

Audit report

ZTE Huashen Document No. (2026) 010146

To all shareholders of Nanjing Putian Communication Co., Ltd.:

一、 audit opinion

We have audited the financial statements of Nanjing Putian Communications Co., Ltd. (hereinafter referred to as "Nanjing Putian Company"), including the consolidated and parent company balance sheets as of December 31,2025; the consolidated and parent company income statements, consolidated and parent company cash flow statements, consolidated and parent company statement of changes in equity for the year ended 2025; and the accompanying notes to the financial statements.

We conclude that the accompanying financial statements have been prepared in all material respects in accordance with the Enterprise Accounting Standards, fairly presenting Nanjing Putian Company's consolidated and parent company's financial position as of December 31,2025, as well as their consolidated and parent company's operating results and cash flows for the year 2025.

二、 The basis for forming an audit opinion

We conducted the audit in accordance with the provisions of the China Certified Public Accountant Auditing Standards. The section "Certified Public Accountant's Responsibility for Auditing the Financial Statements" in the audit report further elaborates on our responsibilities under these standards. In compliance with the China Certified Public Accountant Independence Standards and the China Certified Public Accountant Code of Professional Ethics, we maintained independence from Nanjing Putian Company and fulfilled other professional ethical obligations. We are confident that the audit evidence obtained was sufficient and appropriate, providing a solid basis for our audit opinion.

三、 Key Audit Matters

Key audit matters are those that, based on professional judgment, we consider most significant for the current financial statements audit. The treatment of these matters is informed by our overall audit of the financial statements and the resulting opinion; we do not issue separate opinions on them. The following matters have been identified as key audit matters to be disclosed in the audit report.

(I) Revenue Recognition

1. Task Description

As detailed in Note 3 and Note 24, as well as Note 5 and Note 37 regarding operating revenue

and operating costs in the financial statements, your company's sales revenue for the year 2025 amounted to RMB 617.6395 million.

Operating revenue is one of your company's key performance indicators and a significant component of profit generation. There is an inherent risk that management may manipulate revenue recognition to achieve specific objectives; therefore, we have identified revenue recognition as a critical audit matter.

2. Audit Response

(1) Understand and evaluate the design and operational effectiveness of key internal controls related to revenue recognition by management.

(2) Conduct a sampling inspection of your company's revenue-related documents—including sales contracts, sales invoices, shipping records, and customer receipt confirmations—to assess whether the revenue recognition complies with your company's accounting policies for revenue recognition.

(3) Conduct analytical review procedures on operating revenue and gross margin by customer segments and other dimensions to assess the reasonableness of their fluctuations.

(4) Send confirmation letters regarding the accounts receivable balances from major customers to verify the authenticity and accuracy of your company's revenue recognition.

(5) For operating revenue recognized before and after the balance sheet date, verify shipping records, customer receipt documents, and other relevant materials to ensure the revenue is properly recognized within the appropriate period.

(II) Provision for bad debts on accounts receivable

1. Task Description

As of December 31, 2025, as detailed in Note 3.10 and Note 5.3 of the financial statements, the Company's accounts receivable balance stood at RMB 515.842 million, with a bad debt provision of RMB 192.2551 million and a carrying amount of RMB 323.5869 million, representing 44.33% of total assets.

Based on the credit risk characteristics of each accounts receivable, management measures the loss provision for individual accounts receivable or collections portfolios at an amount equivalent to the expected credit loss over the entire lifetime of the accounts receivable.

Given the substantial amount of accounts receivable, failure to collect them on time or the occurrence of bad debts would have a significant impact on the company's financial statements. Moreover, determining the amount of bad debt provisions involves critical management judgments and estimates; therefore, we have identified the recognition of accounts receivable bad debt

provisions as a key audit matter.

2. Audit Response

The primary audit procedures implemented regarding the provision for bad debts on accounts receivable include:

(1) Understand and evaluate the design and operational effectiveness of key internal controls related to accounts receivable bad debt provisions;

(2) For accounts receivable assessed individually for bad debt provisions, we conducted a sampling review of the management's basis for calculating recoverable amounts, including their assessment of credit risk based on the client's current credit standing, repayment willingness, and repayment capacity.

(3) For accounts receivable for which bad debt provisions are calculated based on aging groups, we conducted sample reviews of key information such as aging periods and overdue days.

(4) We reviewed the management's calculation of the allowance for bad debts on accounts receivable;

(5) Conduct confirmation letters for significant accounts receivable, and evaluate the reasonableness of management's provision for bad debts by combining post-period collection data and analysis of reasons for prolonged outstanding balances.

四、 Other Information

The management of Nanjing Putian Company (hereinafter referred to as the "Management") is responsible for other information. This other information includes the information contained in Nanjing Putian Company's 2025 Annual Report, excluding the financial statements and our audit report.

Our audit opinion on the financial statements does not cover other information, nor do we issue any form of attestation conclusion regarding such other information.

In conjunction with our audit of the financial statements, our responsibility is to review other information and determine whether such information exhibits material inconsistencies with the financial statements or with findings made during the audit, or appears to contain material misstatements.

Based on the work we have already conducted, if we identify material misstatements in other information, we should report such findings. In this regard, there are no matters requiring reporting.

五、 The responsibilities of management and governance layers regarding financial statements

The management is responsible for preparing financial statements in accordance with the

provisions of the Enterprise Accounting Standards to ensure their fair presentation, and for designing, implementing, and maintaining necessary internal controls to prevent material misstatements in the financial statements resulting from fraud or error.

When preparing the financial statements, management is responsible for assessing Nanjing Putian Company's ability to continue as a going concern, disclosing events related to the going concern (where applicable), and applying the going concern assumption, unless management plans to liquidate Nanjing Putian Company, cease operations, or has no other realistic alternatives.

The management layer is responsible for overseeing the financial reporting process of Nanjing Putian Company.

六、 The responsibilities of a Certified Public Accountant in auditing financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements resulting from fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance represents a high level of assurance; however, it does not guarantee that an audit conducted in accordance with audit standards will always detect the presence of a material misstatement. A misstatement may arise from fraud or error, and it is generally considered material if there is a reasonable expectation that the misstatement, individually or in combination, could affect the economic decisions made by users of the financial statements based on those statements.

During the audit conducted in accordance with auditing standards, we exercised professional judgment and maintained professional skepticism. Additionally, we performed the following audit tasks:

(1) Identify and assess the risk of material misstatements in financial statements arising from fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for forming an audit opinion. Since fraud may involve collusion, forgery, intentional omission, false statements, or overriding internal controls, the risk of failing to detect material misstatements due to fraud is higher than the risk of failing to detect material misstatements due to error.

(2) Understand the internal controls relevant to the audit to design appropriate audit procedures, but the purpose is not to express an opinion on the effectiveness of the internal controls.

(3) Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.

(4) Draw conclusions regarding the appropriateness of management's use of the going concern assumption. Simultaneously, based on the audit evidence obtained, determine whether

there are material uncertainties concerning matters or circumstances that could raise significant doubts about Nanjing Putian Company's ability to continue as a going concern. If we conclude that material uncertainties exist, audit standards require us to draw the attention of statement users to the relevant disclosures in the financial statements; if the disclosures are inadequate, we shall issue a qualified opinion. Our conclusions are based on the information available as of the audit report date. However, future events or circumstances may result in Nanjing Putian Company being unable to continue as a going concern.

(5) Evaluate the overall presentation, structure, and content of the financial statements, and determine whether they fairly present the relevant transactions and events.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities of Nanjing Putian Company to form an opinion on the financial statements. We are responsible for guiding, supervising, and executing the group audit. We bear full responsibility for the audit opinion.

We communicated with the management regarding the planned audit scope, timeline, and significant audit findings, including the critical internal control deficiencies identified during the audit.

We have also provided the management with a statement regarding our compliance with the professional ethical requirements related to independence, and have communicated with the management all relationships and other matters that could reasonably be considered to affect our independence, along with the relevant safeguards (where applicable).

From the matters communicated with the management, we identify those that are most critical to the audit of the current financial statements, thus constituting key audit matters. We describe these matters in the audit report unless prohibited by law or regulation from public disclosure; or, in very rare circumstances, if it is reasonably expected that disclosing a particular matter would entail negative consequences outweighing the benefits to the public interest, we determine that the matter should not be disclosed in the audit report.

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

China · Beijing

China Certified Public Accountants:
(Project Partner)

China Certified Public Accountant:

22 April 2026

consolidated balance sheet

Compiling unit: Nanjing Putian Communication Co., Ltd.

Decemb
er 31,
2025

Unit of
currency:
RMB
yuan

Item	Notes	2025/12/31	2024/12/31
current assets :			
monetary capital	V.1	182,285,495.92	292,600,989.80
Deposit Reservation for Balance			
lending funds			
tradable financial assets			
derivative financial assets			
bill receivable	V.2	17,228,499.09	542,048.95
accounts receivable	V.3	323,586,922.02	293,535,326.34
Receivables financing	V.4	27,655,375.14	34,520,299.04
advance payment	V.5	3,455,153.02	2,227,763.86
receivable premium			
reinsurance accounts receivable			
provision of cession receivable			
receivable other	V.6	5,239,886.21	6,859,962.77
redemptory monetary capital for sale			
stock	V.7	61,937,412.34	87,136,190.30
Contract assets			
Assets Held for Sale			
Non-current assets due within one year			
other current assets	V.8	2,196,783.91	1,226,580.06
Total current assets		623,585,527.65	718,649,161.12

non-current assets:			
Granting entrusted loans and advances			
Debt investment			
other investment on bonds			
long-term receivables			
long-term equity investment	V.9		10,412,683.37
Other equity instrument investments	V.10	741,953.00	741,953.00
Other non-current financial assets			
investment real estate	V.11	4,977,270.72	5,547,238.47
fixed assets	V.12	84,173,058.11	85,757,024.11
construction in process			
productive biological asset			
oil and gas assets			
right-of-use asset	V.13	2,187,184.72	2,447,793.04
intangible assets	V.14	11,203,970.58	11,672,324.70
development expenditure			
business reputation			
long-term unamortized expenses	V.15	3,054,632.19	2,076,305.95
deferred income tax assets	V.16		
other non-current assets	V.17		719,280.00
summation of non-current assets		106,338,069.32	119,374,602.64
total assets		729,923,596.97	838,023,763.76

(The attached financial statement notes are an integral part of this financial statement.)

Legal Representative: _____ counting
Director: _____ Accounting Manager: _____

consolidated balance sheet(Continued)

Compiling unit: Nanjing Putian Communication Co., Ltd.

Decemb
er 31,
2025

Unit of
currency:
RMB
yuan

Item	Notes	2025/12/31	2024/12/31
current liabilities:			

short-term borrowing	V.19	203,925,721.98	128,127,987.75
borrowings from central bank			
loans from other banks and other financial institutions			
trading financial liabilities			
Derivative financial liability			
notes payable	V.20	6,775,234.17	10,122,225.75
accounts payable	V.21	273,382,306.86	349,342,179.21
account collected in advance	V.22	295,001.06	236,005.32
Repayment of financial assets through sale and repurchase			
deposits from customers and interbank			
acting trading securities			
acting underwriting securities			
Contract liabilities	V.23	8,426,313.45	24,794,919.13
employee pay payable	V.24	12,622,282.49	17,066,962.98
tax payable	V.25	6,042,197.80	8,459,692.52
other payables	V.26	49,032,066.18	41,918,074.35
Covering handling fees and commissions			
Cession insurance premiums payable			
Liabilities Held for Sale			
Non-current liabilities due within one year	V.27	70,899,913.72	88,060,659.43
other current liability	V.28	10,920,413.23	3,125,042.32
total current liability		642,321,450.94	671,253,748.76
non-current liability:			
reserve fund for insurance contracts			
money borrowed for long term	V.29		70,000,000.00
bonds payable			
Among them: Preferred stock			
perpetual bond			
lease liability	V.30		840,373.96
long-term payable			
Long-term employee compensation payable			
anticipation liabilities			

tradable financial assets			
derivative financial assets			
bill receivable		510,041.40	
accounts receivable	XV.1	60,911,892.03	80,557,834.64
Receivables financing			
advance payment		1,077,733.24	1,238,241.47
receivable other	XV.2	30,491,285.66	22,894,075.34
stock		6,084,321.32	12,704,303.71
Contract assets			
Assets Held for Sale			
Non-current assets due within one year			
other current assets		684,787.04	141,091.78
Total current assets		136,719,552.71	193,848,874.56
non-current assets:			
Debt investment			
other investment on bonds			
long-term receivables			
long-term equity investment	XV.3	41,931,948.52	52,344,631.89
Other equity instrument investments		741,953.00	741,953.00
Other non-current financial assets			
investment real estate			
fixed assets		33,285,551.38	35,919,673.67
construction in process			
productive biological asset			
oil and gas assets			
right-of-use asset		2,187,184.72	2,447,793.04
intangible assets		3,898,367.83	4,023,784.51
development expenditure			
business reputation			
long-term unamortized expenses		1,020,871.30	1,640,998.52
deferred income tax assets			
other non-current assets			
summation of non-current assets		83,065,876.75	97,118,834.63

interest income		452,186.54	639,938.05
Add: Other income	V.43	4,600,883.38	2,783,558.31
Investment income (losses are indicated by a "-" sign)	V.44	8,038,145.41	52,296,543.73
Among them: Investment income from associated enterprises and joint ventures		7,389,042.29	-5.77
Gain from the derecognition of financial assets measured at amortized cost			
Exchange gains (losses are indicated by a "-" sign)			
Net exposure hedging gain (loss is filled with a "-" sign)			
Fair value change gain (loss, filled with "-" sign for losses)			
Credit impairment loss (losses are filled in with a "-" sign)	V.45	-6,979,118.96	-7,634,385.51
Asset impairment loss (losses are filled in with a "-" sign)	V.46	-2,237,689.03	-14,428,752.85
Asset Disposal Gain/Loss (Losses are indicated by a "-" sign)	V.47	5,359,026.59	1,083,098.78
III. Operating Profit (Losses are indicated by a "-" sign)		-2,027,667.07	25,370,440.98
Add: Non-operating Income	V.48	3,000,746.99	3,583,432.03
Less: Non-operating expenses	V.49	522,903.55	3,667,282.29
IV. Total Profit (Losses are indicated by a "-" sign)		450,176.37	25,286,590.72
Less: Income Tax Expense	V.50	1,358,420.50	3,180,305.05
V. Net Profit (Net Loss is indicated by a "-" sign)		-908,244.13	22,106,285.67
(I) Classified by the duration of operation:			
1、Continuing operations net profit (net loss is indicated by a "-" sign)		-908,244.13	22,106,285.67
2、Net profit (net loss is indicated by a "-" sign) from discontinued operations			
(II) Classified by ownership:			
1、Net profit attributable to shareholders of the parent company (net loss is indicated by a "-" sign)		-9,462,362.33	11,376,879.14
2、Minority Shareholders' Loss (Net Loss is indicated by a "-" sign)		8,554,118.20	10,729,406.53
VI. Net amount of other comprehensive income after tax			
(I)The after-tax net amount of other comprehensive income attributable to the parent company's owners			
1.Other comprehensive income that cannot be reclassified into profit or loss			
(1) Re-measurement of the 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 instruments investments			
(4) Fair value changes of the enterprise's own credit risk			

Add: Other income		10,310.52	59,574.65
Investment income (losses are indicated by a "-" sign)	XV.5	17,318,129.12	60,475,665.77
Among them: Investment income from associated enterprises and joint ventures		7,389,042.29	-5.77
Gain from the derecognition of financial assets measured at amortized cost			
Net exposure hedging gain (loss is filled with a "-" sign)			
Fair value change gain (loss, filled with "-" sign for losses)			
Credit impairment loss (losses are filled in with a "-" sign)		-4,992,463.96	-6,023,378.69
Asset impairment loss (losses are filled in with a "-" sign)		-2,131,109.47	-13,635,478.79
Asset Disposal Gain/Loss (Losses are indicated by a "-" sign)		5,372,239.34	1,090,467.64
II. Operating Profit (Losses are indicated by a "-" sign)		-12,297,131.54	-1,178,254.98
Add: Non-operating Income		2,543,328.14	520,587.01
Less: Non-operating expenses		474,076.43	2,989,716.65
III. Total Profit (Losses are indicated by a "-" sign)		-10,227,879.83	-3,647,384.62
Less: Income Tax Expense			
IV. Net Profit (Net Loss is indicated by a "-" sign)		-10,227,879.83	-3,647,384.62
(I) Continuing operations net profit (net loss is indicated by a "-" sign)		-10,227,879.83	-3,647,384.62
(II) Net profit (net loss is indicated by a "-" sign) from discontinued operations			
V. Net amount of other comprehensive income after tax			
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1.Re-measurement of the 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 instruments investments			
4.Fair value changes of the enterprise's own credit risk			
5.else			
(II) Other comprehensive income that is reclassified into profit or loss			
1.Other comprehensive income that can be converted into profit or loss under the equity method			
2.Other changes in the fair value of debt investments			
3.The amount of financial assets reclassification that is recorded in other comprehensive income			
4.Other credit impairment provisions for debt investments			
5.Cash flow hedging reserve			
6.Foreign currency financial statement translation			

intangible assets and other long-term assets			
Net cash received from the disposal of subsidiaries and other business units			
Received other cash related to investment activities			
Total Cash Inflow from Investment Activities		5,553,791.00	120,037,900.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		349,900.00	1,288,004.20
Cash paid for investment			
Pay other cash related to investment activities			405,500.00
Total cash outflows from investment activities		349,900.00	1,693,504.20
Net cash flow from investing activities		5,203,891.00	118,344,395.80
III. Cash Flows Generated from Financing Activities:			
Cash received from absorbing investments			
Cash received from borrowing funds		101,564,067.87	30,000,000.00
Cash received from borrowing funds			
Total cash inflows from financing activities		101,564,067.87	30,000,000.00
Cash paid for repaying debts		116,800,000.00	19,000,000.00
Cash paid for distributing dividends, profits or paying interest		7,854,627.18	8,675,468.55
Cash paid for other activities related to financing		1,287,438.87	3,914,258.88
Total cash outflows from financing activities		125,942,066.05	31,589,727.43
Net cash flow from financing activities		-24,377,998.18	-1,589,727.43
IV. Impact of Exchange Rate Fluctuations on Cash and Cash Equivalents		-4,867.97	2,715.47
V. Net increase in cash and cash equivalents		-39,502,946.39	62,659,057.70
Add: Initial balance of cash and cash equivalents		76,018,337.62	13,359,279.92
VI. Balance of Cash and Cash Equivalents at the End of the Period		36,515,391.23	76,018,337.62

(The attached financial statement notes are an integral part of this financial statement.)

Legal Representative: _____ counting
Director: _____ Accounting Manager:

Consolidated Statement of Changes in Shareholders' Equity
The year 2015

Compiling unit: Nanjing Putian Communication Co., Ltd. Unit of currency: RMB yuan

Item	current amount											
	Paid-in capital (or equity)		Equity attributable to parent company			Equity attributable to subsidiary			Minority shareholders' equity	Total owner's equity		
	Preferred stock	Other equity instruments	Capital reserve	Reserve treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit			Subtotal	
I. Balance at the end of the previous year	215,000,000.00		17,955,867.59		17,955,867.59	2,995,076.96	-1,854,910.00	589,559.77	-94,344,437.37	14,351,813.00	81,578,638.00	95,929,641.00
Add: Accounting policy change												
Preliminary error correction												
Other												
II. Balance at the beginning of this year	215,000,000.00		17,955,867.59		17,955,867.59	2,995,076.96	-1,854,910.00	589,559.77	-94,344,437.37	14,351,813.00	81,578,638.00	95,929,641.00
III. Current period increase and decrease amounts (decreases are indicated by a "-")												
(1) Total Comprehensive Income												
1. Capital Contribution and Reduction by Shareholders												
1. Common stocks issued by shareholders												
2. Other equity instrument holder's investment in capital												
3. The amount included in shareholders' equity from share-based payments												
4. Other												
(2) Profit Distribution												
1. Withdrawal surplus reserve												
2. Extract general risk reserve												
3. Distribution to shareholders												
4. Other												
(3) Internal transfer of shareholders' equity												
1. Conversion of capital reserve into share capital												
2. Contribution of surplus reserve to share capital												
3. Surplus reserve to other losses												
4. Annual plan changes are carried forward to retained earnings												
5. Other comprehensive income is transferred to retained earnings												
6. Other												
(4) Special reserve												
1. This item is extracted												
2. This item is used												
(5) Other												
IV. The balance at the end of this year	215,000,000.00		17,955,867.59		17,955,867.59	2,995,076.96	-1,854,910.00	589,559.77	-94,344,437.37	14,351,813.00	81,578,638.00	95,929,641.00

(The attached financial statement notes are an integral part of this financial statement)

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated Statement of Changes in Shareholders' Equity (Continued)

The year 2025

Items	Unit of currency: RMB yuan											
	Parent's amount					Equity attributable to parent company					Total owner's equity	
	Paid-in capital (or equity)	Preferred stock	Other equity instruments	Capital reserve	Less treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Subtotal		Minority shareholders' equity
I. Balance at the end of the previous year	315,000,000.00			177,877,915.00		-1,254,310.00		585,553.77	-48,571,265.51	5,111,338.64	78,798,076.44	834,172,681.19
Add: Accounting policy change												
Prioritary error correction												
II. Balance at the beginning of this year	315,000,000.00			177,877,915.00		-1,254,310.00		585,553.77	-48,571,265.51	5,111,338.64	78,798,076.44	834,172,681.19
III. Current period increase and decrease amounts (decrease are indicated by a "-")												
(I) Total Comprehensive Income												
(II) Capital Contributions and Reduction by Shareholders												
1. Common stocks issued by shareholders				87,333.13	2,793,676.94				11,274,678.14	3,331,724.34	2,378,611.29	11,119,985.34
2. Other equity instruments holders' investments in capital				87,333.13	2,793,676.94				11,274,678.14	11,274,678.14	18,778,684.53	21,146,362.67
3. The amount included in shareholders' equity from short-term investments												
4. other												
(3) Profit Distribution												
1. withdrawal surplus reserves				87,333.13								
2. Extract general risk reserve												
3. Distribution to shareholders												
4. other												
(4) Internal transfer of shareholders' equity												
1. Conversion of capital reserves into share capital				87,333.13								
2. Contribution of surplus reserves to share capital												
3. Surplus reserves to cover losses												
4. Accrual plan changes are carried forward to retained earnings												
5. Other comprehensive income is transferred to retained earnings												
6. other												
(5) Special reserve												
1. This issue extracted												
2. This issue used												
(4) other												
IV. The balance at the end of this year	315,000,000.00			177,935,847.59	2,795,676.94	-1,254,310.00		585,553.77	-37,296,587.37	14,011,813.00	115,716,238.02	957,716,814.44

Accounting Director

Accounting Manager

(The attached financial statement notes are an integral part of this financial statement)

Legal Representative:

Consolidated statement of change of equity

The year 2025

Item	Paid-in capital (or equity)				Other equity instruments				current amount				Total owner's equity	
	215,000,000.00	Preferred stock			Perpetual bond	other			Less: treasury stocks	Capital reserve	Special reserves	Surplus reserve		undistributed profit
		215,000,000.00												
I. Balance at the end of the previous year									2,995,076.96	158,864,042.34		589,559.76	-486,533,211.13	-116,919,595.59
Add: Accounting policy change														
Preliminary error correction														
other														
II. Balance at the beginning of this year	215,000,000.00								2,995,076.96	158,864,042.34		589,559.76	-486,533,211.13	-116,919,595.59
III. Current period increase and decrease amounts (decrease are indicated by a "-")														
(1) Total Comprehensive Income														
(1) Capital Contribution and Reduction by Shareholders														
1.Common stocks invested by shareholders														
2.Other equity instrument holders' investment in capital														
3.The amount included in shareholder' equity from share-based payments														
4.other														
(2) Profit Distribution														
1.withdrawal surplus reserves														
2.Earned general risk reserve														
3.Distribution to shareholders														
4.other														
(4) Internal transfer of shareholders' equity														
1.Conversion of capital reserve into share capital														
2.Contribution of surplus reserve to share capital														
3.Surplus reserve to cover losses														
4.Accrual plan changes are carried forward to retained earnings														
5.Other comprehensive income is transferred to retained earnings														
6.other														
(5) Special reserve														
1.This issue extracted														
2.This issue uses														
(6) other														
	215,000,000.00								2,995,076.96	158,864,042.34		589,559.76	-486,761,090.96	-127,157,475.82

(The attached financial statement notes are an integral part of this financial statement.)

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated statement of change of equity (Continued)
The year 2025

Item	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
	215,000,000.00	other	Preferred stock	Perpetual bond	other	158,864,042.34	2,995,076.96	2,995,076.96					
I. Balance at the end of the previous year	215,000,000.00					158,864,042.34			-1,854,910.00		589,559.76	-482,885,874.51	-116,287,134.41
Add: Accounting policy change													
Preliminary error correction													
other													
II. Balance at the beginning of this year	215,000,000.00					158,864,042.34	2,995,076.96		-1,854,910.00		589,559.76	-482,885,874.51	-116,287,134.41
III. Current period increase and decrease amounts (decreases are indicated by a "-")													
(I) Total Comprehensive Income													
(2) Capital Contributions and Reduction by Shareholders													
1. Common stocks invested by shareholders													
2. Other equity instrument holders' investment in capital													
3. The amount included in shareholders' equity from share-based payments													
4. other													
(3) Profit Distribution													
1. withdrawal surplus reserves													
2. Extract general risk reserve													
3. Distribution to shareholders													
4. other													
(4) Internal transfer of shareholders' equity													
1. Conversion of capital reserve into share capital													
2. Contribution of surplus reserve to share capital													
3. Surplus reserve to cover losses													
4. Annual plan changes are carried forward to retained earnings													
5. Other comprehensive income is transferred to retained earnings													
6. other													
(5) Special reserve													
1. This issue extracted													
2. This issue uses													
(6) other													
	215,000,000.00					158,864,042.34	2,995,076.96		-1,854,910.00		589,559.76	-486,533,211.13	-116,979,595.96

(The attached financial statement notes are an integral part of this financial statement.)

Legal Representative:

Accounting Director:

Accounting Manager:

Nanjing Putian Communication Co., Ltd.

Notes to the 2025 Financial Statements

(Unless otherwise specified, the amount is in RMB yuan)

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 April 22, 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 requirements of the Enterprise Accounting Standards and provide an accurate and complete reflection of the Company's consolidated and parent company financial position as of December 31, 2025, as well as the consolidated and parent company operating results and consolidated and parent company cash flows for the year 2025.

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.

② Other 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
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
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, the following note items (including explanations for key items in the company's financial statements) use the following dates: "end of period" refers to December 31,2025; "end of prior year" refers to December 31,2024; "current period" refers to the fiscal year 2025; and "prior period" refers to the fiscal year 2024.

1. Cash and cash equivalents

project	ending balance	Year-end balance
bank deposit	7,271,675.43	1,123,773.79
other monetary funds	2,233,897.56	4,272,925.37
Funds deposited with the finance company	172,779,922.93	287,204,290.64
amount to	182,285,495.92	292,600,989.80

Note: Other monetary funds (restricted monetary funds): Bank acceptance bill deposit of 63,397.44 yuan, performance bond of 1,835,074.50 yuan, and special account fund of the Party Committee of 335,425.62 yuan.

2. Notes Receivable

(1) Classification and presentation of notes receivable

project	ending balance	Year-end balance
trade acceptance draft	18,006,988.67	570,577.84
subtotal	18,006,988.67	570,577.84
Less: Bad debt provision	778,489.58	28,528.89
amount to	17,228,499.09	542,048.95

(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	25,105,495.20	
trade acceptance draft		11,175,343.22
amount to	25,105,495.20	11,175,343.22

(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	18,006,988.67	100.00	778,489.58	4.32	17,228,499.09
Among these: Commercial acceptance bills	18,006,988.67	100.00	778,489.58	4.32	17,228,499.09
amount to	18,006,988.67	100.00	778,489.58	4.32	17,228,499.09

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	18,006,988.67	778,489.58	4.32

(4) Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accrishment	Recover or Roll Back	Write-off or cancellation	
bad debt provision	28,528.89	749,960.69			778,489.58

3. Accounts Receivable

(1) Disclosure by aging of accounts

Account Age	ending balance	Year-end balance
Within 1 year	261,135,229.49	230,462,634.34
1 to 2 years	40,471,815.19	42,697,494.23
2 to 3 years	18,712,438.45	14,252,845.13
3 to 4 years	8,798,550.02	11,479,048.33
4 to 5 years	7,292,353.56	11,906,272.67
More than 5 years	179,431,638.23	171,103,837.44
subtotal	515,842,024.94	481,902,132.14
Less: Bad debt provision	192,255,102.92	188,366,805.80
amount to	323,586,922.02	293,535,326.34

(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	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	—	323,586,922.02

(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	76,139,678.24	15.80	76,139,678.24	100.00	
Accounts receivable for which bad debt provisions are made on a combined basis	405,762,453.90	84.20	112,227,127.56	27.66	293,535,326.34
Among these: Age of Account Portfolio	405,762,453.90	84.20	112,227,127.56	27.66	293,535,326.34
amount to	481,902,132.14	100.00	188,366,805.80	—	293,535,326.34

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

Accounts Receivable (by Unit)	ending balance			
	book balance	bad debt provision	Proportion of Deduction	Calculation Basis
				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	—	—

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.	6,065,598.36	6,065,598.36	100.00	Not expected to be recovered
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	3,534,579.35	3,534,579.35	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	76,139,678.24	76,139,678.24	—	—

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	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	—

Continue the table above

project	Year-end balance		
	book balance	bad debt provision	Proportion (%)
Within 1 year	230,462,634.34	2,304,644.02	1.00
1 to 2 years	42,697,494.23	2,134,874.72	5.00
2 to 3 years	14,232,615.13	1,423,261.51	10.00
3 to 4 years	11,444,298.33	3,433,289.50	30.00
4 to 5 years	7,988,708.14	3,994,354.08	50.00
More than 5 years	98,936,703.73	98,936,703.73	100.00
amount to	405,762,453.90	112,227,127.56	—

(3) Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accrishment	Recover or Roll Back	Write-off or cancellation	
Accounts receivable for which bad debt provisions are made on a combined basis	112,227,127.56	3,977,325.90			116,204,453.46
accounts receivable for which bad debt provisions are	76,139,678.24		89,028.78		76,050,649.46

class	Year-end balance	Amount of Change for This Period			ending balance
		Accrualment	Recover or Roll Back	Write-off or cancellation	
made on a per-item basis					
amount to	188,366,805.80	3,977,325.90	89,028.78		192,255,102.92

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
Putian Information Technology Co., Ltd.	82,252.78	Recovered Amount
China Railway Communication and Signal	6,776.00	Recovered Amount
Shanghai Engineering Group Co., Ltd.		
amount to	89,028.78	—

(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	3.82	19,708,086.54
Xu Mou	17,591,683.74	3.41	17,591,683.74
Shenzhen Huawang Enterprise Management Co., Ltd.	16,906,340.10	3.28	169,063.40
China United Network Communications Co., Ltd.	16,066,062.47	3.11	13,268,771.99
The 28th Research Institute of China Electronics Technology Group Corporation	15,663,961.54	3.04	399,668.76
amount to	85,936,134.39	16.66	51,137,274.43

4. Receivables Financing

project	ending balance	Year-end balance
Bank Acceptance Bill	27,655,375.14	34,520,299.04

5. 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	2,295,980.21	66.45	1,065,608.14	47.83

Account Age	ending balance		Year-end balance	
	amount of money	Percentage (%)	amount of money	Percentage (%)
1 to 2 years	414,362.15	11.99	372,381.12	16.72
2 to 3 years	101,166.16	2.93	298,603.89	13.40
More than 3 years	643,644.50	18.63	491,170.71	22.05
amount to	3,455,153.02	100.00	2,227,763.86	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
ZTE Corporation Limited	1,000,000.00	28.94
Yangzhou Titan Information Technology Co., Ltd.	342,390.00	9.91
Nanjing Changting Electronics Co., Ltd.	216,200.00	6.26
Guangdong Fudong Electronics Co., Ltd.	150,000.00	4.34
Huai'an Tianji Building Intelligence Co., Ltd.	130,692.09	3.78
amount to	1,839,282.09	53.23

6. Other Receivables

project	ending balance	Year-end balance
accounts receivable-other	5,239,886.21	6,859,962.77

(1) Other Receivables

④ Disclosure by aging of accounts

Account Age	ending balance	Year-end balance
Within 1 year	3,789,466.81	3,841,863.96
1 to 2 years	1,296,226.51	883,895.77
2 to 3 years	451,282.77	2,516,560.12
3 to 4 years	2,398,096.46	1,374,910.44
4 to 5 years	3,465,507.76	1,293,768.78
More than 5 years	40,150,177.39	40,918,974.04
subtotal	51,550,757.70	50,829,973.11

Account Age	ending balance	Year-end balance
Less: Bad debt provision	46,310,871.49	43,970,010.34
amount to	5,239,886.21	6,859,962.77

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	42,706,873.96	41,004,731.72
Deposit Guarantee Fund	7,619,798.27	8,623,995.84
Business travel petty cash fund	42,135.51	75,593.51
other	1,181,949.96	1,125,652.04
subtotal	51,550,757.70	50,829,973.11
Less: Bad debt provision	46,310,871.49	43,970,010.34
amount to	5,239,886.21	6,859,962.77

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		12,991,915.44	30,978,094.90	43,970,010.34
This period's accrual		2,340,861.15		2,340,861.15
ending balance		15,332,776.59	30,978,094.90	46,310,871.49

④ Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accrishment	Recover or Roll Back	Write-off or cancellation	
stage I	12,991,915.44	2,340,861.15			15,332,776.59
stage II	30,978,094.90				30,978,094.90
amount to	43,970,010.34	2,340,861.15			46,310,871.49

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	56.08	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: 50,4197.5; Over 5 years: 1,259,115.83	3.46	1,784,619.72
Nanjing Putian Communication Industrial Co., Ltd.	Accounts Receivable and Payables	805,545.63	More than 5 years	1.56	805,545.63
CITIC International Tendering Co., Ltd.	Deposit Guarantee Fund	558,788.50	Within one year	1.08	27,939.43
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
amount to	—	32,461,076.56	—	62.96	31,930,227.49

7. Inventory

(1) Inventory Classification

project	ending balance
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	book balance	Impairment provision for inventory value decline/Impairment provision for contract performance costs	book value
raw and processed material	14,141,796.23	8,238,010.07	5,903,786.16
goods in process	3,654,045.14	2,881,380.17	772,664.97
merchandise inventory	68,332,138.56	47,303,888.65	21,028,249.91
goods shipped in transit	80,194,291.90	49,355,227.23	30,839,064.67
Commissioned processing materials	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

(continuous)

project	Year-end balance		
	book balance	Impairment provision for inventory value decline/Impairment provision for contract performance costs	book value
raw and processed material	17,620,673.90	10,482,980.51	7,137,693.39
goods in process	3,406,609.65	2,881,380.17	525,229.48
merchandise inventory	79,400,394.27	48,287,969.61	31,112,424.66
goods shipped in transit	96,893,480.52	52,614,965.91	44,278,514.61
Commissioned processing materials	4,887,020.15	804,691.99	4,082,328.16
amount to	202,208,178.49	115,071,988.19	87,136,190.30

(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
		Accrishment	other	Revert or write off	other	
raw and processed material	10,482,980.51	123,487.57		2,368,458.01		8,238,010.07

project	Year-end balance	Increase amount for this period		reduction amount for this period		ending balance
		Accrishment	other	Revert or write off	other	
goods in process	2,881,380.17					2,881,380.17
merchandise inventory	48,287,969.61	2,088,537.74		3,072,618.70		47,303,888.65
goods shipped in transit	52,614,965.91	25,663.72		3,285,402.40		49,355,227.23
Commissioned processing materials	804,691.99					804,691.99
amount to	115,071,988.19	2,237,689.03		8,726,479.11		108,583,198.11

8. Other current assets

project	ending balance	Year-end balance
Input tax amount to be deducted	2,034,749.70	1,085,488.28
advance payment of income tax	162,034.21	141,091.78
amount to	2,196,783.91	1,226,580.06

9. Long-term equity investment

Invested entity	Year-end balance	Changes in this period				
		additional investment	disinvestment	Investment gains and losses recognized under the equity method	Other Comprehensive Income Adjustments	Other changes in equity
I. Joint Venture Enterprise						
Nanjing Puzhu Guang Network Co., Ltd.	10,412,683.37		10,412,571.93	-111.44		
amount to	10,412,683.37		10,412,571.93	-111.44		

(continuous)

Invested entity	Changes in this period			ending balance	End-of-period balance of impairment provision
	Announcement of cash dividend or profit distribution	Make an impairment provision	other		
I. Joint Venture Enterprise					
Nanjing Puzhu Guang Network Co., Ltd.					
amount to					

10. Investments in Other Equity Instruments

(1) Investment in other equity instruments

project	ending balance	Year-end balance
Hangzhou Hongyan Electric Appliance Co., Ltd.	321,038.00	321,038.00
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	
reduction amount for this period	
ending balance	20,011,121.96
II. Cumulative Depreciation and Cumulative Amortization	
Year-end balance	14,463,883.49

project	Houses and buildings
Increase amount for this period	569,967.75
Of which: provision for or amortization	569,967.75
reduction amount for this period	
ending balance	15,033,851.24
III. Impairment Provision	
IV. Book Value	
End-of-period book value	4,977,270.72
Book value at the end of the previous year	5,547,238.47

12. Fixed Assets

project	ending balance	Year-end balance
fixed assets	84,173,058.11	85,757,024.11

(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	103,626,682.38	46,373,354.29	19,268,720.26	3,091,621.11	16,511,028.71	188,871,406.75
Increase amount for this period	129,158.73	3,666,276.45	2,446,951.35		32,037.17	6,274,423.70
Including: Purchase	129,158.73	3,666,276.45	1,203,123.51		32,037.17	5,030,595.86
other			1,243,827.84			1,243,827.84
reduction amount for this period	570,141.84	1,413,219.48	3,262,232.81		292,412.61	5,538,006.74
Of which: disposal or scrapping	258,017.84	481,515.64	3,262,232.81		292,412.61	4,294,178.90
other	312,124.00	931,703.84				1,243,827.84
ending 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
accumulated depreciation						
Year-end balance	39,201,918.08	27,206,704.70	17,503,996.98	2,907,256.15	15,568,544.17	102,388,420.08
Increase amount	3,916,994.34	1,470,385.63	1,093,280.24	50,634.18	131,642.99	6,662,937.38

project	Houses and Buildings	machinery equipment	Electronic Equipment	conveyer	Other devices	amount to
for this period						
Of which:	3,916,994.34	1,203,788.38	1,093,280.24	50,634.18	131,642.99	6,396,340.13
provision made						
other		266,597.25				266,597.25
reduction amount for this period	391,060.76	467,752.78	3,198,912.94		284,827.94	4,342,554.42
Of which: disposal or scrapping	124,463.52	467,752.78	3,198,912.94		284,827.94	4,075,957.18
other	266,597.24					266,597.24
ending 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
Impairment Provision						
Year-end balance	539,124.00	11,550.65			175,287.91	725,962.56
Increase amount 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	59,918,723.61	20,405,523.06	3,055,074.52	133,730.78	660,006.14	84,173,058.11
Book value at the end of the previous year	63,885,640.30	19,155,098.94	1,764,723.28	184,364.96	767,196.63	85,757,024.11

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	
conveyer	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	191,484.61	16,397.09	

③ Fixed assets leased out through operating leases

project	End-of-period book value
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project	End-of-period book value
Houses and Buildings	18,016,866.08

④ Status 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	2,394,650.45	Still being processed

13. Right-to-Use Assets

project	Houses and Buildings
Original book value	
Year-end balance	2,686,684.00
This year's increase amount	
This year's reduction amount	
year end balance	2,686,684.00
accumulated depreciation	
Year-end balance	238,890.96
This year's increase amount	260,608.32
Of which: provision made	260,608.32
This year's reduction amount	
year end balance	499,499.28
Impairment Provision	
Year-end balance	
This year's increase amount	
This year's reduction amount	
year end balance	
book value	
Year-end book value	2,187,184.72
Book value at the end of the previous year	2,447,793.04

14. Intangible Assets

(1) Information on Intangible Assets

project	land use right	software	amount to
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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	3,648,432.30	9,248,248.59	12,896,680.89
Increase amount for this period	334,875.36	133,478.76	468,354.12
Of which: provision made	334,875.36	133,478.76	468,354.12
reduction amount for this period			
ending balance	3,983,307.66	9,381,727.35	13,365,035.01
Impairment Provision			
book value			
End-of-period book value	10,133,538.71	1,070,431.87	11,203,970.58
Book value at the end of the previous year	10,468,414.07	1,203,910.63	11,672,324.70

15. Long-term prepaid expenses

project	Year-end balance	Increase amount for this period	Amortization amount for this period	Other reduction amount	ending balance
Expenditure on renovation and modification	2,076,305.95	1,897,965.96	919,639.72		3,054,632.19

16. Deferred income tax assets/deferred income tax liabilities

(1) Details of unconfirmed deferred tax assets

project	ending balance	Year-end balance
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project	ending balance	Year-end balance
Deductible temporary differences	349,948,134.66	349,457,805.78
Deductible loss	178,094,465.64	160,136,771.28
amount to	528,042,600.30	509,594,577.06

(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	5,269,870.68	
2030	20,701,608.36	1,188,328.53	
2031	9,571,047.64	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		
amount to	178,094,465.64	160,545,561.77	

17. Other non-current assets

project	ending balance	Year-end balance
Prepayment for the acquisition of long-term assets		719,280.00

18. Assets with restricted ownership or usage rights

project	End-of-period book value	Limitation Reason
monetary resources	2,233,897.56	Bank acceptance bill margin, performance bond and special account funds of the Party Committee
fixed assets	52,986,451.08	mortgage
immaterial assets	4,901,288.52	mortgage
amount to	60,121,637.16	

Note: For details on the mortgage status of fixed assets and intangible assets, refer to Note 19; for short-term loans, see the relevant section.

19. Short-term loan

(1) Classification of Short-Term Loans

project	ending balance	Year-end balance
mortgage loan	93,874,324.80	49,299,759.96

project	ending balance	Year-end balance
Credit Loan	108,861,610.37	78,828,227.79
bill receivable	1,189,786.81	
amount to	203,925,721.98	128,127,987.75

Note: 1. The Company obtained a loan of RMB 14.7641 million by mortgaging the property located at No.8 Fenghui Avenue, Yuhuatai District, Nanjing, and the land use rights within its premises; it also pledged the equity stake of 56.28% in Nanjing Southern Telecommunications Co., Ltd. (corresponding to an investment amount of RMB 28.5340 million) to its parent company, China Electronics Guorui Group Co., Ltd., to secure a loan of RMB 66.8 million; 2. The subsidiary Nanjing Putian Tianji Building Intelligence Co., Ltd. obtained a loan of RMB 10.5 million by mortgaging three properties and the land use rights located at No.18 Songgang Street, Moling Subdistrict, Jiangning District; 3. The subsidiary Nanjing Putian Datang Information Electronics Co., Ltd. obtained a loan of RMB 1.75 million by mortgaging the property at No.8 Fenghui Avenue, Yuhuatai District, Nanjing, and the land use rights within its premises.

20. Payable Notes

kind	ending balance	Year-end balance
trade acceptance draft	446,679.01	1,809,060.50
Bank Acceptance Bill	6,328,555.16	8,313,165.25
amount to	6,775,234.17	10,122,225.75

21. Accounts Payable

(1) Presentation of Accounts Payable

project	ending balance	Year-end balance
Within 1 year (inclusive)	206,129,313.63	268,987,560.21
More than 1 year	67,252,993.23	80,354,619.00
amount to	273,382,306.86	349,342,179.21

(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., Ltd.	14,918,045.42	Not yet at the payment node

22. Advance Payments

(1) Presentation of advance receipts

project	ending balance	Year-end balance
Within 1 year (inclusive)	295,001.06	236,005.32

23. Contract Liabilities

(1) Contractual Liabilities

project	ending balance	Year-end balance
Advanced Payment	9,264,082.89	27,919,961.45
Less: Deferred sales tax to be written off (Note 5, 28)	837,769.44	3,125,042.32
amount to	8,426,313.45	24,794,919.13

24. 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	17,066,962.98	104,395,263.90	108,839,944.39	12,622,282.49
Post-employment Benefits – Establish a Savings Plan		16,522,208.41	16,522,208.41	
Resignation benefits		3,742,433.63	3,742,433.63	
amount to	17,066,962.98	124,659,905.94	129,104,586.43	12,622,282.49

(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	3,625,349.25	79,586,108.37	83,211,457.50	0.12
employee services and benefits		2,251,999.49	2,251,999.49	
Social Insurance Contributions		7,018,805.71	7,018,805.71	
Of which: Medical insurance premium		6,093,993.95	6,093,993.95	
Work-related injury insurance premium		493,037.41	493,037.41	
Maternity insurance premium		431,774.35	431,774.35	
housing fund	3,216,865.05	7,824,885.82	7,824,885.82	3,216,865.05
Trade union funds and employee education funds	10,209,752.15	455,385.87	1,274,717.23	9,390,420.79
Other short-term compensation	14,996.53	7,258,078.64	7,258,078.64	14,996.53
amount to	17,066,962.98	104,395,263.90	108,839,944.39	12,622,282.49

(3) Establishment of a Deposit Plan and Its Presentation

project	Year-end balance	Add to this issue	Reduce in this period	ending balance
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project	Year-end balance	Add to this issue	Reduce in this period	ending balance
basic retirement security		15,484,038.01	15,484,038.01	
unemployment insurance expense		648,619.80	648,619.80	
Corporate Annuity Contribution		389,550.60	389,550.60	
amount to		16,522,208.41	16,522,208.41	

25. Taxes and fees payable

project	ending balance	Year-end balance
added-value tax	4,364,752.36	5,469,015.04
business income taxes	449,719.44	1,426,860.42
building taxes	313,001.13	351,313.55
Land Use Tax	81,827.95	80,701.94
income tax for individuals	123,313.16	189,374.87
urban maintenance & construction tax	386,451.15	493,348.10
extra charges of education funds	182,799.53	210,880.61
Local Education Surcharge	93,237.01	140,868.41
Other taxes and fees	47,096.07	97,329.58
amount to	6,042,197.80	8,459,692.52

26. Other Payables

project	ending balance	Year-end balance
dividends payable	11,044,600.00	
accounts payable-others	37,987,466.18	41,918,074.35
amount to	49,032,066.18	41,918,074.35

(1) Dividends payable

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

(2) Other Payables

① Listed by nature of the payment

project	ending balance	Year-end balance
accounts receivable payable	25,867,467.58	31,279,667.14
Unpaid installation costs	12,937.00	87,519.38
Deposit Guarantee Fund	3,990,787.59	3,467,780.26
Operating expenses	6,833,831.60	6,279,652.71

project	ending balance	Year-end balance
other	1,282,442.41	803,454.86
amount to	37,987,466.18	41,918,074.35

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.

27. Non-current liabilities maturing within one year

project	ending balance	Year-end balance
Long-term loans maturing within 1 year (Note 5, 29)	70,060,958.33	86,988,463.61
Lease liabilities maturing within 1 year (Note 5, 30)	838,955.39	1,072,195.82
amount to	70,899,913.72	88,060,659.43

28. Other current liabilities

project	ending balance	Year-end balance
Tax payable for write-off	837,769.44	3,125,042.32
Revert at the end of the period the endorsed and transferred commercial acceptance bills and drafts that have not yet matured.	9,985,556.41	
accrued expenses	97,087.38	
amount to	10,920,413.23	3,125,042.32

29. Long-term loan

project	ending balance	Year-end balance	Interest rate range (%)
Pledge Loan	70,000,000.00	86,907,415.00	4.05%
guaranteed loan		70,081,048.61	3.75-3.80
Less: Long-term borrowings due within one year (Note 5, 27)	70,000,000.00	86,988,463.61	
amount to		70,000,000.00	

Note: The parent company, China Electric Guorui Group Co., Ltd., provided a guarantee for the company's loan from China Electronic Technology Finance Co., Ltd.

30. Leasing Liabilities

project	Year-end	Increased this year	Reduced this year	end
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		New Lease	This year's interest	other		
machinery equipment	1,912,569.78				1,073,614.39	838,955.39
Less: Lease liabilities due within one year (Note 5, 27)	1,072,195.82	—	—		—	838,955.39
amount to	840,373.96	—	—		—	

31. 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

32. 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	60,169,226.95	3,362,261.03		63,531,487.98
amount to	197,955,867.58	3,362,261.03		201,318,128.61

Note: This year, the reversal of previously accrued housing purchase subsidies that were not payable resulted in an increase in capital reserve by RMB 3,362,261.03.

33. 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

34. 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 loss	-1,854,910.00						-1,854,910.00
Of which: the amount of financial asset	-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	
reclassification recognized in other comprehensive income							

35. 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

36. Undistributed Profits

project	current period	prior period
Undistributed profits at the end of the previous year before adjustment	-394,344,427.37	-405,721,306.51
Adjusted undistributed profit at the end of the previous year	-394,344,427.37	-405,721,306.51
Total: Net profit attributable to the parent company's shareholders for this period	-9,462,362.33	11,376,879.14
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	-403,806,789.70	-394,344,427.37

37. 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	607,507,744.76	483,796,308.13	783,845,853.95	620,010,069.86

project	Amount for this period		Previous period amount	
	income	prime cost	income	prime cost
Other Businesses	10,131,740.20	3,724,088.82	27,824,673.46	15,214,660.19
amount to	617,639,484.96	487,520,396.95	811,670,527.41	635,224,730.05

(2) Table of Operating Revenue Deductions

project	this year	Specific deduction details	previous year	Specific deduction details
Operating Revenue Amount	617,639,484.96		811,670,527.41	
Total amount of operating revenue minus all items	9,547,500.84		15,106,674.24	
Proportion (%) of total itemized operating revenue to total operating revenue	1.55	/	1.86	/
I. Business revenue unrelated to the core business				
1. Income from non-core business activities. This includes revenue generated from leasing fixed assets, intangible assets, or packaging materials; selling materials; exchanging materials for non-monetary assets; providing entrusted management services; and other income that, although recorded as part of core business revenue, falls outside the normal operations of the listed company.	9,547,500.84	The rental income from property leasing and tenant utilities amounted to RMB 5,419,449.16; material sales revenue was RMB 3,596,017.60; and software services and other income totaled RMB 532,034.08.	15,106,674.24	The rental income from property leasing and tenant utilities amounted to RMB 9,902,731.72; material sales revenue was RMB 4,213,608.92; and software services and other income totaled RMB 990,333.60.
Subtotal of business revenue unrelated to the main business	9,547,500.84		15,106,674.24	
II. Income without commercial substance				
III. Other income that is unrelated to the main business or lacks commercial substance				
Net operating revenue after deductions	608,091,984.12		796,563,853.17	

(3) Income and Cost Breakdown Information

Income Category	Amount for this period		Previous period amount	
	income	prime cost	income	prime cost
Classified by business type				
communications industry	612,283,394.66	486,148,821.14	708,949,979.63	561,406,842.78
Electrical Industry			92,817,798.06	72,832,536.55
amount to	612,283,394.66	486,148,821.14	801,767,795.69	634,239,379.33
Classification by sales channel				
Direct Sale	402,638,086.88	320,406,125.53	511,195,634.82	404,532,326.74
distribution	209,645,307.78	165,742,695.61	290,572,160.87	229,707,052.59
amount to	612,283,394.66	486,148,821.14	801,767,795.69	634,239,379.33

(4) Description of Performance Obligations

project	Fulfill performance obligations	Important payment terms	The nature of the goods for which the company undertakes to transfer ownership	Are you the primary responsible party?	The amount expected to be refunded to the customer by the company	The type of quality assurance provided by the company and the corresponding obligations
Sell video conferencing products	Customer acceptance project or signed goods	Make installment payments according to the time nodes specified in the contract.	Video conferencing product	yes	not have	Warranty period: Warranty
Comprehensive Distribution Cable System Products	Customer receives the goods	Make installment payments according to the time nodes specified in the contract.	Integrated Cabling Products	yes	not have	Warranty period: Warranty
Sales of basic communication and networking products	Customer acceptance project or signed goods	Make installment payments according to the time nodes specified in the contract.	Basic Communication Products	yes	not have	Warranty period: Warranty
Provide construction services	According to the progress of contract fulfillment	Make installment payments according to the time nodes specified in the contract.	Integrated Cabling Products	yes	not have	Warranty period: Warranty
Provide maintenance services	According to the progress of contract fulfillment	Make installment payments according to the time nodes specified in the contract.	Maintenance and Other Services	yes	not have	not have

(5) Explanation of allocation to the remaining performance obligations

At the end of this reporting period, the revenue corresponding to performance obligations that have been signed but not yet performed or fully performed amounted to RMB 131.3714 million, of which: RMB 96.1169 million is expected to be recognized as revenue in fiscal year 2026; and RMB 35.2545 million is expected to be recognized as revenue in fiscal year 2027.

38. Taxes and Surcharges

project	Amount for this period	Previous period amount
building taxes	1,113,060.03	2,013,656.63
urban maintenance & construction tax	1,034,092.50	1,572,198.38
extra charges of education funds	574,825.93	831,597.75
Local Education Surcharge	165,874.37	291,923.55
Land Use Tax	328,434.78	497,743.11
stamp duty	411,523.84	531,489.95
other	199,641.22	389,503.08
amount to	3,827,452.67	6,128,112.45

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

39. Selling Expenses

project	Amount for this period	Previous period amount
employee compensation	40,148,437.58	48,581,858.41
Business entertainment expenses	3,423,577.14	7,730,139.58
travel expense	4,134,554.60	4,392,780.47
administrative expenses	2,970,563.85	3,573,822.57
Sales Service Fee	978,297.95	914,243.41
Business Promotion Expenses	558,817.56	121,693.68
Meeting fee	301,611.32	249,286.74
Device Maintenance Fee		18,130.65
other	3,120,215.45	6,174,813.47
amount to	55,636,075.45	71,756,768.98

40. Administrative Expenses

project	Amount for this period	Previous period amount
employee compensation	32,254,650.18	42,541,907.68
Depreciation and Amortization	3,784,927.63	5,175,912.59
Consultation and intermediary fees	2,533,652.05	5,515,617.75

project	Amount for this period	Previous period amount
administrative expenses	1,382,829.17	3,939,247.88
Leasing and property fees	830,762.18	2,108,251.75
Business entertainment expenses	292,885.04	581,870.76
travel expense	215,024.33	568,331.70
other	2,363,392.85	1,844,769.79
amount to	43,658,123.43	62,275,909.90

41. R&D expenses

project	Amount for this period	Previous period amount
employee compensation	23,367,004.89	28,521,143.99
Interim trial fee	1,512,348.46	1,541,213.73
travel expense	1,070,452.09	1,211,814.77
Material Request	775,418.71	748,668.74
Depreciation and Amortization	888,456.28	942,670.55
other	1,595,117.28	1,885,323.46
amount to	29,208,797.71	34,850,835.24

42. Financial Expenses

project	Amount for this period	Previous period amount
interest expense	8,748,305.48	10,723,524.38
Subtraction: Interest Income	452,186.54	639,938.05
exchange loss	4,867.97	-1,150.08
Less: Exchange gains		
Service charge expenditure	296,566.30	81,356.02
amount to	8,597,553.21	10,163,792.27

43. 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	2,780,647.16	911,728.87	1,951,399.86
Additional VAT deduction for advanced manufacturing industries	1,772,849.83	1,862,254.79	

project	Amount for this period	Previous period amount	The amount included in the non-recurring gains and losses for the current period
Refund of the personal income tax withholding fee	47,386.39	9,574.65	
amount to	4,600,883.38	2,783,558.31	1,951,399.86

The details of government subsidies are as follows:

Subsidy Project	Amount for this period	Previous period amount	Asset-related/Income-related
Software Tax Refund	829,247.30	546,711.46	Related to income
Special Fund for Industrial Transformation and Upgrading	500,000.00	30,000.00	Related to income
Jiangsu Province: Specialized, Advanced, Unique, and Innovative	500,000.00	52,000.00	Related to income
Tengfei Policy Incentive	450,826.50		Related to income
Special Subsidy for Enterprise Upgrade Services	350,000.00		Related to income
Job Stability Subsidy	85,584.00	109,426.00	Related to income
High-tech enterprise subsidies	50,000.00		Related to income
Development Economics Department Expenses		50,000.00	Related to income
奖励 for Digital Economy Military Qualification Certification		50,000.00	Related to income
other	14,989.36	73,591.41	Related to income

44. Investment Return

project	Amount for this period	Previous period amount
Gains from long-term equity investments accounted for using the equity method	-111.44	-5.77
Investment income generated from long-term equity investments	7,389,153.73	50,832,148.02
收益 from debt restructuring	643,686.83	1,514,624.88
other	5,416.29	-50,223.40
amount to	8,038,145.41	52,296,543.73

45. Credit impairment loss

project	Amount for this period	Previous period amount
Bad debt loss on notes receivable	-749,960.69	-2,548,249.56
Loss on bad debts of accounts receivable	-3,888,297.12	-4,263,347.36
Other receivables bad debt losses	-2,340,861.15	-822,788.59

project	Amount for this period	Previous period amount
amount to	-6,979,118.96	-7,634,385.51

46. Asset impairment loss

project	Amount for this period	Previous period amount
loss on inventory	-2,237,689.03	-14,428,752.85

47. 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
Gains or losses from the disposal of fixed assets	5,359,026.59	1,083,098.78	5,359,026.59

48. 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 accounts payable	2,219,780.87	3,498,793.46	2,219,780.87
Fines Revenue	72,147.00	79,732.91	72,147.00
other	708,819.12	4,905.66	708,819.12
amount to	3,000,746.99	3,583,432.03	3,000,746.99

49. 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 penalty expenses	5,635.24	3,306.68	5,635.24
Fines expenditure		25,000.00	
other	517,268.31	3,638,975.61	517,268.31
amount to	522,903.55	3,667,282.29	522,903.55

50. Income Tax Expense

(1) Income Tax expense statement

project	Amount for this period	Previous period amount
Current income tax expense	1,204,086.83	2,934,143.89
Deferred income tax expense		
other	154,333.67	246,161.16
amount to	1,358,420.50	3,180,305.05

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

project	Amount for this period
total profit	450,176.37
Income tax expense calculated based on the statutory/applicable tax rate	112,544.09
The impact of applying different tax rates to subsidiaries	-1,687,628.12
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	1,066,745.64
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.	4,926,244.59
The impact of the additional deduction for research and development expenses	-3,059,485.70
Income Tax Fee	1,358,420.50

51. 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	1,951,399.86	325,259.82
interest revenue	452,186.54	639,938.05
Receiving and Paying Accounts	30,462,830.20	32,939,753.75
other	4,085,739.25	9,153,979.71
amount to	36,952,155.85	43,058,931.33

(2) Payment of other cash related to operating activities

project	Amount for this period	Previous period amount
out-of-pocket expenses	28,400,566.70	50,687,399.27
Receiving and Paying Accounts	28,883,722.23	30,830,777.55
other	2,333,599.27	3,923,916.79

project	Amount for this period	Previous period amount
amount to	59,617,888.20	85,442,093.61

(3) Payment of other cash related to investment activities

project	Amount for this period	Previous period amount
Pay the expenses related to the payment and settlement subsidiary.		405,500.00

(4) Payment of other cash related to financing activities

project	Amount for this period	Previous period amount
Pay the rental fee	1,287,438.87	916,760.88
Stock Repurchase		2,997,498.00
amount to	1,287,438.87	3,914,258.88

(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	128,127,987.75	202,614,067.87	3,817,197.35	130,633,530.99		203,925,721.98
money borrowed for long term	70,000,000.00		3,674,008.33	3,613,050.00	70,060,958.33	
Leasing liabilities (including leasing liabilities maturing within 1 year)	840,373.96		1,136,020.30	1,137,438.87		838,955.39
notes payable			14,954.96	14,954.96		
accounts payable-others	1,224,880.89		150,000.00	1,374,880.89		
Non-current liabilities maturing within one year	88,060,659.43		72,339,015.56	89,266,520.84	1,072,195.82	70,060,958.33
amount to	288,253,902.03	202,614,067.87	81,131,196.50	226,040,376.55	71,133,154.15	274,825,635.70

52. 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	-908,244.13	22,106,285.67
Add: Asset impairment provision	2,237,689.03	14,428,752.85
Credit impairment loss	6,979,118.96	7,634,385.51

Supplementary Information	Amount for this period	Previous period amount
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets, depreciation of right-of-use assets	7,226,916.20	8,414,965.46
amortization of intangible assets	468,354.12	814,279.13
Amortization of long-term prepaid expenses	919,639.72	950,185.51
Losses (or gains) from disposal of fixed assets, intangible assets, and other long-term assets (marked with a "-" sign)	-5,359,026.59	-1,083,098.78
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)	8,748,305.48	10,723,524.38
Investment loss (profit is indicated with a "-")	-8,038,145.41	-52,296,543.73
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 "-")	31,687,568.04	37,599,818.54
Decrease in operating receivables (enter with a "-" sign for an increase)	-62,656,023.57	-23,477,786.08
Increase in operating payable items (减少 items are indicated with a "-").	-68,579,422.44	-43,011,110.86
other		
Net cash flow from operating activities	-87,273,270.59	-17,196,342.40
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	180,051,598.36	288,328,064.43
Less: The balance of cash at the end of the previous year	288,328,064.43	164,177,680.11

Supplementary Information	Amount for this period	Previous period amount
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	-108,276,466.07	124,150,384.32

(2) Cash received or paid related to significant investment activities

Nature	Amount for this period	Previous period amount
Cash paid for important investment activities		
Pay the expenses related to the payment and settlement subsidiary.		405,500.00

(3) Composition of cash and cash equivalents

project	ending balance	Year-end balance
Cash	180,051,598.36	288,328,064.43
Among these: Bank deposits available for payment at any time.	180,051,598.36	288,328,064.43

53. 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	30,525.13	7.0288	214,555.03
HongKong dollar	10.33	0.90322	9.33

54. Lease

(1) The Company, as the lessee

① For details on right-of-use assets and lease liabilities, refer to Notes 5, 13, and 30 of this document.

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	63,824.48

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	1,287,438.87

(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	5,356,090.30

VI. R&D Expenses

1. Cost-based R&D expenditures

project	Amount for this period	Previous period amount
employee compensation	23,367,004.89	28,521,143.99
travel expense	1,070,452.09	1,211,814.77
Depreciation and Amortization	888,456.28	942,670.55
Material Request	775,418.71	748,668.74
Interim trial fee	1,512,348.46	1,541,213.73
design fee		6,000.00
other	1,595,117.28	1,879,323.46
amount to	29,208,797.71	34,850,835.24

VII. Interests in Other Entities

1. Composition of an Enterprise Group

Subsidiary Name	Registered Capital (ten thousand yuan)	Primary place of business	Registered Address	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

Subsidiary Name	Registered Capital (ten thousand yuan)	Primary place of business	Registered Address	Nature of Business	shareholding ratio (%)		Method of Acquisition
					direct	indirect	
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	8,162,390.98	10,846,600.00	59,004,393.79

(2) Key financial information of the subsidiary

Subsidiary Name	ending balance					Total Liabilities
	circulating assets	non-current assets	Total Assets	cash liabilities	non-current liability	
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	Year-end balance					Total Liabilities
	circulating assets	non-current assets	Total Assets	cash liabilities	non-current liability	
Nanjing Putian Tianji Building Intelligence Co., Ltd.	243,448,430.35	32,796,612.98	276,245,043.33	162,977,636.49		162,977,636.49

(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.	294,056,233.62	15,051,430.91	15,051,430.91	2,515,810.36	339,404,639.09	20,374,028.68	20,374,028.68	5,677,545.92

4. Equity interests in the joint venture or associated enterprise

(1) Consolidated financial information for non-material joint ventures and associated enterprises

project	End-of-period balance / Current period amount	Year-end balance / Amount from the previous period
cooperative enterprise :	Nanjing Puzhu Guang Network Co., Ltd.	Nanjing Puzhu Guang Network Co., Ltd.

project	End-of-period balance / Current period amount	Year-end balance / Amount from the previous period
Total book value of investments		10,412,683.37
The total amounts of the following items are calculated based on the shareholding ratios:		
— net margin		-5.77
—Other Comprehensive Income		
— total comprehensive income		-5.77

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	30,525.13	214,555.03	10.33	9.33

project	31 December 2024			
	American dollar		Hong Kong currency	
	foreign currency	Renminbi	foreign currency	Renminbi
Cash and cash equivalents	30,572.51	219,693.17	10.33	9.57

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 December 31, 2025, 16.66% of its accounts receivable (compared to 8.17% as of December 31, 2024) 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	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		

(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	128,127,987.75	128,127,987.75	128,127,987.75		
notes payable					
debit balance in suppliers' account	349,342,179.21	349,342,179.21	349,342,179.21		
accounts payable-others	41,918,074.35	41,918,074.35	41,918,074.35		
Non-current liabilities maturing within one year	88,060,659.43	88,060,659.43	88,060,659.43		
subtotal	617,571,126.49	617,571,126.49	617,571,126.49		

② Hedging

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	25,105,495.20	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	25,105,495.20	

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			27,655,375.14	27,655,375.14
Total assets not measured at fair value on a continuous basis			27,655,375.14	27,655,375.14

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
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
China Far East International Tendering Co., Ltd.	The same ultimate controlling party
China Putian Information Industry Group Co., Ltd.	The same ultimate controlling party
China Putian Information Industry Co., Ltd.	The same ultimate controlling party
The 55th Research Institute of China Electronics Technology Group Corporation	The same ultimate controlling party
The 54th Research Institute of China Electronics Technology Group Corporation	The same ultimate controlling party
The 48th Research Institute of China Electronics Technology Group Corporation	The same ultimate controlling party
The 14th Research Institute of China Electronics Technology Group Corporation	The same ultimate controlling party
The 28th Research Institute of China Electronics Technology Group Corporation	The same ultimate controlling party

Other related party names	Relationships between other related parties and the Company
China Electric Rice Information Systems Co., Ltd.	The same ultimate controlling party
China Electronics Technology Group Corporation Taili Communication Technology Co., Ltd.	The same ultimate controlling party
China Electronics Technology Group Corporation Digital Technology Co., Ltd.	The same ultimate controlling party
China Electronics Technology Group Corporation Financial Leasing Co., Ltd.	The same ultimate controlling party
China Electric Science Popularization Technology Co., Ltd.	The same ultimate controlling party
China Electronics Technology (Nanjing) Electronic Information Development Co., Ltd.	The same ultimate controlling party
China Electronics Technology Group Corporation Metrology, Testing and Certification (Beijing) Co., Ltd.	The same ultimate controlling party
China Electronics Technology Group Corporation Metrology, Testing and Certification (Beijing) Co., Ltd.	The same ultimate controlling party
China Electronics Technology Group Corporation (Beijing) Network Information Security Co., Ltd.	The same ultimate controlling party
Tianjin Putian Innovation and Entrepreneurship Technology Co., Ltd.	The same ultimate controlling party
Tianbo Electronic Information Technology Co., Ltd.	The same ultimate controlling party
Taiji Computer Co., Ltd.	The same ultimate controlling party
Sichuang Electronics Co., Ltd.	The same ultimate controlling party
Shanghai Post and Telecommunications Equipment Co., Ltd.	The same ultimate controlling party
Shanghai Putian Youtong Technology Co., Ltd.	The same ultimate controlling party
Putian Information Technology Co., Ltd. (Headquarters)	The same ultimate controlling party
Putian Information Technology Co., Ltd.	The same ultimate controlling party
Putian Information Engineering Design Service Co., Ltd.	The same ultimate controlling party
Putian Communication Co., Ltd.	The same ultimate controlling party
Putian Kechuang Industrial Co., Ltd.	The same ultimate controlling party
Putian Rail Transit Technology (Shanghai) Co., Ltd.	The same ultimate controlling party
Putian High-Tech Industrial Co., Ltd.	The same ultimate controlling party
Nanjing Putian Information Technology Co., Ltd.	The same ultimate controlling party
Nanjing Putian Technology Co., Ltd.	The same ultimate controlling party
Nanjing Putian Hongyan Electric Appliance Technology Co., Ltd.	The same ultimate controlling party
Nanjing Nanman Electric Co., Ltd.	The same ultimate controlling party
Nanjing Meichen Microelectronics Co., Ltd.	The same ultimate controlling party
Nanjing Luopu Technology Co., Ltd.	The same ultimate controlling party
Nanjing Luopu Co., Ltd.	The same ultimate controlling party
Nanjing LaiSi Information Technology Co., Ltd.	The same ultimate controlling party
Nanjing LaiSi Electronic Equipment Co., Ltd.	The same ultimate controlling party
Nanjing Hikvision Digital Technology Co., Ltd.	The same ultimate controlling party
Nanjing Guorui Xinwei Software Co., Ltd.	The same ultimate controlling party
Nanjing Guorui Defense Systems Co., Ltd.	The same ultimate controlling party
Nanjing Urban Rail Transit System Engineering Co., Ltd.	The same ultimate controlling party
Liyang 28th System Equipment Co., Ltd.	The same ultimate controlling party
The 15th Research Institute of China Electronics Technology Group Corporation	The same ultimate controlling party
Hebei Yuandong Communication System Engineering Co., Ltd.	The same ultimate controlling party

Other related party names	Relationships between other related parties and the Company
Hangzhou Hongyan Electric Power and Electrical Co., Ltd.	The same ultimate controlling party
Hangzhou Hikvision Digital Technology Co., Ltd. Nanjing Branch	The same ultimate controlling party
Hangzhou Hikvision Digital Technology Co., Ltd. Beijing Branch	The same ultimate controlling party
Hangzhou Hikvision Technology Co., Ltd.	The same ultimate controlling party
Guorui Technology Co., Ltd.	The same ultimate controlling party
Dongfang Communication Co., Ltd.	The same ultimate controlling party
Dianke Cloud (Beijing) Technology Co., Ltd.	The same ultimate controlling party
Beijing Shouxin Co., Ltd.	The same ultimate controlling party
Beijing Likang General Communication Equipment Co., Ltd.	The same ultimate controlling party
Beijing Aotewei Technology Co., Ltd.	The same ultimate controlling party
Nanjing Enrui Te Industrial Co., Ltd.	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

affiliated party	Related Party Transaction Details	Amount for this period	Previous period amount
Nanjing Nanman Electric Co., Ltd.	Telecommunications products	1,528,203.48	
China Electronics Technology (Nanjing) Electronic Information Development Co., Ltd.	Telecommunications products	359,967.66	10,140,880.54
North China Institute of Computing Technology (The 15th Research Institute of China Electronics Technology Group Corporation)	Telecommunications products	106,155.75	
Nanjing Putian Hongyan Electric Appliance Technology Co., Ltd.	Telecommunications products	1,653.10	239,709.77
Hangzhou Hikvision Digital Technology Co., Ltd. Beijing Branch	Telecommunications products	1,199.12	
Nanjing Hikvision Digital Technology Co., Ltd.	Telecommunications products		175,221.24
China Electronics Technology Group Corporation (Beijing) Network Information Security Co., Ltd.	Telecommunications products		33,018.87
Hangzhou Hikvision Technology Co., Ltd.	Telecommunications products		2,463.72

Status of goods sold/labor services provided

affiliated party	Related Party Transaction Details	Amount for this period	Previous period amount
The 14th Research Institute of China Electronics Technology Group Corporation	Telecommunications products	19,227,915.25	17,199,883.01
Nanjing Luopu Co., Ltd.	Telecommunications products	6,906,815.92	7,657,210.21
Taiji Computer Co., Ltd.	Telecommunications products	7,823,909.31	
Nanjing LaiSi Information Technology Co., Ltd.	Telecommunications products	5,213,666.44	5,864,967.64
The 28th Research Institute of China Electronics Technology Group Corporation	Telecommunications products	4,876,533.80	6,000,191.37
Nanjing Guorui Defense Systems Co., Ltd.	Telecommunications products	2,646,933.52	364,908.62
Dianke Cloud (Beijing) Technology Co., Ltd.	Telecommunications products	2,411,247.78	
Tianbo Electronic Information Technology Co., Ltd.	Telecommunications products	839,415.90	7,485,748.80
Beijing Aotewei Technology Co., Ltd.	Telecommunications products	795,734.51	
Nanjing Urban Rail Transit System Engineering Co., Ltd.	Telecommunications products	690,285.84	365,128.87
Hebei Yuandong Communication System Engineering Co., Ltd.	Telecommunications products	654,817.69	1,593,214.12
Putian Rail Transit Technology (Shanghai) Co., Ltd.	Telecommunications products	585,208.89	38,547.78
China Electric Science Popularization Technology Co., Ltd.	Telecommunications products	516,767.60	10,517,699.10
The 54th Research Institute of China Electronics Technology Group Corporation	Telecommunications products	441,915.04	
China Electronics Technology Group Corporation Digital Technology Co., Ltd.	Telecommunications products	272,644.17	279,867.26
Nanjing Nanman Electric Co., Ltd.	Telecommunications products	218,864.34	

affiliated party	Related Party Transaction Details	Amount for this period	Previous period amount
	ons products		
China Electronics Technology Group Corporation Metrology, Testing and Certification (Beijing) Co., Ltd.	Telecommunications products	216,162.42	
Nanjing Luopu Technology Co., Ltd.	Telecommunications products	166,845.57	862,006.88
Guorui Technology Co., Ltd.	Telecommunications products	139,432.18	3,174,272.98
The 55th Research Institute of China Electronics Technology Group Corporation	Telecommunications products	70,796.46	
Sichuang Electronics Co., Ltd.	Telecommunications products	63,716.82	
Dongfang Communication Co., Ltd.	Telecommunications products	45,575.20	154,098.76
Nanjing LaiSi Electronic Equipment Co., Ltd.	Telecommunications products	22,455.75	14,026.56
Nanjing Enrui Te Industrial Co., Ltd.	Telecommunications products	13,524.59	
Tianjin Putian Innovation and Entrepreneurship Technology Co., Ltd.	Telecommunications products	10,619.46	
China Electronics Technology (Nanjing) Electronic Information Development Co., Ltd.	Telecommunications products	2,654.86	
Nanjing Guorui Xinwei Software Co., Ltd.	Telecommunications products		1,242,354.90
Nanjing Meichen Microelectronics Co., Ltd.	Telecommunications products		696,867.27
Hangzhou Hongyan Electric Power and Electrical Co., Ltd.	Telecommunications products		296,681.42
Putian Kechuang Industrial Co., Ltd.	Telecommunications products		65,929.22
Putian Kechuang Industrial Co., Ltd.	Telecommunications products		43,628.32

affiliated party	Related Party Transaction Details	Amount for this period	Previous period amount
The 48th Research Institute of China Electronics Technology Group Corporation	Telecommunications products		43,504.03
China Electric Rice Information Systems Co., Ltd.	Telecommunications products		460.18

(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	1,754,162.79	1,824,804.99
Nanjing Luopu Co., Ltd.	House and Property Income	395,238.10	395,238.10
China Electronics Technology Group Corporation Metrology, Testing and Certification (Beijing) Co., Ltd.	House and Property Income	194,400.00	194,400.00

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 amount	Previous period occurrence amount
Putian High-Tech Industrial Co., Ltd.	buildings		642,292.73		1,036,279.73				
China Electronics Technology Group Corporation Financial Leasing Co., Ltd.	machinery equipment			1,137,438.87	853,843.45	63,824.48	79,729.23		2,686,684.00
Beijing Shouxin Co., Ltd.	buildings	1,034,448.46		889,651.45					

(3) Guarantee from an affiliated party

Our company is the guaranteed party.

Guarantor	amount guaranteed	Guarantee Start Date	Guarantee Maturity Date	Has the guarantee been fully fulfilled?
China Electric Guorui Group Co., Ltd.	55,000,000.00	3 April 2023	2 April 2026	yes
China Electric Guorui Group Co., Ltd.	15,000,000.00	25 June 2023	24 June 2026	yes

Note: The Company repaid the loan on March 17,2026, and as of the reporting date, the aforementioned guarantees have been fully fulfilled.

(4) 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	3,505,635.00	4,354,177.50
China Electronic Technology Finance Co., Ltd.	Loan principal	70,000,000.00	70,000,000.00
China Electronic Technology Finance Co., Ltd.	cost of money	2,446,430.56	2,696,708.34
China Electronics Technology Group Corporation Financial Leasing Co., Ltd.	Other interest	63,824.48	79,729.23
China Electric Guorui Group Co., Ltd.	Principal amount of entrusted loan	66,800,000.00	
China Electric Guorui Group Co., Ltd.	Debt loan interest	33,567.00	

(5) 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	172,779,922.93	287,204,290.64
Interest income for this period	373,400.64	59,651.77

(6) Compensation for Key Management Personnel

project	Amount for this period	Previous period amount
Remuneration for Key Management Personnel	3,281,506.00	3,220,349.00

6. Receivables and payables from related parties

(1) Accounts Receivable Items

project name	ending balance		Year-end balance	
	book balance	bad debt provision	book balance	bad debt provision
accounts receivable :				
The 28th Research Institute of China Electronics Technology Group Corporation	15,663,961.54	399,668.76	13,445,649.66	205,355.90
Nanjing LaiSi Information	14,814,554.61	823,900.28	14,023,177.32	436,062.33

project name	ending balance		Year-end balance	
	book balance	bad debt provision	book balance	bad debt provision
Technology Co., Ltd.				
The 14th Research Institute of China Electronics Technology Group Corporation	12,947,983.94	129,479.84	18,560,060.00	185,600.60
Shanghai Putian Youtong Technology Co., Ltd.	8,755,534.00	8,755,534.00	8,755,534.00	8,755,534.00
Taiji Computer Co., Ltd.	8,204,723.11	82,047.28	2,796.40	279.64
Hebei Yuandong Communication System Engineering Co., Ltd.	5,976,731.85	744,627.33	6,212,960.25	320,772.80
China Electric Science Popularization Technology Co., Ltd.	5,414,212.80	336,471.28	8,231,212.80	174,760.64
Putian Information Technology Co., Ltd.	5,983,345.58	5,983,345.58	6,065,598.36	6,065,598.36
Putian Communication Co., Ltd.	4,317,924.00	4,317,924.00	4,317,924.00	3,729,909.00
Nanjing Luopu Co., Ltd.	4,238,987.48	42,389.87	178,712.22	1,787.12
Nanjing Guorui Defense Systems Co., Ltd.	3,346,725.58	47,694.88	1,463,890.99	56,700.68
China Putian Information Industry Co., Ltd.	3,222,253.45	3,103,328.36	3,222,253.45	2,982,001.65
Dianke Cloud (Beijing) Technology Co., Ltd.	2,576,051.00	25,760.51		
Tianbo Electronic Information Technology Co., Ltd.	1,700,864.56	46,842.63	4,856,897.25	48,568.97
Nanjing Urban Rail Transit System Engineering Co., Ltd.	993,349.94	41,446.64	213,326.94	14,519.47
The 54th Research Institute of China Electronics Technology Group Corporation	499,364.00	4,993.64		
Shanghai Post and Telecommunications Equipment	403,366.29	403,366.29		

project name	ending balance		Year-end balance	
	book balance	bad debt provision	book balance	bad debt provision
Co., Ltd.				
China Electronics Technology Group Corporation Digital Technology Co., Ltd.	253,022.35	2,530.27		
Nanjing Nanman Electric Co., Ltd.	178,506.17	2,350.78	105,299.54	1,053.00
Putian Rail Transit Technology (Shanghai) Co., Ltd.	146,772.00	1,467.77	53,722.95	943.79
Sichuang Electronics Co., Ltd.	143,812.88	60,045.38	135,557.43	133,377.18
Guorui Technology Co., Ltd.	109,957.83	1,387.58	2,404,882.65	24,048.83
Nanjing Meichen Microelectronics Co., Ltd.	101,460.00	5,073.00	787,460.00	7,874.60
Nanjing Luopu Technology Co., Ltd.	82,071.00	820.76	292,591.00	2,925.91
The 55th Research Institute of China Electronics Technology Group Corporation	80,000.00	800.00		
Nanjing Guorui Xinwei Software Co., Ltd.	40,625.01	2,031.25	3,130,411.82	102,353.92
China Electronics Technology (Nanjing) Electronic Information Development Co., Ltd.	12,000.00	1,200.00	12,000.00	600.00
China Electronics Technology Group Corporation Metrology, Testing and Certification (Beijing) Co., Ltd.	1,866.67	18.67		
Liyang 28th System Equipment Co., Ltd.			29,700.00	1,485.00
Dongfang Communication Co., Ltd.			23,162.98	231.63
China Electronics Technology Group Corporation Taili			7,400.00	74.00

project name	ending balance		Year-end balance	
	book balance	bad debt provision	book balance	bad debt provision
Communication Technology Co., Ltd.				
China Electric Rice Information Systems Co., Ltd.			520.00	5.20
amount to	100,210,027.64	25,366,546.63	96,532,702.01	23,252,424.22
bill receivable :				
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		
China Electric Science Popularization Technology Co., Ltd.	747,000.00			
Nanjing Meichen Microelectronics Co., Ltd.	686,000.00	34,300.00		
amount to	7,782,406.81	411,259.68		
advance payment :				
Hangzhou Hikvision Technology Co., Ltd.			34,875.00	
amount to			34,875.00	
accounts receivable-other :				
Nanjing Putian Technology Co., Ltd.	1,784,619.72	1,784,619.72	1,784,619.72	1,784,619.72
Putian Information Technology Co., Ltd.	367,800.00	367,800.00	367,800.00	367,800.00
Beijing Shouxin Co., Ltd.	84,900.52	4,245.03		
China Far East International Tendering Co., Ltd.	44,782.14	2,239.11		
The 14th Research Institute of China Electronics Technology	29,000.00	1,450.00		

project name	ending balance		Year-end balance	
	book balance	bad debt provision	book balance	bad debt provision
Group Corporation				
Putian Information Engineering Design Service Co., Ltd.	24,000.00	1,200.00		
China Putian Information Industry Co., Ltd.	1,000.00	1,000.00	1,000.00	1,000.00
Beijing Likang General 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	31,273,621.09	31,100,072.57	31,090,938.43	31,090,938.43

(2) Accounts Payable Items

project name	ending balance	Year-end balance
debit balance in suppliers' account :		
China Putian Information Industry Co., Ltd.	14,918,045.42	14,918,045.42
China Electronics Technology (Nanjing) Electronic Information Development Co., Ltd.	4,932,081.60	6,882,850.00
Nanjing Nanman Electric Co., Ltd.	3,030,412.33	2,530,091.68
Nanjing Putian Hongyan Electric Appliance Technology Co., Ltd.	195,824.09	
Putian High-Tech Industrial Co., Ltd.	25,000.00	25,000.00
amount to	23,101,363.44	24,355,987.10
accounts payable-others :		
China Putian Information Industry Group Co., Ltd.	9,591,612.50	9,591,612.50
Putian High-Tech Industrial Co., Ltd.	1,442,202.94	1,814,696.94
Nanjing Putian Information Technology Co., Ltd.	2,467,412.69	2,467,412.69

project name	ending balance	Year-end balance
Putian Communication Co., Ltd.		200,000.00
amount to	13,501,228.13	14,073,722.13
Contract Liability:		
China Putian Information Industry Co., Ltd.	3,727,418.22	3,727,418.22
China Putian Information Industry Group Co., Ltd.	11,716.35	
amount to	3,739,134.57	3,727,418.22

XI. Commitments and Contingent Matters

1. Major Commitment Matters

As of December 31, 2025, the Company has no material commitments requiring disclosure.

2. Contingent Matters

On March 19, 2026, our company signed a loan contract with the Nanjing Military Administration Branch of Industrial and Commercial Bank of China, Ltd., borrowing 70 million yuan. The loan period is from March 19, 2026 to January 1, 2029. This loan is secured by the industrial plant and research and development building of our company, and at the same time, a pledge is set on 40.70% equity (corresponding to the capital contribution of 20.6349 million yuan) of our subsidiary Nanjing Nanfang Telecommunication Co., Ltd. and 19.21% equity (corresponding to the capital contribution of 3.842 million yuan) of our subsidiary Nanjing Putian Tianji Building Intelligence Co., Ltd.

The loan funds were fully received on March 27, 2026, and the company used the funds on the same day to repay the long-term loan of 70 million yuan from China Electronics Technology Finance Co., Ltd.

As of the reporting date, there are no other post-balance sheet events that should be disclosed.

XII. Events Occurring After the Balance Sheet Date

On March 19, 2026, the Company entered into a loan agreement with the Nanjing Military Administration Branch of Industrial and Commercial Bank of China Limited, for a loan amount of RMB 70.00 million, with the loan term running from March 19, 2026, to January 1, 2029. The loan was secured by a mortgage on the Company's industrial plant and R&D building, and by pledges representing 40.70% equity in its subsidiary Nanjing Southern Telecommunications Co., Ltd. (corresponding to an investment of RMB 20.6349 million) and 19.21% equity in its subsidiary Nanjing Putian Tianji Building Intelligence Co., Ltd. (corresponding to an investment of RMB 3.8420 million).

The aforementioned loan funds were fully received on March 27,2026, and the company used these funds specifically on the same day to repay the long-term loan of RMB 70 million from China Electronic Technology Finance Co., Ltd.

The aforementioned matters are non-adjustable events occurring after the balance sheet date and do not affect the financial position or operating results as of that date. This significant financing and debt restructuring transaction has a substantial impact on the company's future financial condition and debt repayment arrangements; therefore, it is disclosed.

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	268,214,493.37	294,056,233.62	58,699,666.27	-3,330,908.30
II. Operating Costs	213,171,492.80	234,606,345.38	42,333,131.57	-2,590,572.80
III. Investment Returns from Joint Ventures and Cooperative Enterprises			7,389,042.29	
IV. Credit Impairment Loss	-1,185,514.08	-716,953.54	-5,076,651.34	
V. Asset Impairment Loss		-106,579.56	-2,131,109.47	
VI. Depreciation and Amortization Expenses	277,013.39	2,495,369.38	5,531,588.07	310,939.20
VII. Total Profit	3,398,114.22	15,994,494.86	-9,346,093.51	-9,596,339.20
VIII. Income Tax Expenses	415,356.55	943,063.95		
IX. Net Profit	2,982,757.67	15,051,430.91	-9,346,093.51	-9,596,339.20
X. Total Assets	313,824,081.88	313,570,007.02	273,927,700.50	-171,398,192.43
XI. Total Liabilities	196,000,185.60	204,374,209.00	373,483,600.62	-131,536,544.28

(II) Others

The Company has pledged the equity stake of 56.28% in Nanjing Southern Telecommunications Co., Ltd., corresponding to an investment amount of RMB 28.534 million, to China Electronics Guorui Group Co., Ltd.

(hereinafter referred to as the Parent Company) for its use in entrusting a financial company to disburse a loan to the Company. The Parent Company provided a guarantee for the Company's loan from China Electronics Technology Finance Co., Ltd. In return, the Company pledged the equity stake of 40% in its subsidiary Nanjing Putian Tianji Building Intelligence Co., Ltd., corresponding to an investment amount of RMB 8 million, to the Parent Company. Additionally, the Company pledged the equity stake of 40% in its subsidiary Nanjing Putian Datang Information Electronics Co., Ltd., corresponding to an investment amount of RMB 4 million, to China Electronics Finance Leasing Co., Ltd. for the purpose of securing a financial leasing transaction with the latter. The aforementioned equity stakes in the subsidiaries remain subject to transfer restrictions until the pledges are lifted.

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	26,145,588.39	47,287,939.57
1 to 2 years	18,892,822.21	15,482,294.57
2 to 3 years	9,775,010.59	12,282,655.94
3 to 4 years	8,213,599.93	7,085,367.49
4 to 5 years	4,739,444.66	9,950,515.07
More than 5 years	164,589,421.40	156,866,329.69
subtotal	232,355,887.18	248,955,102.33
Less: Bad debt provision	171,443,995.15	168,397,267.69
amount to	60,911,892.03	80,557,834.64

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

class	ending balance				book value
	book balance		bad debt provision		
	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	157,838,314.00	67.93	96,926,421.97	61.41	60,911,892.03

class	ending balance				
	book balance		bad debt provision		book value
	amount of money	Percentage (%)	amount of money	Proportion (%)	
provisions are made on a combined basis					
among :					
combination 1: Age of Account Combination	150,935,016.59	64.96	96,926,421.97	64.22	54,008,594.62
Combination 2: Related Parties Combination	6,903,297.41	2.97			6,903,297.41
amount to	232,355,887.18	—	171,443,995.15	—	60,911,892.03

(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	74,588,880.79	29.96	74,588,880.79	100.00	
Accounts receivable for which bad debt provisions are made on a combined basis	174,366,221.54	70.04	93,808,386.90	53.80	80,557,834.64
among :					
combination 1: Age of Account Combination	169,715,844.54	68.17	93,808,386.90	55.27	75,907,457.64
Combination 2: Related Parties Combination	4,650,377.00	1.87			4,650,377.00
amount to	248,955,102.33	—	168,397,267.69	—	80,557,834.64

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

Accounts Receivable (by Unit)	ending balance			Calculation Basis
	book balance	bad debt provision	Proportion of Deduction	
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.	4,450,269.30	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	—

Continue the table above

Accounts Receivable (by Unit)	Year-end balance			Calculation Basis
	book balance	bad debt provision	Proportion of Deduction	
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.	4,514,800.91	4,514,800.91	100.00	The recovery process carries risks.
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	3,534,579.35	3,534,579.35	100.00	The recovery process carries risks.
other	15,419,803.33	15,419,803.33	100.00	The recovery process

Accounts Receivable (by Unit)	Year-end balance			Calculation Basis
	book balance	bad debt provision	Proportion of Deduction	
				carries risks.
amount to	74,588,880.79	74,588,880.79	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	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
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

(continuous)

project	Year-end balance		
	book balance	bad debt provision	Proportion (%)
Within 1 year	42,637,562.57	426,375.63	1.00
1 to 2 years	15,482,294.57	774,114.73	5.00
2 to 3 years	12,262,425.94	1,226,242.59	10.00
3 to 4 years	7,050,617.49	2,115,185.25	30.00
4 to 5 years	6,032,950.54	3,016,475.27	50.00
More than 5 years	86,249,993.43	86,249,993.43	100.00
amount to	169,715,844.54	93,808,386.90	55.27

(3) Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accrishment	Recover or Roll Back	Write-off or cancellation	
Accrishment based on the	93,808,386.90	3,118,035.07			96,926,421.97

class	Year-end balance	Amount of Change for This Period			ending balance
		Accrualment	Recover or Roll Back	Write-off or cancellation	
aging of accounts receivable					
Individual Provisioning	74,588,880.79		71,307.61		74,517,573.18
amount to	168,397,267.69	3,118,035.07	71,307.61		171,443,995.15

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
Putian Information Technology Co., Ltd.	64,531.61	Recovered Amount
China Railway Communication and Signal Shanghai Engineering Group Co., Ltd.	6,776.00	Recovered Amount
amount to	71,307.61	—

(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	8.48	19,708,086.54
Xu Mou	17,591,683.74	7.57	17,591,683.74
The 14th Research Institute of China Electronics Technology Group Corporation	12,375,549.04	5.33	123,755.49
China Tower Co., Ltd.	13,819,926.92	5.95	13,819,926.92
Shanghai Putian Youtong Technology Co., Ltd.	8,755,534.00	3.77	8,755,534.00
amount to	72,250,780.24	31.10	59,998,986.69

2. Other Receivables

project	ending balance	Year-end balance
dividends receivable	28,685,400.00	19,400,000.00
accounts receivable-other	1,805,885.66	3,494,075.34
amount to	30,491,285.66	22,894,075.34

(1) Dividends receivable

① Dividend receivable status

Project (or the invested entity)	ending balance	Year-end balance
Subsidiary dividend	28,685,400.00	19,400,000.00

(2) Other Receivables

① Disclosure by aging of accounts

Account Age	ending balance	Year-end balance
Within 1 year	886,060.97	944,116.13
1 to 2 years	584,157.05	424,567.94
2 to 3 years	416,076.27	2,330,596.37
3 to 4 years	2,329,596.37	1,004,927.14
4 to 5 years	3,395,274.79	1,252,104.78
More than 5 years	37,528,845.74	39,110,865.61
subtotal	45,140,011.19	45,067,177.97
Less: Bad debt provision	43,334,125.53	41,573,102.63
amount to	1,805,885.66	3,494,075.34

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	40,613,763.14	39,807,462.57
Deposit Guarantee Fund	3,702,805.50	4,391,570.77
Business travel petty cash fund	31,492.59	32,492.59
other	791,949.96	835,652.04
subtotal	45,140,011.19	45,067,177.97
Less: Bad debt provision	43,334,125.53	41,573,102.63
amount to	1,805,885.66	3,494,075.34

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		10,595,007.73	30,978,094.90	41,573,102.63
This period's accrual		1,761,022.90		1,761,022.90

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)	
ending balance		12,356,030.63	30,978,094.90	43,334,125.53

④ Status of bad debt provisions

class	Year-end balance	Amount of Change for This Period			ending balance
		Accrishment	Recover or Roll Back	Write-off or cancellation	
Age of Debt Provision	10,595,007.73	1,761,022.90			12,356,030.63
Individual Provisioning	30,978,094.90				30,978,094.90
amount to	41,573,102.63	1,761,022.90			43,334,125.53

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	64.05	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: 504,197.5; over 5 years: 1,259,115.83	3.95	1,784,619.72
Nanjing Putian Communication Industrial Co.,	Accounts Receivable and	805,545.63	More than 5 years	1.78	805,545.63

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.	Payables				
Nanjing Putian Tianji Building Intelligence Co., Ltd.	Accounts Receivable and Payables	476,928.72	Within 1 year	1.06	
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	0.89	400,000.00
amount to	——	32,379,216.78	——	71.73	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
Investment in joint ventures and cooperative enterprises				10,412,683.37		10,412,683.37
amount to	43,226,458.52	1,294,510.00	41,931,948.52	53,639,141.89	1,294,510.00	52,344,631.89

(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

(3) Investment in joint ventures and cooperative enterprises

Invested entity	Year-end balance	Changes in this period				
		additional investment	disinvestment	Investment gains and losses recognized under the equity method	Other Comprehensive Income Adjustments	Other changes in equity
I. Joint Venture						

Invested entity	Year-end balance	Changes in this period				
		additi onal invest ment	disinvestment	Investment gains and losses recognized under the equity method	Other Compreh ensive Income Adjustm ents	Other changes in equity
Enterprise						
Nanjing Puzhu Guang Network Co., Ltd.	10,412,683.37		10,412,571.93	-111.44		
amount to	10,412,683.37		10,412,571.93	-111.44		

(continuous)

Invested entity	Changes in this period			ending balance	End-of-period balance of impairment provision
	Announcement of cash dividend or profit distribution	Make an impairment provision	other		
I. Joint Venture Enterprise					
Nanjing Puzhu Guang Network Co., Ltd.					
amount to					

4. Operating Revenue, Operating Cost

project	Amount for this period		Previous period amount	
	income	prime cost	income	prime cost
main business	27,485,458.90	22,537,378.95	52,233,048.58	48,797,119.68
Other Businesses	4,298,993.26	533,440.19	3,222,939.20	34,374.12
amount to	31,784,452.16	23,070,819.14	55,455,987.78	48,831,493.80

(2) Income and Cost Breakdown Information

Income Category	Amount for this period	Previous period amount
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	income	prime cost	income	prime cost
Classified by business type				
communications industry	29,242,844.06	22,569,900.97	53,039,727.38	48,831,493.80
Classification by sales channel				
Direct Sale	29,242,844.06	22,569,900.97	53,039,727.38	48,831,493.80

(3) Description of Performance Obligations

project	Fulfill performance obligations	Important payment terms	The nature of the goods for which the company undertakes to transfer ownership	Are you the primary responsible party?	The amount expected to be refunded to the customer by the company	The type of quality assurance provided by the company and the corresponding obligations
Sell video conferencing products	Customer acceptance project or signed goods	Make installment payments according to the time nodes specified in the contract.	Video conferencing product	yes	not have	Warranty period: Warranty
Sales of basic communication and networking products	Customer acceptance project or signed goods	Make installment payments according to the time nodes specified in the contract.	Basic Communication Products	yes	not have	Warranty period: Warranty

(5) Explanation of allocation to the remaining performance obligations

At the end of this reporting period, the revenue corresponding to performance obligations under signed contracts that remain unperformed or incomplete amounted to RMB 8.8698 million, of which the full amount is expected to be recognized as revenue in fiscal year 2026.

5. Investment Return

project	Amount for this period	Previous period amount
Gains from long-term equity investments accounted for using the equity method	-111.44	-5.77
Investment income generated from long-term equity investments	7,389,153.73	50,443,030.29
The income from long-term equity investment accounted for using the cost method	9,285,400.00	9,153,400.00
Investment income generated from debt restructuring	643,686.83	879,241.25
amount to	17,318,129.12	60,475,665.77

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;	5,359,026.59	
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.	1,951,399.86	
Reversal of impairment provisions for receivables subjected to separate impairment testing;	89,028.78	
Profit or loss from debt restructuring;	649,103.12	
Other non-operating income and expenses other than those mentioned above.	2,477,843.44	
Other profit and loss items that meet the definition of non-recurring gains and losses	7,389,153.73	
Total non-recurring gains and losses before income tax	17,915,555.52	
reduction: Amount affected by income tax	324,120.69	
Total non-recurring gains and losses after income tax deduction	17,591,434.83	
Impact of minority shareholders' profit/loss (losss are indicated with "-")	895,779.38	
Net profit excluding non-recurring gains and losses attributable to the owners of the parent company	16,695,655.45	

2. Return on Net Assets and Earnings Per Share

Profit for the reporting period	Weighted Average Net Assets rate of return (%)	earnings per share	
		Basic Earnings Per Share	diluted earnings per share
Net profit attributable to the company's ordinary stockholders	-83.73	-0.04	-0.04
Net profit attributable to common shareholders after deducting non-recurring gains and losses	-231.50	-0.12	-0.12

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profit and net assets disclosed in financial reports under both international accounting standards and Chinese accounting standards

Applicable Not Applicable

(2) Differences in net profit and net assets disclosed in financial reports under both overseas accounting standards and Chinese accounting standards

Applicable Not Applicable

(3) Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards. For data that has already been audited by overseas auditing institutions and adjusted for differences, the name of the overseas institution should be indicated

Applicable Not Applicable

Board of Directors of Nanjing Putian Telecommunications Co., Ltd.

April 22, 2026