,899,913.72	70,899,913.72		
subtotal	604,015,242.91	604,015,242.91	604,015,242.91		

②Hedging

The company has not conducted any hedging activities.

③ Transfer of financial assets

1. Classification of Transfer Methods

transition way	Nature of the transferred financial asset	Transferred finances Asset Amount	Termination Confirmation The situation	The criteria for determining the termination of a confirmation
Endorsement of a Bill	Bank Acceptance Bill	24,102,023.35	Termination Confirmation	It has transferred almost all of its risks and rewards.

2. Financial assets derecognized due to transfer

Types of Financial Assets	Transfer Method	Amount of financial assets whose recognition has been terminated	Gains and losses related to the termination of recognition
receivables financing	Endorsement Transfer	24,102,023.35	

IX. Disclosure of Fair Value

1. The fair value of assets and liabilities measured at fair value at the end of the period

project	End-of-period fair value

	First-level fair value measurement	Second-level fair value measurement	Third-level fair value measurement	amount to
I. Continuous Fair Value Measurement				
(I) Investments in Other Equity Instruments			741,953.00	741,953.00
Total assets continuously measured at fair value			741,953.00	741,953.00
II. Non-sustained fair value measurement				
(I) Receivables Financing			9,122,528.57	9,122,528.57
Total assets not measured at fair value on a continuous basis			9,122,528.57	9,122,528.57

2. For continuous and non-continuous third-level fair value measurement items, the valuation techniques employed and the qualitative and quantitative information on key parameters shall be specified.

(1) For receivables financing held, the fair value shall be determined based on the face value;

(2) For other equity instrument investments held in Nanjing Yuhua Electroplating Factory and Hangzhou Hongyan Electric Appliance Co., Ltd., since no significant changes have occurred in the operating environment, business performance, or financial condition of the investee enterprises, the company measures these investments at their cost as a reasonable estimate of fair value.

(3) For its other equity instrument investments in Beijing Likang General Information Equipment Co., Ltd., the company has measured the investments at zero yuan as a reasonable estimate of fair value, due to the deterioration in the operating environment, business performance, and financial condition of the investee.

X. Related Parties and Related Transactions

1. Information about the company's parent company

Parent Company Name	Registered Address	Nature of Business	registered capital	The parent company's shareholding percentage in our company (%)	The voting rights proportion (%) of the parent company in our company

Parent Company Name	Registered Address	Nature of Business	registered capital	The parent company's shareholding percentage in our company (%)	The voting rights proportion (%) of the parent company in our company
China Electric Guorui Group Co., Ltd.	No.359, Jiangdong Middle Road, Jianye District, Nanjing City	Electronic Equipment Manufacturing	1,000,000,000.00	53.49%	53.49%

The ultimate controlling party is China Electronics Technology Group Corporation.

2. Information on the Company's Subsidiaries

For details, refer to Note 7, Section 1: Composition of the Enterprise Group.

3. Information on the Company's Joint Ventures and Associated Enterprises

For details of the Company's significant joint ventures and associated enterprises, please refer to Note 7, Section 4: Equity Interests in Joint Ventures or Associated Enterprises.

4. Information on Other Related Parties

Other related party names	Relationships between other related parties and the Company
The 14th Research Institute of China Electronics Technology Group Corporation	Under the same ultimate controlling party
The 28th Research Institute of China Electronics Technology Group Corporation	Under the same ultimate controlling party
Nanjing Les Information Technology Co., Ltd.	Under the same ultimate controlling party
Shanghai Potevio Post & Telecommunication Technology Co., Ltd.	Under the same ultimate controlling party
Taiji Computer Corporation Limited	Under the same ultimate controlling party
Hebei Yuandong Communication System Engineering Co., Ltd.	Under the same ultimate controlling party
Potevio Information Technology Co., Ltd.	Under the same ultimate controlling party
Nanjing Guorui Defense System Co., Ltd.	Under the same ultimate controlling party
CETC Potevio Technology Co., Ltd.	Under the same ultimate controlling party
Potevio Communications Co., Ltd.	Under the same ultimate controlling party
CETC Digital Technology Co., Ltd.	Under the same ultimate controlling party
China Potevio Information Industry Co., Ltd.	Under the same ultimate controlling party
Nanjing Luopu Co., Ltd.	Under the same ultimate controlling party

Other related party names	Relationships between other related parties and the Company
CETC Cloud (Beijing) Technology Co., Ltd.	Under the same ultimate controlling party
Tianbo Electronic Information Technology Co., Ltd.	Under the same ultimate controlling party
Information Science Academy of China Electronics Technology Group Corporation	Under the same ultimate controlling party
The 54th Research Institute of China Electronics Technology Group Corporation	Under the same ultimate controlling party
Nanjing Rail Transit System Engineering Co., Ltd.	Under the same ultimate controlling party
Shanghai Post & Telecommunication Equipment Co., Ltd.	Under the same ultimate controlling party
Nanjing Nanman Electric Co., Ltd.	Under the same ultimate controlling party
CETC Metrology, Testing and Certification (Beijing) Co., Ltd.	Under the same ultimate controlling party
Potevio Rail Transit Technology (Shanghai) Co., Ltd.	Under the same ultimate controlling party
Sichuang Electronics Co., Ltd.	Under the same ultimate controlling party
Guorui Technology Co., Ltd.	Under the same ultimate controlling party
Nanjing Meichen Microelectronics Co., Ltd.	Under the same ultimate controlling party
Nanjing Enrite Industrial Co., Ltd.	Under the same ultimate controlling party
Nanjing Guorui Xinwei Software Co., Ltd.	Under the same ultimate controlling party
CETC (Nanjing) Electronic Information Development Co., Ltd.	Under the same ultimate controlling party
Nanjing Luopu Technology Co., Ltd.	Under the same ultimate controlling party
The 55th Research Institute of China Electronics Technology Group Corporation	Under the same ultimate controlling party
Nanjing Putian Communications Technology Co., Ltd.	Under the same ultimate controlling party
Beijing Capital Telecom Co., Ltd.	Under the same ultimate controlling party
China Yuandong International Tendering Co., Ltd.	Under the same ultimate controlling party
Potevio Information Engineering Design & Service Co., Ltd.	Under the same ultimate controlling party
Beijing Likepu Communication Equipment Co., Ltd.	Under the same ultimate controlling party
Hangzhou Hikvision Technology Co., Ltd.	Under the same ultimate controlling party
Nanjing Branch of Hangzhou Hikvision Digital Technology Co., Ltd.	Under the same ultimate controlling party
Nanjing Putian Hongyan Electrical Technology Co., Ltd.	Under the same ultimate controlling party
Potevio High-tech Industry Co., Ltd.	Under the same ultimate controlling party
Nanjing Putian Communications Industry Co., Ltd.	Under the same ultimate controlling party

Other related party names	Relationships between other related parties and the Company
Hangzhou Hongyan Electric Co., Ltd.	Under the same ultimate controlling party
China Potevio Information Industry Group Co., Ltd.	Under the same ultimate controlling party
Nanjing Putian Information Technology Co., Ltd.	Under the same ultimate controlling party

5. Related Party Transactions

(1) Related-party transactions involving the purchase and sale of goods, or the provision and receipt of services

① Status of purchased goods/accepted services

Related Party	Nature of Related Party Transaction	Amount for this period	Previous period amount
China Yuandong International Tendering Co., Ltd.	Bid Service Fee	32,435.98	6,109.77
Potevio Information Engineering Design & Service Co., Ltd.	Bid Service Fee	21,720.75	
Chengdu Westone Information Security Technology Co., Ltd.	Management Service	10,188.68	
Nanjing Nanman Electric Co., Ltd.	Telecommunication Products		1,401,993.77
CETC (Nanjing) Electronic Information Development Co., Ltd.	Telecommunication Products		16,253.17
CETC Asset Management Co., Ltd.	Management Service		11,367.48
Nanjing Potevio Hongyan Electrical Technology Co., Ltd.	Telecommunication Products		1,653.10
Nanjing Hikvision Digital Technology Co., Ltd.	Telecommunication Products		1,199.12

Status of goods sold/labor services provided

Related Party	Nature of Related Party Transaction	Amount for this period	Previous period amount
The 14th Research Institute of China Electronics Technology Group Corporation	Telecommunication Products	9,075,366.25	9,093,672.28
CETC Digital Technology Co., Ltd.	Telecommunication Products	4,142,190.64	
Nanjing Guorui Defense System Co., Ltd.	Telecommunication Products	2,668,922.45	598,474.80
Hebei Yuandong Communication System Engineering Co., Ltd.	Telecommunication Products	1,295,362.78	
China Electronics Technology Group Corporation Information Science Academy	Telecommunication Products	1,274,167.04	
CETC Cloud (Beijing) Technology Co., Ltd.	Telecommunication Products	1,094,075.64	438,522.13
The 54th Research Institute of China Electronics Technology Group Corporation	Telecommunication Products	783,010.62	
The 28th Research Institute of China Electronics Technology Group Corporation	Telecommunication Products	748,611.40	2,886,382.27
Nanjing Les Information Technology Co., Ltd.	Telecommunication Products	415,575.23	3,025,086.19

Related Party	Nature of Related Party Transaction	Amount for this period	Previous period amount
Nanjing Enrite Industrial Co., Ltd.	Telecommunication Products	45,723.17	
Jiangsu Huachuang Microsystems Co., Ltd.	Telecommunication Products	36,600.88	
Nanjing Nanman Electric Co., Ltd.	Telecommunication Products	24,283.96	
Nanjing Luopu Technology Co., Ltd.	Telecommunication Products	14,663.71	60,260.62
CETC (Nanjing) Electronic Information Development Co., Ltd.	Telecommunication Products	10,704.85	132,743.36
Nanjing Luopu Co., Ltd.	Telecommunication Products		2,108,165.46
Tianbo Electronic Information Technology Co., Ltd.	Telecommunication Products		839,415.90
Beijing Autway Technology Co., Ltd.	Telecommunication Products		750,159.29
Putian Rail Transit Technology (Shanghai) Co., Ltd.	Telecommunication Products		325,435.41
CETC Putian Technology Co., Ltd.	Telecommunication Products		282,925.12
Eastcom Co., Ltd.	Telecommunication Products		45,575.20
Nanjing Les Electronic Equipment Co., Ltd.	Telecommunication Products		22,455.75

(2) Related leasing arrangements

① Our company acts as the lessor

Leaseholder Name	Types of leased assets	Lease income recognized in this period	Lease income recognized in the previous period
The 14th Research Institute of China Electronics Technology Group Corporation	House and Property Income	1,200,550.46	1,200,550.46
Nanjing Luopu Co., Ltd.	House and Property Income	197,619.05	197,619.05
China Electronics Technology Group Corporation Metrology, Testing and Certification (Beijing) Co., Ltd.	House and Property Income	162,000.00	162,000.00

② Our company, as the lessee

Landlord Name	Types of leased assets	Simplified calculation of rental expenses for short-term leases		The rent paid		Interest expense on leased liabilities incurred		Increased assets of usage rights	
		Current period amount	Previous period occurrence amount	Current period amount	Previous period occurrence amount	Current period amount	Previous period occurrence amount	Current period am	Previous period occurrence amount

								ou nt	
China Electronics Technology Group Corporation Financial Leasing Co., Ltd.	machinery equipment			852,095.43	1,137,438.87	15,824.04	63,824.48		
Beijing Shouxin Co., Ltd.	buildings	507,491.18	1,034,448.46	550,605.87	889,651.45				

(3 Loans to related parties and interest expenses

affiliated party	Related Party Transaction Details	Current period amount / End-of-period balance	Previous period occurrence amount/period opening balance
China Putian Information Industry Co., Ltd.	Principal amount of entrusted loan		86,800,000.00
China Putian Information Industry Co., Ltd.	Debt loan interest		1,669,815.00
China Electronic Technology Finance Co., Ltd.	Loan principal		70,000,000.00
China Electronic Technology Finance Co., Ltd.	cost of money	471,041.67	1,259,937.50
China Electronics Technology Group Corporation Financial Leasing Co., Ltd.	Other interest	15,824.04	38,233.79
China Electric Guorui Group Co., Ltd.	Principal amount of entrusted loan	66,800,000.00	66,800,000.00
China Electric Guorui Group Co., Ltd.	Debt loan interest	956,659.50	

(4) Funds deposited with China Electronic Technology Finance Co., Ltd. and interest income for the current period

project	Amount for this period	Previous period amount
Deposited with a financial company	83,955,123.88	172,779,922.93
Interest income for this period	100,065.26	373,400.64

(5) Compensation for Key Management Personnel

project	Amount for this period	Previous period amount
Remuneration for Key Management Personnel	1,076,064.00	1,302,295.00

6. Receivables and payables from related parties

(1) Accounts Receivable Items

Items	Closing Balance		Balance at the End of Prior Year	
	Gross Balance	Allowance for Credit Losses	Gross Balance	Allowance for Credit Losses
Receivable：				
The 14th Research Institute of China Electronics Technology Group Corporation	15,783,418.03	157,834.18	12,947,983.94	129,479.84
The 28th Research Institute of China Electronics Technology Group Corporation	12,510,830.50	380,781.07	15,663,961.54	399,668.76
Nanjing Les Information Technology Co., Ltd.	9,685,563.42	573,780.37	14,814,554.61	823,900.28

Items	Closing Balance		Balance at the End of Prior Year	
	Gross Balance	Allowance for Credit Losses	Gross Balance	Allowance for Credit Losses
Shanghai Potevio Co., Ltd.	8,755,534.00	8,755,534.00	8,755,534.00	8,755,534.00
Taiji Computer Corporation Limited	8,204,723.11	82,047.28	8,204,723.11	82,047.28
Hebei Yuandong Communication System Engineering Co., Ltd.	7,078,292.05	1,121,933.45	5,976,731.85	744,627.33
Potevio Information Technology Co., Ltd.	5,901,092.80	5,901,092.80	5,983,345.58	5,983,345.58
Nanjing Guorui Defense System Co., Ltd.	5,510,956.29	55,109.56	3,346,725.58	47,694.88
CETC Potevio Technology Co., Ltd.	5,414,212.80	386,271.28	5,414,212.80	336,471.28
Potevio Communication Co., Ltd.	4,317,924.00	4,317,924.00	4,317,924.00	4,317,924.00
CETC Digital Technology Co., Ltd.	3,886,273.41	38,862.73	253,022.35	2,530.27
China Potevio Information Industry Co., Ltd.	3,222,253.45	3,108,221.70	3,222,253.45	3,103,328.36
Nanjing Lop Co., Ltd.	3,158,384.63	31,583.85	4,238,987.48	42,389.87
CETC Cloud (Beijing) Technology Co., Ltd.	3,002,916.00	30,029.16	2,576,051.00	25,760.51
Tianbo Electronic Information Technology Co., Ltd.	1,700,864.56	85,043.23	1,700,864.56	46,842.63
Academy of Information Science, China Electronics Technology Group Corporation	1,383,600.00	13,836.00		
The 54th Research Institute of China Electronics Technology Group Corporation	1,210,169.68	12,101.70	499,364.00	4,993.64
Nanjing Rail Transit System Engineering Co., Ltd.	993,349.94	49,131.57	993,349.94	41,446.64
Shanghai Posts & Telecommunications Equipment Co., Ltd.	403,366.29	403,366.29	403,366.29	403,366.29
Nanjing Nanman Electric Co., Ltd.	203,312.17	2,598.79	178,506.17	2,350.78
CETC Metrology, Testing and Certification (Beijing) Co., Ltd.	174,780.00	1,747.80	1,866.67	18.67
Potevio Rail Transit Technology (Shanghai) Co., Ltd.	146,772.00	1,467.72	146,772.00	1,467.77
Sichuang Electronics Co., Ltd.	143,812.88	40,002.38	143,812.88	60,045.38
Guorui Technology Co., Ltd.	109,957.83	1,387.58	109,957.83	1,387.58
Nanjing Meichen Microelectronics Co., Ltd.	98,000.00	4,900.00	101,460.00	5,073.00
Nanjing Enruite Industrial Co., Ltd.	51,667.18	516.67		
Nanjing Guorui Xinwei Software Co., Ltd.	40,625.01	2,031.25	40,625.01	2,031.25
CETC (Nanjing) Electronic Information Development Co., Ltd.	24,096.45	1,320.96	12,000.00	1,200.00
Nanjing Lop Technology Co., Ltd.	720.00	7.20	82,071.00	820.76
The 55th Research Institute of China Electronics Technology Group Corporation			80,000.00	800.00
amount to	103,117,468.48	25,560,464.57	100,210,027.64	25,366,546.63
Notes Receivable：				
The 14th Research Institute of China Electronics Technology Group Corporation	322,500.00			
The 54th Research Institute of China Electronics Technology Group Corporation	139,044.64	6,952.23		

Items	Closing Balance		Balance at the End of Prior Year	
	Gross Balance	Allowance for Credit Losses	Gross Balance	Allowance for Credit Losses
The 28th Research Institute of China Electronics Technology Group Corporation			3,259,620.00	162,981.00
Nanjing Guorui Xinwei Software Co., Ltd.			3,089,786.81	213,978.68
CETC Potevio Technology Co., Ltd.			747,000.00	
Nanjing Meichen Microelectronics Co., Ltd.			686,000.00	34,300.00
amount to	461,544.64	6,952.23	7,782,406.81	411,259.68
Other Receivables:				
Nanjing Potevio Communication Technology Co., Ltd.	1,784,619.72	1,784,619.72	1,784,619.72	1,784,619.72
Potevio Information Technology Co., Ltd.	367,800.00	367,800.00	367,800.00	367,800.00
Beijing Capitel Co., Ltd.	95,096.52	4,754.83	84,900.52	4,245.03
China Far East International Tendering Co., Ltd.	22,400.00	1,120.00	44,782.14	2,239.11
The 14th Research Institute of China Electronics Technology Group Corporation	29,000.00	1,450.00	29,000.00	1,450.00
Potevio Information Engineering Design Service Co., Ltd.			24,000.00	1,200.00
China Potevio Information Industry Co., Ltd.	1,000.00	1,000.00	1,000.00	1,000.00
Beijing Likepu Communication Equipment Co., Ltd.	28,912,122.71	28,912,122.71	28,912,122.71	28,912,122.71
Hangzhou Hikvision Technology Co., Ltd.	22,630.00	22,630.00	22,630.00	22,630.00
Hangzhou Hikvision Digital Technology Co., Ltd. Nanjing Branch	2,766.00	2,766.00	2,766.00	2,766.00
amount to	31,237,434.95	31,098,263.26	31,273,621.09	31,100,072.57

(2) Accounts Payable Items

Items	Closing Balance	Balance at the End of Prior Year
Accounts Payable:		
China Potevio Information Industry Co., Ltd.	14,918,045.42	14,918,045.42
CETC (Nanjing) Electronic Information Development Co., Ltd.	4,883,705.58	4,932,081.60
Nanjing Nanman Electric Co., Ltd.	3,030,412.33	3,030,412.33
Nanjing Potevio Hongyan Electrical Technology Co., Ltd.	195,824.09	195,824.09
Potevio High-tech Industry Co., Ltd.	25,000.00	25,000.00
Nanjing Potevio Communication Industry Co., Ltd.	123,848.19	
Hangzhou Hongyan Electrical Appliances Co., Ltd.	3.69	
amount to	23,176,839.30	23,101,363.44
Other Payables:		
China Potevio Information Industry Group Co., Ltd.	9,591,612.50	9,591,612.50
Potevio High-tech Industry Co., Ltd.	1,442,202.94	1,442,202.94

Items	Closing Balance	Balance at the End of Prior Year
Nanjing Potevio Information Technology Co., Ltd.	2,467,412.69	2,467,412.69
amount to	13,501,228.13	13,501,228.13
Contract Liabilities：		
China Potevio Information Industry Co., Ltd.	3,727,418.22	3,727,418.22
China Potevio Information Industry Group Co., Ltd.	11,716.35	11,716.35
amount to	3,739,134.57	3,739,134.57

XI. Commitments and Contingent Matters

1. Major Commitment Matters

As of the reporting date, the Company has no material commitments requiring disclosure.

2. Contingent Matters

As of the reporting date, the Company has no material contingent matters requiring disclosure.

XII. Events Occurring After the Balance Sheet Date

As of the reporting date, there are no other subsequent events after the balance sheet date that require disclosure.

XIII. Other Important Matters

(I) Branch Report

1. Basis for Determining Sub-Report and Accounting Policies

The company determines its reporting divisions based on its internal organizational structure, management requirements, and internal reporting systems, with product divisions serving as the fundamental basis. Performance evaluations are conducted separately for video conferencing products, integrated wiring products, distribution wiring products, and other business segments. Assets and liabilities shared among the divisions are allocated proportionally according to their respective scales.

The company determines its reporting segments based on product segments. The assets and liabilities of each segment represent the actual amounts utilized, while the main business revenue and costs correspond to those of each respective product segment.

2. Financial Information in the Branch Report

project	video conferencing product	Integrated Cabling product	Communication basic products and others	Inter-branch offset
I. Operating Revenue	113,955,614.44	160,248,114.99	26,030,279.71	-1,160,968.36
II. Operating Costs	96,833,635.87	132,910,466.74	17,837,758.02	-1,060,854.04
III. Investment Returns from Joint Ventures				

project	video conferencing product	Integrated Cabling product	Communication basic products and others	Inter-branch offset
and Cooperative Enterprises				
IV. Credit Impairment Loss	-1,491,602.10	-400,788.58	1,529,912.33	
V. Asset Impairment Loss				
VI. Depreciation and Amortization Expenses	111,795.30	1,248,460.16	2,728,926.32	55,355.28
VII. Total Profit	-5,043,841.55	6,629,830.49	-4,599,468.36	-155,469.60
VIII. Income Tax Expenses	20,942.43	238,746.35		
IX. Net Profit	-5,064,783.98	6,391,084.14	-4,599,468.36	-155,469.60
X. Total Assets	326,124,538.46	306,291,324.83	254,296,549.86	-156,802,302.41
XI. Total Liabilities	213,365,426.16	190,704,442.67	358,451,918.34	-116,785,184.66

(II) Others

The Company pledged the capital contribution of RMB 28.534 million corresponding to its 56.28% equity interest in Nanjing Southern Telecom Co., Ltd. to CETC Guorui Group Co., Ltd. (hereinafter referred to as the Parent Company), to facilitate the loan provided to the Company by the finance company entrusted by the Parent Company. The Company also pledged the capital contribution of RMB 4.00 million corresponding to its 40% equity interest in its subsidiary Nanjing Putian Datang Information Electronics Co., Ltd. to CETC Finance Leasing Co., Ltd. for the finance leasing business handled by the Company with CETC Finance Leasing Co., Ltd. Transfer of the above-mentioned equity interests in subsidiaries is restricted prior to the release of such pledges.

XIV. Notes to Key Items in the Parent Company's Financial Statements

1. Accounts Receivable

(1) Disclosure by aging of accounts

Account Age	ending balance	Year-end balance
Within 1 year	22,743,841.62	26,145,588.39
1 to 2 years	30,042,282.96	18,892,822.21
2 to 3 years	7,431,372.11	9,775,010.59
3 to 4 years	7,845,038.85	8,213,599.93
4 to 5 years	4,452,485.30	4,739,444.66
More than 5 years	163,486,854.39	164,589,421.40
subtotal	236,001,875.23	232,355,887.18
Less: Bad debt provision	170,376,471.86	171,443,995.15
amount to	65,625,403.37	60,911,892.03

(2) Classified presentation according to the bad debt provisioning method

class	ending balance				
	book balance		bad debt provision		book value
	amount of money	Percentage (%)	amount of money	Proportion (%)	
accounts receivable for which bad debt provisions are made on a per-item basis	74,010,243.34	31.36	74,010,243.34	100.00	
Accounts receivable for which bad debt provisions are made on a combined basis	161,991,631.89	68.64	96,366,228.52	59.49	65,625,403.37
among ：					
combination 1: Age of Account Combination	155,088,334.48	65.71	96,366,228.52	62.14	58,722,105.96
Combination 2: Related Parties Combination	6,903,297.41	2.93			6,903,297.41
amount to	236,001,875.23	——	170,376,471.86	72.19%	65,625,403.37

（ continuous ）

class	Year-end balance				
	book balance		bad debt provision		book value
	amount of money	Percentage (%)	amount of money	Proportion (%)	
accounts receivable for which bad debt provisions are made on a per-item basis	74,517,573.18	32.07	74,517,573.18	100.00	
Accounts receivable for which bad debt provisions are made on a combined basis	157,838,314.00	67.93	96,926,421.97	61.41	60,911,892.03
among ：					
combination 1: Age of Account Combination	150,935,016.59	64.96	96,926,421.97	64.22	54,008,594.62

class	Year-end balance				
	book balance		bad debt provision		book value
	amount of money	Percentage (%)	amount of money	Proportion (%)	
Combination 2: Related Parties Combination	6,903,297.41	2.97			6,903,297.41
amount to	232,355,887.18	100	171,443,995.15	73.79	60,911,892.03

① Accounts receivable for which a separate bad debt provision is made at the end of the period

Accounts Receivable (by Unit)	ending balance			
	book balance	bad debt provision	Proportion of Deduction	Calculation Basis
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	100.00	The recovery process carries risks.
Xu Mou	17,591,683.74	17,591,683.74	100.00	The recovery process carries risks.
China Tower Co., Ltd.	13,819,926.92	13,819,926.92	100.00	The recovery process carries risks.
Putian Information Technology Co., Ltd.	4,385,737.69	4,385,737.69	100.00	The recovery process carries risks.
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	3,227,803.35	3,227,803.35	100.00	The recovery process carries risks.
other	15,277,005.10	15,277,005.10	100.00	The recovery process carries risks.
amount to	74,010,243.34	74,010,243.34	100.00	——

Continue the table above

Accounts Receivable (by Unit)	Year-end balance			
	book balance	bad debt provision	Proportion of Deduction	Calculation Basis
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	100.00	The recovery process carries risks.

Accounts Receivable (by Unit)	Year-end balance			
	book balance	bad debt provision	Proportion of Deduction	Calculation Basis
Xu Mou	17,591,683.74	17,591,683.74	100.00	The recovery process carries risks.
China Tower Co., Ltd.	13,819,926.92	13,819,926.92	100.00	The recovery process carries risks.
Putian Information Technology Co., Ltd.	4,450,269.30	4,450,269.30	100.00	The recovery process carries risks.
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	3,527,803.35	3,527,803.35	100.00	The recovery process carries risks.
other	15,419,803.33	15,419,803.33	100.00	The recovery process carries risks.
amount to	74,517,573.18	74,517,573.18	100.00	——

② Accounts receivable for which bad debt provisions are calculated based on the aging group within the combination

project	ending balance		
	book balance	bad debt provision	Proportion (%)
Within 1 year	18,973,785.21	189,737.85	1.00
1 to 2 years	26,909,041.96	1,345,452.10	5.00
2 to 3 years	7,431,372.11	743,137.21	10.00
3 to 4 years	7,824,808.85	2,347,442.66	30.00
4 to 5 years	4,417,735.30	2,208,867.65	50.00
More than 5 years	89,531,591.05	89,531,591.05	100.00
amount to	155,088,334.48	96,366,228.52	62.14

（ continuous ）

project	Year-end balance		
	book balance	bad debt provision	Proportion (%)
Within 1 year	22,375,531.98	223,755.32	1.00
1 to 2 years	15,759,581.21	787,979.06	5.00
2 to 3 years	9,775,010.59	977,501.06	10.00
3 to 4 years	8,193,369.93	2,458,010.98	30.00

project	Year-end balance		
	book balance	bad debt provision	Proportion (%)
4 to 5 years	4,704,694.66	2,352,347.33	50.00
More than 5 years	90,126,828.22	90,126,828.22	100.00
amount to	150,935,016.59	96,926,421.97	64.22

(3) Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accruishment	Recover or Roll Back	Write-off or cancellation	
Accruishment based on the aging of accounts receivable	96,926,421.97	-560,193.45			96,366,228.52
Individual Provisioning	74,517,573.18		507,329.84		74,010,243.34
amount to	171,443,995.15	-560,193.45	507,329.84		170,376,471.86

Among these: The amount of bad debt provisions recovered or reversed in this period is significant.

name of organization	Amount to be recovered or reversed	Recovery Method
CRSC Shanghai Engineering Bureau Group Co., Ltd.	300,000.00	Recovered Amount
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	142,798.23	Recovered Amount
Putian Information Technology Co., Ltd.	64,531.61	Recovered Amount
amount to	507,329.84	——

(4) Details of the top five accounts receivable by the debtor's end-of-period balances

Debtor's Name	End-of-period balance of accounts receivable	Proportion (%) of the total ending balance of accounts receivable	End-of-period balance of bad debt provisions
Dongpo Xi Laos Co., Ltd.	19,708,086.54	8.35	19,708,086.54
Xu Mou	17,591,683.74	7.45	17,591,683.74
The 14th Research Institute of China Electronics Technology Group Corporation	15,669,192.34	6.64	156,691.92
China Tower Co., Ltd.	13,819,926.92	5.86	13,819,926.92

Debtor's Name	End-of-period balance of accounts receivable	Proportion (%) of the total ending balance of accounts receivable	End-of-period balance of bad debt provisions
Shanghai Putian Youtong Technology Co., Ltd.	8,755,534.00	3.71	8,755,534.00
amount to	75,544,423.54	32.01	60,031,923.12

2. Other Receivables

project	ending balance	Year-end balance
dividends receivable	19,532,000.00	28,685,400.00
accounts receivable-other	1,537,952.16	1,805,885.66
amount to	21,069,952.16	30,491,285.66

(1) Dividends receivable

① Dividend receivable status

Project (or the invested entity)	ending balance	Year-end balance
Subsidiary dividend	19,532,000.00	28,685,400.00

(2) Other Receivables

① Disclosure by aging of accounts

Account Age	ending balance	Year-end balance
Within 1 year	1,053,287.68	886,060.97
1 to 2 years	126,885.80	584,157.05
2 to 3 years	416,076.27	416,076.27
3 to 4 years	2,314,596.37	2,329,596.37
4 to 5 years	3,201,274.79	3,395,274.79
More than 5 years	37,521,145.74	37,528,845.74
subtotal	44,633,266.65	45,140,011.19
Less: Bad debt provision	43,095,314.49	43,334,125.53
amount to	1,537,952.16	1,805,885.66

② Classification by nature of funds

Nature of the Fund	End-of-period book balance	Book balance at the end of the previous year
Accounts Receivable and Payables	40,030,170.64	40,613,763.14
Deposit Guarantee Fund	3,437,613.02	3,702,805.50
Business travel petty cash fund	41,492.59	31,492.59
other	1,123,990.40	791,949.96
subtotal	44,633,266.65	45,140,011.19

Less: Bad debt provision	43,095,314.49	43,334,125.53
amount to	1,537,952.16	1,805,885.66

③ Provision for bad debts

bad debt provision	stage Ⅰ	stage Ⅱ	phase III	amount to
	Expected credit losses over the next 12 months	Expected credit losses throughout the entire duration (where no credit impairment has occurred)	Expected credit losses throughout the entire duration (incorporating already occurred credit impairment)	
Year-end balance		12,356,030.63	30,978,094.90	43,334,125.53
This period's accrual		-238,811.04		-238,811.04
ending balance		12,117,219.59	30,978,094.90	43,095,314.49

④ Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accruishment	Recover or Roll Back	Write-off or cancellation	
Age of Debt Provision	12,356,030.63	-238,811.04			12,117,219.59
Individual Provisioning	30,978,094.90				30,978,094.90
amount to	43,334,125.53	-238,811.04			43,095,314.49

⑤ Details of the top five other receivables by the debtor's accumulated ending balances

name of organization	Nature of the Fund	ending balance	Account Age	Proportion (%) of the total ending balance of other receivables	bad debt provision ending balance
Beijing Likang General Communication Equipment Co., Ltd.	Accounts Receivable and Payables	28,912,122.71	More than 5 years	64.78	28,912,122.71
Nanjing Putian	Accounts	1,784,619.72	2–3 years:	4.00	1,784,619.72

name of organization	Nature of the Fund	ending balance	Account Age	Proportion (%) of the total ending balance of other receivables	bad debt provision ending balance
Technology Co., Ltd.	Receivable and Payables		21,306.39; 4–5 years: 504,197.5; over 5 years: 1,259,115.83		
Nanjing Putian Communication Industry Co., Ltd.	Accounts Receivable and Payables	805,545.63	More than 5 years	1.80	805,545.63
Nanjing Putian Tianji Building Intelligence Co., Ltd.	Accounts Receivable and Payables	566,576.28	Within 1 year	1.27	
Nanjing Municipal Office for the Management of Wage Guarantee Funds for Migrant Workers in Construction Enterprises	Deposit Guarantee Fund	400,000.00	More than 5 years	0.90	400,000.00
amount to	——	32,468,864.34	——	72.75	31,902,288.06

3. Long-term equity investment

(1) Classification of Long-term Equity Investments

project	ending balance			Year-end balance		
	book balance	Impairment Provision	book value	book balance	Impairment Provision	book value
Investment in a subsidiary	43,226,458.52	1,294,510.00	41,931,948.52	43,226,458.52	1,294,510.00	41,931,948.52
amount to	43,226,458.52	1,294,510.00	41,931,948.52	43,226,458.52	1,294,510.00	41,931,948.52

(2) Investment in subsidiaries

Invested entity	Year-end balance	Add to this issue	Reduce in this period	ending balance	An impairment provision has been recognized for this period.	End-of-period balance of impairment provision
Nanjing Putian Tianji Building Intelligence Co., Ltd.	3,320,003.45			3,320,003.45		
Nanjing Southern Telecommunications Co., Ltd.	33,175,148.00			33,175,148.00		
Nanjing Putian Datang Information Electronics Co., Ltd.	5,436,797.07			5,436,797.07		
Nanjing Putian Communication Technology Co., Ltd.	1,294,510.00			1,294,510.00		1,294,510.00
amount to	43,226,458.52			43,226,458.52		1,294,510.00

4. Operating Revenue, Operating Cost

project	Amount for this period		Previous period amount	
	income	prime cost	income	prime cost
main business	13,873,538.26	10,940,822.33	16,260,961.31	14,735,889.65
Other Businesses	2,968,754.03	488,705.26	1,599,677.71	6,869.82
amount to	16,842,292.29	11,429,527.59	17,860,639.02	14,742,759.47

Explanation of allocation to the remaining performance obligations

At the end of the reporting period, the amount of revenue corresponding to performance obligations under signed contracts that have not yet been performed or not fully performed is RMB 13.5396 million, of which

RMB 13.5396 million is expected to be recognized as revenue in 2026.

5. Investment Return

project	Amount for this period	Previous period amount
Income from long-term equity investments accounted for using the equity method		-111.44
Gain on disposal of long-term equity investments	13,074.70	
Others	668,932.96	9,290,594.46
amount to	682,007.66	9,290,483.02

XV. Supplementary Information

1. Detailed Statement of Non-Recurring Gains and Losses for the Period

project	amount of money	explain
Gains or losses from the disposal of non-liquid assets, including the offset portion of asset impairment provisions already recognized;	8,627.76	
Government grants recognized in current period profit or loss shall exclude those that are closely related to the company's normal business operations, comply with national policy regulations, are received according to established standards, and exert a sustained impact on the company's financial results.	122,125.08	
Reversal of impairment provisions for receivables subjected to separate impairment testing;	525,051.01	
Profit or loss from debt restructuring;	672,229.56	
Other non-operating income and expenses other than those mentioned above.	609,334.68	
Other profit and loss items that meet the definition of non-recurring gains and losses	13,074.70	
Total non-recurring gains and losses before income tax	1,950,442.79	
reduction: Amount affected by income tax	26,962.43	
Total non-recurring gains and losses after income tax deduction	1,923,480.36	
Impact of minority shareholders' profit/loss (losss are indicated with "-")	96,420.43	
Net profit excluding non-recurring gains and losses attributable to the owners of the parent company	1,827,059.93	

2. Return on Net Assets and Earnings Per Share

Profit for the reporting period	Weighted Average	earnings per share

		Basic Earnings Per Share	diluted earnings per share
Net profit attributable to the company's ordinary stockholders	-131.84	-0.030	-0.030
Net profit attributable to common shareholders after deducting non-recurring gains and losses	-168.58	-0.040	-0.040

Nanjing Putian Telecommunications Co., Ltd.

August 25, 2026